



# TOTAL S.A.

Head office: 2, place de la Coupole  
La Défense 6-92400 Courbevoie  
Nanterre Trade and Companies Register 542 051 180

Paris, 16 January 2008

## PRESS RELEASE

TOTAL S.A. is launching a capital increase program reserved for employees and former employees of the TOTAL group (the "Group"), the principal terms of which are described below. Through this program, the Group intends to closely associate its employees with the Group's business and growth. As of 31 December 2007, employees hold 3.55% of the shares of TOTAL S.A..

### ISSUER

**TOTAL S.A.** (the "Company")

**Head office:** 2, place de la Coupole - La Défense 6 - 92400 Courbevoie  
**Share capital:** 5,988,830,242.50 euros, i.e. 2,395,532,097 shares as of 30 December 2007.  
**Nanterre TCR Number:** 542 051 180

### Classification

**Industry:** Oil and Gas  
**Sector:** Oil and Gas Producers  
**Subsector:** Integrated Oil and Gas

### AUTHORIZATION OF THE PROGRAM

The fifteenth resolution of the Combined General Meeting held on 11 May 2007 granted the Board of Directors the authority to undertake, in one or several steps and within a maximum of 26 months, a capital increase reserved for the employees participating in a Savings Plan of TOTAL S.A. or of certain of its subsidiaries, pursuant to article L. 233-16 of the French Commercial Code and within the framework of the provisions of articles L. 443-1 and L. 443-5 of the French Labour Code and articles L.225-129-2, L.225-129-6, L. 225-138 and L.225-138-1 of the French Commercial Code.

Pursuant to this authorisation, the maximum number of shares to be issued cannot exceed 1.5% of the share capital on the day of the Board meeting that authorizes the issue. The amount of the share capital issued will be counted against the overall ceiling for capital increases with preferential subscription rights authorised by the thirteenth resolution of the same General Meeting (i.e. a nominal amount of €4 billion or 1,600 million shares).

In order to continue to encourage shareholding by Group employees, pursuant to the above-mentioned authorisation dated 11 May 2007, the Board of Directors, at its meeting on 6 November 2007, decided to carry out a new capital increase program reserved for employees and former employees of the Group.

### SECURITIES OFFERED

- ✓ **Issue type:** Share issuance, without the preferential subscription rights, for employees and former employees participating in the Group's Shareholding Savings Plan ("PEG-A").
- ✓ **Number of shares offered:** 12 million shares with a nominal value of €2.50 each, representing a total nominal amount of €30 million, the equivalent of 0.50% of the share capital of TOTAL S.A. at the time of the Board meeting on 6 November 2007.

- ✓ **Share subscription price:** The subscription price of €44.40 is equal to the average of the opening trading prices of the TOTAL share on Euronext Paris during the 20 trading days preceding the decision of the Board of Directors on 6 November 2007 to implement the program, with the average price calculated then reduced by 20.00%, i.e. €44.314, and then rounded up to the highest tenth of a euro.

This subscription price has been determined in compliance with the provisions of article L. 225-138 of the French Commercial Code and of article L.443-5 of the French Labour Code. It is definitive and will remain valid irrespective of upward or downward variations in the price of the TOTAL share prior to the date subscriptions are closed.

- ✓ **Date of dividend rights attached to the new shares:** 1 January 2007

- ✓ **Description of the new shares:**

The rights of the new shares, including any restrictions that apply to them, and the manner of exercising these rights are described under "General Information concerning the Company" on pages 153 and following of the 2006 Registration Document filed with the French Financial Markets Authority (the "AMF") on 5 April 2007 under the registration number D.07-0279. The registration Document is available free of charge at the Head office of the Company or on the Web site [www.total.com](http://www.total.com).

- ✓ **Subscription period:** from 10 March 2008 to 28 March 2008.

- ✓ **Capital increase date:** The shares will be issued before the General Meeting held to approve the payment of the final dividend paid for fiscal 2007.

- ✓ **Listing of the new shares:**

The new shares will be listed on Euronext Paris in May 2008 at the latest, on the same line as the existing shares (ISIN code FR0000120271), and some ADR (American Depositary Receipts) corresponding to the new shares may also be listed on the New York Stock Exchange, with one TOTAL ADR representing one TOTAL share.

- ✓ **Market price of the TOTAL share (Euronext Paris):**

€56.83 at the closing on 31 December 2007.

Lowest price of 2007 (during regular trading session): €48.33 on 15 March 2007.

Highest price of 2007 (during regular trading session): €63.40 on 13 July 2007

- ✓ **Establishment administering the share service for TOTAL S.A.:**

BNP Paribas Securities Services

GCT Emetteurs

Immeuble Tolbiac

75 450 Paris Cedex 09, France

## TERMS OF SUBSCRIPTION

### ✓ **Companies concerned:**

This capital increase is open to employees of TOTAL S.A. and to the employees of its French and foreign subsidiaries of which at least 50% of the share capital or voting rights are directly or indirectly held by TOTAL S.A. and for which the local administrative authorisations shall have been obtained, participating in the TOTAL PEG-A savings plan.

### ✓ **Beneficiaries of the reserved issue:**

- Employees with an employment contract on the subscription closing date with one of the eligible companies, and who have at least 3 months of seniority on that date (with the possibility of specific local exceptions), whether calculated on a continuous or interrupted basis over the current calendar year and the 12 months that precede the subscription closing date, pursuant to article L.444-4 of the French Labour Code;
- Early retirees and retirees who directly retired or pre-retired and who, at the time of their departure, were employees of a company currently included in the above perimeter and who still have assets invested in a Company Savings Plan (PEE) or a Group Savings Plan (PEG), subject to applicable local regulations and, if applicable, the approval of the local company.

Approximately 110,000 beneficiaries are eligible to take part in this capital increase program.

### ✓ **Subscription details and manner of shareholding**

On the subscription closing date, 28 March 2008, employees must have completed, signed and returned to their companies the individual subscription forms made available to them.

In France and abroad (except for the United States and Italy), employees will have to subscribe through a Company Mutual Fund (CMF) indicated below:

- "TOTAL ACTIONNARIAT FRANCE RELAIS 2008" (AMF approval n° FCE20070240) for the shares subscribed by the employees of French companies. This "Relais" CMF has been created specifically for this capital increase program, pursuant to AMF instruction no. 2005-05 dated 25 January 2005, and will subsequently be absorbed by the "TOTAL ACTIONNARIAT FRANCE" CMF (AMF approval n° 990000061089), after contribution of the subscribed shares to the "Relais" CMF and the decisions of their respective Supervisory Boards.
- "TOTAL ACTIONNARIAT INTERNATIONAL RELAIS 2008" (AMF approval n° FCE20070241) for the employees of companies in other countries around the world except for the United States and Italy. This "Relais" CMF has also been created specifically for this capital increase program, and will subsequently be absorbed by the "TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION" CMF (AMF approval n° 990000080669), after contribution of the subscribed shares to the "Relais" CMF and the decisions of their respective Supervisory Boards.

Employees whose employer is (or was) an American or Italian subsidiary of the Group will directly subscribe for shares (for employees or former employees of Italian companies in the Group) or for Total ADRs (for employees or former employees of American companies in the Group). This manner of subscription applies to approximately 10,000 beneficiaries of the program.

### ✓ **Maximum subscription**

Pursuant to article L.443-2 of the French Labour Code, the amount of the payments (including profit-sharing) made each year by an employee as part of a Savings Plan cannot be more than one quarter of the employee's gross annual salary, including expatriation bonuses, or retirement benefits received for 2008. The method of calculating this limit is described in the internal brochure prepared for this capital increase program.

Individual subscriptions must comply with this limit taking into account all other payments made by the employees as part of the Savings Plans of their companies and/or of the Group.

### ✓ **Manner of payment for shares**

Depending on the contractual terms between employees and their company and the applicable legislation in each country, payment of the entire subscription price of the shares will be made:

- in cash by personal contribution; or
- by means of an advance, repayable by monthly payroll deduction, that may be granted by the employer to subscribing employees, with the exception of the members of the Management Committee or Treasurer ("Executive Officers", i.e. 28 people as of today). In France, this deduction must not exceed 10% of the average monthly net salary; or
- through by a combination of both of these options.

The advance is repayable starting in May 2008 in 24 equal monthly instalments deducted from an employee's salary. In France, interest will not be charged on the advance, and this will be considered as a benefit in kind (see below – "Taxation").

### ✓ **Holding period for the units or shares**

In compliance with the fifteenth resolution of the Combined General Meeting held on 11 May 2007 and pursuant to article L.443-6 of the French Labour Code, employees subscribing for the issue are required to retain units of the "TOTAL ACTIONNARIAT FRANCE" CMF or "TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION" CMF or directly held shares for a legal holding period of five years, i.e. until 28 March 2013 inclusive, with the exception of certain early release cases provided for by articles L. 442-7, R. 442-17 et L.443-6 of the French Labour Code for employees who are French tax residents. Employees who are not French tax residents are subject to the legal provisions applicable in the countries in which they reside.

### ✓ **Order reduction rule**

The Company will increase its share capital to take into account the number of shares subscribed by the "TOTAL ACTIONNARIAT FRANCE RELAIS 2008" CMF, the "TOTAL ACTIONNARIAT INTERNATIONAL RELAIS 2008" CMF and employees directly subscribing in the United States and Italy. However, should the amount of the commitments to subscribe for shares exceed the maximum amount of the capital increase authorised by the Board of Directors meeting on 6 November 2007, i.e. 532.8 million euros, such commitments will be reduced in the following manner:

- all subscription commitments will be fully completed up to an amount in euros equal to the ratio between the amount of the allocated envelope by the Board of Directors and the number of subscribers (the "Subscription Average"), with the Subscription Average being rounded down to the nearest euro; and
- for subscription commitments above the Subscription Average, the part of the commitment exceeding the Subscription will be reduced pro rata taking into account the balance of the amount remaining under the allocated envelope, and rounded down to the nearest euro.

## **TAXATION IN FORCE ON THE DATE OF ISSUANCE OF THE PRESENT DOCUMENT**

### ✓ **For employees who are French tax residents**

For employees who are French tax residents, the subscription discount as well as the income and earnings from the shares, which are obligatorily re-invested in the Savings Plan, are exempt from income tax.

The redemptions of available "TOTAL ACTIONNARIAT FRANCE" CMF and "TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION" CMF units (after the 5-year holding period) and early reimbursements (before the expiration of this same period) are exempt from capital gains taxation on the sale of securities. However, these capital gains will be subject to the CSG (generalized social security contribution), social security charges, the contribution for the elderly and disabled and the CRDS (contribution to the repayment of the social security debt). The respective rates of these charges are 8.2%, 2%, 0.3%, and 0.5%, i.e. a total of 11%.

Interest will not be charged on 25-months advances, and this interest-free advance is considered to be a benefit in kind, calculated on the basis of the legal interest rate applicable on the subscription date (article L.313-2 of the French Monetary and Financial Code) and is subject to social security contributions, social security deductions and income tax.

✓ **For employees who are not French tax residents**

Employees who are not French tax residents will be subject to the legal provisions applicable in the countries in which they reside.

**OTHER INFORMATION**

The program will be implemented in France as well as in certain foreign countries, including the United States where the offer will be registered with the Securities and Exchange Commission (SEC) under cover of a *Form S-8*.

Outside of France, this press release is produced for information purposes only and does not constitute an offer for the purchase of securities.

The regulations of the Relais mutual funds were approved by the French Financial Markets Authority (see above – “Subscription provisions and share conservation methods”) on 4 December 2007.

**THE TOTAL GROUP**

TOTAL S.A., a French société anonyme (limited company) incorporated in France on 28 March 1924, together with its subsidiaries and affiliates, is the fourth largest publicly-traded integrated oil and gas company in the world (based on market capitalisation at year-end 2006). With operations in more than 130 countries, TOTAL engages in all aspects of the petroleum industry, including Upstream operations (oil and gas exploration, development and production, LNG) and Downstream operations (refining, marketing and the trading and shipping of crude oil and petroleum products). TOTAL also produces base chemicals (petrochemicals and fertilizers) and specialty chemicals for the industrial and consumer markets. In addition, TOTAL has interests in the coal mining and power generation sectors, as well as a financial interest in Sanofi-Aventis.

**EMPLOYEE CONTACT**

For questions relating to the capital increase program, beneficiaries may contact their Human Resources Department.

**INVESTOR CONTACT**

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