Oil & Gas market outlook

Helle Kristoffersen
Senior Vice President Strategy
Evolving oil supply mix

Oil supply-demand

- Natural decline of fields: ~4-5% y on average
- Oil demand: +0.6% / year
- ~55 Mb/d

New supply by technology

- Tight oil
- Extra heavy oil
- Deep offshore
- Conventional (including EOR)

Spare capacity:
- 4% in 2010
- 5-6% in 2020
- 4% in 2025 and 2030

Significant investments required to satisfy demand

2013 Investors’ day – www.total.com
Oil price consistent with industry costs and geopolitical risks

- Cost inflation and increasing project complexity
- Influence of OPEC to manage market balance
- Geopolitical risks increase market tension

Fundamental support for 100 $/b Brent scenario

*R Source IHS CERA
Strong growth in global gas demand

Between now and 2030

- More than half of additional demand coming from Asia and Middle East
- Need to add **equivalent of existing supply** to meet strong demand and offset decline
- One-third of new supply from North America

**Evolution of gas supply-demand Bcm**

- CAGR +2%
- Decline
- New supply
- 2012 Shale gas % 7%
- 2030 Shale gas % 17%

Growing demand creates opportunities for new projects
Gas markets vary by region

Supply-demand in Europe
Bcm/y
1,200
800
400
2012 2020 2030
CAGR 1.3%
LNG imports
Pipeline imports
Regional production

Supply-demand in Asia
Bcm/y
1,200
800
400
2012 2020 2030
CAGR 4%

• Increasing share of spot component in prices
• Prices driven by marginal cost of LNG imports and influence of Russia
• All supply sources necessary to satisfy strong demand
• Attractive price structure required to develop new supply

Pricing reflects regional fundamentals
LNG, fastest growing gas segment

LNG demand increasing at 5% per year

- **LNG share** in gas markets increasing from **11% to 16%** 2012-30
- Sanctioned projects offsetting decline
- **North America** to become new LNG export region
- Potential projects with higher breakevens at risk

**Estimated breakeven of potential projects**
- > 14 $/Mbtu
- 12-14 $/Mbtu
- < 12 $/Mbtu

**Attractive long-term price structure required for potential projects**

- Estimated demand
- Sanctioned projects
- Potential projects
- Existing supply

2013 Investors’ day – www.total.com
Safety & CSR

Christophe de Margerie
Chairman and Chief Executive Officer
Safety and CSR as cornerstones of our activities

**CSR integrated** into strategy to increase acceptability, create opportunities and manage risk

**Safety central** to decision-making process
- Emphasis on risk management and operational excellence
- Robust policies and procedures to assess, prevent and mitigate risk
- Strong incentive to raise safety awareness

**Injury rates**
*(employees and contractors)*

<table>
<thead>
<tr>
<th>Year</th>
<th>TRIR</th>
<th>LTIR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1.8</td>
<td>1.0</td>
</tr>
<tr>
<td>2012</td>
<td>1.0</td>
<td></td>
</tr>
</tbody>
</table>

TRIR: Total Recordable Injury Rate; LTIR: Lost Time Injury Rate
Upstream

Christophe de Margerie
Chairman and Chief Executive Officer
Entering a new phase of Upstream growth

Focusing on execution

Delivering new production and cash flow

Reducing organic Capex

Emphasizing exploration
On track to deliver top-tier projects

Status of major projects
*Post-2013 start-ups, % EPC progress*

<table>
<thead>
<tr>
<th>Project</th>
<th>Start-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ekofisk South</td>
<td>1H 2014</td>
</tr>
<tr>
<td>CLOV</td>
<td>1H 2014</td>
</tr>
<tr>
<td>Laggan-Tormore</td>
<td>1H 2014</td>
</tr>
<tr>
<td>GLNG</td>
<td>2015</td>
</tr>
<tr>
<td>Ofon 2</td>
<td>2H 2014</td>
</tr>
<tr>
<td>Surmont 2</td>
<td>2015</td>
</tr>
<tr>
<td>Eldfisk 2</td>
<td>2015</td>
</tr>
<tr>
<td>Ichthys</td>
<td>2016</td>
</tr>
<tr>
<td>Tempa Rossa</td>
<td>2016</td>
</tr>
<tr>
<td>Martin Linge</td>
<td>2016</td>
</tr>
<tr>
<td>Moho Nord</td>
<td>2016</td>
</tr>
<tr>
<td>Incahuasi</td>
<td>2016</td>
</tr>
<tr>
<td>Egina</td>
<td>2017</td>
</tr>
</tbody>
</table>

Nearly **doubling** number of **start-ups** in next 3 years compared to previous 3 years

**Execution on track**, within 7% of target schedule on average

Sanctioned 2013-17 start-ups contributing **>750 kboe/d** of production in 2017

- 45% from **OECD** countries
- 75% **liquids** or **oil-indexed** gas
- 40% **long-plateau** projects
- ~50 $/boe **cash flow** on average
High-quality Upstream projects

Expected return of 2013-17 start-ups in development*

- Intensive investment program with competitive profitability
- New projects accretive to cash flow
- More than 40% of 2017 Upstream cash flow from operations generated by new projects
- Long-plateau projects strengthening base

* Based on Wood Mackenzie CBT data Q2 2013 (including only oil sands for onshore North America)
Peers: BP, Chevron, Exxon and Shell; Brent LT 85 $/b; NPV 8% forward

Investing with discipline in competitive growth projects
Production growth targets

95% of 2017 target in production or under development

Reducing base decline of 3-4% through long-plateau projects and ramp-ups

Upside/Downside
- Adco renewal
- Novatek equity
- Projects under study

On track to achieve production potential of ~3 Mboe/d
Effectively managing Upstream costs

Technical costs for Total and peers*
$/boe

Strict cost management
More resilient over a range of hydrocarbon prices
DD&A/boe increasing with major project start-ups and stabilizing from 2015

Lowest technical costs among the Majors

* Public data. Opex + exploration expenses + DD&A for entitlement production from consolidated subsidiaries based on ASC932 Peers: BP, Chevron, Exxon, Shell
An industry leader in deep offshore

60% of industry oil discoveries* in past 5 years from deep offshore

High tech and high return projects

Total to operate 8 FPSOs with ~1.5 Mb/d capacity in 2017, a leading position among Majors

10% of Total’s production, >25% of Upstream results

Technological expertise driving high returns

* Source IHS

2013 Investors’ day – www.total.com
A top-tier position in LNG

Upstream & downstream LNG positions*

Highest growth gas segment, led by Asian demand

20% of Total’s production, >25% of Upstream results

Leveraging strong upstream and downstream positions

Continuing to grow
- Upstream: Ichthys, Gladstone, Yamal...
- Downstream: Sabine Pass

Strong position throughout the LNG value chain

* Estimates based on public data
** LNG purchases by the Group, including those from subsidiaries and participations that are part of the Upstream LNG portfolio
2 major long-plateau projects for the future

Yamal, a competitive LNG project
- Giant proved and probable reserves
  - 32 Tcf gas, 196 Mb condensate
- 16.5 Mt/y LNG
- LNG marketing to Europe and Asia progressing
- FID expected by year-end
- Start-up envisaged 2017
- Total 20%, Novatek 60%, CNPC 20%*

Fort Hills, a robust oil sands project
- Giant proved and probable reserves
  - > 2.5 Bb bitumen
- 180 kb/d open-pit mining production
- Capacities secured in various pipeline projects
- FID expected by year-end
- Start-up envisaged 2017
- Total 39.2%, Suncor 40.8%, Teck 20%

Building blocks for a stronger production profile

* Subject to closing

2013 Investors’ day – www.total.com
Progressing with bold exploration program

- 2013 discoveries
- 2013 main new acreage
- 2013-14 big cat and elephant wells to drill

Leading acreage holder in new frontiers*

* Based on Wood Mackenzie’s Exploration Service Insight, June 2013

Drilling more than 15 high-impact wells by end-2014

Bolivia, Uruguay and South Africa new acreage subject to closing

2013 investors’ day – www.total.com
Reducing organic Capex and increasing free cash flow

- Starting-up new projects **on-time** and **in-budget**
- Demonstrating **selectivity** and **capital discipline**

- Cash flow from operations increasing by **~30%** from 2012 to 2017
- More than **40%** of 2017 Upstream cash flow from operations generated by new projects

* Base Capex including ramp-ups, maintenance, turnarounds and exploration
** 2013-17 in a Brent 100 $/b scenario, free cash flow = cash flow from operations - net investments
Refining & Chemicals

Christophe de Margerie
Chairman and Chief Executive Officer
R&C capturing initial benefits from restructuring

Net operating income

Priority to **safety** and **environment**

**Adapt capacities** to demand evolution in Europe and focus on integrated platforms

Expand profitably in **Middle East** and **Asia**

Consolidate and seize opportunities in the **United States**

Differentiate through **process** and product **innovation**

**Implementing dynamic strategy**

<table>
<thead>
<tr>
<th>ERTM</th>
<th>30 $/t</th>
<th>26 $/t</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H 12</td>
<td>0.6 B$</td>
<td>1 B$</td>
</tr>
</tbody>
</table>
Six major platforms shaping the future of R&C

- **Port Arthur**
  - Upgraded to allow ethane and LPG cracking in 2013
  - Connecting to domestic supply infrastructure
  - Studying side-cracker project

- **Normandy**
  - Reduced distillation capacity
  - Modernizing key platform units
  - Increasing feedstock flexibility

- **Jubail**
  - Satorp platform starting up
  - All units operational by year-end

- **Antwerp**
  - Reducing exposure to conversion feedstock imports
  - Valorizing off-gas as feedstock for steam crackers
  - Reducing petrochemicals capacities

- **Qatar**
  - Doubling condensate refinery capacity by 2016
  - Debottlenecking of petrochemicals units

- **Daesan**
  - Doubling platform capacity by end-2014

**Integrated platforms to represent 70% of capital employed and 75% of refining & petrochemicals net income by 2017**
Reducing footprint in Europe

Total’s refining and petrochemicals European exposure
Base 100 end-2011

2006-13 Total’s European capacity reduction

Carling: subject to information and/or consultation procedures
Capturing synergies and efficiencies

Synergies
Net operating income

- First synergies in Normandy and Antwerp
- Renegotiated energy contracts
- First benefits of rightsizing central services

Efficiency plans
Net operating income

- 91% availability
- First benefits from cost saving plans

On track to achieve 200 M$ in 2013 and 650 M$ by 2015
On track to achieve profitability target

Profitability roadmap
*ROACE in 2010 environment (ERMI 27 $/t)*

- **Efficiencies / synergies**: +2.5%
- **Portfolio changes**: +2.5%
- **Specialty chemicals**: +0.5%
- **Major projects on main platforms**: +1.5%
- **Port Arthur**
- **Normandy**
- **Qatar**
- **Satorp**
- **Daesan**
- **Antwerp**
- **Cepsa Dunkirk Resins Fertilizers Carling**
- **200 M$ in 2013 out of 650 M$ 2015 target**

Collective focus on transformational change

Carling: subject to information and/or consultation procedures
Growing contribution to Group results

R&C organic Capex
B$

2012 2013 2015 2017

-30%

R&C free cash flow*
B$, with ERMI = 35 $/t in 2017

2012 2015 2017

Strong capital discipline enhancing sustainable contribution

* Free cash flow = cash flow from operations - net investments

2013 Investors’ day – www.total.com
Philippe Boisseau
President Marketing & Services
Marketing & Services key businesses

Worldwide oil products demand growth

Worldwide lubricants demand growth

Average retail network market share

- 13%, leader in high return Africa and Middle East
- 13% in 5 key European markets

Fast-growing worldwide lubricants sales

Services and multi-energy solutions provider

Differentiated asset base and regional expertise
Investing to strengthen and rebalance M&S

M&S organic Capex

Capital employed

Marketing & Services restructured to unlock value

Excluding New Energies

2013 Investors’ day – www.total.com
Growing while delivering high profitability

Adapting in Europe and growing in Africa and Middle East

Developing high-return lubricants business worldwide

Focusing on cost management

Developing less capital intensive business models

Leveraging brands and innovation

Delivering ROACE > 17%

Excluding New Energies

2013 Investors’ day – www.total.com
Maximizing results in Europe

Net operating income

<table>
<thead>
<tr>
<th>Year</th>
<th>Low price</th>
<th>Mid-market</th>
<th>High value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td>0.5</td>
</tr>
<tr>
<td>2017</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Operating expenses

€/t, base 100 in 2012

-6%

Optimizing European businesses and focusing on cost reduction
Expanding in high-potential growth markets in Africa and Middle East

Retail stations in Africa and Middle East

Organic growth

External growth

5,400

2012

2017

4,400

Lubricant sales Kt

2012

2017

400

Capitalizing on leadership positions
Well-positioned to create value in solar

Photovoltaic global demand

SunPower firmly established among world leaders

Differentiated technology

Aggressive cost reduction plan

Strong project pipeline

Opportunities to expand SunPower beyond the Americas
A 5-year plan to increase free cash flow

M&S free cash flow*

<table>
<thead>
<tr>
<th>Year</th>
<th>Including New Energies</th>
<th>Excluding New Energies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

* Free cash flow = cash flow from operations - net investments

Marketing activities benefiting from a more intensive investment phase

Strengthening leadership in solar

Delivering over 1 B$ free cash flow by 2017

Expanding and rejuvenating Marketing & Services
Strong balance sheet and return to shareholders

**Strong balance sheet**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gearing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>22%</td>
</tr>
<tr>
<td>2011</td>
<td>23%</td>
</tr>
<tr>
<td>2012</td>
<td>21%</td>
</tr>
<tr>
<td>June 2013*</td>
<td>24%</td>
</tr>
</tbody>
</table>

- **Adjusted net income and dividend**

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted net income</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>2011</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>2012</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>1H 13 annualized</td>
<td>16</td>
<td>4</td>
</tr>
</tbody>
</table>

- **Net debt**

- **Equity**

- **20-30%** target range for gearing

- Dividend policy **50%** average payout ratio

Committed to sustaining a competitive shareholder return
On track to achieve asset sale target

Asset sales

<table>
<thead>
<tr>
<th>2010-11</th>
<th>2012 to date</th>
<th>Target 2012-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 B$</td>
<td></td>
<td>15-20 B$</td>
</tr>
</tbody>
</table>

- Under study
- In progress
- Completed

2010-to-date asset sales

- Adapting Downstream
- Simplifying portfolio (country exit, low % interest...)
- Monetizing non-core assets
- Other

Reshaping portfolio and unlocking value
Organic Capex peaking in 2013

Investing with discipline in profitable projects

Capex under study flexible

Active project management and effective cost control

Ending an intensive investment cycle

* Base Capex including ramp-ups, maintenance, turnarounds and exploration
Accelerating free cash flow growth

Group free cash flow*

<table>
<thead>
<tr>
<th>Year</th>
<th>Group free cash flow* B$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>7.5</td>
</tr>
<tr>
<td>2015</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>15</td>
</tr>
</tbody>
</table>

2012 dividend

Accelerating **cash flow growth**

- Production growth
- Cash accretive Upstream start-ups
- Increasing contribution of Downstream

End of an intensive investment cycle

**Free cash flow to strengthen financial position and shareholder return**

* 2013-17 in a Brent 100 $/b scenario and ERMI 35 $/t, free cash flow = cash flow from operations - net investments

2013 Investors’ day – www.total.com
Conclusion

Christophe de Margerie
Chairman and Chief Executive Officer
Building long-term performance

Group increasingly leveraged to **Upstream**

Upstream benefitting from **exploration** and new generation of **long-plateau** projects

Refining & Chemicals more **efficient** and **adapted** to markets

Marketing & Services **expanded** and **rebalanced**

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Creating value in a responsible and sustainable manner
Increasing production
Revitalizing Downstream
Reducing Capex
Delivering free cash flow growth
Increasing return to shareholders

Focusing on execution and delivery

A clear path forward
### Portfolio of major projects

<table>
<thead>
<tr>
<th>Projects</th>
<th>Countries</th>
<th>Capacity (kboe/d)</th>
<th>Share</th>
<th>Op*</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sulige</td>
<td>China</td>
<td>Gas</td>
<td>50</td>
<td>49%</td>
<td>LT test</td>
</tr>
<tr>
<td>Angola LNG</td>
<td>Angola</td>
<td>LNG</td>
<td>175</td>
<td>13.6%</td>
<td>Prod</td>
</tr>
<tr>
<td>Kashagan Ph.1</td>
<td>Kazakhstan</td>
<td>Liquids</td>
<td>370</td>
<td>16.8%</td>
<td>Prod</td>
</tr>
<tr>
<td>OML 58 Upgrade</td>
<td>Nigeria</td>
<td>Gas/Cond.</td>
<td>70</td>
<td>40%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Ekofisk South</td>
<td>Norway</td>
<td>Liq/Gas</td>
<td>70</td>
<td>39.9%</td>
<td>Dev.</td>
</tr>
<tr>
<td>West Franklin Ph.2</td>
<td>UK</td>
<td>Gas/Cond.</td>
<td>40</td>
<td>46.2%</td>
<td>Dev.</td>
</tr>
<tr>
<td>CLOV</td>
<td>Angola</td>
<td>Deep off. liquids</td>
<td>160</td>
<td>40%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Laggan-Tormore</td>
<td>UK</td>
<td>Deep off. gas/cond</td>
<td>90</td>
<td>80%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Ofon 2</td>
<td>Nigeria</td>
<td>Liq/Gas</td>
<td>70</td>
<td>40%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Eldfisk 2</td>
<td>Norway</td>
<td>Liq/Gas</td>
<td>70</td>
<td>39.9%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Surmont Ph.2</td>
<td>Canada</td>
<td>Heavy oil</td>
<td>110</td>
<td>50%</td>
<td>Dev.</td>
</tr>
<tr>
<td>GLNG</td>
<td>Australia</td>
<td>LNG</td>
<td>150</td>
<td>27.5%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Termokarstovoye</td>
<td>Russia</td>
<td>Gas/Cond.</td>
<td>65</td>
<td>49%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Vega Pleyade</td>
<td>Argentina</td>
<td>Gas</td>
<td>70</td>
<td>37.5%</td>
<td>FEED</td>
</tr>
<tr>
<td>Moho North (incl. Ph.1bis)</td>
<td>Congo</td>
<td>Deep off. liquids</td>
<td>140</td>
<td>53.5%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Elgin/Franklin redev</td>
<td>UK</td>
<td>Gas</td>
<td>35</td>
<td>46.2%</td>
<td>FEED</td>
</tr>
<tr>
<td>Incahuasi</td>
<td>Bolivia</td>
<td>Gas</td>
<td>50</td>
<td>60%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Tempa Rossa</td>
<td>Italy</td>
<td>Heavy oil</td>
<td>55</td>
<td>50%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Martin Linge</td>
<td>Norway</td>
<td>Liq/Gas</td>
<td>80</td>
<td>51%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Ikike (OML 99)</td>
<td>Nigeria</td>
<td>Liq/Gas</td>
<td>55</td>
<td>40%</td>
<td>FEED</td>
</tr>
<tr>
<td>Halfaya Ph.3</td>
<td>Iraq</td>
<td>Liquids</td>
<td>335</td>
<td>18.76%</td>
<td>FEED</td>
</tr>
<tr>
<td>Ichthys</td>
<td>Australia</td>
<td>LNG</td>
<td>335</td>
<td>30%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Gina Krog (Dagny)</td>
<td>Norway</td>
<td>Liq/Gas</td>
<td>95</td>
<td>38%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Block 32 - Kaombo</td>
<td>Angola</td>
<td>Deep off. liquids</td>
<td>200</td>
<td>30%</td>
<td>FEED</td>
</tr>
<tr>
<td>Egina</td>
<td>Nigeria</td>
<td>Deep off. liquids</td>
<td>200</td>
<td>24%</td>
<td>Dev.</td>
</tr>
<tr>
<td>Yamal LNG</td>
<td>Russia</td>
<td>LNG</td>
<td>~450</td>
<td>20%**</td>
<td>FEED</td>
</tr>
<tr>
<td>Fort Hills</td>
<td>Canada</td>
<td>Heavy oil</td>
<td>180</td>
<td>39.2%</td>
<td>FEED</td>
</tr>
<tr>
<td>Blocks 1, 2 and 3A</td>
<td>Uganda</td>
<td>Liquids</td>
<td>200-250</td>
<td>33.3%</td>
<td>Study</td>
</tr>
<tr>
<td>Ahnet</td>
<td>Algeria</td>
<td>Gas</td>
<td>70</td>
<td>47%</td>
<td>Study</td>
</tr>
<tr>
<td>Limnorm</td>
<td>Norway</td>
<td>Gas</td>
<td>100</td>
<td>20%</td>
<td>FEED</td>
</tr>
<tr>
<td>Shah Deniz Ph.2</td>
<td>Azerbaijan</td>
<td>Gas</td>
<td>380</td>
<td>10%</td>
<td>FEED</td>
</tr>
<tr>
<td>Surmont Ph.3</td>
<td>Canada</td>
<td>Heavy oil</td>
<td>120</td>
<td>50%</td>
<td>FEED</td>
</tr>
<tr>
<td>Absheron Ph.1</td>
<td>Azerbaijan</td>
<td>Gas</td>
<td>130</td>
<td>40%</td>
<td>Study</td>
</tr>
<tr>
<td>Brass LNG</td>
<td>Nigeria</td>
<td>LNG</td>
<td>300</td>
<td>17%</td>
<td>FEED</td>
</tr>
<tr>
<td>Bonga South West</td>
<td>Nigeria</td>
<td>Liquids</td>
<td>165</td>
<td>12.5%</td>
<td>Study</td>
</tr>
<tr>
<td>Joslyn North Mine</td>
<td>Canada</td>
<td>Heavy oil</td>
<td>100</td>
<td>38.25%</td>
<td>FEED</td>
</tr>
<tr>
<td>IMA (OML 112)</td>
<td>Nigeria</td>
<td>Gas</td>
<td>60</td>
<td>40%</td>
<td>Study</td>
</tr>
</tbody>
</table>

* Total operated; in Uganda, Total operator of block 1 only
** Direct stake in the project only

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Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL. Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income and adjusted net income, are meant to facilitate the analysis of the financial performance and the comparison of income between periods. These adjustment items include:

(I) Special items
Due to their unusual nature or particular 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, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

(II) Inventory valuation effect
The adjusted results of the Refining & Chemicals and Marketing & Services segments are presented according to the replacement cost method. This method is used to assess the segments’ performance and facilitate the comparability of the segments’ performance with those of its competitors. In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

(III) Effect of changes in fair value
The effect of changes in fair value presented as an adjustment item reflects, for trading inventories and storage contracts, differences between internal measures of performance used by TOTAL’s management and the accounting for these transactions under IFRS. IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices. Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group’s internal economic performance. IFRS precludes recognition of this fair value effect.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, excluding the effect of changes in fair value.

Dollar amounts presented herein represent euro amounts converted at the average euro-dollar exchange rate for the applicable period and are not the result of financial statements prepared in dollars.

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