

# Registration Document 2009

Financial Report included



**TOTAL**

# Contents

Chapters 3 (Management Report), 9 (Appendix 1, Consolidated Financial Statements) and 11 (Appendix 3, TOTAL S.A.) were established by the Board of Directors on February 10, 2010, and have not been updated with subsequent events.

<b>1</b>	<b>KEY FIGURES</b> Operating and market data Selected financial information	<b>p. 1</b> <b>p. 1</b> <b>p. 2</b>
<b>2</b>	<b>BUSINESS OVERVIEW</b> History and strategy of TOTAL Upstream Downstream Chemicals Investments Organizational structure Property, plant and equipment Organization chart	<b>p. 7</b> <b>p. 8</b> <b>p. 9</b> <b>p. 38</b> <b>p. 46</b> <b>p. 51</b> <b>p. 52</b> <b>p. 53</b> <b>p. 54</b>
<b>3</b>	<b>MANAGEMENT REPORT</b> Summary of results and financial position Liquidity and capital resources Research and development Trends and outlook	<b>p. 57</b> <b>p. 58</b> <b>p. 64</b> <b>p. 66</b> <b>p. 68</b>
<b>4</b>	<b>RISK FACTORS</b> Market risks Industrial and environmental risks Other risks Insurance and risk management	<b>p. 69</b> <b>p. 70</b> <b>p. 79</b> <b>p. 81</b> <b>p. 86</b>
<b>5</b>	<b>CORPORATE GOVERNANCE</b> Report of the Chairman of the Board of Directors (Article L. 225-37 of the French Commercial Code) Statutory auditor's report (Article L. 225-235 of the French Commercial code) Management Statutory auditors Compensation of the board of directors and executive officers Employees, share ownership	<b>p. 87</b> <b>p. 88</b> <b>p. 106</b> <b>p. 108</b> <b>p. 109</b> <b>p. 110</b> <b>p. 128</b>
<b>6</b>	<b>TOTAL AND ITS SHAREHOLDERS</b> Listing details Dividends Share buybacks Shareholders Information for overseas shareholders Communication with shareholders	<b>p. 133</b> <b>p. 134</b> <b>p. 139</b> <b>p. 141</b> <b>p. 146</b> <b>p. 151</b> <b>p. 153</b>
<b>7</b>	<b>FINANCIAL INFORMATION</b> Historical financial information Audit of the historical financial information Additional information Dividend policy Legal and arbitration proceedings Significant changes	<b>p. 157</b> <b>p. 158</b> <b>p. 158</b> <b>p. 159</b> <b>p. 159</b> <b>p. 159</b> <b>p. 164</b>
<b>8</b>	<b>GENERAL INFORMATION</b> Share capital Articles of incorporation and by-laws; other information Other matters Documents on display Information on holdings	<b>p. 165</b> <b>p. 166</b> <b>p. 171</b> <b>p. 174</b> <b>p. 175</b> <b>p. 176</b>
<b>9</b>	<b>APPENDIX 1 – CONSOLIDATED FINANCIAL STATEMENTS</b> Statutory auditors' report on the consolidated financial statements Consolidated statement of income Consolidated balance sheet Consolidated statement of cash flow Consolidated statement of changes in shareholders' equity Consolidated statement of comprehensive income Notes to the consolidated financial statements	<b>p. 179</b> <b>p. 180</b> <b>p. 182</b> <b>p. 183</b> <b>p. 184</b> <b>p. 185</b> <b>p. 186</b> <b>p. 187</b>
<b>10</b>	<b>APPENDIX 2 – SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED)</b> Oil and gas information pursuant to FASB Accounting Standards Codification 932 Other information	<b>p. 263</b> <b>p. 264</b> <b>p. 280</b>
<b>11</b>	<b>APPENDIX 3 – TOTAL S.A.</b> Statutory auditors' report on regulated agreements and commitments Statutory auditors' report on the annual financial statements Financial statements of TOTAL S.A. as parent company Notes to financial statements Other financial information concerning the parent company Social and environmental information Consolidated financial information for the last five years	<b>p. 281</b> <b>p. 282</b> <b>p. 284</b> <b>p. 286</b> <b>p. 290</b> <b>p. 304</b> <b>p. 309</b> <b>p. 314</b>
	<b>GLOSSARY</b> <b>EUROPEAN CROSS-REFERENCE LIST</b>	<b>p. 315</b> <b>p. 318</b>

# REGISTRATION DOCUMENT 2009

"I certify, after having taken all reasonable measures to this effect, that, to the best of my knowledge, the information contained in this Registration Document (*Document de référence*) is accurate and does not omit any material fact.

I certify, to the best of my knowledge, that the statutory and consolidated financial statements of TOTAL S.A. have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position and results of the Company and of all the entities taken as a whole included in the consolidation, and that the Management Report (*Rapport de gestion*) of the Board of Directors included on pages 57 through 68 of this Registration Document presents a fair view of the development and performance of the business and financial position of the Company and of all the entities taken as a whole included in the consolidation, as well as a description of the main risks and uncertainties they are exposed to.

I have received a letter from the statutory auditors confirming that they have completed the work they undertook to audit the information related to the financial situation and the financial statements included in this Registration Document, as well as a review of this document in its entirety.

The statutory auditors have issued reports on the historical financial information contained in this Registration Document, included on pages 180 and 284 of this document."

**Christophe de Margerie**  
Chief Executive Officer



The French language version of this Registration Document (*Document de référence*) was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on April 1, 2010 pursuant to Article 212-13 of the general regulations of the French Financial Markets Authority. It may be used in connection with a financial operation if supplemented by a prospectus for the operation and a summary, each of which will have received the visa of the Financial Markets Authority.

In accordance with paragraphs VI and VIII of aforesaid Article 212-13, the French language version of this Registration Document incorporates the Annual Financial Report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code

## Abbreviations

b:	barrel
cf:	cubic feet
/d:	per day
/y:	per year
€:	euro
\$ and/or dollar:	U.S. dollar
t:	metric ton
boe:	barrel of oil equivalent
kboe/d:	thousand boe/d
kb/d:	thousand b/d
Btu:	British thermal unit
M:	million
B:	billion
MW:	megawatt
MWp:	megawatt peak
TWh:	terawatt hour
ERMI:	<i>European Refining Margin Indicator</i> . Refining margin indicator after variable costs for a theoretical complex refinery located around Rotterdam in Northern Europe that processes a mix of crude oil and other inputs commonly supplied to this region to produce and market the main refined products at prevailing prices in this region.
IFRS:	International Financial Reporting Standards
API:	American Petroleum Institute
LNG:	liquefied natural gas

LPG:	liquefied petroleum gas
ROE:	Return on Equity
ROACE:	Return on Average Capital Employed

## Conversion table

1 boe = 1 barrel of crude oil = approx. 5,490 cf of gas*
1 b/d = approx. 50 t/y
1 t = approx. 7.5 b (for a gravity of 37° API)
1 Bm <sup>3</sup> /y = approx. 0.1 Bcf/d
1 m <sup>3</sup> = approx. 35.3 cf
1 t of LNG = approx. 48 kcf of gas
1 Mt/y of LNG = approx. 131 Mcf/d

\* This ratio is based on the actual average equivalent energy content of TOTAL's natural gas reserves and is subject to change.

## Definitions

The terms "TOTAL" and "Group" as used in this Registration Document refer to TOTAL S.A. collectively with all of its direct and indirect consolidated subsidiaries located in, or outside of, France.

The terms "Company" and "issuer" as used in this Registration Document refer only to TOTAL S.A., the parent company of the Group.

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## ► Operating and market data

	2009	2008	2007
Brent price (\$/b)	<b>61.7</b>	97.3	72.4
Exchange rate (€-\$)	<b>1.39</b>	1.47	1.37
European refining margins ERMI <sup>(a)</sup> (\$/t)	<b>17.8</b>	51.1	49.6
Hydrocarbon production (kboe/d)	<b>2,281</b>	2,341	2,391
Liquids (kb/d)	<b>1,381</b>	1,456	1,509
Gas (Mcf/d)	<b>4,923</b>	4,837	4,839
Refinery throughput (kb/d) <sup>(b)</sup>	<b>2,151</b>	2,362	2,413
Refined product sales (kb/d) <sup>(c)</sup>	<b>3,616</b>	3,658	3,774 <sup>(d)</sup>

(a) ERMI (European Refining Margin Indicator) has replaced TRCV as the European refining margin indicator, as announced by TOTAL on January 15, 2010 in the publication of its 4<sup>th</sup> quarter indicators. In view of market changes over the past years (particularly in terms of refinery complexity, crude feedstock and product runs) the ERMI should be more representative of the margin on average variable costs for a theoretical European refinery.

(b) Including TOTAL's share in CEPESA.

(c) Including Trading activities and share of CEPESA.

(d) The amount is different from that in TOTAL's 2007 Registration Document due to a change in the calculation method for sales of the Port Arthur refinery.

## ► Selected financial information

Consolidated data in million euros, except for earnings per share, dividends, number of shares and percentages.

	2009	2008	2007
Sales	<b>131,327</b>	179,976	158,752
Adjusted operating income from business segments <sup>(a)</sup>	<b>14,154</b>	28,114	23,956
Adjusted net operating income from business segments <sup>(a)</sup>	<b>7,607</b>	13,961	12,231
Net income (Group share)	<b>8,447</b>	10,590	13,181
Adjusted net income (Group share) <sup>(a)</sup>	<b>7,784</b>	13,920	12,203
Fully-diluted weighted-average shares (millions) <sup>(a)</sup>	<b>2,237.3</b>	2,246.7	2,274.4
Adjusted fully-diluted earnings per share (euros) <sup>(a) (b)</sup>	<b>3.48</b>	6.20	5.37
Dividend per share (€) <sup>(c)</sup>	<b>2.28</b>	2.28	2.07
Net-debt-to-equity (as of December 31)	<b>27%</b>	23%	27%
Return on average capital employed (ROACE) <sup>(d)</sup>	<b>13%</b>	26%	24%
Return on equity	<b>16%</b>	32%	31%
Cash flow from operating activities	<b>12,360</b>	18,669	17,686
Investments	<b>13,349</b>	13,640	11,722
Divestments	<b>3,081</b>	2,585	1,556

(a) Adjusted income (adjusted operating income, adjusted net operating income and adjusted net income) is defined as income using replacement cost, adjusted for special items and excluding TOTAL's equity share of adjustments and, from 2009, selected items related to Sanofi-Aventis.

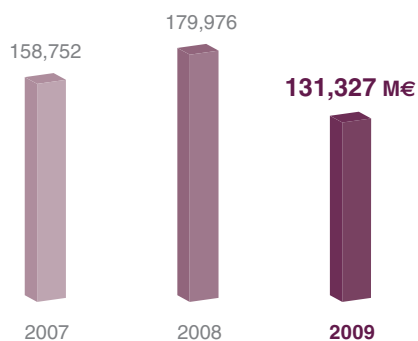
(b) Based on the fully-diluted weighted-average number of common shares outstanding during the period.

(c) 2009 dividend is subject to the approval by the Shareholders' Meeting on May 21, 2010.

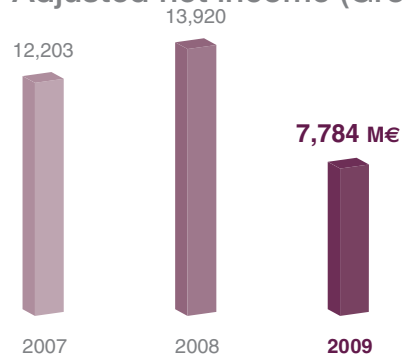
(d) Based on adjusted net operating income and average capital employed at replacement cost.



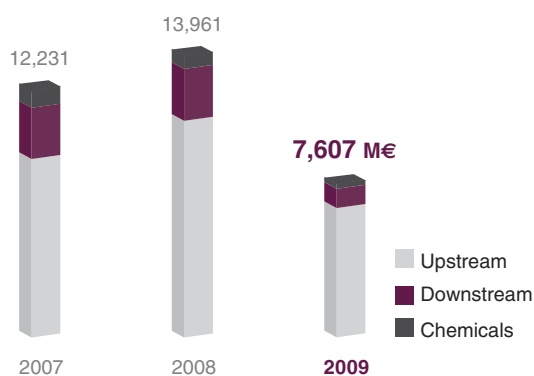
## Sales



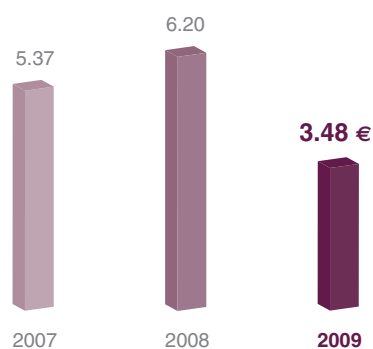
## Adjusted net income (Group share)



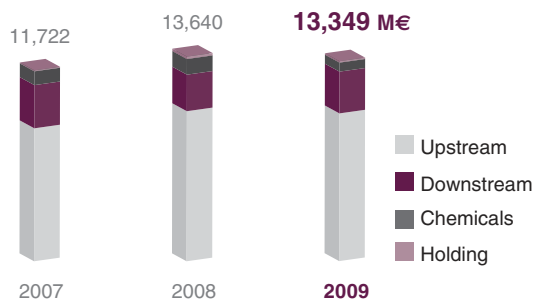
## Adjusted net operating income from business segments



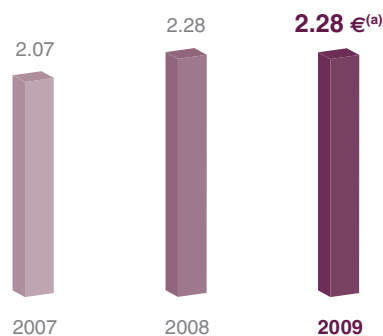
## Adjusted fully-diluted earnings per share



## Investments



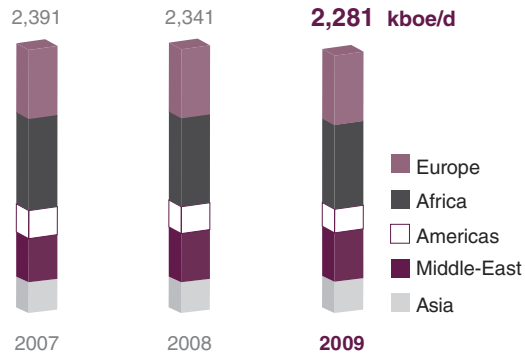
## Dividend per share



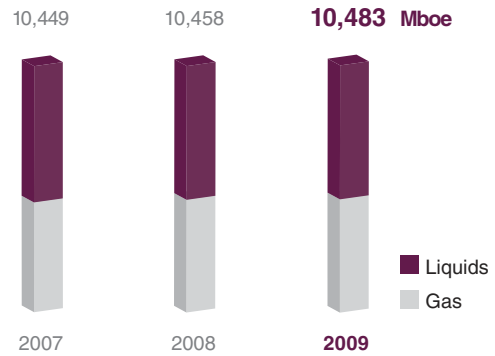
(a) Subject to approval by the Shareholders' Meeting on May 21, 2010.

### Upstream

#### Hydrocarbon production

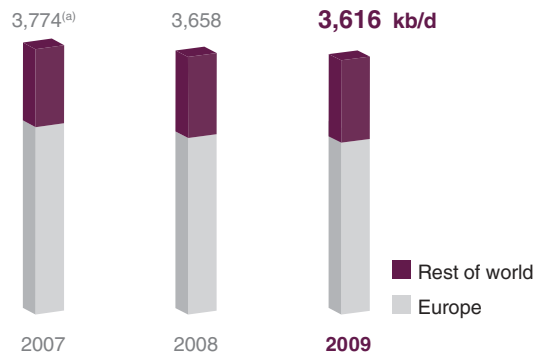


#### Liquids and gas reserves

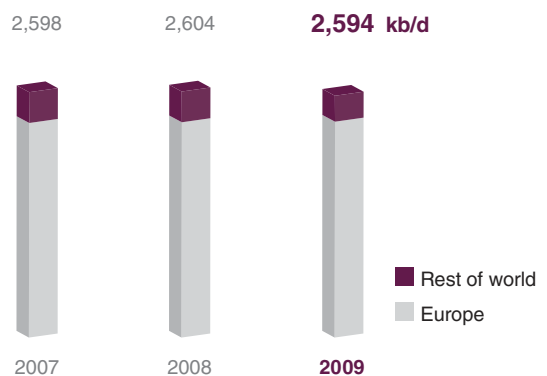


### Downstream

#### Refined product sales including Trading



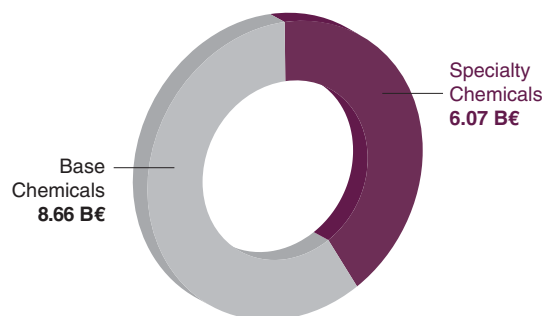
#### Refining capacity at year-end



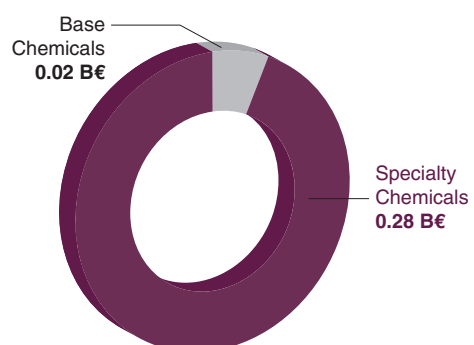
(a) The amount is different from that in TOTAL's 2007 Registration Document due to a change in the calculation method for sales of the Port Arthur refinery.

### Chemicals

#### 2009 non-Group sales

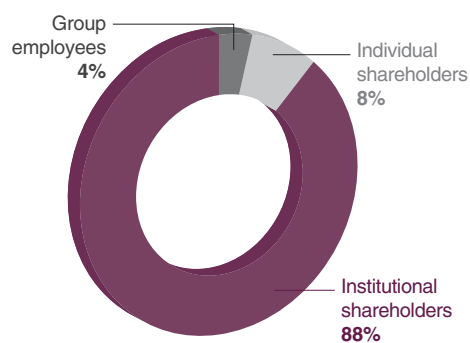


#### 2009 adjusted net operating income



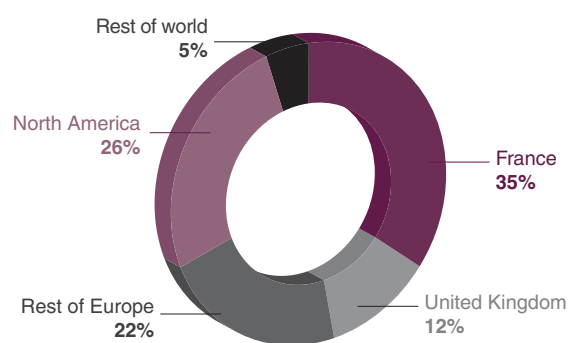


## Shareholder base (a)



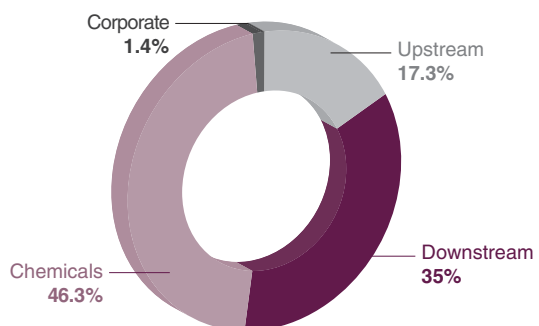
(a) Estimate as of December 31, 2009, excluding treasury shares.

## Shareholder base by region (a)



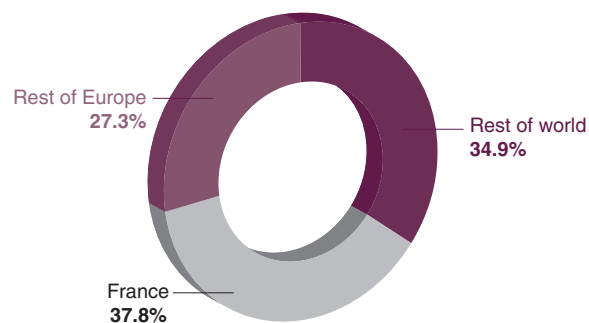
(a) Estimate as of December 31, 2009, excluding treasury shares.

## Employees by business segment (a)



(a) Consolidated subsidiaries: 96,387 employees as of December 31, 2009

## Employees by region (a)



(a) Consolidated subsidiaries: 96,387 employees as of December 31, 2009



<b>HISTORY AND STRATEGY OF TOTAL</b>	<b>p. 8</b>
History and development	p. 8
Strategy	p. 8
<b>UPSTREAM</b>	<b>p. 9</b>
<b>Exploration &amp; Production</b>	<b>p. 11</b>
Exploration and development	p. 11
Reserves	p. 11
Proved reserves	p. 11
Sensitivity to oil and gas prices	p. 12
Production	p. 12
<b>Production by geographic area</b>	<b>p. 13</b>
<b>Presentation of production activities by geographic area</b>	<b>p. 14</b>
Africa	p. 18
North America	p. 20
South America	p. 21
Asia-Pacific	p. 22
Commonwealth of Independent States (CIS)	p. 24
Europe	p. 25
Middle East	p. 27
<b>Oil and gas acreage</b>	<b>p. 29</b>
<b>Number of productive wells</b>	<b>p. 29</b>
<b>Number of net oil and gas wells drilled annually</b>	<b>p. 30</b>
<b>Drilling and production activities in progress</b>	<b>p. 30</b>
<b>Interests in pipelines</b>	<b>p. 31</b>
<b>Gas &amp; Power</b>	<b>p. 32</b>
Natural Gas	p. 32
Liquefied Natural Gas	p. 33
Liquefied Petroleum Gas	p. 35
Electricity and Cogeneration	p. 35
Renewable Energy	p. 36
Coal	p. 37
DME (Di-Methyl Ether)	p. 37
<b>DOWNSTREAM</b>	<b>p. 38</b>
<b>Refining &amp; Marketing</b>	<b>p. 39</b>
Refining	p. 39
Marketing	p. 41
<b>Trading &amp; Shipping</b>	<b>p. 44</b>
Trading	p. 44
Shipping	p. 45
<b>CHEMICALS</b>	<b>p. 46</b>
<b>Base Chemicals</b>	<b>p. 47</b>
Petrochemicals	p. 47
Fertilizers	p. 49
<b>Specialty Chemicals</b>	<b>p. 49</b>
Rubber processing	p. 50
Consumer products	p. 50
Resins	p. 50
Adhesives	p. 50
Electroplating	p. 50
<b>INVESTMENTS</b>	<b>p. 51</b>
Principal investments made over the 2007-2009 period	p. 51
Principal investments anticipated	p. 51
<b>ORGANIZATIONAL STRUCTURE</b>	<b>p. 52</b>
Position of the Company within the Group	p. 52
Principal subsidiaries	p. 52
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>p. 53</b>
<b>ORGANIZATION CHART AS OF JANUARY 1, 2010</b>	<b>p. 54</b>

## ► History and strategy of TOTAL

### ■ History and development

TOTAL S.A., a French *société anonyme* (limited company) incorporated in France on March 28, 1924, together with its subsidiaries and affiliates, is the fifth largest publicly-traded integrated international oil and gas company in the world <sup>1</sup>.

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, mainly for the industrial market. In addition, TOTAL has interests in the coal mining and power generation sectors, as well as a financial interest in Sanofi-Aventis.

TOTAL began its Upstream operations in the Middle East in 1924. Since that time, the Company has grown and expanded its operations worldwide. In early 1999, the Company acquired control of PetroFina S.A. and in early 2000, the Company acquired control of Elf Aquitaine S.A. (hereafter referred to as “Elf Aquitaine” or “Elf”).

The Company’s corporate name is TOTAL S.A.

The Company’s registered office is 2 place Jean Millier, La Défense 6, 92400 Courbevoie, France.

The telephone number is +33 1 47 44 45 46 and the website address is [www.total.com](http://www.total.com).

TOTAL S.A. is registered in France at the Nanterre Trade Register under the registration number 542 051 180.

### ■ Strategy

TOTAL’s strategy, the implementation of which is based on a model for sustainable growth combining the acceptability of operations with a sustained, profitable investment program, aims at:

- expanding hydrocarbon exploration and production activities throughout the world, and strengthening its position as one of the global leaders in the natural gas and LNG markets;
- progressively expanding TOTAL’s energy offerings and developing complementary next generation energy activities (solar, biomass, nuclear);
- adapting its refining system to market changes and, in the marketing business, consolidating its position in Europe, while pursuing its targeted developments in Africa and the Asia-Pacific region;
- developing its chemicals activities, particularly in Asia and the Middle East, while improving the competitiveness of its operations in mature areas; and
- pursuing active research and development to develop “clean” sources of energy, contributing to the moderation of the demand for energy, and combatting climate change.

<sup>1</sup>. Based on market capitalization (in dollars) as of December 31, 2009.

## Upstream

### TOTAL's Upstream segment includes the Exploration & Production and Gas & Power divisions.

The Group has exploration and production activities in more than forty countries of hydrocarbons and produces oil or gas in thirty countries.

**2.28** Mboe/d produced in 2009

**10.5** Bboe of proved reserves as of December 31, 2009<sup>1</sup>

**€9.9** billion invested in 2009

**16,628** employees

### Upstream segment financial data

(M€)	2009	2008	2007
Non-Group sales	<b>16,072</b>	24,256	19,706
Adjusted operating income	<b>12,879</b>	23,639	19,514
Adjusted net operating income	<b>6,382</b>	10,724	8,849

Over the full year 2009, adjusted net operating income for the Upstream segment was €6,382 million compared to €10,724 million in 2008, a decrease of 40%. Expressed in dollars, adjusted net operating income for the Upstream segment was \$8.9 billion, a 44% decrease compared to 2008, essentially due to lower hydrocarbon prices.

Technical costs for consolidated subsidiaries, in accordance with ASC 932<sup>2</sup> (previously FAS69) were \$15.4/boe in 2009, stable compared to 2008, with a decrease of 8% in operating expenses per barrel offsetting an increase in depreciation, depletion and amortization (DD&A) charges related notably to the start-up of new projects.

The return on average capital employed (ROACE<sup>3</sup>) for the Upstream segment was 18% in 2009 compared to 36% in 2008.

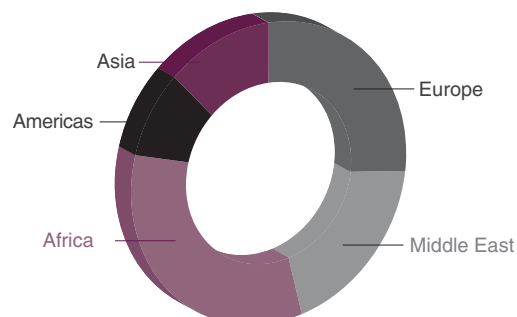
Average gas and liquids price <sup>(a)</sup>	2009	2008	2007
Average liquids price (\$/b)	<b>58.1</b>	91.1	68.9
Average gas price (\$/Mbtu)	<b>5.17</b>	7.38	5.40

(a) Consolidated subsidiaries, excluding fixed margin and buyback contracts.

TOTAL's average liquids price decreased by 36% in 2009 compared to 2008. TOTAL's average gas price decreased by 30%.

### Production

Hydrocarbon production	2009	2008	2007
Combined production (kboe/d)	<b>2,281</b>	2,341	2,391
Liquids (kb/d)	<b>1,381</b>	1,456	1,509
Gas (Mcf/d)	<b>4,923</b>	4,837	4,839



1. Based on a Brent crude price of \$59.91/b.

2. FASB Accounting Standards Codification Topic 932, Extractive industries – Oil and Gas.

3. Based on adjusted net operating income and average capital employed at replacement cost.

For the full year 2009, hydrocarbon production was 2,281 kboe/d, a decrease of 2.6% compared to 2008, mainly as a result of:

- o +2% for ramp-ups and start-ups of new fields net of the normal decline;
- o +1.5% for the price effect<sup>1</sup>;
- o -3% for OPEC reductions and lower gas demand;
- o -1% for disruptions in Nigeria related to security issues; and
- o -2% for changes in the portfolio, essentially in Venezuela and Libya.

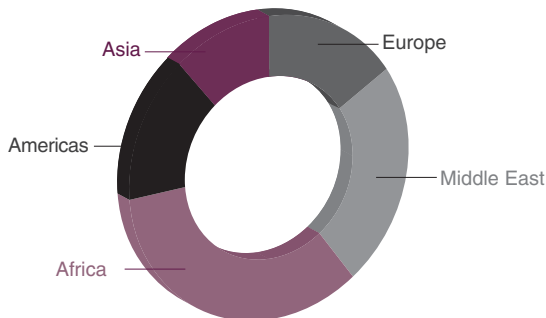
Excluding the impact of OPEC reductions, production was stable compared to 2008.

The 2009 reserve replacement rate<sup>2</sup>, based on SEC rules, was 103%. Excluding acquisitions and divestments, the reserve replacement rate was 93%.

As of year-end 2009, TOTAL has a solid and diversified portfolio of proved and probable reserves<sup>3</sup> representing more than a 20-year reserve life based on the 2009 average production rate, and resources<sup>4</sup> representing more than a 40-year reserve life.

## Reserves

As of December 31,	2009	2008	2007
Hydrocarbon reserves (Mboe)	10,483	10,458	10,449
Liquids (Mb)	5,689	5,695	5,778
Gas (Bcf)	26,318	26,218	25,730



Proved reserves based on SEC rules (Brent at \$59.91/b) were 10,483 Mboe at December 31, 2009. At the 2009 average rate of production, the reserve life is more than twelve years.

1. Impact of changing hydrocarbon prices on entitlement volumes.  
 2. Change in reserves excluding production i.e. (revisions + discoveries, extensions + acquisitions – divestments) / production for the period. The 2009 reserve replacement rate was 97% in a constant 36.55 \$/b Brent environment excluding acquisitions and divestments.  
 3. Limited to proved and probable reserves covered by E&P contracts on fields that have been drilled and for which technical studies have demonstrated economic development in a 60 \$/b Brent environment, including projects to be developed by mining.  
 4. Proved and probable reserves plus contingent resources (potential average recoverable reserves from known accumulations – Society of Petroleum Engineers – 03/07).

## Exploration & Production

### ● Exploration and development

TOTAL's Upstream segment aims at continuing to combine long-term growth and profitability at the levels of the best in the industry.

TOTAL evaluates exploration opportunities based on a variety of geological, technical, political and economic factors (including taxes and license terms), and on projected oil and gas prices. Discoveries and extensions of existing fields accounted for approximately 42% of the 2,419 Mboe added to the Upstream segment's proved reserves during the three-year period ended December 31, 2009 (before deducting production and sales of reserves in place and adding any acquisitions of reserves in place during this period). The remaining 58% comes from revisions of previous estimates.

In 2009, the exploration investments of consolidated subsidiaries amounted to €1,486 million (including unproved property acquisition costs). The main exploration investments were made in the United States, Angola, the United Kingdom, Norway, Libya, Nigeria and the Republic of the Congo. In 2008, exploration investments of consolidated subsidiaries amounted to €1,243 million (including unproved property acquisition costs) notably in Angola, Nigeria, Norway, the United Kingdom, Australia, the United States, Libya, Brunei, Gabon, Cameroon, Indonesia, China, the Republic of the Congo and Canada. In 2007, exploration investments of consolidated subsidiaries amounted to €1,233 million (including unproved property acquisition costs), notably in Nigeria, Angola, the United Kingdom, Norway, Libya, the Republic of the Congo, Australia, Venezuela, China, Indonesia, Canada, Brunei, Algeria, the United States, Mauritania, Yemen, Kazakhstan, Brazil, Azerbaijan and Thailand.

The Group's consolidated Exploration & Production subsidiaries' development expenditures amounted to nearly €8 billion in 2009, primarily in Angola, Nigeria, Norway, Kazakhstan, Indonesia, the Republic of the Congo, the United Kingdom, the United States, Gabon, Canada, Thailand, Russia and Qatar. In 2008, development expenditures amounted to €7 billion, predominantly in Angola, Nigeria, Norway, Kazakhstan, Indonesia, the Republic of the Congo, the United Kingdom, Gabon, Canada, the United States, and Qatar. Development expenditures for 2007 amounted to €7 billion and were carried out principally in Angola, Norway, Nigeria, Kazakhstan, the Republic of the Congo, the United Kingdom, Indonesia, Gabon, Canada, Qatar, Venezuela and the United States.

### ● Reserves

The definitions used for proved, proved developed and proved undeveloped oil and gas reserves are in accordance with the United States Securities & Exchange Commission (SEC) Rule 4-10 of Regulation S-X as amended by the SEC *Modernization of Oil and Gas Reporting* release issued on December 31, 2008. Proved reserves are estimated using geological and engineering data to

determine with reasonable certainty whether the crude oil or natural gas in known reservoirs is recoverable under existing regulatory, economic and operating conditions.

TOTAL's oil and gas reserves are consolidated annually, taking into account, among other factors, levels of production, field reassessment, additional reserves from discoveries and acquisitions, disposal of reserves and other economic factors. Unless otherwise indicated, any reference to TOTAL's proved reserves, proved developed reserves, proved undeveloped reserves and production reflects the Group's entire share of such reserves or such production. TOTAL's worldwide proved reserves include the proved reserves of its consolidated subsidiaries as well as its proportionate share of the proved reserves of equity affiliates and of two companies accounted for under the cost method. For further information concerning changes in TOTAL's proved reserves for the years ended December 31, 2009, 2008 and 2007, see "Supplemental Oil and Gas Information (Unaudited)".

The reserves estimation process involves making subjective judgments. Consequently, estimates of reserves are not exact measurements and are subject to revision under well-established control procedures.

The reserves estimation process requires among others internal peer reviews of technical evaluations to ensure that the SEC definitions and guidance are followed; and that management make significant funding commitments towards the development of the reserves prior to booking (see "Supplemental Oil and Gas Information (Unaudited)" for more details on the preparation of reserves estimates).

### ● Proved reserves

In accordance with the amended Rule 4-10 of Regulation S-X, proved reserves for the year ended December 31, 2009, are calculated using a 12-month average price determined as the unweighted arithmetic average of the first-day-of-the-month price for each month of the relevant year unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. The reference price for 2009 was \$59.91/b for Brent crude. The proved reserves for the years ended December 31, 2008 and 2007, were calculated using December 31 prices.

As of December 31, 2009, TOTAL's combined proved reserves of oil and gas were 10,483 Mboe (56% of which were proved developed reserves). Liquids (crude oil, natural gas liquids and bitumen) represented approximately 54% of these reserves and natural gas the remaining 46%. These reserves were located in Europe (mainly in Norway and the United Kingdom), in Africa (mainly in Angola, Gabon, Libya, Nigeria and the Republic of the Congo), in the Americas (mainly in Canada, the United States, Argentina, and Venezuela), in the Middle East (mainly in Oman, Qatar, the United Arab Emirates, and Yemen), and in Asia (mainly in Indonesia and Kazakhstan).

As of December 31, 2008, TOTAL's combined proved reserves of oil and gas were 10,458 Mboe (50% of which were proved developed reserves). Liquids represented approximately 54% of these reserves and natural gas the remaining 46%. These reserves



were located in Europe (mainly in Norway and the United Kingdom), in Africa (mainly in Algeria, Angola, Gabon, Libya, Nigeria and the Republic of the Congo), in the Americas (mainly in Canada, Bolivia, Argentina, and Venezuela), in the Middle East (mainly in Oman, Qatar, the United Arab Emirates, and Yemen), and in Asia (mainly in Indonesia and Kazakhstan).

As of December 31, 2007, TOTAL's combined proved reserves of oil and gas were 10,449 Mboe (52% of which were proved developed reserves). Liquids represented approximately 55% of these reserves and natural gas the remaining 45%. These reserves were located in Europe (mainly in Norway and the United Kingdom), in Africa (mainly in Angola, Gabon, Libya, Nigeria and the Republic of the Congo), in the Americas (mainly in Canada, Argentina, and Venezuela), in the Middle East (mainly in Oman, Qatar, the United Arab Emirates, and Yemen), and in Asia (mainly in Indonesia and Kazakhstan).

### ● Sensitivity to oil and gas prices

Changes in the price used as a reference for the proved reserves estimation result in non-proportionate inverse changes in proved reserves associated with production sharing and buyback agreements (which represent approximately 32% of TOTAL's reserves as of December 31, 2009). Under such contracts, TOTAL is entitled to a portion of the production, the sale of which is meant to cover expenses incurred by the Group. As oil prices increase, fewer barrels are necessary to cover the same amount of expenses. Moreover, the number of barrels retrievable under these contracts may vary according to criteria such as cumulative production, the rate of return on investment or the income-cumulative expenses ratio. This decrease is partly offset by an extension of the duration over which fields can be produced economically. However, the increase in reserves due to extended field life resulting from higher prices is generally less than the decrease in reserves under production sharing or buyback agreements due to such higher prices. As a result, higher prices lead to a decrease in TOTAL's reserves.

### ● Production

For the full year 2009, average daily oil and gas production was 2,281 kboe/d compared to 2,341 kboe/d in 2008.

Liquids accounted for approximately 61% and natural gas accounted for approximately 39% of TOTAL's combined liquids and natural gas production in 2009.

The table on the next page sets forth by geographic area TOTAL's average daily production of liquids and natural gas for each of the last three years.

Consistent with industry practice, TOTAL often holds a percentage interest in its fields rather than a 100% interest, with the balance being held by joint venture partners (which may include other international oil companies, state-owned oil companies or government entities). TOTAL frequently acts as operator (the party responsible for technical production) on acreage in which it holds an interest. See the table "Presentation of production activities by geographic area" on the following pages for a description of TOTAL's producing assets.

As in 2008 and 2007, substantially all of the liquids production from TOTAL's Upstream segment in 2009 was marketed by the Trading & Shipping division of TOTAL's Downstream segment. See table "Supply and sales of crude oil" on page 44 of this Registration Document.

The majority of TOTAL's natural gas production is sold under long-term contracts. However, its North American production, and to some extent its production from the United Kingdom, Norway and Argentina, is sold on the spot market. The long-term contracts under which TOTAL sells its natural gas usually provide for a price related to, among other factors, average crude oil and other petroleum product prices, as well as, in some cases, a cost-of-living index. Though the price of natural gas tends to fluctuate in line with crude oil prices, a slight delay may occur before changes in crude oil prices are reflected in long-term natural gas prices. Due to the interaction between the contract price of natural gas and crude oil prices, contract prices are not usually affected by short-term market fluctuations in the spot price of natural gas. Some of these long term contracts, notably in Indonesia, Qatar, Nigeria and Norway, also specify the delivery of fixed and determinable quantities of natural gas. The Group expects to satisfy most of these obligations through the production of its proved developed reserves. In addition, the Group may purchase quantities on the spot market or use its undeveloped reserves to fulfill such commitments. See Chapter 10, "Supplemental Oil and Gas Information (Unaudited)" of this Registration Document.

## Production by geographic area

	2009			2008			2007		
	Liquids (kb/d)	Natural Gas (Mcf/d)	Total (kboe/d)	Liquids (kb/d)	Natural Gas (Mcf/d)	Total (kboe/d)	Liquids (kb/d)	Natural Gas (Mcf/d)	Total (kboe/ d)
<b>Consolidated subsidiaries</b>									
<b>Africa</b>	<b>612</b>	<b>596</b>	<b>728</b>	<b>635</b>	<b>655</b>	<b>763</b>	<b>658</b>	<b>636</b>	<b>783</b>
Algeria	27	140	53	32	141	59	32	136	58
Angola	186	33	191	200	33	205	198	29	203
Cameroon	12	2	12	13	2	14	13	2	14
Gabon	67	20	71	73	20	76	78	29	83
Libya	60	–	60	74	–	74	87	–	87
Nigeria	159	374	235	158	436	246	176	423	261
Republic of the Congo	101	27	106	85	23	89	74	17	77
<b>North America</b>	<b>20</b>	<b>22</b>	<b>24</b>	<b>11</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>34</b>	<b>20</b>
Canada <sup>(a)</sup>	8	–	8	8	–	8	2	–	2
United States	12	22	16	3	15	6	12	34	18
<b>South America</b>	<b>30</b>	<b>558</b>	<b>131</b>	<b>32</b>	<b>573</b>	<b>136</b>	<b>118</b>	<b>618</b>	<b>230</b>
Argentina	15	364	80	14	365	81	14	365	80
Bolivia	3	91	20	3	105	22	3	131	28
Colombia	7	45	17	9	45	18	10	46	19
Trinidad & Tobago	5	2	5	6	2	6	9	2	9
Venezuela	–	56	9	–	56	9	82	74	94
<b>Asia-Pacific</b>	<b>33</b>	<b>1,228</b>	<b>251</b>	<b>29</b>	<b>1,236</b>	<b>246</b>	<b>28</b>	<b>1,287</b>	<b>252</b>
Brunei	2	49	12	2	60	14	2	60	14
Indonesia	25	898	190	21	857	177	20	882	180
Myanmar	–	103	13	–	117	14	–	136	17
Thailand	6	178	36	6	202	41	6	209	41
<b>CIS</b>	<b>14</b>	<b>52</b>	<b>24</b>	<b>12</b>	<b>75</b>	<b>26</b>	<b>10</b>	<b>46</b>	<b>19</b>
Azerbaijan	3	50	12	4	73	18	3	44	11
Russia	11	2	12	8	2	8	7	2	8
<b>Europe</b>	<b>295</b>	<b>1,734</b>	<b>613</b>	<b>302</b>	<b>1,704</b>	<b>616</b>	<b>335</b>	<b>1,846</b>	<b>674</b>
France	5	100	24	6	103	25	6	115	27
The Netherlands	1	254	45	1	244	44	1	252	45
Norway	199	691	327	204	706	334	211	685	338
United Kingdom	90	689	217	91	651	213	117	794	264
<b>Middle East</b>	<b>91</b>	<b>338</b>	<b>151</b>	<b>88</b>	<b>281</b>	<b>137</b>	<b>83</b>	<b>91</b>	<b>99</b>
U.A.E.	10	10	12	10	10	12	11	10	13
Iran	8	–	8	9	–	9	15	–	15
Qatar	47	294	99	44	269	91	33	79	47
Syria	14	34	20	15	2	15	15	2	15
Yemen	12	–	12	10	–	10	9	–	9
<b>Total consolidated production</b>	<b>1,095</b>	<b>4,528</b>	<b>1,922</b>	<b>1,109</b>	<b>4,539</b>	<b>1,938</b>	<b>1,246</b>	<b>4,558</b>	<b>2,077</b>
<b>Equity and non-consolidated affiliates</b>									
Africa <sup>(b)</sup>	20	3	21	19	4	20	23	4	23
Middle East	216	386	287	241	288	295	240	277	291
Rest of world <sup>(c)</sup>	50	6	51	87	6	88	–	–	–
<b>Total equity and non-consolidated affiliates</b>	<b>286</b>	<b>395</b>	<b>359</b>	<b>347</b>	<b>298</b>	<b>403</b>	<b>263</b>	<b>281</b>	<b>314</b>
<b>Worldwide production</b>	<b>1,381</b>	<b>4,923</b>	<b>2,281</b>	<b>1,456</b>	<b>4,837</b>	<b>2,341</b>	<b>1,509</b>	<b>4,839</b>	<b>2,391</b>

(a) The Group's production in Canada consists of bitumen only. All of the Group's bitumen production is in Canada.

(b) Primarily attributable to TOTAL's share of CEPSA's production in Algeria.

(c) Essentially TOTAL's share of PetroCedeño's production in Venezuela.

## Presentation of production activities by geographic area

The table below sets forth, by country, TOTAL's producing assets, the year in which TOTAL's activities commenced, the Group's interest in each asset and whether TOTAL is operator of the asset.

### TOTAL's producing assets as of December 31, 2009 <sup>(a)</sup>

	Year of entry into the country	Group-operated producing assets (Group share)	Non-Group-operated producing assets (Group share)
<b>Africa</b>			
<b>Algeria</b>	1952		Ourhoud (19.41%) <sup>(b)</sup> RKF (48.83%) <sup>(b)</sup> Tin Fouye Tabankort (35.00%)
<b>Angola</b>	1953	Blocks 3-85, 3-91 (50.00%) Girassol, Jasmim, Rosa, Dalia (Block 17) (40.00%)	Cabinda (Block 0) (10.00%) Kuito, BBLT, Tombua- Landana (Block 14) (20.00%)
<b>Cameroon</b>	1951	Bakingili (25.50%) Bavo-Asoma (25.50%) Boa Bakassi (25.50%) Ekundu Marine (25.50%) Kita Edem (25.50%) Kole Marine (25.50%)	Mokoko - Abana (10.00%) Mondoni (25.00%)
<b>The Congo, Republic of</b>	1928	Kombi-Likalala (65.00%) Nkossa (53.50%) Nsoko (53.50%) Moho Bilondo (53.50%) Sendji (55.25%) Tchendo (65.00%) Tchibeli-Litanzi-Loussima (65.00%) Tchibouela (65.00%) Yanga (55.25%)	Loango (50.00%) Zatchi (35.00%)
<b>Gabon</b>	1928	Anguille (100.00%) Anguille Nord Est (100.00%) Anguille Sud-Est (100.00%) Atora (40.00%) Avocette (57.50%) Ayol Marine (100.00%) Baliste (50.00%) Barbier (100.00%) Baudroie Marine (50.00%) Baudroie Nord Marine (50.00%) Coucal (57.50%) Girelle (100.00%) Gonelle (100.00%) Grand Anguille Marine (100.00%) Grondin (100.00%) Hylia Marine (75.00%) Mandaros (100.00%) M'Boumba (100.00%) Mérrou Sardine Sud (50.00%) Pageau (100.00%) Port Gentil Océan (100.00%) Port Gentil Sud Marine (100.00%) Tchengue (100.00%) Torpille (100.00%) Torpille Nord Est (100.00%)	Rabi Kounga (47.50%)

Upstream

## BUSINESS OVERVIEW

	Year of entry into the country	Group-operated producing assets (Group share)	Non-Group-operated producing assets (Group share)
<b>Libya</b>	<b>1959</b>	C 17 (Mabruk) (15.00%) <sup>⓪</sup> C 137 (Al Jurf) (20.25%) <sup>⓪</sup>	NC 115 (El Sharara) (3.90%) NC 186 (2.88%)
<b>Nigeria</b>	<b>1962</b>	OML 58 (40.00%) OML 99 Amenam-Kpono (30.40%) OML 100 (40.00%) OML 102 (40.00%)  OML 130 (24.00%)	OML 102 - Ekanga (40.00%) Shell Petroleum Development Company (SPDC) 10.00%) Bonga (12.50%)
<b>North America</b>			
<b>Canada</b>	<b>1999</b>		Surmont (50.00%)
<b>United States</b>	<b>1957</b>	Matterhorn (100.00%) Virgo (64.00%)	Several assets in the Barnett Shale area (25.00%) Tahiti (17.00%)
<b>South America</b>			
<b>Argentina</b>	<b>1978</b>	Aguada Pichana (27.27%) Aries (37.50%) Cañadon Alfa Complex (37.50%) Carina (37.50%) Hidra (37.50%) San Roque (24.71%)	Sierra Chata (2.51%)
<b>Bolivia</b>	<b>1995</b>		San Alberto (15.00%) San Antonio (15.00%)
<b>Colombia</b>	<b>1973</b>		Caracara (34.18%) <sup>(K)</sup> Cupiagua (19.00%) Cusiana (19.00%) Espinal (7.32%) <sup>(K)</sup> San Jacinto/Rio Paez (8.14%) <sup>(K)</sup>
<b>Trinidad &amp; Tobago</b>	<b>1996</b>		Angostura (30.00%)
<b>Venezuela</b>	<b>1980</b>		PetroCedeño (30.323%) Yucal Placer (69.50%)
<b>Asia-Pacific</b>			
<b>Brunei</b>	<b>1986</b>	Maharaja Lela Jamalulalam (37.50%)	
<b>Indonesia</b>	<b>1968</b>	Bekapai (50.00%) Handil (50.00%) Peciko (50.00%) Sisi-Nubi (47.90%) Tambora-Tunu (50.00%)	Badak (1.05%) Nilam - gas and condensates (9.29%) Nilam - oil (10.58%)
<b>Myanmar</b>	<b>1992</b>	Yadana (31.24%)	
<b>Thailand</b>	<b>1990</b>		Bongkot (33.33%)
<b>Commonwealth of Independent States</b>			
<b>Azerbaijan</b>	<b>1996</b>		Shah Deniz (10.00%)
<b>Russia</b>	<b>1989</b>	Kharyaga (50.00%)	

	Year of entry into the country	Group-operated producing assets (Group share)	Non-Group-operated producing assets (Group share)
<b>Europe</b>			
<b>France</b>	<b>1939</b>	Lacq (100.00%) Meillon (100.00%) Pecorade (100.00%) Vic-Bilh (73.00%) Lagrave (100.00%) Lanot (100.00%)  Itteville (78.73%) La Croix-Blanche (100.00%) Rousse (100.00%) Vert-le-Grand (90.05%) Vert-le-Petit (100.00%)	Dommartin-Lettrée (56.99%)
<b>Norway</b>	<b>1965</b>	Skirne (40.00%)	Åsgard (7.68%) Ekofisk (39.90%) Eldfisk (39.90%) Embla (39.90%) Gimle (4.90%) Glitne (21.80%) Gungne (10.00%) Heimdal (16.76%) Hod (25.00%) Huldra (24.33%) Kristin (6.00%) Kvitebjørn (5.00%) Mikkel (7.65%) Oseberg (10.00%) Oseberg East (10.00%) Oseberg South (10.00%) Sleipner East (10.00%) Sleipner West (9.41%) Snøhvit (18.40%) Snorre (6.18%) Statfjord East (2.80%) Sygna (2.52%) Tor (48.20%) Tordis (5.60%) Troll I (3.69%) Troll II (3.69%) Tune (10.00%) Tyrihans (23.18%) Vale (24.24%) Valhall (15.72%) Vigdis (5.60%) Vilje (24.24%) Visund (7.70%) Yttergryta (24.50%)
<b>The Netherlands</b>	<b>1964</b>	F6a gaz (55.66%) F6a huile (65.68%) F15a Jurassic (38.20%) F15a Triassic (32.47%) J3a (30.00%) K1a (40.10%) K3b (56.16%) K4a (50.00%) K4b/K5a (36.31%) K5b (45.27%) K5F (40.39%)	

	Year of entry into the country	Group-operated producing assets (Group share)	Non-Group-operated producing assets (Group share)
		K6/L7 (56.16%) L1a/L1d (60.00%) L1e/L1f (55.66%) L4a (55.66%)	E16a (16.92%) E17a/E17b (14.10%) J3b/J6 (25.00%) Q16a (6.49%)
<b>United Kingdom</b>	<b>1962</b>	Alwyn North, Dunbar, Eilon, Grant Nuggets (100.00%) Elgin-Franklin (EFOG 46.17%) <sup>(c)</sup> Forvie Nord (100.00%) Glenelg (49.47%) Jura (100.00%) Otter (81.00%) West Franklin (EFOG 46.17%) <sup>(c)</sup>	Alba (12.65%) Armada (12.53%) Bruce (43.25%) Markham unitized fields (7.35%) ETAP (Mungo. Monan) (12.43%) Everest (0.87%) Keith (25.00%) Maria (28.96%) Nelson (11.53%) Seymour (25.00%)
<b>Middle East</b>			
<b>U.A.E.</b>	<b>1939</b>	Abu Dhabi -Abu Al Bu Khoosh (75.00%)	Abu Dhabi offshore (13.33%) <sup>(d)</sup> Abu Dhabi onshore (9.50%) <sup>(e)</sup> GASCO (15.00%) ADGAS (5.00%)
<b>Iran</b>	<b>1954</b>		Dorood (55.00%) <sup>(f)</sup> South Pars 2 & 3 (40.00%) <sup>(g)</sup>
<b>Oman</b>	<b>1937</b>		Various fields onshore (Block 6) (4.00%) <sup>(h)</sup> Mukhaizna field (Block 53) (2.00%) <sup>(i)</sup>
<b>Qatar</b>	<b>1936</b>	Al Khalij (100.00%)	Dolphin (24.50%) North Field - NFB (20.00%) North Field -Qatargas 2 Train 5 (16.70%)
<b>Syria</b>	<b>1988</b>	Deir Ez Zor (Al Mazraa, Atalla North, Jafra, Marad, Qahar, Tabiyeh) (100.00%) <sup>(j)</sup>	
<b>Yemen</b>	<b>1987</b>	Kharir/Atuf (bloc 10) (28.57%)	Al Nasr (Block 5) (15.00%)

(a) The Group's interest in the local entity is approximately 100% in all cases except for Total Gabon (57.96%), Total E&P Cameroon (75.80%) and certain entities in the United Kingdom, Algeria, Abu Dhabi and Oman (see notes b through l below).

(b) TOTAL has an indirect 19.41% interest in the Ourhoud field and a 48.83% indirect interest in the RKF field through its interest in CEPESA (equity affiliate).

(c) TOTAL has a 35.8% indirect interest in Elgin Franklin through its interest in EFOG.

(d) Through ADMA (equity affiliate), TOTAL has a 13.33% interest and participates in the operating company, Abu Dhabi Marine Operating Company.

(e) Through ADPC (equity affiliate), TOTAL has a 9.50% interest and participates in the operating company, Abu Dhabi Company for Onshore Oil Operation.

(f) TOTAL has transferred operatorship of Dorood to the National Iranian Oil Company (NIOC). The Group has a 55% interest in the foreign consortium.

(g) TOTAL has transferred operatorship to the National Iranian Oil Company (NIOC) for phases 2 and 3 of the South Pars field. The Group has a 40.00% interest in the foreign consortium.

(h) TOTAL has a direct interest of 4.00% in Petroleum Development Oman LLC, operator of Block 6, in which TOTAL has an indirect interest of 4.00% via Pohol (equity affiliate).

TOTAL also has a 5.54% interest in the Oman LNG facility (trains 1 and 2), and an indirect participation of 2.04% through OLNG in Qalhat LNG (train 3).

(i) TOTAL has a direct interest of 2.00% in Block 53.

(j) Operated by DEZPC which is 50.00% owned by TOTAL and 50.00% owned by SPC.

(k) TOTAL has an indirect 34.18% interest in the Caracara Block, 8.14% in the San Jacinto/Rio Paez Block and 7.32% in the Espinal Block through its interest in CEPESA (equity affiliate).

(l) Implementation of new contractual terms following the ratification of contracts in early 2010.

## ● Africa

In 2009, TOTAL's production in Africa (including production from equity affiliates and non-consolidated subsidiaries) was 749 kboe/d, representing 33% of the Group's overall production, compared to 783 kboe/d in 2008 and 806 kboe/d in 2007.

In **Algeria**, TOTAL's production was 74 kboe/d in 2009, down from 79 kboe/d in 2008 and 2007, notably due to the termination of the Hamra contract in October 2009. In addition to Hamra, the Group's 2009 production came from its direct interests in the TFT field (Tin Fouyé Tabenkort, 35%) and from its 48.83% interest in CEPESA, a partner of Sonatrach (the Algerian national oil and gas company) on the Ourhoud and Rhourde El Krouf fields. TOTAL also holds a 37.75% direct interest in the Timimoun gas project, alongside Sonatrach (51%) and CEPESA (11.25%). In December 2009, TOTAL won the call for tenders related to the acquisition of a 47% interest in the Ahnet license. The agreement provides for a development plan that is expected to be submitted to the authorities before mid-2011, with start-up of production scheduled for 2015 and an expected plateau production of at least 400 Mcf/d (4 Bm<sup>3</sup>/y).

- On the TFT field, the completion of the compression project is expected to maintain plateau production at nearly 180 kboe/d.
- The approval of the Timimoun project by the ALNAFT National Agency allowed TOTAL and its partners to launch the basic engineering studies phase in early 2010 for a start-up of production expected in late 2013. Commercial production for the natural gas from Timimoun is expected to reach nearly 160 Mcf/d (1.6 Bm<sup>3</sup>/y) at plateau.

In **Angola**, TOTAL produced 191 kboe/d in 2009, compared to 205 kboe/d in 2008 and 2007. Production comes mainly from Blocks 17, 0 and 14. From 2007 to 2009, several discoveries were made, notably on Blocks 14, 31, 32, 15/06 and 17/06.

- Deep-offshore Block 17 (40%, operator) is TOTAL's principal asset in Angola. It is composed of four major poles: Girassol, Dalia, Pazflor and CLOV (based on the Cravo, Lirio, Orquidea and Violeta discoveries).

On the Girassol pole, production from the Girassol, Jasmim and Rosa fields averaged more than 220 kb/d (in 100%) in 2009. The Rosa field, which began production in June 2007, makes a substantial contribution to the Girassol FPSO (Floating Production, Storage and Offloading facility).

On the second pole, the Dalia field, which began production in December 2006, reached its plateau production of 240 kb/d during the second quarter of 2007. This development, launched in 2003, is based on a system of sub-sea wells connected to an FPSO.

Production from the third pole, Pazflor, comprised of the Perpetua, Zinia, Hortensia and Acacia fields, is scheduled to begin in 2011. This development, under construction since its approval in late 2007, calls for the installation of an FPSO with a production capacity of up to 220 kb/d.

On CLOV, the fourth pole, basic engineering studies were launched in 2008 for the development of the Cravo, Lirio, Orquidea and Violeta fields. This development is expected to lead to the installation of a fourth FPSO with a production capacity of 160 kb/d. The final investment decision is expected in 2010.

- On Block 14 (20%), production on the Tombua-Landana field started in August 2009 and adds to production from the Benguela-Belize-Lobito-Tomboco (BBLT) and Kuito fields.
- On the ultra-deep offshore Block 32 (30%, operator), the twelve discoveries made between 2003 and 2007 confirmed the oil potential of the block. Appraisal is continuing and pre-development studies for a first production zone in the central/southeastern portion of the block are underway.

In 2008, leasehold rights for the Calulu zone on Block 33 were extended for five years. TOTAL became the operator of this block in 2008 with a 55% interest. In 2007, TOTAL acquired interests on Blocks 17/06 (30%, operator) and 15/06 (15%).

In addition, construction is underway for the Angola LNG project (13.6%), which involves a liquefaction plant near Soyo designed to bring the country's natural gas reserves to market, in particular the associated gas from the fields on Blocks 0, 14, 15, 17 and 18. This project was approved by the government of Angola and the project's partners in December 2007 and production is expected to begin in 2012.

In **Cameroon**, TOTAL has been producing since 1977 and it operated production in 2009 of approximately 50 kboe/d, representing nearly 65% of the country's overall production<sup>1</sup>. The Group's share of production in 2009 amounted to 12 kboe/d, compared to 14 kboe/d in 2008 and 2007.

The exclusive authorization to operate the Dissoni field (37.5%, operator) was granted by the Cameroonian authorities in November 2008, with production scheduled to start in 2012. Plateau production for this field is expected to reach nearly 15 kb/d (in 100%). On this permit, the discovery made in 2008 in the deltaic horizons during the drilling of the Njonji exploration well is expected to be assessed with an appraisal well in 2010.

In addition, TOTAL was awarded in July 2009 a new exploration block, Lungahe (100%), located near its operated concessions and permits.

In **Egypt**, TOTAL was awarded in May 2009 a 90% interest in Block 4 (El Burullus offshore East) on which TOTAL is expected to be the operator pursuant to the approval by the relevant authorities. This permit, located in the Nile Basin where a number of natural gas discoveries have already been made, covers an initial 4-year exploration period and provides for the commitment to conduct 3D seismic work and to drill exploration wells.

In **Gabon**, the Group's share of production was 71 kboe/d in 2009, compared to 76 kboe/d in 2008 and 83 kboe/d in 2007, due to the natural decline of mature fields. Total Gabon<sup>2</sup> is one of the Group's oldest subsidiaries in sub-Saharan Africa. In 2007, the *Convention*

1. Source: TEP Cameroun and Société Nationale des Hydrocarbures du Cameroun.

2. Total Gabon is a Gabonese company whose shares are listed on Euronext Paris. TOTAL holds 58%, the Republic of Gabon 25% and the public float is 17%.



*d'Établissement* between Total Gabon and the government of Gabon was renewed for a 25-year period. This contractual scheme promotes exploration and development projects.

- On the Anguille field, the reservoir studies begun in 2009 based on the results of the first thirteen Phase 1 wells indicate that the original production estimates will have to be revised downward. The project was first revised in early 2009 to capitalize on lower oil service costs. It now calls for a more sequential approach over a longer period. The development plan and sizing of the new facilities have been reviewed accordingly.
- On the deep-offshore Diaba permit (Total Gabon 63.75%, operator), following the 2D seismic acquisition campaign that was shot in 2008 and 2009, 3D seismic acquisition work started in December 2009.

In **Libya**, the Group's share of production amounted to 60 kb/d in 2009, down from 74 kb/d in 2008 and 87 kb/d in 2007. This decline is primarily due to the implementation of OPEC quotas and new contractual provisions for Blocks NC 115 (30%)<sup>1</sup> and NC 186 (24%)<sup>1</sup>, on which TOTAL is a partner.

- On the Mabruk field (Block C 17, 75%<sup>1</sup>, operator), plateau production of 19 kb/d was maintained in 2009. In addition, the development plan for the Dahra and Garian structures was approved by the National Oil Corporation (NOC) in mid-2009.
- On Block C 137 (75%<sup>1</sup>, operator), production on the Al Jurf field resumed in late December 2008, following the temporary shutdown of production due to difficulties encountered in April 2008 during drilling operations. Production was 31 kboe/d in 2009. In addition, a project to reinject associated gas was launched in May 2009.
- TOTAL and NOC signed a Memorandum of Understanding in February 2009 to convert the existing contracts for Blocks C 137 and C 17 into exploration and production sharing agreements (EPSA IV) and extend them until 2032. Commitments to drill additional exploration wells were made within this framework. The EPSA IV contracts, signed in May 2009, were ratified by the Libyan government in early 2010.
- On Blocks NC 115 and NC 186, a nearly 5,000 km<sup>2</sup> seismic campaign started in December 2009.
- On the Murzuk Basin, a development plan was submitted to the authorities in 2009 following a successful appraisal well drilled on the discovery made in 2006 on a portion of Block NC 191 (100%<sup>1</sup>, operator).
- On the Cyrenaic Basin, drilling of an exploration well started in February 2010 on Block 42 2/4 (60%<sup>1</sup>, operator).

In **Madagascar**, TOTAL acquired a 60% interest in, and the operatorship of, the Bemolanga permit in September 2008.

1. Participation in the foreign consortium.

Bemolanga contains oil sands accumulations. A first appraisal phase was launched to confirm the bitumen resources needed for a mining development. Drilling operations started in July 2009 and are expected to take place in 2010 during the dry season (April to November).

In **Mauritania**, TOTAL is active in exploration on the Ta7 and Ta8 permits (60%, operator), located in the Taoudenni Basin, alongside Sonatrach (20%) and Qatar Petroleum International (20%), Qatar's state-owned company. Drilling of an exploration well on the Ta8 permit started in October 2009.

In **Nigeria**, the Group's production amounted to 235 kboe/d in 2009, compared to 246 kboe/d in 2008 and 261 kboe/d in 2007. TOTAL has been present in Nigeria since 1962. It operates seven production permits (OML) out of the forty-seven in which it holds an interest, and two exploration permits (OPL) out of the eight in which it holds an interest. The Group is also active in LNG through Nigeria LNG and the Brass LNG project.

- TOTAL holds a 15% interest in the Nigeria LNG Ltd gas liquefaction plant located in Bonny Island. The plant's overall capacity has increased to 22 Mt/y of LNG since the commissioning of the sixth liquefaction train in late 2007. In 2009, security issues in the Niger Delta impacted certain suppliers' gas production, restricting the plant's supply and reducing LNG production.

In addition, preliminary work continued in 2009 prior to launching the Brass LNG project (17%), which calls for the construction of two 5 Mt/y trains. The first phase of site preparation work was completed in 2009.

- TOTAL strengthened its ability to supply gas to the LNG projects in which it has interests and to meet the growing domestic demand in gas:
  - On the OML 136 permit (40%), following the appraisal work conducted in 2008 on the Amatu field, the Group successfully appraised the Temi Agge field in 2009, confirming the possibility of a future development pole on this permit.
  - As part of its joint venture with the Nigerian National Petroleum Corporation (NNPC), TOTAL launched a project to eventually increase the production capacity of the OML 58 permit (40%, operator) to 550 Mcf/d of gas. A second phase of this project, currently being assessed, is expected to allow the development of other reserves through these facilities.
  - On the OML 112/117 permits (40%), TOTAL continued in 2009 development studies for the Ima gas field.
- On the OML 102 permit (40%, operator), TOTAL continued in 2009 to develop the Ofon II project. The final investment decision is expected in 2010. The Group is also planning the appraisal of the Etisong pole in 2010, located 15 km from the Ofon field, which is currently in production.

- o On the OML 130 permit (24%, operator), production started in March 2009 on the Akpo field whose plateau production is 225 kboe/d (in 100%). The Group is actively developing the Egina field, for which a development plan was approved by the Nigerian authorities. In 2009, TOTAL conducted in Nigeria basic engineering studies on this field.
- o On the OML 138 permit (20%, operator), TOTAL continued to develop the Usan project (180 kb/d in 100%) in 2009, in particular with the start-up of drilling operations for production wells and the launch of the new FPSO hull in November 2009. First production is expected in 2012.

TOTAL also strengthened its position in the deep offshore by launching in 2009 the development of the Bonga Northwest project on OML 118 (12.5%). In 2009, the Group actively pursued its exploration program with the discovery made on the Owowo South prospect on OPL 223 (18%, operator).

Security issues in the Niger Delta region continued to impact the production of the Shell Petroleum Development Company (SPDC) joint venture, in which TOTAL owns 10%. Repair work on facilities in the western zone of the Niger Delta region continued in 2009, allowing production to partially resume, in particular on the EA offshore field (10%), where production resumed in the second half of 2009. In addition, SPDC's 2009 gas and condensates production was affected notably by the shutdown of the Soku treatment plant, which had to be repaired after vandalism on the export pipelines in late 2008.

In the **Republic of the Congo**, the Group's share of production was 106 kboe/d in 2009, compared to 89 kboe/d in 2008 and 77 kboe/d in 2007.

- o Production began on the Moho Bilondo field (53.5%, operator) in April 2008, where the drilling of development wells is continuing. Current production (in 100%) of approximately 80 kboe/d is expected to reach 90 kboe/d at plateau during 2010. The Moho North Marine 3 appraisal well, drilled in late 2008 after two discoveries made in 2007 (Moho North Marine 1 and 2), confirmed the potential of this permit. In the same area, the Moho North Marine 4 well discovered resources in the Albian zones in 2009.
- o Development of Libondo (65%, operator), approved in October 2008, is continuing. Commissioning is expected in 2011. This field is located on the Kombi-Likalala-Libondo operating field, 50 km off the coast in water depths of 114 meters. Anticipated plateau production is 8 kb/d (in 100%). A substantial portion of the equipment is produced locally in Pointe-Noire through the redevelopment of a construction site that had been idle for several years.

In **Sudan**, the Group holds interests in an exploration permit in the southern part of the country, although no activity is currently underway in this country. For additional information on TOTAL's operations in Sudan, see Chapter 4 (Risk Factors).

## ● North America

**In 2009, TOTAL's production in North America was 24 kboe/d, representing 1% of the Group's overall production, compared to 14 kboe/d in 2008 and 20 kboe/d in 2007.**

In **Canada**, the Group is involved in oil sands projects in Athabasca, Alberta, through its interests in the Surmont (50%), Joslyn (75%, operator) and Northern Lights (50%, operator) permits. Since the end of 2004, the Group has also acquired 100% of several permits (Oil Sands Leases) through several auction sales, notably the Griffon permit, where interpretation of the 2008/2009 winter appraisal campaign is underway. The Group's 2009 production amounted to 8 kb/d, stable compared to 2008.

- o On the Surmont permit, construction of the first phase of industrial development (Surmont Phase 1A) ended in June 2007 with the gradual start-up of the steam injection for the first eighteen well pairs. The first well pairs tested SAGD (Steam Assisted Gravity Drainage) production in October 2007, and commercial production started in November 2007.

Construction work for Phases 1B and 1C was conducted to add the sixteen well pairs needed to reach a production level estimated at 22 kb/d. The well pairs of Phase 1B gradually started production in 2009.

In early 2010, the partners of the project decided to launch the construction of the second phase of industrial development. Start-up of production from Surmont Phase 2 is scheduled in 2015 and overall production capacity from Surmont (Phases 1 and 2) is expected to increase to 110 kb/d (in 100%).

- o The Joslyn permit, located approximately 140 km north of Surmont, is expected to be developed through mining techniques in two development phases of 100 kb/d of bitumen each.

In 2009, the pre-project for the first development phase (Joslyn North Mine) was completely reviewed, notably to meet the requirements of the February 2009 new regulation related to tailings management. The review was completed in February 2010, concurrent with the filing of an updated administrative file with the authorities. Continuation of preparation for the first phase was approved in early March 2010, together with the launch of basic engineering studies. Development of the project is expected to be approved in the following years for a start-up in 2017. However, this schedule is subject to the ERCB (Energy Resources Conservation Board) administrative approval process.

In addition, a small SAGD production unit that started production in 2006, but did not reach the expected 10 kb/d plateau production because of constraints on the steam injection pressure, has been suspended since March 2009. The future of the facility (mothballing or complete removal) has been subject to the request for authorization filed with ERCB in early 2010. The corresponding reserves were debooked as of December 31, 2008.

- o In 2006, TOTAL conducted studies leading to the decision to locate a delayed coker technology upgrader with a capacity of approximately 230 kb/d in Edmonton (Alberta). This upgrader is expected to be built in two phases to match the anticipated increase in bitumen production on the Joslyn permit. Pursuant to a public announcement in May 2007 and the ERCB filing in December 2007, the project is now subject to a public hearing expected in late May 2010. Basic engineering studies, launched in May 2008, ended in late 2009. This was the last step before construction work is launched. However, the final decision to launch the project can only be made after the approval by the administrative authorities and start-up should coincide with start-up of Joslyn North Mine.
- o In August 2008, the Group closed the acquisition of Synenco, whose two principal assets are a 60% interest in the Northern Lights project and 100% of the adjacent McClelland permit. In early 2009, the Group sold a 10% share in the Northern Lights project and a 50% share in the McClelland permit to Sinopec, the other partner in the project, reducing its interest in each of the assets to 50%. The Northern Lights project, located approximately 50 km north of Joslyn, is expected to be developed through mining techniques.

In the **United States**, the Group's 2009 production amounted to 16 kboe/d, compared to 6 kboe/d in 2008 and 18 kboe/d in 2007.

- o In the Gulf of Mexico:
  - The deep-offshore Tahiti oil field (17%) started producing in May 2009 and rapidly reached plateau production of 135 kb/d.
  - In September 2007, the Group committed to developing the first phase of the deep-offshore Chinook project (33.33%), with a production test scheduled in 2010.
  - TOTAL acquired six exploration blocks in March 2009.
  - In April 2009, TOTAL and Cobalt signed an agreement to merge both companies' deep-offshore acreage, with Cobalt holding a 60% interest and TOTAL the remaining 40%. As part of this agreement, Cobalt is operating the exploration part and TOTAL is providing the drilling rig for the first five exploration wells. In addition, engineers from TOTAL are assigned to the exploration team set up by Cobalt in Houston.
  - TOTAL operates production on the Matterhorn and Virgo fields.
- o In Alaska, TOTAL acquired a 30% interest in several onshore exploration blocks, referred to as White Hills, in 2008. Most of these blocks were relinquished in mid-2009 following disappointing results. In 2007, the Group also acquired thirty-two offshore exploration blocks in the Beaufort Sea.
- o In late 2009, TOTAL signed a joint venture agreement with Chesapeake, effective retrospectively since October 1, 2009. As part of this joint venture, TOTAL holds 25% of Chesapeake's non-conventional gas portfolio in the Barnett Shale area in Texas which produce approximately 700 Mcf/d.
- o In January 2009, the Group finalized the acquisition of a 50% interest in American Shale Oil LLC in order to study the technology to develop oil shales in Colorado.

In **Mexico**, TOTAL is conducting various studies in cooperation with state-owned PEMEX under a technical cooperation agreement signed in 2003 and renewed in early 2010.

## ● South America

**In 2009, TOTAL's production in South America (including production of equity affiliates and non-consolidated subsidiaries) was 182 kboe/d, representing 8% of the Group's overall production, compared to 224 kboe/d in 2008 and 230 kboe/d in 2007.**

In **Argentina**, TOTAL has been present since 1978 and operates 27% of the country's gas production<sup>1</sup>. The Group's production was 80 kboe/d in 2009, compared to 81 kboe/d in 2008 and 80 kboe/d in 2007.

- o In the Neuquen Basin, the connection of satellite discoveries and an increase in compression capacity allowed the extension of the San Roque (24.7%, operator) and Aguada Pichana (27.3%, operator) fields' plateau production.

The low-pressure compression project on the Aguada Pichana field was brought on-line in August 2007. Development of the Aguada Pichana North discovery is underway. The second development phase was brought on-line between September and November 2009 with five producing wells. It supplements the first phase that started in December 2007. Twenty-two wells were drilled in 2009 on the principal portion of the field.

In February 2009, TOTAL and the Argentinean authorities signed an agreement extending the Aguada Pichana and San Roque concessions for ten years (from 2017 to 2027). As part of this agreement, a 3D seismic survey was shot in late 2009 in the Las Carceles canyons area to allow exploration to continue on Aguada Pichana, on the western portion of the area that is already developed.

- o In Tierra del Fuego, the Group operates notably the offshore Carina and Aries fields (37.5%), which started up in 2005 and 2006, respectively. A fourth medium-pressure compressor was installed in July 2007 to debottleneck the facilities and increase the gas production capacity from approximately 424 Mcf/d to 530 Mcf/d (12 Mm<sup>3</sup>/d to 15 Mm<sup>3</sup>/d) on this zone. The Tierra del Fuego gas export pipeline does not currently have the capacity to transport all of the gas that could be produced with this development. Work to increase the capacity of the pipeline has been ongoing since 2008.

In late 2009, a decision was made to launch the development of the offshore Vega Pleyade field and to extend low-pressure compression with an objective to start up production in late 2014.

In **Bolivia**, the Group's production, primarily gas, amounted to 20 kboe/d in 2009, compared to 22 kboe/d in 2008 and 28 kboe/d in 2007. TOTAL holds interests in six permits: two producing permits, San Alberto and San Antonio (15%); and four permits in the exploration or appraisal phase, Blocks XX West (75%, operator), Aquio and Ipati (80%, operator) and Rio Hondo (50%). The decline in 2009 production is primarily due to decreasing gas demand from Brazil, which is San Alberto's and San Antonio's major export market.

1. Source: Argentinean Ministry of Federal Planning, Public Investment and Services – Energy Secretary.

- o Regarding the Itau discovery, located on Block XX West, TOTAL filed in August 2009 a declaration of commerciality with the Bolivian authorities. Development of this field is proceeding and start-up is expected in the second half of 2010. Production from Itau will be routed to the existing facilities of the neighboring San Alberto field.
- o In 2004, TOTAL discovered the Incahuasi gas field on the Ipati Block. Following the interpretation of the 3D seismic acquisition conducted in 2008, an appraisal well is ongoing on the adjacent Aquio Block to confirm the extension of the discovery to the north.

In September 2008, TOTAL entered into a cooperation agreement with Gazprom and Yacimientos Petrolíferos Fiscales Bolivianos to explore the Azero Block within the framework of a joint venture company. TOTAL and Gazprom will be partners with equal interests in this joint venture company.

In **Brazil**, TOTAL holds interests in Block BC-2 (41.2%) and Block BM-C-14 (50%) located in the Campos Basin.

- o The partners on Block BC-2 drilled an appraisal well early in 2007 and filed a Declaration of Commercial Discovery with the Agência Nacional do Petróleo (ANP/National Oil Agency) in late August 2007. Following seismic reprocessing, a pre-salt prospect was found under the Xerelete (formerly Curió) discovery made in 2001 in water depths of 2,400 m. An appraisal well is expected to be drilled in 2011.
- o The southern extremity of Xerelete is located on the adjacent BM-C-14 Block. In 2009, partners on both blocks finalized a unitization agreement for the field that has been submitted to ANP for approval.

In **Colombia**, TOTAL has been present since 1973 with production of 23 kboe/d in 2009, similar to 2008, compared to 19 kboe/d in 2007. TOTAL holds a 19% interest in the onshore Cupiaga and Cusiana fields, located at the base of the Andes, and a 50% interest in the Niscota exploration permit located 300 km northeast of Bogota. TOTAL is also active through its interest in CEPESA, which has operated the Caracara Block since 2008.

- o On Cusiaga, as part of two expansion projects, construction of the facilities started in July 2009 to increase gas production capacity from 180 Mcf/d currently to 250 Mcf/d and begin recovering 6 kb/d of LPG. First production of additional gas and LPG is expected in the second half of 2010 and in 2011, respectively.
- o On Niscota, drilling of the Huron-1 well led to the discovery in 2009 of a gas and condensate field. Appraisal of the Huron-1 structure is ongoing with the launch of a 3D seismic campaign to define the size of the discovery and to plan for future appraisal wells.

In **French Guiana**, TOTAL acquired a 25% interest in the Guyane Maritime permit in December 2009. The acquisition is subject to approval by the French authorities. The permit, located about 150 km off the coast, covers an area of approximately 32,000 km<sup>2</sup> in water depths ranging from 2,000 to 3,000 meters. A 3D seismic acquisition program is already underway on this permit.

In **Trinidad & Tobago**, TOTAL has been present since 1996 with production of 5 kb/d in 2009, compared to 6 kb/d in 2008 and 9 kb/d in 2007. TOTAL holds a 30% interest in the offshore Angostura field located on Block 2C. A second phase intended to develop gas reserves is underway, with first production expected in 2011.

In **Venezuela**, TOTAL has been present since 1980 and is one of the main partners of state-owned PDVSA (Petróleos de Venezuela S.A.). The Group's 2009 production amounted to 54 kboe/d, compared to 92 kboe/d in 2008 and 94 kboe/d in 2007. TOTAL holds interests in PetroCedeño (30.323%), Yucal Placer (69.5%) and in the offshore exploration Block 4, located in the Plataforma Deltana (49%).

- o Pursuant to the decision by the Venezuelan authorities to terminate all operating contracts signed in the 1990s, TOTAL signed heads of agreement in June 2007 with PDVSA, with the approval of the Ministry of Energy and Oil, providing for the transformation of the Sincor association into a mixed public/private company, PetroCedeño, and the transfer of operations to this mixed company. Under this agreement, TOTAL's interest in the project decreased from 47% to 30.323% and PDVSA's interest increased to 60%. Conditions for this transformation were approved by the Venezuelan National Assembly in October 2007 and the transformation was finalized in February 2008. PDVSA agreed to compensate TOTAL for the reduction of its interest in Sincor by assuming \$326 million of debt and by paying, mostly in crude oil, \$834 million. The compensation process was completed in 2009.
- o On Block 4, the exploration campaign, which involved three wells, was completed in October 2007. In October 2008, the Ministry of Energy and Oil agreed to let the joint venture retain the Cocuina discovery zone (lots B and F) and relinquish the rest of the block.
- o In early 2008, TOTAL signed two agreements for joint studies with PDVSA on the Junin 10 Block, in the Orinoco Belt.

## ● Asia-Pacific

**In 2009, TOTAL's production in the Asia-Pacific region was 251 kboe/d, representing 11% of the Group's overall production, compared to 246 kboe/d in 2008 and 252 kboe/d in 2007.**

In **Australia**, where TOTAL has held leasehold rights since 2005, the Group owns twelve offshore permits, including four that it operates, off the northwest coast in the Browse, Vulcan, Bonaparte and Carnavon Basins.

- o In the Browse Basin, preparation of the Ichthys gas and condensates field development, located on the WA-285P permit (24%), is ongoing. FEED (Front End Engineering and Design) studies were launched in 2009 for a floating platform designed for gas production, treatment and export, an FPSO to stabilize and export condensates, a nearly 900 km gas pipeline and a liquefaction plant located in Darwin.

Production capacity is expected to be 8.4 Mt/y of LNG, 1.6 Mt/y of LPG and 100 kb/d of condensates. The field is expected to come onstream in the second half of the decade.



- Major seismic acquisition activity occurred in 2008 on the four permits operated by TOTAL, followed by the interpretation of data in 2009. A drilling campaign is expected to be carried out in 2010 and 2011.
- In 2009, TOTAL disposed of a 20% interest in the WA-269P permit (Carnavon Basin) and relinquished the adjacent WA-370P permit.

In **Bangladesh**, TOTAL operated two exploration blocks, Blocks 17 and 18, acquired in 2007. In 2008, a 3D seismic campaign was conducted on these blocks located off the southeastern coast. Following the seismic interpretation, the decision to relinquish the blocks was made in February 2009. The branch was closed in October 2009.

In **Brunei**, where TOTAL has been present since 1986, the Group operates the offshore Maharaja Lela Jamalulalam field located on Block B (37.5%). The Group's production was 12 kboe/d in 2009, compared to 14 kboe/d in 2008 and 2007. The gas produced at this field is delivered to the Brunei LNG liquefaction plant.

On Block B, a new drilling campaign started in July 2009. Exploration operations on deep-offshore Block J (60%, operator) have been suspended since May 2003 due to a border dispute between Brunei and Malaysia.

In **China**, the Group is present on the South Sulige block, located in the Ordos Basin, in the Inner Mongolia province. Appraisal work was conducted on this block between 2006 and 2008, in particular seismic acquisition, the drilling of four new wells and tests on existing wells. Development studies were carried out in 2008 and were continued in 2009 in order to define a development plan with the China National Petroleum Corporation (CNPC). The joint development plan was submitted to the CNPC in January 2010.

In **Indonesia**, TOTAL has been present since 1968 with production of 190 kboe/d in 2009, compared to 177 kboe/d in 2008 and 180 kboe/d in 2007.

TOTAL's operations are primarily concentrated on the Mahakam permit (50%, operator), which covers several fields, including Peciko and Tunu, the largest gas fields in the East Kalimantan area. TOTAL also holds an interest in the Sisi-Nubi field (47.9%, operator). TOTAL delivers most of its natural gas production to the Bontang LNG plant operated by the Indonesian company PT Badak. The overall capacity of the eight liquefaction trains at Bontang LNG is 22 Mt/y.

In 2009, gas production operated by TOTAL amounted to 2,561 Mcf/d. The gas operated and delivered by TOTAL to Bontang LNG accounted for 80% of its supply. In addition to gas production, operated condensates and oil production from the Handil and Bekapai fields amounted to 53 kb/d and 26 kb/d, respectively.

- On the Mahakam permit:
  - Drilling of additional wells on the Tunu field continued in 2009 as part of the twelfth and thirteenth development phases. A new seismic campaign to improve imaging on the shallow reservoirs and to identify the optimal location for additional

wells was ongoing at year-end 2009. Gas production on Tunu was 1,269 Mcf/d in 2009. The eleventh development phase, launched in 2005, was completed in late 2009 with the commissioning of onshore low-pressure compression units.

- On Peciko, following the start-up of a new platform (Phase 5) in late 2008, a new phase of drilling operations (Phase 7) started in 2009 and is expected to continue in 2010. New low-pressure compression capacities (Phase 6) are expected to be commissioned in 2010. Gas production on Peciko was 737 Mcf/d in 2009.
- On the East Bekapai exploration well, the oil discovery made in 2008 led to the launch of a development study, which is currently underway.
- The development of South Mahakam with the Stupa, West Stupa and East Mandu discoveries was launched in early 2008, with production scheduled to begin in 2012.
- In 2008, a seismic campaign was conducted on the Southeast Mahakam exploration block (50%, operator), located in the Mahakam Delta. Drilling of a first exploration well is expected in 2010. TOTAL was awarded this block in early 2007.
- On the Sisi-Nubi field, which began production in November 2007, drilling operations continue and gas production reached 396 Mcf/d in 2009. The gas from Sisi-Nubi is produced through Tunu's processing facilities.

In February 2009, the Group signed, alongside its partner Inpex and the state-owned company Pertamina, heads of agreement with a consortium of LNG buyers in Japan, setting out the principal terms for an extension of the 1973 and 1981 LNG sales contracts. As part of this agreement, a total of 25 Mt of LNG is expected to be delivered to Japan between 2011 and 2020 from the Bontang LNG Plant. The gas supplied will come from the Mahakam permit.

In **Malaysia**, TOTAL signed a production sharing contract in May 2008 with state-owned Petronas for the offshore exploration Blocks PM303 and PM324 (70%, operator). An operating structure was created in 2008 in Kuala Lumpur.

In 2009, a 3D seismic acquisition covering 1,650 km<sup>2</sup> was shot on Block PM303. Processing agreements for this seismic acquisition and reprocessing agreements for other seismic data available on Block PM324 were signed in July 2009, totaling an area of 2,600 km<sup>2</sup> for both blocks. Drilling in high pressure/high temperature conditions is expected to be carried out in 2011.

The offshore SKF Block (42.5%) was relinquished in 2009.

In **Myanmar**, TOTAL operates the Yadana field (31.2%). Located on offshore Blocks M5 and M6, this field produces gas that is delivered mainly to PTT (the Thai state-owned company) to be used in Thai power plants. In 2009, the Group's production was 13 kboe/d, compared to 14 kboe/d in 2008 and 17 kboe/d in 2007.

In **Thailand**, the Group's production was 36 kboe/d in 2009, compared to 41 kboe/d in 2008 and 2007. The Group's main asset is the Bongkot gas and condensates field (33.3%). In late 2007, the Thai authorities agreed to extend the end of the concession period of the field by ten years, from 2013 to 2023. PTT purchases all of

the natural gas and condensates production. Gas demand, which decreased at the beginning of 2009, recovered by year-end to the 2008 level.

- o The northern portion of the Bongkot field is being developed in several phases:
  - Production from the 3F development phase (three production platforms) started in July 2008.
  - Production from the 3G development phase (two platforms), launched following gas discoveries made in 2007, started in August 2009.
  - The 3H development phase (three platforms) was launched in July 2008 following gas discoveries made in the first half of 2008. Commissioning is expected in 2010.

Additional compression facilities were installed on four platforms to increase gas production.

- o The southern portion of this field (Great Bongkot South) is also being developed in several phases. This development is designed to include a processing platform, a residential platform and thirteen production platforms. In September 2009, the partners formalized a gas sales contract with PTT. Construction of the facilities started in 2009 and first production is expected in 2012.

To prepare for the next development phases of this large field, three exploration wells were drilled in 2009 in the northern portion and another well in the southern portion. Interpretation of the results is underway.

In **Vietnam**, TOTAL holds a 35% interest in the production sharing contract for the offshore 15-1/05 exploration block following an agreement signed in October 2007 with PetroVietnam. A 3D seismic acquisition covering 1,600 km<sup>2</sup> was shot in the summer of 2008 on this block. A first oil discovery was made in November 2009 on the southern portion of the Block.

In March 2009, TOTAL and PetroVietnam signed a production sharing contract for Blocks DBSCL-02 and DBSCL-03. Located in the Mekong Delta region, these onshore blocks are held by TOTAL (75%, operator) and PetroVietnam (25%). A first 2D seismic acquisition campaign was shot in November 2009.

## ● Commonwealth of Independent States (CIS)

**In 2009, TOTAL's production in CIS was 24 kboe/d, representing 1% of the Group's overall production, compared to 26 kboe/d in 2008 and 19 kboe/d in 2007.**

In **Azerbaijan**, TOTAL has been present since 1996 with production in 2009 of 12 kboe/d, compared to 18 kboe/d in 2008 and 11 kboe/d in 2007. The Group's production is focused on the Shah Deniz field (10%). TOTAL holds a 10% interest in South Caucasus Pipeline Company, owner of the SCP (South Caucasus Pipeline) gas pipeline that transports the gas produced in Shah Deniz to the

Turkish and Georgian markets. TOTAL also holds a 5% interest in the BTC (Bakou-Tbilissi-Ceyhan) oil pipeline, owned by BTC Co., which connects Baku and the Mediterranean Sea.

- o Gas deliveries to Turkey and Georgia from the Shah Deniz field continued throughout 2009, at a lower pace for Turkey due to weaker demand. Also, during the spring and summer of 2009, SOCAR, the Azerbaijan state-owned company, did not take the gas quantities set in the agreement, but SOCAR made the payments provided for by the take-or-pay agreement.

Development studies and business negotiations for the sale of additional gas needed to launch a second development phase in Shah Deniz continued in 2009.

- o On the BTC oil pipeline, notably used to transport the condensates produced at Shah Deniz, equipment was installed in 2009 to inject chemicals to reduce head losses. They are expected to increase the oil pipeline capacity from 1Mb/d to 1.2 Mb/d.

In 2009, TOTAL and SOCAR signed an exploration, development and production sharing contract for a permit located on the offshore Absheron block. TOTAL (40%) will be the operator during the exploration phase and a joint operating company will conduct operation during the development phase. Drilling of an exploration well is expected to start in 2010.

In **Kazakhstan**, TOTAL has been present since 1992 through the interest it holds in the North Caspian Sea permit, which includes notably the Kashagan field. The size of this field may eventually allow production to reach nearly 1,500 kb/d (in 100%). This project is expected to be developed in several phases.

On Kashagan, the development plan for the first phase (300 kb/d) was approved in February 2004 by the Kazakh authorities, allowing work to begin on the field. Drilling of development wells, which began in 2004, continued in 2009 and production is expected to begin in late 2012.

The agreements signed in October 2008 by members of the North Caspian Sea Production Sharing Agreement (NCSPSA) consortium and the Kazakh authorities ended the disagreement that began in August 2007. The implementation of these agreements led to a reduction of TOTAL's share in NCSPSA from 18.52% to 16.81%. The operating structure was reconfigured and the North Caspian Operating Company (NCOC), a joint operating company, was entrusted with the operatorship. NCOC started operating the field in January 2009. NCOC supervises and coordinates NCSPSA's operations and is directly responsible for the schedule, reservoir modeling, conceptual development studies and relations with the Kazakh authorities. NCOC uses TOTAL's management system and the company's chief executive officer is also an executive from TOTAL.

In **Russia**, where TOTAL has been present since 1989, production from the Kharyaga field (40%, operator) rose to 12 kboe/d in 2009 from 8 kboe/d in 2008 and 2007. TOTAL strengthened its positions in the country through its partnerships with Gazprom and Novatek.

- o In July 2007, TOTAL and Gazprom signed an agreement for the first phase of development on the giant Shtokman gas and

condensates field, located in the Barents Sea. Shtokman Development AG (TOTAL, 25%) was created in February 2008 to design, build, finance and operate the first development phase with an expected overall production capacity of 23.7 Bm<sup>3</sup>/y. Engineering studies are underway with an investment decision expected in March 2011 for the part of the project that will allow the export of 23.7 Bm<sup>3</sup>/y of gas by pipeline to the Gazprom network (offshore development, gas pipeline and onshore gas and condensates processing facilities – Teriberka site). The investment decision is expected before the end of 2011 for the LNG part of the project that will allow the export of 7.5 Mt/y of LNG from a new harbor located in Teriberka, representing approximately half of the gas produced by the first development phase.

- o In December 2009, TOTAL finalized the acquisition from Novatek of a 49% interest in Terneftegas, which holds a development and production license on the onshore Termokarstovoye field. Appraisal work is expected to be carried out in 2010 and 2011 on this gas and condensates field located in the Yamalo-Nenets region.
- o On the Kharyaga field, work related to the development plan of Phase 3, approved in December 2007, is ongoing. This development plan is intended to maintain plateau production at the 30 kboe/d (in 100%) level reached in late 2009. In December 2009, TOTAL signed an agreement to sell a 10% interest in Kharyaga to state-owned Zarubezhneft. Following this divestment, effective as of January 1, 2010, TOTAL holds a 40% interest in this field.
- o In October 2009, TOTAL signed an agreement establishing the principles of a partnership with KazMunaiGas (KMG) for the development of the Khvalynskoye gas and condensates field, located offshore in the Caspian Sea (under Russian jurisdiction) on the border between Kazakhstan and Russia. Gas production is expected to be transported to Russia. Pursuant to this agreement, TOTAL is planning to acquire a 17% interest on KMG's share.

## ● Europe

**In 2009, TOTAL's production in Europe was 613 kboe/d, representing 27% of the Group's overall production, compared to 616 kboe/d in 2008 and 674 kboe/d in 2007.**

In **France**, the Group's production was 24 kboe/d in 2009, down from 25 kboe/d in 2008 and 27 kboe/d in 2007. The Group has operated fields in this country since 1939, notably the Lacq (100%) and Meillon (100%) gas fields, located in the southwest of the country.

On the Lacq field, operated since 1957, a carbon capture and storage pilot was commissioned in January 2010. In connection with this project, a boiler has been modified to operate in an oxy-fuel combustion environment and the carbon dioxide emitted is captured and re-injected in the depleted Rousse field. As part of TOTAL's sustainable development policy, this project will allow the Group to assess one of the technological possibilities for reducing carbon dioxide emissions.

In **Italy**, the Tempa Rossa field (50%, operator), discovered in 1989 and located on the unitized Gorgoglione concession (Basilicate region), is one of TOTAL's principal assets in the country.

Site preparation work started in August 2008, but the proceedings initiated by the Prosecutor of the Potenza Court against Total Italia led to a freeze in the preparation work. New calls for tenders have been launched related to certain contracts that had been cancelled. Preparation work related to the drilling of an appraisal well started in December 2009. The partners on Tempa Rossa are expected to make the final investment decision for the project in 2011.

In addition, the extension plan for the Tarente refinery export system, needed for the development of the Tempa Rossa field, is expected to be submitted to the Italian authorities in 2010 for an approval expected in 2011. Start-up of production is currently expected in 2014 with a plateau production of 50 kb/d.

In **Norway**, where the Group has been present since the late 1960s, TOTAL holds interests in seventy-seven production permits on the Norwegian continental shelf, including fourteen that it operates. Norway is the largest single-country contributor to the Group's production, with volumes of 327 kboe/d in 2009, compared to 334 kboe/d in 2008 and 338 kboe/d in 2007.

- o In the Norwegian North Sea, production was 256 kboe/d in 2009. The most substantial contribution to production, for the most part non-operated, comes from the Ekofisk Area located in the southern region. This region also includes the Greater Hild area (Hild East, Central and West) located in the north.
  - In the Ekofisk area, a major work program continued in 2009 on the Ekofisk (39.9%) and Eldfisk (39.9%) fields to increase production, oil recovery and the life span of existing facilities. A system of permanent seismic pick-ups will be set up in order to optimize future wells.
  - On Hild East, located in the PL 040 / 043 (49%, operator) permits, drilling of an appraisal/pre-development well started in September 2009. Results are expected to define the basis of the development plan. Six exploration and appraisal wells had already confirmed the potential of the Greater Hild area.
  - On Frigg, dismantling of the offshore facilities was completed in 2009, on schedule.
- o In the Norwegian Sea, the Haltenbanken area includes the Tyrihans (23.2%), Mikkel (7.7%) and Kristin (6%) fields as well as the Åsgard (7.7%) field and its satellites Yttergryta (24.5%) and Morvin (6%). In 2009, the Group's production in the Haltenbanken area was 56 kboe/d.
  - Tyrihans came onstream in July 2009, as planned, and Yttergryta started in January 2009. Morvin is expected to start up production in 2010.
  - On the undeveloped Victoria discovery (PL211), operated by TOTAL (40%), the 6506/9-1 appraisal well confirmed the presence of gas, but revealed a structure more complex than expected.
- o In the Barents Sea, LNG production on Snøhvit (18.4%) started up in 2007. This project includes both the development of the natural gas field and the construction of the associated



liquefaction facilities. Due to design problem, the plant experienced performance and reliability concerns during the start-up phase. A number of turnarounds were scheduled to fix the issue. Excluding turnarounds, production levels close to the plant's production capacity (4.2 Mt/y for LNG production) were achieved in 2009.

Between 2007 and 2009, exploration and appraisal work occurred on various permits, including the drilling of a successful appraisal well on the Onyx SW discovery (PL 255, 20%), in the Haltenbanken area. In the Norwegian North Sea, the oil discovery on Dagny (PL 048, 21.8%) and the Pan/Pandora (PL 120, 11%) discovery, made in 2008, substantially increased the potential of the Sleipner and Visund areas, respectively. A number of discoveries were also made in 2009, in particular on Beta Vest (PL 046, 10%) near Sleipner, Katla (PL 104, 10%), located south of Oseberg, and Vigdis North East (PL 089, 5.6%), located south of Snorre. In the Barents Sea, during the twentieth licensing round, TOTAL was awarded a new exploration permit: PL 535 (40%). On this permit, a 3D seismic acquisition was completed in 2009 and drilling is expected to begin in 2011.

In the **Netherlands**, TOTAL has been active in natural gas exploration and production since 1964 and currently holds twenty-four offshore production permits, including twenty that it operates, and an offshore exploration permit, E17c (16.92%), awarded in February 2008. The Group's 2009 production amounted to 45 kboe/d, compared to 44 kboe/d in 2008 and 45 kboe/d in 2007. The acquisition of Goal Petroleum (Netherlands) B.V. in August 2008 is expected to increase the Group's production by 8 kboe/d by 2011.

- On the K5F field (40.39%, operator), production began in September 2008. This project is comprised of two sub-sea wells connected to the existing production and transport facilities. K5F is the first project in the world to use only electrically driven sub-sea wellheads and systems. This advance in sub-sea technologies is expected to increase the reliability of systems and improve environmental performance.
- The development of the K5CU project (49%, operator) was launched in 2009 and production is expected to start in 2011. This development includes four wells supported by a new platform connected to the K5A platform by a 15 km gas pipeline.

In the **United Kingdom**, TOTAL has been present since 1962 with production in 2009 of 217 kboe/d, compared to 213 kboe/d in 2008 and 264 kboe/d in 2007. The United Kingdom accounts for nearly 10% of the Group's overall production. 85% of this production comes from operated fields located in two major zones: the Alwyn zone in the northern North Sea, and the Elgin/Franklin zone in the Central Graben.

- On the Alwyn zone, wells drilled on the Alwyn North field (100%) discovered new reserves that came onstream in 2007 and 2009. In addition, the start-up of production from satellites or new reservoir compartments allowed the potential for production to remain at a level near the processing and compressing capacities of the Alwyn platform (530 Mcf/d of gas increased to 575 Mcf/d since the summer 2008 planned shutdown for maintenance).

The Jura field (100%), discovered in late 2006, started production in May 2008 through two sub-sea wells connected to the pipeline linking Forvie North and Alwyn. The production capacity of this field is 50 kboe/d (gas and condensates).

Development studies are nearing completion for Islay (100%), a second gas and condensates discovery made in 2008 and located in a faulted panel immediately east of Jura.

In late 2008, TOTAL increased its interest in the Otter field from 54.3% to 81%.

- The development of the Elgin (35.8%) and Franklin fields (35.8%), in production since 2001, made a substantial contribution to the Group's operations in the United Kingdom. This project constituted a technical milestone, combining the development of one of the deepest reservoirs in the North Sea (5,500 m) with temperature and pressure conditions among the highest in the world (190°C and 1,100 bars).

On the Elgin field, the infill well drilled between November 2008 and September 2009 started production in October 2009 at a rate of 18 kboe/d. Drilling of a second infill well is ongoing. A similar well was completed on the Franklin field in 2007. Drilling of such a well in a high pressure/high temperature depleted field is a major technical milestone.

Glenelg (49.5%) and West Franklin (35.8%), operated satellites of the Elgin and Franklin fields, respectively, started production in March 2006 and September 2007, respectively. Studies are underway for an additional development of West Franklin from a new platform. Anticipated production for this field over its life is estimated to total approximately 200 Mboe (in 100%).

As part of an agreement signed in 2005, TOTAL acquired a 25% interest in two blocks located near Elgin and Franklin by drilling a successful appraisal well on the Kessog structure. This interest was increased to 50% in 2009 following the completion of a long-duration test whose results are under study.

- In the West of Shetland area, TOTAL increased its interest to 80% in the Tormore and Laggan fields in early 2010. In late 2009, TOTAL acquired a 43.75% interest (and operatorship) in the P967 permit located north of Laggan-Tormore. This permit includes the Tobermory gas discovery.

A successful exploration well was drilled in 2007 on the Tormore prospect, located 15 km southwest of the Laggan field. Development studies allowed the Group and its partners to select a joint development plan for both fields using sub-sea production facilities and off-gas treatment (gas and condensates) at a plant located near the Sullom Voe terminal in the Shetland Islands. The gas would be exported to the Saint-Fergus terminal through a new pipeline connected to the Frigg pipeline (FUKA). The final investment decision for the project has been made in March 2010 and production is scheduled to start in 2014 with an expected capacity of 90 kboe/d.

TOTAL holds interests in ten assets operated by third parties, the most important in terms of reserves being the Bruce (43.25%) and Alba (12.65%) fields.

## ● Middle East

In 2009, TOTAL's production in the Middle East (including production of equity affiliates and non-consolidated subsidiaries) was 438 kboe/d, representing 19% of the Group's overall production, compared to 432 kboe/d in 2008 and 390 kboe/d in 2007.

In the **United Arab Emirates**, where TOTAL has been present since 1939, the Group's production in 2009 was 214 kboe/d, compared to 243 kboe/d in 2008 and 242 kboe/d in 2007. The decline in 2009 is primarily due to the implementation of OPEC quotas.

In Abu Dhabi, TOTAL holds interests in the Abu Al Bu Khoosh field (75%, operator), in the Abu Dhabi Company for Onshore Oil Operations (ADCO, 9.5%), which operates the five major onshore fields in Abu Dhabi, and in Abu Dhabi Marine (ADMA, 13.3%), which operates two offshore fields. TOTAL also has interests in Abu Dhabi Gas Industries (GASCO, 15%), which produces LPG and condensates from the associated gas produced by ADCO, and in Abu Dhabi Gas Liquefaction Company (ADGAS, 5%), which produces LNG, LPG and condensates.

In early 2009, TOTAL signed agreements for a 20-year extension of its participation in the GASCO joint venture starting on October 1, 2008.

The Group also holds a 33.3% interest in Ruwais Fertilizer Industries (FERTIL), which produces urea. In 2005, FERTIL's corporate life was extended for an additional 25-year period. FERTIL 2, a new project, was launched in 2009 to build a new granulated urea unit with a capacity of 3,500 t/d (1.2 Mt/y). This project will allow FERTIL to more than double production and reach nearly 2 Mt/y.

In **Iraq**, TOTAL participated in 2009 in both calls for tenders launched by the Iraqi Ministry of Oil. The CNPC-led consortium that includes TOTAL (25%) was awarded the development and production contract for the Halfaya field during the second call for tenders that was held in December 2009. This field is located in the province of Missan, north of Basra. In addition, the Group continued its major training program for Iraqi engineers. As a result, a training framework agreement was signed in December 2009 by TOTAL and the Iraqi Ministry of Oil.

In **Iran**, the Group's production, in the form of buy-back agreements, amounted to 8 kb/d in 2009, compared to 9 kb/d in 2008 and 15 kb/d in 2007. For additional information on TOTAL's operations in Iran, see Chapter 4 (Risk Factors).

In **Oman**, the Group's production in 2009 was 34 kboe/d, stable compared to 2008 and 2007. The Group produces oil mainly on Blocks 6 and 53 as well as liquefied natural gas through its interests in the Oman LNG (5.54%)/Qalhat LNG (2.04%)<sup>1</sup> liquefaction plant, which has a capacity of 10.5 Mt/y.

In **Qatar**, TOTAL has been present since 1936 and holds interests in the Al Khalij field (100%), the NFB Block (20%) in the North Field, the Qatargas 1 liquefaction plant (10%), the Dolphin project (24.5%) and train 5 of Qatargas 2 (16.7%). The Group's production was 141 kboe/d in 2009, compared to 121 kboe/d in 2008 and 74 kboe/d in 2007. Production substantially increased with the start-ups of Qatargas 2 and Dolphin.

- Production from Dolphin started during the summer of 2007 and reached its full capacity in the first quarter of 2008. The contract, signed in December 2001 with state-owned Qatar Petroleum, provides for the sale of 2,000 Mcf/d of gas from the North Field for a 25-year period. The gas is processed in the Dolphin plant in Ras Laffan and exported to the United Arab Emirates through a 360 km gas pipeline.
- Production from train 5 of Qatargas 2, which started in September 2009, reached its full capacity (7.8 Mt/y) in late 2009. TOTAL has owned an interest in this train since December 2006. In addition, TOTAL began to off-take part of the LNG produced in compliance with the contracts signed in July 2006, which provide for the purchase of 5.2 Mt/y of LNG from Qatargas 2 by the Group.

The Group also holds a 10% interest in Laffan Refinery, a 146 kb/d condensate splitter that started up in September 2009.

In **Syria**, TOTAL is present on the Deir Ez Zor permit (100%, operated by DEZPC of which 50% is owned by TOTAL) and through the Tabiyeh contract that became effective in October 2009. For both assets, the Group's production was nearly 20 kboe/d in 2009, compared to 15 kboe/d in 2008 and 2007.

Three new agreements were approved:

- in November 2008, the 10-year extension of the Deir Ez Zor permit to 2021;
- in October 2009, the Tabiyeh agreement, which primarily provides for an increase in the production from the gas and condensates Tabiyeh field; and
- in July 2009, the Cooperation Framework Agreement, which provides for the development of oil projects in partnership with the Syrian company General Petroleum Corporation.

For additional information on TOTAL's operations in Syria, see Chapter 4 (Risk Factors).

In **Yemen**, TOTAL has been present since 1987 with production in 2009 of 21 kboe/d, compared to 10 kboe/d in 2008 and 9 kboe/d in 2007. TOTAL has interests in the country's two oil basins, as the operator on Block 10 (Masila Basin, East Shabwa permit, 28.57%) and as a partner on Block 5 (Marib Basin, Jannah permit, 15%). TOTAL also has an interest in the Yemen LNG project (39.62%).

1. Indirect interest through the 36.8% share of Qalhat LNG owned by Oman LNG.

The Yemen LNG liquefaction plant started up in October 2009. As part of this project, the liquefaction plant built in Balhaf on the southern coast of Yemen is supplied with gas produced on Block 18, located near Marib in the center of the country, through a 320 km pipeline. Production from the plant started with the commissioning of the first liquefaction train. Construction of the second train is nearing completion for a start-up by the summer of 2010. Overall production capacity from both trains is expected to reach 6.7 Mt/y of LNG.

In 2008, TOTAL strengthened its position in onshore exploration through the acquisition of a 30.9% interest in Block 70 following the purchase of a 40% share in Blocks 69 and 71 in 2007. Appraisal of a gas discovery on Block 71 is underway. The first well drilled on Block 70 discovered positive oil shows. The potential of this discovery has yet to be assessed.

## Oil and gas acreage

		2009		2008		2007	
		Undeveloped acreage <sup>(a)</sup>	Developed acreage	Undeveloped acreage <sup>(a)</sup>	Developed acreage	Undeveloped acreage <sup>(a)</sup>	Developed acreage
<i>(in thousands of acres at year-end)</i>							
<b>Europe</b>	Gross	5,964	667	5,880	647	5,762	656
	Net	2,203	182	2,191	181	2,065	173
<b>Africa</b>	Gross	85,317	1,137	85,883	1,112	93,469	1,165
	Net	45,819	308	41,608	292	50,564	281
<b>Americas</b>	Gross	9,834	776	8,749	484	8,018	495
	Net	4,149	259	4,133	186	3,844	185
<b>Middle East</b>	Gross	33,223	204	33,223	199	84,569	185
	Net	2,415	97	2,415	69	17,816	62
<b>Asia</b>	Gross	29,609	397	25,778	387	30,391	388
	Net	16,846	169	12,529	131	13,417	109
<b>Total</b>	Gross	163,947	3,181	159,513	2,829	222,209	2,889
	Net <sup>(b)</sup>	71,432	1,015	62,876	859	87,706	810

(a) Undeveloped acreage includes leases and concessions.

(b) Net acreage equals the sum of the Group's fractional interests in gross acreage.

## Number of productive wells

		2009		2008		2007	
		Gross productive wells	Net productive wells <sup>(a)</sup>	Gross productive wells	Net productive wells <sup>(a)</sup>	Gross productive wells	Net productive wells <sup>(a)</sup>
<i>(wells at year-end)</i>							
<b>Europe</b>	Liquids	705	166	700	166	718	181
	Gas	328	125	328	127	305	115
<b>Africa</b>	Liquids	2,371	669	2,465	692	2,448	684
	Gas	190	50	112	34	108	31
<b>Americas</b>	Liquids	821	241	621	176	619	224
	Gas	1,905	424	254	79	276	102
<b>Middle East</b>	Liquids	3,766	307	3,762	264	473	75
	Gas	136	32	83	15	70	13
<b>Asia</b>	Liquids	157	75	184	68	315	96
	Gas	1,156	379	1,049	271	975	195
<b>Total</b>	Oil	7,820	1,458	7,732	1,366	4,573	1,260
	Gas	3,715	1,010	1,826	526	1,734	456

(a) Net wells equal the sum of the Group's fractional interests in gross wells.

## Number of net oil and gas wells drilled annually

	2009			2008			2007		
	Net productive wells drilled <sup>(a)</sup>	Net dry wells drilled <sup>(a)</sup>	Net total wells drilled <sup>(a)</sup>	Net productive wells drilled <sup>(a)</sup>	Net dry wells drilled <sup>(a)</sup>	Net total wells drilled <sup>(a)</sup>	Net productive wells drilled <sup>(a)</sup>	Net dry wells drilled <sup>(a)</sup>	Net total wells drilled <sup>(a)</sup>
<b>Exploratory</b>									
<i>Europe</i>	–	1.3	1.3	1.3	2.0	3.3	2.1	1.0	3.1
<i>Africa</i>	4.8	3.9	8.7	4.7	3.2	7.9	8.1	8.7	16.8
<i>Americas</i>	–	2.0	2.0	–	2.6	2.6	0.7	1.3	2.0
<i>Middle East</i>	–	–	–	0.4	–	0.4	–	0.6	0.6
<i>Asia</i>	0.5	1.3	1.8	4.1	2.2	6.3	5.5	0.1	5.6
<b>Total</b>	<b>5.3</b>	<b>8.5</b>	<b>13.8</b>	<b>10.5</b>	<b>10.0</b>	<b>20.5</b>	<b>16.4</b>	<b>11.7</b>	<b>28.1</b>
<b>Development</b>									
<i>Europe</i>	5.0	–	5.0	6.2	–	6.2	13.5	0.1	13.6
<i>Africa</i>	27.5	0.2	27.7	38.3	6.4	44.7	51.6	–	51.6
<i>Americas</i>	31.2	104.3	135.5	41.5	270.9	312.4	94.8	105.6	200.4
<i>Middle East</i>	45.6	3.4	49.0	61.2	7.6	68.8	82.6	5.1	87.7
<i>Asia</i>	63.5	0.3	63.8	58.7	–	58.7	58.0	–	58.0
<b>Total</b>	<b>172.8</b>	<b>108.2</b>	<b>281.0</b>	<b>205.9</b>	<b>284.9</b>	<b>490.8</b>	<b>300.5</b>	<b>110.8</b>	<b>411.3</b>
<b>Total</b>	<b>178.1</b>	<b>116.7</b>	<b>294.8</b>	<b>216.4</b>	<b>294.9</b>	<b>511.3</b>	<b>316.9</b>	<b>122.5</b>	<b>439.4</b>

(a) Net wells equal the sum of the Group's fractional interests in gross wells.

## Drilling and production activities in progress

(wells at year-end)	2009		2008		2007	
	Gross	Net <sup>(a)</sup>	Gross	Net <sup>(a)</sup>	Gross	Net <sup>(a)</sup>
<b>Exploratory</b>						
<i>Europe</i>	1	0.5	2	1.1	1	0.4
<i>Africa</i>	4	1.3	7	2.5	3	0.6
<i>Americas</i>	2	0.6	1	0.5	–	–
<i>Middle East</i>	1	0.4	1	0.3	–	–
<i>Asia</i>	–	–	1	0.1	4	1.8
<b>Total</b>	<b>8</b>	<b>2.8</b>	<b>12</b>	<b>4.5</b>	<b>8</b>	<b>2.8</b>
<b>Development</b>						
<i>Europe</i>	5	2.2	7	3.7	22	4.7
<i>Africa</i>	31	8.5	19	4.3	41	10.5
<i>Americas</i>	60	17.8	9	3.2	6	2.4
<i>Middle East</i>	40	4.8	5	2.2	14	6.1
<i>Asia</i>	12	5.5	23	7.8	29	10.8
<b>Total</b>	<b>148</b>	<b>38.8</b>	<b>63</b>	<b>21.2</b>	<b>112</b>	<b>34.5</b>
<b>Total</b>	<b>156</b>	<b>41.6</b>	<b>75</b>	<b>25.7</b>	<b>120</b>	<b>37.3</b>

(a) Net wells equal the sum of the Group's fractional interests in gross wells.

## Interests in pipelines

The table below sets forth TOTAL's interests in oil and gas pipelines.

As of December 31, 2009

Pipeline(s)	Origin	Destination	% interest	Operator	Liquids	Gas
<b>EUROPE</b>						
<b>France</b>						
TIGF	Network South West		100.00	x		x
<b>Norway</b>						
Frostpipe (inhibited)	Lille-Frigg, Froy	Oseberg	36.25		x	
Gassled <sup>(a)</sup>			7.78			x
Heimdal to Brae Condensate Line	Heimdal	Brae	16.76		x	
Kvitebjorn pipeline	Kvitebjorn	Mongstad	5.00		x	
Norpipe Oil	Ekofisk Treatment center	Teeside (UK)	34.93		x	
Oseberg Transport System	Oseberg, Brage and Veslefrikk	Sture	8.65		x	
Sleipner East Condensate Pipe	Sleipner East	Karsto	10.00		x	
Troll Oil Pipeline I and II	Troll B and C	Vestprosess (Mongstad refinery)	3.71		x	
<b>The Netherlands</b>						
Nogat pipeline	F3-FB	Den Helder	23.19			x
WGT K13-Den Helder	K13A-K4/K5	Den Helder	4.66			x
WGT K13-Extension	Markham	K13-K4/K5	23.00			x
<b>United Kingdom</b>						
Alwyn Liquid Export Line	Alwyn North	Cormorant	100.00	x	x	
Bruce Liquid Export Line	Bruce	Forties (Unity)	43.25		x	
Central Area Transmission System (CATS)	Cats Riser Platform	Teeside	0.57			x
Central Graben Liquid Export Line (LEP)	Elgin-Franklin	ETAP	15.89		x	
Frigg System : UK line	Alwyn North, Bruce and others	St.Fergus (Scotland)	100.00	x		x
Ninian Pipeline System	Ninian	Sullom Voe	16.00		x	
Shearwater Elgin Area Line (SEAL)	Elgin-Franklin, Shearwater	Bacton	25.73			x
SEAL to Interconnector Link (SILK)	Bacton	Interconnector	54.66	x		x
<b>AFRICA</b>						
<b>Algeria</b>						
Medgas	Algeria	Spain	9.77 <sup>(b)</sup>			x
<b>Gabon</b>						
Mandji Pipe	Mandji fields	Cap Lopez Terminal	100.00 <sup>(c)</sup>	x	x	
Rabi Pipe	Rabi fields	Cap Lopez Terminal	100.00 <sup>(c)</sup>	x	x	
<b>AMERICAS</b>						
<b>Argentina</b>						
Gas Andes	Neuquen Basin (Argentina)	Santiago (Chile)	56.50	x		x
TGN	Network (Northern Argentina)		15.40	x		x
TGM	TGN	Uruguayana (Brazil)	32.68	x		x
<b>Bolivia</b>						
Transierra	Yacuiba (Bolivia)	Rio Grande (Bolivia)	11.00			x
<b>Brazil</b>						
TBG	Bolivia-Brazil border	Porto Alegre via São Paulo	9.67			x
TSB (project)	TGM (Argentina)	TBG (Porto Alegre)	25.00			x
<b>Colombia</b>						
Ocesa	Cusiana, Cupiagua	Covenas Terminal	15.20		x	
Oleoducto de Alta Magdalena	Tenay	Vasconia	0.93		x	
Oleoducto de Colombia	Vasconia	Covenas	9.55		x	
<b>ASIA</b>						
Yadana	Yadana (Myanmar)	Ban-I Tong (Thai border)	31.24	x		x
<b>REST OF WORLD</b>						
BTC	Baku (Azerbaijan)	Ceyhan (Turkey, Mediterranean)	5.00		x	
SCP	Baku (Azerbaijan)	Georgia/Turkey Border	10.00			x
Dolphin (International transport and network)	Ras Laffan (Qatar)	U.A.E.	24.50			x

(a) Gassled: unitization of Norwegian gas pipelines through a new joint venture in which TOTAL has an interest of 7.783%. In addition to its direct interest in Gassled, TOTAL holds a 14.4% interest in a joint venture with Norse Gas AS, which holds 2.726% in Gassled.

(b) Through the Group's interest in CEPSA (48.83%).

(c) Interest of Total Gabon. The Group has a financial interest of 57.96% in Total Gabon.



## Gas & Power

The Gas & Power division is mainly focused on the optimization of the Group's gas resources through marketing, trading, transport of natural gas and liquefied natural gas (LNG), LNG re-gasification and natural gas storage.

The division also contributes to the development of Group's operations in the areas of liquefied petroleum gas (LPG) shipping and trading; power generation from gas-fired power plants or renewable energies; solar power systems and technology (notably through its subsidiaries Tenesol and Photovoltech); coal production, trading and marketing.

The Gas & Power division also conducts research and development related to new energies that will be increasingly necessary to complement hydrocarbons, in particular solar and biomass.

Finally, this division prepares and implements the Group's strategy in the nuclear energy sector.

### ● Natural Gas

In 2009, TOTAL continued to pursue its strategy of developing its operations downstream from natural gas production in order to optimize access for the Group's current and future gas production and reserves to traditional markets (with long-term contracts between producers and integrated gas companies) and to markets open to international competition (including short-term contracts and spot sales).

The long-term contracts under which TOTAL sells its natural gas production usually provide for a price related to, among other factors, average crude oil and other petroleum product prices, as well as, in some cases, a cost-of-living index. In most cases, price formulas entail a time lag or an adjustment over time that reflects changes in oil price indexes.

In the context of deregulated natural gas markets, which allow customers to more freely access suppliers, in turn leading to new marketing schemes that are more flexible than traditional long-term contracts, TOTAL is developing trading, marketing and logistics businesses to offer its natural gas production directly to customers, primarily in the industrial and commercial markets.

### ► Europe

TOTAL has been active in the downstream sector of the gas value chain in Europe for more than sixty years to maximize the value of its gas reserves.

In **France**, the Group's **transport and storage businesses** located in the southwest of the country are grouped under TIGF, a wholly-owned subsidiary of the Group. This subsidiary operates a

regulated transport network of 5,000 km of gas pipelines and, under a negotiated scheme, two storage units with 87 Bcf (2.5 Bm<sup>3</sup>) of usable capacity, representing approximately 20% of the natural gas storage capacity in France<sup>1</sup>.

Highlights of 2009 included:

- The inauguration in October of the Artère de Guyenne gas pipeline. This pipeline (70 km long and 900 mm in diameter) connects Captieux and Moullets-et-Villemartin to facilitate the transport of gas, notably from the Fos Cavaou LNG terminal, to northern France.
- The launch of an open season, involving four French and Spanish transportation operators, including TIGF, to develop Franco-Spanish interconnections. This open season allowed the long-term allocation of 80% of gas transport capacities between France and Spain in both directions. These allocations are scheduled to be in effect by 2013 with the development of two new projects: the Artère du Béarn and phase B of the Artère de Guyenne gas pipelines.
- The increase by 3.5 Bcf (100 Mm<sup>3</sup>) of the storage capacity at Lussagnet in April, in compliance with the authorization provided by the decree published on April 9, 2008.
- The acquisition of a 26.2% interest (through its interest in Géosud) in Géométhane, an Economic Interest Grouping that owns natural gas storage in a salt cavern with a capacity of 10.5 Bcf (0.3 Bm<sup>3</sup>), located in Manosque, in the southeast of France. A project to increase the storage capacity by 7 Bcf (0.2 Bm<sup>3</sup>) is under study for a commissioning scheduled in 2016.

In addition, the European Union adopted, on July 13, 2009, the Third Energy Package, which includes two directives and three regulations related to the natural gas and electricity markets. TOTAL will assess the potential impact on its gas and electricity transport, storage and supply operations as soon as the legislation is transposed into French law.

Regarding its **marketing business**, TOTAL is mainly developing on three major European markets.

In **France**, TOTAL operates through its marketing subsidiary Total Énergie Gaz (TEGAZ) which sold 208 Bcf of natural gas (5.9 Bm<sup>3</sup>) in 2009, compared to 229 Bcf (6.5 Bm<sup>3</sup>) in 2008 and 245 Bcf (7 Bm<sup>3</sup>) in 2007. Despite a sharp decline in demand due to the economic crisis, TEGAZ posted a strong increase in sales to industrial and commercial customers, which are the subsidiary's main market segments.

<sup>1</sup>. GIE data (Gaz Infrastructures Europe), June 2009.

In **Spain**, Cepsa Gas Comercializadora markets gas in the industrial and commercial sectors. This company is held by TOTAL (35%), CEPSA (35%) and the Algerian national oil company, Sonatrach (30%). In 2009, Cepsa Gas Comercializadora sold approximately 70 Bcf (2 Bm<sup>3</sup>) of natural gas to industrial and commercial customers, similar to 2008, compared to 59 Bcf (1.7 Bm<sup>3</sup>) in 2007.

In the **United Kingdom**, TOTAL's subsidiary Total Gas & Power Ltd markets gas and power to the industrial and commercial markets. The subsidiary is also active in gas, electricity and LNG trading worldwide. In 2009, 130 Bcf (3.7 Bm<sup>3</sup>) of natural gas was sold to industrial and commercial customers, compared to 134 Bcf (3.8 Bm<sup>3</sup>) in 2008 and 124 Bcf (3.5 Bm<sup>3</sup>) in 2007. Electricity sales amounted to 4.1 TWh in 2009, compared to 4.6 TWh in 2008 and 3.6 TWh in 2007. In 2007, TOTAL disposed of its 10% interest in Interconnector UK Ltd, a gas pipeline connecting Bacton in the United Kingdom to Zeebrugge in Belgium. This disposal did not affect TOTAL's rights to transport gas through the pipeline.

### ► The Americas

In the **United States**, the Group's subsidiary Total Gas & Power North America Inc. marketed 1,586 Bcf (45 Bm<sup>3</sup>) of natural gas in 2009, compared to approximately 1,652 Bcf (46.9 Bm<sup>3</sup>) in 2008 and 1,606 Bcf (45.5 Bm<sup>3</sup>) in 2007, supplied by its own production and external sources.

In **Mexico**, Gas del Litoral, a company in which TOTAL holds a 25% interest, sold approximately 173 Bcf (4.9 Bm<sup>3</sup>) of natural gas in 2009, its third full year of activity, similar to 2008, compared to 95 Bcf (2.7 Bm<sup>3</sup>) in 2007.

In **South America**, TOTAL owns interests in several natural gas transport companies in Argentina, Chile and Brazil, including the following:

- o a 15.4% interest in Transportadora de Gas del Norte (TGN), which operates a gas transport network covering the northern half of Argentina;
- o a 56.5% interest in the companies that own the GasAndes pipeline, which connects the TGN network to the Santiago del Chile region; and
- o a 9.7% interest in Transportadora Gasoducto Bolivia – Brasil (TBG), whose gas pipeline supplies southern Brazil from the Bolivian border.

These assets represent a total integrated network of approximately 9,500 km of pipelines serving the Argentine, Chilean and Brazilian markets from gas-producing basins in Bolivia and Argentina, where the Group has natural gas reserves.

The actions taken by the Argentine government after the 2001 economic crisis and the subsequent energy crisis, marked in 2007 by a severe gas shortage during the southern winter, put TOTAL's Argentine subsidiaries in difficult financial and operational situations, even after taking into account the restructuring of TGN's

debt, which was completed in 2006. The sale of the Group's Argentine power generation assets was completed in 2007 and procedures to protect TOTAL's investments, initiated in 2002 with the International Center for Settlement of Investment Disputes (ISCID), are ongoing.

During 2008 and 2009, gas production in Argentina decreased substantially, reducing the export of gas to Chile and prompting commercial discussions between GasAndes and its shippers about transportation contracts and their commitments.

Due to the deterioration of TGN's financial situation as a result of the freeze of domestic tariffs and the restrictions on exports, TGN applied for a suspension of payments in December 2008, and launched a new process to restructure its debt. These decisions led the Argentinean authorities to set up a formal monitoring of TGN's management.

### ► Asia

TOTAL markets natural gas transported through pipelines in Indonesia, Thailand and Myanmar, and, in the form of LNG, to Japan, South Korea, China, Taiwan and India. The Group is also developing its re-gasified LNG marketing business in new emerging markets.

In **India**, Hazira LNG Private Limited, a company in which TOTAL holds a 26% interest, sold approximately 74 Bcf (2.1 Bm<sup>3</sup>) of natural gas in 2009, its fourth full year in operation, compared to 87 Bcf (2.5 Bm<sup>3</sup>) in 2008 and 76 Bcf (2.2 Bm<sup>3</sup>) in 2007.

## ● Liquefied Natural Gas

In the LNG chain, the Gas & Power division is responsible for operations downstream from liquefaction plants<sup>1</sup>, including purchase, shipping, re-gasification, storage and marketing.

Through its subsidiaries Total Gas & Power Ltd and Total Gas & Power North America Inc., TOTAL has entered into agreements to obtain long-term access to LNG re-gasification capacity on the three continents that are the largest consumers of natural gas: North America (the United States and Mexico), Europe (France and the United Kingdom) and Asia (India). This diversified market presence allows the Group to access new liquefaction projects by becoming a long-term buyer of a portion of the LNG produced at the plants, thereby consolidating its LNG supply portfolio.

### ► Europe

In **France**, TOTAL acquired in June 2006 an interest in Société du Terminal Méthanier de Fos Cavaou (STMFC). This terminal is expected to have a re-gasification capacity of 291 Bcf/y

1. The Exploration & Production division is in charge of the Group's natural gas liquefaction operations.

(8.25 Bm<sup>3</sup>/y), of which 79 Bcf/y (2.25 Bm<sup>3</sup>/y) has been reserved by TOTAL. The Group's interest in STMFC's share capital decreased to 28.8% from 30.3% in late 2009 pursuant to the provisions of the shareholders' agreement, without impacting the re-gasification volumes reserved by TOTAL. In October 2009, the terminal was authorized by the prefectorial authorities to conduct commissioning tests and operate at reduced capacity. Commercial start-up is expected in the second quarter of 2010.

In addition, TOTAL and EDF signed in March 2010 a letter of intent whereby TOTAL will reserve re-gasification capacity in the planned Dunkirk LNG terminal being developed by Dunkerque LNG, a wholly-owned EDF subsidiary, and will also acquire an interest in this company.

In the **United Kingdom**, TOTAL acquired in December 2006 an 8.35% interest in the South Hook LNG re-gasification terminal project in connection with its entry in the Qatargas 2 project. Phase 1 (371 Bcf/y representing 10.5 Bm<sup>3</sup>/y) of the terminal was commissioned in October 2009 and Phase 2, expected to come onstream in the first half of 2010, is expected to increase the overall capacity of the terminal to 742 Bcf/y (21 Bm<sup>3</sup>/y).

In **Norway**, as part of the Snøhvit project, in which TOTAL holds an 18.4% interest and where the first deliveries started in October 2007, the Group signed in November 2004 a purchase agreement for 35 Bcf/y (1 Bm<sup>3</sup>/y) of natural gas primarily intended for North America and Europe. To transport this LNG, TOTAL also charters the Arctic Lady, a 145,000 m<sup>3</sup> LNG tanker that was delivered in April 2006.

In **Croatia**, TOTAL owns an interest in Adria LNG, a company in charge of studying the construction of an LNG re-gasification terminal on Krk island, on the northern Adriatic coast. In December 2009, TOTAL's interest increased from 25.58% to 27.36% pursuant to the withdrawal of a partner from the project. This terminal is expected to have an initial re-gasification capacity of 353 Bcf/y (10 Bm<sup>3</sup>/y), which could be subsequently increased to 494 Bcf/y (14 Bm<sup>3</sup>/y).

In addition, TOTAL holds a 30% interest in Gaztransport & Technigaz (GTT), which focuses mainly on the design and engineering of membrane cryogenic tanks for LNG tankers. At year-end 2009, 225 active LNG tankers were equipped with membrane tanks built under GTT licenses out of a world tonnage estimated at 344 LNG tankers.<sup>1</sup>

### ► North America

In **Mexico**, the Altamira re-gasification terminal, in which TOTAL holds a 25% interest, has been operating since the summer of 2006. This terminal, located on the east coast of Mexico, has a re-gasification capacity of 236 Bcf/y (6.7 Bm<sup>3</sup>/y). This capacity has been entirely reserved by Gas del Litoral, in which TOTAL has a 25% interest. The terminal received forty cargoes in 2009, compared to forty-two in 2008 and thirty-three in 2007. In November 2009, Altamira received its first Q-Flex vessel from Qatar.

In the **United States**, the Sabine Pass terminal in Louisiana was inaugurated in April 2008. TOTAL has reserved re-gasification capacity of approximately 10 Bm<sup>3</sup>/y (1 Bcf/d) at this terminal for a

1. Gaztransport & Technigaz data.

renewable 20-year period starting in April 2009, concurrent with the delivery of the Group's first LNG cargo. As part of this agreement, TOTAL plans to supply the Sabine Pass terminal through its LNG purchase contracts associated with its various production projects, notably in the Middle East, Norway and Western Africa.

### ► Asia

In **India**, the Hazira re-gasification terminal (TOTAL 26%), located on the west coast in the Gujarat state, was inaugurated in April 2005 with an initial re-gasification capacity of approximately 120 Bcf/y (3.4 Bm<sup>3</sup>/y). Its capacity reached 177 Bcf/y (5 Bm<sup>3</sup>/y) after de-bottlenecking operations conducted in 2008. Hazira is a merchant terminal with operations that include LNG re-gasification and natural gas marketing. TOTAL has agreed to provide up to 26% of the LNG for the Hazira terminal. Due to market conditions in 2009, Hazira was operated on the basis of short-term contracts, both for the sale of gas on the Indian market and the purchase of LNG from international markets. Twenty-seven cargoes were delivered in 2009, compared to thirty in 2008 and twenty-eight in 2007.

In **China**, TOTAL signed in December 2008 an LNG sale agreement with CNOOC (China National Offshore Oil Company). As part of this agreement, TOTAL is expected to supply CNOOC with up to 1 Mt/y of LNG starting in 2010. The gas supplied will come from the Group's global LNG resources.

### ► Middle East

In **Qatar**, TOTAL signed purchase agreements in July 2006 for up to 5.2 Mt/y of LNG from the second train of Qatargas 2 over a 25-year period. This LNG is expected to be marketed principally in France, the United Kingdom and North America. The Group's acquisition of a 16.7% interest in the second train of Qatargas 2 was concluded in December 2006. LNG production from this train started in September 2009.

In **Yemen**, TOTAL signed in July 2005 an agreement with Yemen LNG Ltd (TOTAL, 39.62%) to purchase 2 Mt/y of LNG over a 20-year period, beginning in 2009, to be delivered to the United States. LNG production from the first train of Yemen LNG started in October 2009. Construction of the second train is nearing completion for a start-up by the summer of 2010.

### ► Africa

In **Angola**, TOTAL is involved in the construction of the Angola LNG plant (13.6%), comprised of a 5.2 Mt/y train, which is expected to start up in 2012. As part of this project, TOTAL signed a re-gasified natural gas purchase agreement in December 2007 for 13.6% of the quantities to be delivered to the Gulf LNG Clean Energy terminal in Mississippi in the United States.

In **Nigeria**, as part of the expansions of the Nigeria LNG (NLNG) plant, in which the Group holds a 15% interest, TOTAL signed an LNG purchase agreement for an initial 0.23 Mt/y over a 20-year period, to which an additional 0.9 Mt/y was added when the sixth train came onstream.

As part of the project to build an additional LNG train (train 7) with a capacity of approximately 8.5 Mt/y, TOTAL signed a purchase agreement in February 2007 for 1.375 Mt/y of LNG over a 20-year period. This agreement is subject to NLNG's final investment decision for this new train.

TOTAL also acquired a 17% interest in the Brass LNG project in July 2006. This liquefaction project calls for the construction of two liquefaction trains, each with a capacity of 5 Mt/y. In conjunction with this acquisition, TOTAL signed a preliminary agreement with Brass LNG Ltd setting forth the principal terms of an agreement to purchase approximately one-sixth of the plant's capacity over a 20-year period. This LNG would be delivered primarily to North America and Western Europe. The purchase agreement is subject to final investment decision for the Brass LNG project.

### ► Trading

TOTAL, through its subsidiary Total Gas & Power Ltd, has conducted trading activities primarily for spot LNG between 2001 and 2006. In 2007, this subsidiary began receiving cargoes under its long-term supply contracts with Nigeria and Norway. Since 2009, the new purchase agreements for LNG from Qatargas 2 and Yemen LNG have allowed a substantial development of the Group's operations in LNG marketing. This mix of spot and long term LNG purchases allows TOTAL to supply its main customers around the world with gas, while retaining a certain degree of flexibility to react to market opportunities or unexpected fluctuations in supply and demand.

In 2009, Total Gas & Power Ltd purchased twenty-three contractual cargoes and twelve spot cargoes from Norway, Nigeria, Equatorial Guinea, Indonesia, Trinidad & Tobago, Qatar and Yemen.

### ● Liquefied Petroleum Gas

In 2009, TOTAL traded and sold nearly 4.4 Mt of LPG (butane and propane) worldwide (compared to 5.2 Mt in 2008 and 2007), including 0.9 Mt in the Middle East and Asia, approximately 0.6 Mt in Europe on small coastal trading vessels and approximately 2.8 Mt on large vessels in the Atlantic and Mediterranean regions. Approximately 40% of these quantities come from fields or refineries operated by the Group. LPG trading involved the use of four time-charters and approximately sixty spot charters.

Since January 2008, SALPG (South Asian LPG Limited, a company in which TOTAL holds a 50% interest, in partnership with Hindustan Petroleum Company Ltd) has operated the underground import and storage LPG terminal located in Visakhapatnam, on the east coast of India in the state of Andhra Pradesh. This terminal, the first of its kind in India, has a storage capacity of 60 kt. In 2009, the cavern received 606 kt of LPG, compared to 535 kt in 2008.

### ● Electricity and Cogeneration

As a refiner and petrochemical producer, TOTAL has interests in several cogeneration facilities. Cogeneration is a process whereby the steam produced to turn turbines to generate electricity is then captured and used for industrial purposes. TOTAL also participates in another type of cogeneration, which combines power generation with water desalination and gas-fired electricity generation, as part of its strategy of pursuing opportunities throughout the gas value chain. As part of its diversification strategy for new energies, the Group is also involved in projects to generate electricity from solar or nuclear sources.

In **Abu Dhabi**, the Taweelah A1 cogeneration plant, in operation since May 2003, combines power generation and water desalination. It is owned and operated by Gulf Total Tractebel Power Cy, in which TOTAL has a 20% interest. The Taweelah A1 plant currently has a net capacity of 1,600 MW (following the start-up of the 250 MW expansion in July 2009) and water desalination capacity of 385,000 m<sup>3</sup> per day.

In addition, TOTAL, in partnership with the Spanish company Abengoa Solar, participated in a bidding process launched by Abu Dhabi Future Energy Company (ADFEC) in early 2008 as part of the MASDAR initiative to support new energies. This call for tenders concerns the construction of a 110 MW concentrated solar power plant.

TOTAL, together with GDF Suez, EDF and Areva, acknowledged ENEC's (Emirates Nuclear Energy Corporation) decision, announced in December 2009, to deny the bid they made as part of the call for tenders launched for the supply of nuclear power plants. The Group pursues its objective to eventually become a recognized nuclear operator.

In **France**, TOTAL has an 8.33% interest in the project to build and operate the second French EPR in Penly, in the northwest of the country, in partnership with GDF Suez and EDF.

In **Thailand**, TOTAL owns 28% of Eastern Power and Electric Company Ltd (EPEC), which has operated the combined-cycle gas-fired power plant of Bang Bo, with a capacity of 350 MW, since March 2003.



In **Nigeria**, TOTAL and its partner, the state-owned NNPC (Nigerian National Petroleum Corporation), own interests in two projects to build gas-fired power plants that are part of the government's objectives to develop power generation and increase the share of natural gas production for domestic use:

- o The Afam VI project, part of the SPDC (Shell Petroleum Development Company) joint venture in which TOTAL holds a 10% interest, which concerns the development of a 630 MW combined-cycle power plant with a start-up of commercial operations scheduled for the second half of 2010.
- o The development of a new 400 MW combined-cycle power plant near the city of Obite (Niger Delta) in connection with the OML 58 gas project, part of the joint venture between NNPC and TOTAL (40%, operator). Commissioning is scheduled in early 2013. The combined-cycle power plant will be connected to the existing power grid through a 108 km high-voltage transmission line.

## ● Renewable Energy

As part of its strategy to develop energy resources to complement oil and gas, the Gas & Power division continued in 2009 to strengthen its positions in renewable energies, with a particular focus on solar-photovoltaic power where the Group has been present since 1983.

### ► Solar-photovoltaic power

In the photovoltaic sector based on crystalline silicon technology, TOTAL is involved in the development of the photovoltaic cells production business as well as in the production and marketing of solar modules and systems. The Group, through several partnerships, is pursuing its R&D program for this technology and has also committed to developing new innovative solar technologies. Furthermore, TOTAL conducts projects to display solar application solutions at some Group sites, both for educational purposes in France and as part of decentralized rural electrification projects in other countries.

TOTAL is a shareholder in **Photovoltech**, a company specialized in manufacturing high-efficiency photovoltaic cells. The Group now holds 50% of Photovoltech's share capital, alongside GDF Suez, pursuant to the buyout in September 2009 by both companies of the 4.4% interest held by IMEC (Interuniversity MicroElectronics Centre). In 2009, Photovoltech pursued its project to increase the overall production capacity of its Tirlémont plant (Tienen, Belgium) from 80 MWp/y in 2009 to 155 MWp/y in late 2010. In a challenging market and given the sharp decrease in the price of cells, Photovoltech's 2009 sales were €80 million, compared to €106 million in 2008 and €73 million in 2007.

TOTAL also plans to build an industrial photovoltaic plant in the Carling region in eastern France in partnership with GDF Suez.

TOTAL holds a 50% interest in **Tenesol**, in partnership with EDF. Tenesol, whose headquarters are located in Lyon (France), designs, manufactures, markets and operates solar-photovoltaic power systems. Its principal markets are for network connections in France, in the French Overseas Territories and in Europe. Tenesol is

also active in certain professional applications (telecommunications, oil & gas sites, etc.). Tenesol owns two solar panel manufacturing plants: Tenesol Manufacturing in South Africa, with production capacity of 60 MWp/y; and Tenesol Technologies in the Toulouse region of France, with production capacity of 50 MWp/y. In 2009, despite strong pressure on the price of modules, Tenesol's consolidated sales increased by nearly 30% to €249 million (compared to nearly €193 million in 2008 and €133 million in 2007), representing a marketed production of 85 MWp.

Regarding R&D, TOTAL, GDF Suez and Photovoltech confirmed their cooperation with IMEC by signing an agreement in September 2009 as part of the IIAP (IMEC Industrial Affiliation Program), a multi-partner program on crystalline silicon solar cells. The objective of the IIAP is to sharply reduce the use of silicon while increasing the efficiency of cells in order to substantially lower the cost for solar energy.

In September 2009, the Group also partnered with LPICM (*Laboratoire de Physique des Interfaces et des Couches Minces*), a research unit comprised of the French National Center for Scientific Research (CNRS) and France's Ecole Polytechnique engineering school to set up a joint research team – Nano PV – in the Saclay area near Paris focusing on thin-film technologies and silicon-based nano-materials. TOTAL committed €8 million for the first 4-year phase.

In December 2008, TOTAL acquired an interest in a U.S. start-up company, **Konarka**, which specializes in the development of organic solar technologies. In 2009, Konarka implemented new research projects in cooperation with the Gas & Power division and other Group Chemicals subsidiaries to develop solar film on a large scale. The Group is confident in the potential of this promising technology and decided to increase its interest in Konarka to nearly 25% of the share capital in early 2010.

**Total Énergie Solaire**, the subsidiary created in July 2008 as part of the Group's contribution to the "*Grenelle de l'environnement*", a program launched by the French government, started operating in 2009 with the installation of solar panels at two Group's sites in Pau and Lacq (France). A total of five educational projects are expected to be completed in late 2010 to display different photovoltaic applications at the Group's sites, with an overall installed capacity of between 2 MWp and 3 MWp and an investment of €15 million.

Furthermore, TOTAL conducts decentralized rural electrification operations by responding to calls for tenders from authorities in several countries, notably in South Africa where KES (Kwazulu Energy Services Company), in which TOTAL holds a 35% interest, intends to equip 30,000 isolated homes. New projects are under study related to Africa, Asia and the Middle East.

In addition, **Temasol**, a wholly-owned subsidiary of Tenesol since the transfer in 2008 of the respective shares of Total Maroc and EDF EDEV, is involved in decentralized rural electrification projects in Morocco. Since its creation in 2001, approximately 25,500 households have been equipped and are now operated by Temasol.

### ► Solar power storage

In November 2009, TOTAL announced the signature of a research agreement with the Massachusetts Institute of Technology (MIT) to develop new stationary batteries that are designed to enable the storage of solar power. This \$4 million agreement over five years is part of the MIT Energy Initiative, which TOTAL joined as a member in November 2008.

### ► Wind power

TOTAL operates a 12 MW wind farm in Mardyck (near its Flanders site, located in Dunkirk, France).

### ► Marine energy

In marine energy, TOTAL acquired a 10% interest in a pilot project located offshore Santona, on the northern coast of Spain, in June 2005. The construction of a first buoy, with a capacity of 40 kW, was completed and the buoy was launched in September 2008. This project is intended to assess the technical and economic potential of this technology.

With respect to tidal current energy, TOTAL held as of the end of 2007 a 24.9% interest in Scotrenewables Marine Power, located in the Orkney Islands in Scotland. Agreements bringing new partners into the company's share capital were signed in January 2008. As a result, the Group's participation was diluted to 16%. Scotrenewables Marine Power is developing tidal current energy converter technology. A 1/5 scale model was successfully tested offshore in 2009. Construction of a full-scale prototype is scheduled for 2010.

### ● Coal

For nearly thirty years, TOTAL has exported steam coal from South Africa, primarily to Europe and Asia. The Group also trades steam coal through its subsidiaries Total Gas & Power Ltd and Total Energy Resources (Pacific Basin). In addition, TOTAL markets coal to French customers through its subsidiary CDF Énergie.

With the start-up of production on the Tumelo mine in January 2009, the subsidiary Total Coal South Africa (TCSA) owns and operates four mines in South Africa. A fifth mine is under development in Dorstfontein with a start-up expected in late 2011. The Group is also looking into several other mining development projects.

South African coal, produced by TCSA or bought from third-party's mines, is exported through the port of Richard's Bay in which TOTAL has a 5.36% interest. In 2008, TOTAL and its partner Mmakau Mining acquired an additional 1 Mt/y of harbor handling rights through the interests they hold in the fifth phase of the port's development.

TOTAL sold approximately 7.3 Mt of coal worldwide in 2009 (compared to 8.4 Mt in 2008 and 10 Mt in 2007), mainly intended for power generation, of which 3.6 Mt was South African coal. Half of this volume was sold in Europe and the other half in Asia. On the South African domestic market, sales amounted to 0.3 Mt in 2009, primarily destined for the industrial and metallurgic sectors.

### ● DME (Di-Methyl Ether)

In Japan, TOTAL is involved with eight Japanese companies in a program intended to heighten consumer awareness regarding this new generation fuel. The 80 kt/y DME production plant, located in Niigata (Honshu Island, Japan), started up in January 2009 (TOTAL, 10%).

As part of the consortium led by Volvo, TOTAL is involved in the "bio-DME" European project, which is intended to test the whole DME chain, from its production from black liquor, a paper pulp residue, to its use by a fleet of trucks in four Swedish cities. This project, which includes the construction of a pilot in Pitea (Sweden), started in September 2009 and is expected to end in 2012. It is partly funded by the Swedish Energy Agency and the EU Seventh Framework Program.

In addition, the international working group established as part of the ISO standardization process for DME pursued its activities in 2009. For two years as from January 1, 2009, TOTAL will also chair the IDA (International DME Association).



## ▶ Downstream

The Downstream segment comprises TOTAL's Refining & Marketing and Trading & Shipping divisions.

**No. 1** in Western European refining/marketing <sup>1</sup>

**No. 1** in African marketing <sup>2</sup>

Refining capacity of approximately **2.6** Mb/d at year-end 2009

**16,299** retail stations at year-end 2009

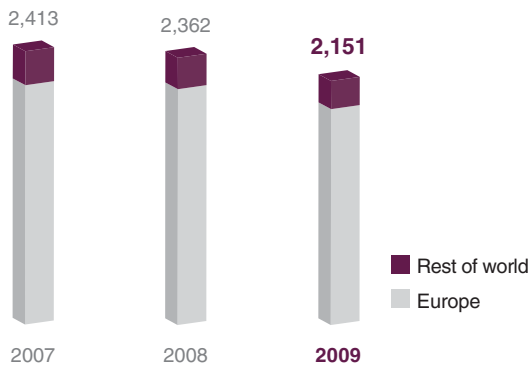
Approximately **3.6** Mb/d of products sold in 2009

One of the leading traders of oil and refined products worldwide

€**2.8** billion invested in 2009

**33,760** employees

### Refinery throughput (kb/d) <sup>(a)</sup>



<sup>(a)</sup> Includes TOTAL's share in CEPSA.

For the full year 2009, the utilization rate based on crude was 78% (83% for crude and other feedstocks) compared to 88% in 2008 (91% for crude and other feedstocks) reflecting the voluntary throughput reductions in the Group's refineries.

### Downstream segment financial data

(M€)	2009	2008	2007
Non-Group sales	<b>100,518</b>	135,524	119,212
Adjusted operating income	<b>1,026</b>	3,602	3,287
Adjusted net operating income	<b>953</b>	2,569	2,535

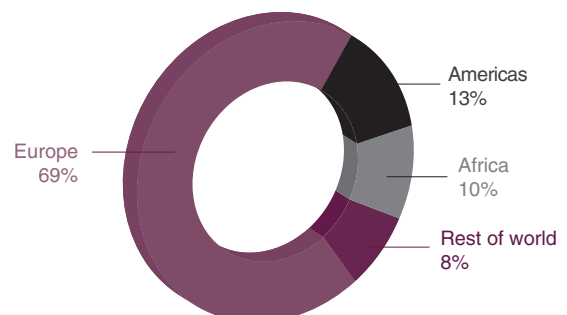
Adjusted net operating income for the Downstream segment for the full year 2009 was €953 million, a decrease of 63% compared to 2008.

Expressed in dollars, adjusted net operating income for the Downstream segment was \$1,329 million in 2009, a decrease of 65% compared to \$3,778 million in 2008, reflecting essentially the significantly weaker refining environment.

The decreases in cash flow from operating activities and adjusted cash flow shown for the fourth quarter and full year 2009 were due to a large increase in working capital requirements and the decrease in adjusted net operating income.

The ROACE <sup>3</sup> for the Downstream segment for the full year 2009 was 7% compared to 20% for 2008.

### 2009 refined products sales by geographical area: 3,616 kb/d:



<sup>(a)</sup> Including trading activities and TOTAL's share in CEPSA.

1. Based on publicly available information, refining and/or sales capacities.

2. PFC Energy December 2009, based on quantities sold.

3. Based on adjusted net operating income and average capital employed at replacement cost.

## Refining & Marketing

As of December 31, 2009, TOTAL's worldwide refining capacity was 2,594 kb/d. In 2009, the Group's worldwide refined products sales were 3,616 kb/d (including trading operations), compared to 3,658 kb/d in 2008 and 3,774 kb/d in 2007. TOTAL is the largest refiner/marketer in Western Europe<sup>1</sup>, and the largest marketer in Africa<sup>2</sup>. As of December 31, 2009, TOTAL's worldwide marketing network consisted of 16,299 retail stations (compared to 16,425 in 2008 and 16,497 in 2007), more than 50% of which are owned by the Group. In addition, TOTAL's refining operations allow the Group to produce a broad range of specialty products, such as lubricants, liquefied petroleum gas (LPG), jet fuel, special fluids, bitumen, marine fuels and petrochemical feedstock.

The Group is adapting its Refining business to an environment that is depressed due to weaker demand for refined products. TOTAL continues to improve its positions by focusing on three key areas: adapting its European refining system to market changes; modernizing its Port Arthur refinery in the United States and building a refinery in Jubail in Saudi Arabia.

Regarding its Marketing business, the Group intends to consolidate its position in Western Europe, pursue targeted developments in Africa and the growing markets of the Asia-Pacific region and expand its specialty products business worldwide.

Consistent with the optimization of its Downstream portfolio in Europe, TOTAL signed an agreement with ERG in January 2010 to create a joint venture in the Refining and Marketing business in Italy<sup>3</sup>. "TotalErg" will be the name of this newly created company through the merger of Total Italia and ERG Petroli. The shareholders agreement calls for a joint governance of the company as well as the operating independence of the joint-venture. TOTAL and ERG will hold a 49% and a 51% interest, respectively. The transaction is subject to approval by the relevant authorities.

### ● Refining

As of December 31, 2009, TOTAL held interests in twenty-four refineries (including twelve that it operates), located in Europe, the United States, the French West Indies, Africa and China. 2009 was marked by the deterioration of the refining environment that led to sharp declines in refining margins and decreasing utilization rates in refineries worldwide.

In 2009, TOTAL continued its program of selective investments in Refining focused on three areas: pursuing major ongoing projects (Port Arthur coker, Jubail refinery), adapting the European refining

system to structural market changes, and strengthening safety and energy efficiency.

- o In **Western Europe**, TOTAL's refining capacity was 2,282 kb/d in 2009, accounting for more than 85% of the Group's overall refining capacity. The Group operates eleven refineries in Western Europe, and holds interests in the German refinery of Schwedt and in four Spanish refineries through its holding in CEPSA<sup>4</sup>.

- In **France**, the Group continues to adapt its refining capacities and to shift the production emphasis to diesel, in a context of structural decline in demand for petroleum products in Europe and an increase in gasoline surpluses.

TOTAL announced in March 2009 an industrial plan to adapt its refining base, primarily by reconfiguring the Normandy refinery and rescaling certain corporate departments at its Paris headquarters. At the Normandy refinery, the project will shift the production emphasis to diesel. To this end, an investment program estimated at €770 million will enable TOTAL to upgrade the refinery: the refinery's annual distillation capacity will be reduced to 12 Mt from 16 Mt, and the distillate hydrocracker (DHC) commissioned in 2006 will be expanded. These investments are designed to improve energy efficiency and reduce carbon dioxide emissions, while increasing the annual average diesel output by 10% and reducing gasoline surpluses by 60%. Consultation with employee representatives ended in July 2009. Implementation of the project has started and is scheduled to last until 2013.

In December 2009, the Group signed an agreement to divest its minority interest (40%) in Société de la Raffinerie de Dunkerque (SRD), a company specialized in the production of bitumen and base oils, subject to the approval by the relevant authorities.

In March 2010, the Group announced a plan to repurpose its Flanders refinery site. This plan calls for shutting down refining operations at the site (capacity of 137 kb/d), developing new refining operations support and petroleum logistics activities and implementing the planned LNG terminal project in partnership with French utility EDF, for which the final investment decision is expected before summer 2010 with a view to commissioning in 2014<sup>5</sup>. The permanent refinery shutdown will result in a gradual dismantling of units that could continue to 2013. Furthermore, TOTAL pledged not to close or sell any French refinery over the next five years, with the exception of the planned repurposing of the Flanders refinery. Implementation of this project is subject to consultation with employee representative organizations.

- In the **United Kingdom**, construction at the Lindsey refinery started in June 2007 on a hydrodesulphurization unit (HDS) and a steam methane reformer (SMR) to process high-sulphur crudes and to increase its low-sulphur diesel production. The HDS unit is expected to be commissioned in the first half of 2010 and is designed to increase the portion of high-sulphur crude that the plant can process from 10% to nearly 70%.

1. Based on publicly available information, refining and/or sales capacities and quantities sold.

2. PFC Energy December 2009, based on quantities sold.

3. Excluding Sicilia and excluding jet fuels and AS24 payment cards.

4. Group's share in CEPSA: 48.83% as of December 31, 2009.

5. For detailed information on the Dunkirk LNG project, see page 34 of the Gas & Power section.

- In **Germany**, a new desulphurization unit at the Leuna refinery started up in September 2009. This unit is designed to supply the German market with low-sulphur heating oil.
- In the **Netherlands**, TOTAL, as the majority shareholder in the Vlissingen refinery (55%), exercised its pre-emptive rights over the shares (45%) of this asset that were offered for sale by Dow Chemical in June 2009. Concurrently, TOTAL received from Lukoil a binding purchase offer for these shares (45%) and sold these shares to Lukoil, which constituted the development of a new partnership between the two companies.
- In **Italy**, following the agreement signed in January 2010, the TotalErg joint venture will hold a 100% interest in the Rome refinery and a 25.9% interest in the Trecate refinery.
- In **Spain**, CEPSA has been pursuing its investment plan to improve the conversion capacity of its refineries to meet the growing demand for middle-distillates in the Spanish market. The construction of a hydrocracker unit, two additional distillation units (one atmospheric and one vacuum) and a desulphurization unit is underway at the Huelva refinery. Commissioning is currently expected in the summer of 2010.
- o In the **United States**, TOTAL operates the Port Arthur refinery in Texas, with a capacity of 174 kb/d. TOTAL began a modernization program at this refinery in 2008, which includes the construction of a deep-conversion unit (or coker), a vacuum distillation unit, a desulphurization unit and other associated units to enable the refinery to process more heavy and high-sulphur crudes and to increase production of lighter products, in particular low-sulphur distillates. Construction is ongoing and commissioning is expected in the first quarter of 2011.
- o In **Saudi Arabia**, TOTAL and Saudi Arabian Oil Company (Saudi Aramco) created a joint venture in September 2008, Saudi Aramco Total Refining and Petrochemical Company (SATORP), to build a 400 kb/d refinery in Jubail held by Saudi Aramco (62.5%) and TOTAL (37.5%). Eventually, TOTAL and Saudi Aramco each plans to retain a 37.5% interest with the remaining 25% expected to be listed on the Saudi stock exchange in late 2011, subject to approval by the relevant authorities. Signing the main contracts for the construction of the refinery in July 2009 marked the start-up of work. Commissioning is expected in 2013. The heavy conversion process for this refinery is designed for the processing of heavier crudes (Arabian Heavy) and for the production of fuels and lighter products that meet strict specifications, and are mainly intended for export.
- o In **Africa**, TOTAL holds interests in five refineries as of December 31, 2009. In October 2009, TOTAL disposed of its 50% interest in the Indeni refinery in Zambia. In addition, TOTAL decreased its interest to 20% from 34% in Société africaine de raffinage (SAR) in Senegal in December 2009.
- o In **China**, TOTAL has a 22.4% interest in the WEPEC refinery, located in Dalian, in partnership with Sinochem and PetroChina.

### ► Crude oil refining capacity

The table below sets forth TOTAL's crude oil refining capacity <sup>(a)</sup>:

As of December 31, (kb/d)	2009	2008	2007
<b>Refineries operated by the Group</b>			
Normandy (France)	338	339	331
Provence (France)	158	158	158
Flanders (France)	137	137	141
Donges (France)	230	230	230
Feyzin (France)	117	117	117
Grandpuits (France)	101	101	101
Antwerp (Belgium)	350	350	350
Leuna (Germany)	230	230	227
Rome (Italy) <sup>(b)</sup>	64	64	63
Lindsey – Immingham (United Kingdom)	221	221	221
Vlissingen (Netherlands) <sup>(c)</sup>	81	81	81
Port Arthur, Texas (United States)	174	174	174
Sub-total	2,201	2,202	2,194
Other refineries in which the Group has an interest <sup>(d)</sup>	393	402	404
<b>Total</b>	<b>2,594</b>	<b>2,604</b>	<b>2,598</b>

(a) For refineries not 100% owned by TOTAL, the capacity shown represents TOTAL's share of the overall refining capacity of the refinery.

(b) TOTAL's interest is 71.9%.

(c) TOTAL's interest is 55%.

(d) TOTAL has interests ranging from 16.7% to 50% in twelve refineries (five in Africa, four in Spain, one in Germany, one in Martinique and one in China). TOTAL disposed of its 50% interest in the Indeni refinery in Zambia in 2009 and of its 55.6% interest in the Luanda refinery in Angola in 2007.

## ► Refined products

The table below sets forth by product category TOTAL's net share of refined quantities produced at the Group's refineries <sup>(a)</sup>:

(kb/d)	2009	2008	2007
Gasoline	407	443	501
Jet fuel <sup>(b)</sup>	186	208	208
Diesel and heating oils	851	987	964
Heavy fuel oils	245	257	254
Other products	399	417	412
<b>Total</b>	<b>2,088</b>	<b>2,312</b>	<b>2,339</b>

(a) Including TOTAL's share in CEPSA.

(b) Avgas, jet fuel and kerosene.

## ► Utilization rate

The table below sets forth the utilization rate of the Group's refineries <sup>(a)</sup>:

	2009	2008	2007
Crude	78%	88%	87%
Crude and other feedstock	83%	91%	89%

(a) Including TOTAL's share in CEPSA.

In 2009, TOTAL had to reduce the utilization rate of its refineries to adapt to weaker demand. In particular, the Port Arthur, Lindsey and Flanders refineries as well as a distillation unit at the Normandy refinery were temporarily shut down for economic reasons.

In 2009, five refineries underwent major turnarounds.

## ● Marketing

TOTAL is one of the leading marketers in Western Europe <sup>1</sup>. The Group is also the largest marketer in Africa, with a market share of nearly 10% <sup>2</sup>.

TOTAL markets a wide range of specialty products, which it produces from its refineries and other facilities. TOTAL is among the leading companies in the specialty products market <sup>3</sup>, in particular for lubricants, LPG, jet fuel, special fluids, bitumen and marine fuels, with products marketed in approximately 150 countries <sup>4</sup>.

## ► Europe

In Europe, as of December 31, 2009, TOTAL has a network of 10,825 service stations in France, Belgium, the Netherlands, Luxembourg, Germany, the United Kingdom, Italy, and, through its interest in CEPSA, Spain and Portugal. TOTAL also has a network of more than 540 AS24-branded service stations dedicated to

commercial transporters. TOTAL is among the leaders in Europe for fuel-payment cards, with approximately 3.5 million cards issued in twenty-eight European countries.

In France, the TOTAL-branded network benefits from a large number of service stations and a diverse selection of products (such as the *Bonjour* convenience stores and car washes). Elf-branded service stations offer quality fuels at prices that are particularly competitive. As of December 31, 2009, nearly 2,300 TOTAL-branded service stations and 281 Elf-branded service stations were operating in France. TOTAL also markets fuels at nearly 1,800 Elan-branded service stations, generally located in rural areas.

In **Western Europe**, TOTAL continued in 2009 its efforts to optimize its Marketing business.

- o In **Italy**, the agreement signed between TOTAL and ERG in January 2010 to create the TotalErg joint venture will enable the Group to become the third marketing operator in Italy with a retail market share of nearly 13% <sup>5</sup> and more than 3,400 service stations.

- o In **France**, TOTAL announced in January 2010 a restructuring plan of its petroleum product logistics operations. This plan calls for outsourcing the operations of five depots to specialized logistics companies, closing the Pontet depot and doubling the capacity of the Port-la-Nouvelle depot. Implementation of this project is subject to consultation with employee representative organizations.

TOTAL signed in July 2009 an agreement to acquire thirty-seven service stations. In October 2009, the Group also signed an agreement to dispose of thirty-four service stations located in Corsica. These transactions have been approved by the relevant authorities. In January 2010, TOTAL also finalized the disposal of half of its share (50%) in Société des Dépôts Pétroliers de Corse.

In July 2009, the Group inaugurated a logistic platform in Rouen designed to supply Europe and other continents with lubricants and grease. This investment is intended to improve the competitiveness of the Lubricants business line.

- o In **Portugal**, since TOTAL and CEPSA merged their oil marketing businesses in 2008, TOTAL has had a leading position in the country with a market share of nearly 11% <sup>6</sup>, a network of 300 service stations and a strengthened position in the specialty products market.

In **Northern, Central and Eastern Europe**, the Group is developing its positions primarily in the specialty products market. In 2009, TOTAL continued to expand its presence in the growing markets of Eastern Europe, in particular for lubricants. The Group intends to accelerate the growth of its specialty products business in Russia and Ukraine through the development of its direct presence in these markets since 2008.

1. Based on publicly available information, quantities sold. Portfolio: France, Benelux, United Kingdom, Germany, Italy and, through CEPSA, Spain and Portugal.

2. PFC Energy December 2009, based on quantities sold.

3. Based on publicly available information, quantities sold.

4. Including through national distributors.

5. PFC Energy, Unione Petrolifera, based on quantities sold.

6. Based on publicly available information, quantities sold.

AS24, which is present in twenty-two European countries and in Russia, continued to expand its network in 2009 by opening new marketing outlets in Europe, in particular in three new countries (Croatia, Bulgaria, Republic of Macedonia). During the next few years, the AS24 network is expected to continue to grow and expand to other countries in Europe, the Caucasus and the Mediterranean Basin.

### ► Africa & the Middle East

As of December 31, 2009, TOTAL is the leading marketer of petroleum products in the African continent, with a market share of nearly 10%<sup>1</sup>, over 3,600 service stations in more than forty countries and two major networks in South Africa and Nigeria. TOTAL also has a large presence in the Mediterranean Basin, principally in Turkey, Morocco and Tunisia. In the Middle East, the Group is active mainly in the specialty products market and is pursuing its growth strategy in the region, notably through the production and marketing of lubricants.

In 2009, the Group continued to strengthen its positions on the African continent. In the second quarter of 2009, TOTAL completed the acquisition of marketing and logistics assets in Kenya and Uganda. The transaction covers 165 service stations, aviation products distribution as well as several logistics sites and a lubricant manufacturing plant.

### ► Asia-Pacific

As of December 31, 2009, TOTAL was present in nearly twenty countries in the Asia-Pacific region, primarily in the specialty products market. The Group is developing its position as a fuel marketer in the region, in particular in China, and operates networks in Pakistan, in the Philippines and in Cambodia. TOTAL is also a significant player in the Pacific Islands. In addition, five service stations opened in Indonesia in 2009.

In **China**, the Group has approximately 110 service stations as of December 31, 2009, following two joint venture agreements signed in 2005 by TOTAL and Sinochem to develop a network of 500 service stations in the Beijing and Shanghai areas.

In **Vietnam**, TOTAL continues to strengthen its position in the specialty products market. After the acquisition of an LPG marketing company in December 2008, the Group finalized in December 2009 the acquisition of lubricants assets, making TOTAL one of the leaders of the Vietnamese lubricants market.

### ► The Americas

In **Latin America** and the **Caribbean**, TOTAL is active in nearly twenty countries, primarily in the specialty products market. In the Caribbean, the Group holds a significant position in the fuel distribution business that was strengthened by the acquisition in the second half of 2008 of marketing and logistics assets in Puerto Rico, Jamaica and the Virgin Islands.

1. PFC Energy December 2009, based on quantities sold.  
2. Including ethanol from ETBE (Ethyl-Tertio-Buthyl-Ether).  
3. Including the Algeciras and Huelva refineries (CEPSA).  
4. VOME: Vegetable-Oil-Methyl-Ester.  
5. Including the Algeciras, Huelva and Tarragona refineries (CEPSA).

In **North America**, TOTAL markets lubricants and is continuing to grow with the signature in December 2009 of an agreement to acquire lubricant assets in the province of Quebec in Canada.

### ► Sales of refined products

The table below sets forth TOTAL's volumes of refined petroleum products sold by geographic area <sup>(a)</sup>:

(kb/d)	2009	2008	2007
France	808	822	846
Europe excluding France <sup>(a)</sup>	1,245	1,301	1,432
United States	118	147	162 <sup>(b)</sup>
Africa	281	279	286
Rest of world	189	171	167
<b>Total excluding Trading</b>	<b>2,641</b>	<b>2,720</b>	<b>2,893 <sup>(b)</sup></b>
Trading	975	938	881
<b>Total including trading</b>	<b>3,616</b>	<b>3,658</b>	<b>3,774 <sup>(b)</sup></b>

(a) Including TOTAL's share in CEPSA.

(b) The amount is different from that in TOTAL's 2007 Registration Document due to a change in the calculation method for sales of the Port Arthur refinery.

### ► Service stations

The table below sets forth the number of service stations in TOTAL's network by geographic area <sup>(a)</sup>:

As of December 31,	2009	2008	2007
France	4,606 <sup>(b)</sup>	4,782	4,992
Europe excluding France and CEPSA	4,485	4,541	4,762
CEPSA <sup>(c)</sup>	1,734	1,811	1,680
Africa	3,647	3,500	3,549
Rest of world	1,827	1,791	1,514
<b>Total</b>	<b>16,299</b>	<b>16,425</b>	<b>16,497</b>

(a) Excluding AS24-branded service stations.

(b) Of which nearly 2,300 TOTAL-branded service stations, nearly 281 Elf-branded service stations and more than 1,800 Elan-branded service stations.

(c) Including all service stations within the CEPSA network.

### ► Biofuels

TOTAL is present in the biodiesel and biogasoline biofuel sectors. In 2009, TOTAL produced and blended 560 kt of ethanol<sup>2</sup> in gasoline at twelve European refineries<sup>3</sup> (compared to 425 kt in 2008 and 350 kt in 2007) and 1,870 kt of VOME<sup>4</sup> in diesel at fifteen European refineries<sup>5</sup> and several oil depots (compared to 1,470 kt in 2008 and 880 kt in 2007). TOTAL, in partnership with the leading companies in this area, is developing second generation biofuels derived from biomass. The Group is also participating in French, European and international bioenergy development programs.

In this framework, the Group announced in 2009 that it would participate in the BioTfuel research project intended to develop a technology to transform biomass into biodiesel.

In April 2009, the Group announced that it had acquired an interest in Gevo, a U.S. company developing a portfolio of bioproducts intended for the transportation fuel and chemicals markets. Gevo is developing an innovative technology to convert sugars derived from biomass into higher alcohols and hydrocarbons.

The Group is also involved in Futurol, an R&D project for cellulosic bioethanol, which intends to develop and promote on an industrial scale a production process for bioethanol by fermentation of lignocellulosic biomass.

#### ► Hydrogen and electric mobility

For several years, TOTAL has been involved in research and testing programs for fuel cell and hydrogen fuel technologies. The Group is a founding member of the industrial group created in 2007 to participate in the European Joint Technology Initiative to promote the development of hydrogen technology.

In 2009, as part of the Clean Energy Partnership project, TOTAL built a new prototype hydrogen fueling station in Germany. Three other service stations of the Group are marketing hydrogen in Germany and Belgium.

In Germany, the Group is also involved in a demonstration project for marketing electricity at four TOTAL-branded service stations in Berlin, in partnership with the utility company Vattenfall.



## Trading & Shipping

The Trading & Shipping division:

- o sells and markets the Group's crude oil production;
- o provides a supply of crude oil for the Group's refineries;
- o imports and exports the appropriate petroleum products for the Group's refineries to be able to adjust their production to the needs of local markets;
- o charters appropriate ships for these activities; and
- o undertakes trading on various derivatives markets.

Although the Trading & Shipping division's main focus is serving the Group, its know-how and expertise also allow this division to extend its scope of operations beyond meeting the strict needs of the Group.

### Supply and sales of crude oil

For the year ended December 31, (kb/d, except %)	2009	2008	2007
Sales of crude oil	3,679	3,839	4,194
Sales to Group Refining & Marketing division <sup>(a)</sup>	1,771	1,995	2,042
Share of sales to external customers	1,908	1,844	2,152
<b>Sales to external customers/total sales</b>	<b>52%</b>	<b>48%</b>	<b>51%</b>
Supply of crude oil	3,679	3,839	4,194
Share of production sold <sup>(b)</sup> <sup>(c)</sup>	1,310	1,365	1,502
Purchased from external suppliers	2,370	2,474	2,692
<b>Production sold/total supply</b>	<b>36%</b>	<b>36%</b>	<b>36%</b>

(a) Excluding share of CEPSA.

(b) Including condensates and natural gas liquids.

(c) Including TOTAL'S proportionate share of joint ventures production.

The Trading division operates extensively on physical and derivatives markets, both organized and over the counter. In connection with its trading business, TOTAL, like most other oil companies, uses derivative energy instruments (futures, forwards, swaps, options) to adjust its exposure to fluctuations in the price of crude oil and refined products. These transactions are entered into with various counterparties.

For additional information concerning Trading & Shipping's derivatives, see Notes 30 (Financial instruments related to commodity contracts) and 31 (Market risks) to the Consolidated Financial Statements).

Trading & Shipping's worldwide activities are conducted through various wholly-owned subsidiaries, including TOTSA Total Oil Trading S.A., Total International Ltd, Socap International Ltd, Atlantic Trading & Marketing Inc., Total Trading Asia Pte, Total Trading and Marketing Canada L.P. and Chartering & Shipping Services S.A.

### ● Trading

TOTAL is one of the world's largest traders of crude oil and refined products on the basis of volumes traded. The table below sets forth selected information with respect to TOTAL's worldwide sales and source of supply of crude oil for each of the last three years.

All of TOTAL's trading operations are subject to strict internal controls and trading limits.

Throughout 2009, the Trading division maintained a level of activity similar to the levels attained in 2008 and 2007, trading physical volumes of crude oil and refined products amounting to an average of approximately 5 Mb/d.

In 2009, the main market benchmarks were characterized by a strong contango<sup>1</sup>:

		2009	2008	2007	min 2009		max 2009	
Brent ICE – 1 <sup>st</sup> Line <sup>(a)</sup>	(\$/b)	62.73	98.52	72.67	39.6	(Feb. 11)	79.7	(Oct. 14)
Brent ICE – 12 <sup>th</sup> Line <sup>(b)</sup>	(\$/b)	70.43	102.19	73.24	48.3	(Feb. 11)	86.4	(Nov. 24)
Contango time structure (12 <sup>th</sup> -1 <sup>st</sup> )	(\$/b)	7.70	3.59	0.57	3.8	(Aug. 07)	15.2	(Jan. 02)
Gasoil ICE – 1 <sup>st</sup> Line <sup>(c)</sup>	(\$ /t)	522.20	920.65	637.84	361.3	(Feb. 24)	653.8	(Oct. 15)
VLCC Ras Tanura Chiba – BITR <sup>(c)</sup>	(\$ /t)	10.43	24.09	13.93	6.3	(May 05)	17.9	(Jan. 08)

(a) 1<sup>st</sup> line: Quotation for ICE Futures for delivery during the month M+1.

(b) 12<sup>th</sup> Line: Quotation for ICE Futures for delivery during the month M+12.

(c) VLCC: Very Large Crude Carrier. BITR: Baltic International Tanker Routes.

Highlights of 2009 included a significant oversupply of crude oil and petroleum products compared to demand. Demand recovered slightly in the second half of the year.

The oversupply led to increased inventory levels. This trend was exacerbated by the steepening of the contango structure for future oil prices. In early 2009, the contango reached its maximum for the year (15.2 \$/b) and then decreased but remained high enough to finance oil storage in onshore tanks and, once saturated, in offshore oil tankers (floating storage).

## ● Shipping

The Group's Shipping division arranges the transportation of crude oil and refined products necessary for the Group's activities. The Shipping division provides a wide range of shipping services required by the Group to develop its activities and maintains a rigorous safety policy. Like a certain number of other oil companies and shipowners, the Group uses freight rate derivative contracts in its shipping activity to adjust its exposure to freight rate fluctuations.

In 2009, the Shipping division chartered approximately 3,000 voyages to transport approximately 123 Mt. At year-end 2009, the Group employed a fleet of fifty-five vessels chartered under long-

term or medium-term agreements (including four LPG carriers and no single-hulled vessels). The fleet has an average age of approximately four years.

In 2009, the oil freight market was adversely affected by the combination of two factors:

- A strong increase of more than 10% in the tonnage of the global supply of tankers of over 10,000 deadweight tons, mainly due to the delivery of numerous new vessels in every segment and few disposals of vessels.
- A decline in demand for transport due to the 1.6% decrease in the average demand for oil in 2009. This global decrease, primarily due to the worldwide recession, led to a reduction in OPEC's production in late 2008. As a result, crude transport dropped, especially on long-haul VLCC routes from the Persian Gulf.

Freight rates decreased throughout 2009 and, starting in the second quarter, reached levels that barely covered the vessels' operating costs. Within a few months, the market turned from historically high levels in 2008 to record low levels in 2009. The weak freight rates and pricing structure for the crude oil market followed by the petroleum products market led to using vessels as floating storage.

1. Contango is defined as a market situation in which the price of a good in the future is higher than its prompt price in the spot market.

## ► Chemicals

The Chemicals segment includes Base Chemicals, with petrochemical and fertilizer businesses, and Specialty Chemicals, with the Group's rubber processing, resins, adhesives and electroplating businesses. TOTAL is one of the world's largest integrated chemical producers <sup>1</sup>.

In 2009, Base Chemicals sales were €14.73 billion, compared to €20.15 billion in 2008 and €19.81 billion in 2007. Europe and North America accounted for 57% and 22%, respectively, of the Chemicals segment's sales in 2008, with the remaining sales primarily attributable to Asia (17%) and Latin America (2%).

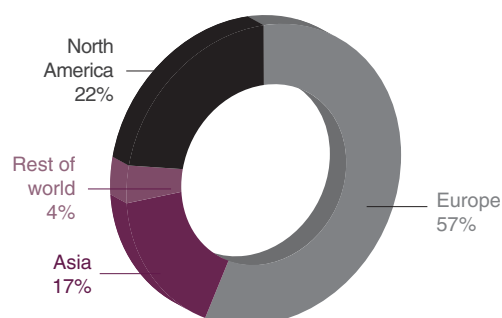
### Chemicals segment financial data

(M€)	2009	2008	2007
Non-Group sales	14,726	20,150	19,805
Base Chemicals	8,655	13,176	12,558
Specialty Chemicals	6,071	6,974	7,247
Adjusted operating income	249	873	1,155
Including Base Chemicals	(160)	341	526
Including Specialty Chemicals	445	524	642
Adjusted net operating income	272	668	847
Including Base Chemicals	16	323	431
Including Specialty Chemicals	279	339	413

For the full year 2009, adjusted net operating income for the Chemicals segment was €272 million compared to €668 million in 2008, a decrease of 59% that resulted from the significantly weaker environment for Base Chemicals and, to a lesser degree, lower sales and results from the Specialties.

The ROACE <sup>2</sup> for the Chemicals segment for the full year 2009 was 4% compared to 9% for 2008.

### 2009 sales by geographic area



1. Based on publicly available information, consolidated sales.

2. Based on adjusted net operating income and average capital employed at replacement cost.

## Base Chemicals

The Base Chemicals division includes TOTAL's petrochemical and fertilizer businesses.

In 2009, Base Chemicals sales were €8.66 billion, compared to €13.18 billion in 2008 and €12.56 billion in 2007. The 2009 market environment for the Base Chemicals division was marked by a

decreasing demand for petrochemical products in Europe and the United States and a decline in margins of products from steam crackers. The Group's operations in Qatar and Korea helped to offset the challenging environment in mature areas. The Fertilizers business was affected by decreasing volumes and very weak margins throughout the year.

### Petrochemicals

#### TOTAL's production capacities by main product groups and regions

(kt)	2009			Worldwide	2008	2007
	Europe	North America	Asia and Middle East <sup>(c)</sup>		Worldwide	Worldwide
Olefins <sup>(a)</sup>	4,695	1,195	1,005	6,895	7,285	7,175
Aromatics	2,500	940	755	4,195	4,360	4,335
Polyethylene	1,320	440	280	2,040	2,035	2,035
Polypropylene	1,335	1,150	295	2,780	2,750	2,575
Styrenics <sup>(b)</sup>	1,110	1,350	630	3,090	3,220	3,160

(a) Ethylene, propylene and butadiene.

(b) Styrene and polystyrene.

(c) Including minority interests in Qatar and 50% of Samsung-Total Petrochemicals capacities in Daesan (South Korea).

The petrochemical business, grouped under Total Petrochemicals, includes base petrochemicals (olefins and aromatics) and their polymer derivatives (polyethylene, polypropylene and styrenics).

TOTAL's main petrochemical sites are located in Belgium (Antwerp, Feluy), France (Carling, Feyzin, Gonfreville, Lavéra), the United States (Carville in Louisiana and Bayport, La Porte and Port Arthur in Texas), Singapore and China (Foshan). Most of these sites are either adjacent to or connected by pipelines to Group refineries. As a result, most of TOTAL's petrochemical operations are closely integrated within the Group's refining operations.

TOTAL owns a 50% interest in the Daesan petrochemical site in South Korea, in partnership with Samsung. This integrated site is located 400 km off the Chinese coast.

In Qatar, the Group holds interests in two steam crackers and several polyethylene lines.

TOTAL has continued to strengthen its leadership positions in the industry by focusing on the following strategic areas:

- In mature markets, TOTAL is improving the competitiveness of its long-established sites notably through costs management, better energy efficiency at its facilities and more flexibility in the choice of feedstock.

In an increasingly competitive environment, the Group launched two reorganization plans, one in 2006 and another in 2009, for the Carling and Gonfreville sites in France:

- The first plan called for the closing of a steam cracker and the styrene plant at Carling and the construction of a new world-class<sup>1</sup> styrene plant at Gonfreville to replace the plant closed in late 2008. The reorganization plan was completed in the first quarter of 2009.
- The second plan is focused on a project to consolidate the petrochemical business to improve competitiveness. This project includes a plan to upgrade the Group's most efficient units by investing approximately €230 million to increase energy efficiency to the most efficient level and improve the competitive strength of the steam cracker and high-density polyethylene unit in Gonfreville, and to consolidate polystyrene production at the Carling facility. It will also lead to the closing of structurally loss-making units: two low-density polyethylene lines, one in Carling (eastern France) and one in Gonfreville (northwestern France), and a polystyrene line in Gonfreville. This reorganization plan is also intended to improve the efficiency of the support services at both sites and of the central services at Total Petrochemicals France.

Furthermore, following the sole customer's termination of the supply contract for the secondary butyl alcohol produced at the Notre-Dame-de-Gravenchon facility in Normandy, this dedicated facility will have to be closed. Closure is expected in 2010.

1. Facilities ranking among the first quartile for production capacities based on publicly available information.

- o TOTAL is continuing to expand in growth areas.

In Asia, the joint venture Samsung-Total Petrochemicals Co. Ltd inaugurated in September 2009 a polypropylene compounding plant located in Dongguang, China, and continues to optimize operations with the construction of a jet fuel production plant to develop co-products and a butane storage tank. This storage tank is intended to increase flexibility for the steam cracker feedstocks. In 2008, the joint venture completed the first modernization phase of the Daesan site in South Korea. This major development increased the site's initial production capacity by nearly one-third through the expansion of the steam cracking and styrene units, the construction of a new polypropylene line in 2007 and the start-up of a new metathesis <sup>1</sup> plant in 2008.

In the Middle East, construction of a 700 kt/y paraxylene unit at the Jubail refinery in Saudi Arabia was approved in May 2008 by TOTAL and Saudi Aramco. This world-class unit <sup>2</sup> is intended to supply the Asian market. Start-up is scheduled for 2013.

- o TOTAL is developing sites in countries with favorable access to raw materials.

In Qatar, through its interest in Qatofin and Qacpo, TOTAL holds a 49% interest in a Qatofin-operated world-class <sup>2</sup> linear low-density polyethylene plant with a capacity of 450 kt/y in Mesaieed, which started production in August 2009, as well as a 22% interest in an ethane-based steam cracker in Ras Laffan designed for processing 1.3 Mt/y of ethylene. The steam cracker started in March 2010.

In addition, construction of a 300 kt/y low-density polyethylene line is expected at Qapco, in which TOTAL holds a 20% interest, with commissioning scheduled in 2012.

Pursuant to the contract signed in July 2007, TOTAL is continuing discussions with Sonatrach, the Algerian national oil company, related to the construction of a petrochemical site in Arzew (Algeria). The contemplated project includes an ethane-based steam cracker with production capacity of 1.1 Mt/y, two polyethylene units and a monoethylene glycol production unit. This world-class project <sup>3</sup> would benefit from access to a particularly competitive feedstock and would be ideally located to supply Europe, the Americas and Asia.

In addition, TOTAL inaugurated in October 2008 a pilot MTO plant (Methanol to Olefins) at its Feluy site (Belgium). This project, one of the Group's most important research projects, is intended to assess, on a semi-industrial scale, the technical and economical feasibility of producing olefins from methanol derived from natural gas, coal and biomass, and to consider new methods to produce polyolefins.

In 2009, the Chemicals segment continued to improve its safety performance by focusing on on-the-job safety, safety management systems and major risk prevention. However, in the second half of 2009, the Chemicals segment faced four serious accidents. As a result, TOTAL launched a general review of thirteen French sites presenting technological risks, including two petrochemical sites (Gonfreville and Carling) and three sites from its Fertilizers business (Mazingarbe, Grandpuits and Grand Quevilly). The Group is concerned by these events, especially since safety results were

steadily improving on the whole and work accident indicators were halved between 2005 and 2009.

### ► Base petrochemicals

Base petrochemicals include olefins and aromatics produced by steam cracking petroleum cuts, mainly naphtha, as well as propylene and aromatics manufactured in the Group's refineries. The economic environment for this business is strongly influenced by supply and demand and by changes in the price of naphtha, the principal raw material used.

2009 was marked by a deterioration of margins due to a continuous increase in feedstock prices and the decline in demand for olefins and aromatics in Europe and the United States. The estimated utilization rate of steam crackers <sup>3</sup> in the industry worldwide decreased from 91% in 2005-2007 to 86% in 2008 and 85% in 2009 due to the commissioning of new capacities in the Middle East and the decrease in global demand.

### ► Polyethylene

Polyethylene is a plastic produced by the polymerization of ethylene manufactured in the Group's steam crackers. It is primarily intended for the packaging, automotive, food, cable and pipe markets. Margins are strongly influenced by the level of demand and by competition from expanding production in the Middle East, which benefits from favorable access to the raw material, ethane, to produce ethylene.

In 2009, demand growth was weak, estimated at +0.8% worldwide, with strong differences depending on regions: falling demand in mature zones (Europe and the United States) and strong growth in China (more than 25%), driven by a domestic demand satisfied by the significant increase in importations.

TOTAL's polyethylene sales volume dropped by 4% in 2009 compared to 2008 and margins remained weak in Europe. In the United States, margins maintained at a higher level mainly due to the competitive price of ethane-based ethylene. In Europe, the pressure on margins is expected to persist with the start-up of new ethane-based units in the Middle East, which began in late 2009, and in Asia.

In this context, TOTAL intends to focus on lowering the break-even point in its plants in Europe and strengthening its efforts to better differentiate its range of products.

### ► Polypropylene

Polypropylene is a plastic produced by the polymerization of propylene manufactured in the Group's steam crackers and refineries. It is primarily intended for the automotive, packaging, household, appliances, fabrics and health care markets. Margins are mainly influenced by the level of demand and the availability and price of propylene.

1. Conversion of ethylene and butene into propylene.

2. Facilities ranking among the first quartile for production capacities based on publicly available information.

3. Based on publicly available information.

Highlights of 2009 included the slight recovery in the global marketplace, estimated at +1.8%, that was driven, like polyethylene, by increasing Chinese domestic demand.

Compared to 2008, TOTAL's sales volumes increased by 6% due to positive contributions from every region. To face the increasing competition from new plants in the Middle East, TOTAL owns plants with industrial performance, both in Europe and the United States, which place the Group among the industry's leaders.

### ► Styrenics

This line of business includes the production of styrene and polystyrene. Most of the styrene manufactured by the Group is used to produce polystyrene, a plastic principally used in food packaging, insulation, refrigeration, domestic appliances and electronic devices. Margins are strongly influenced by the level of polystyrene demand and the price of benzene, which is polystyrene's principal raw material.

In 2009, the global styrene market decreased by 3%. The global polystyrene market decreased by approximately 4% due to the weakness of the construction, refrigeration and television markets in mature zones. Nonetheless, 2009 was also marked by the recovery of growth in China, exceeding 10%, due to programs implemented to stimulate domestic demand.

In 2009, TOTAL's polystyrene sales volumes increased by 1%, driven by an increase in sales in Asia (+13%).

### ● Fertilizers

Through its subsidiary GPN, TOTAL manufactures and markets nitrogen fertilizers made from natural gas. Margins are strongly influenced by the price of natural gas.

## ■ Specialty Chemicals

TOTAL's Specialty Chemicals division includes the rubber processing (Hutchinson), consumer products (Mapa® and Spontex®), resins (Cray Valley, Sartomer and Cook Composites & Polymers), adhesives (Bostik) and electroplating (Atotech) businesses. The division serves consumer and industrial markets for which customer-oriented marketing and service as well as innovation are key drivers. The Group markets specialty products in more than fifty-five countries. Its strategy is to pursue its international expansion by combining internal growth and targeted

After a record high in 2008, the European fertilizers market decreased by more than 10% in 2009 and returned to the levels recorded in 2005-2006. Following the collapse of urea prices in late 2008, prices of nitrogen products decreased sharply in early 2009, leading to a drop in margins.

The Fertilizers business continued its major restructuring plan initiated in 2006:

- In France, GPN ceased production of complex fertilizers that are made from nitrogen, phosphorus and potassium products, due to the declining market for these products, and closed its plants in Bordeaux, Basse Indre and Granville. In addition, TOTAL sold its Dutch affiliate, Zuid Chemie, to Engrais Rosier, in which the Group holds a 57% share, to create a more competitive player in the Benelux market.
- The core activity of the Fertilizers business, which is the production of nitrogen fertilizers, was strengthened through a major investment in the construction of a competitive nitric acid plant in Rouen, which started up in the second half of 2009, and a urea plant in Grandpuits, which is expected to start up in the second quarter of 2010. This additional urea production is expected to position GPN in the growing markets of products that contribute to reducing nitrogen oxide emissions<sup>1</sup>: DENOX® for industrial applications and Adblue® for transportation applications.
- In France, the Oissel site and three obsolete nitric acid units in Rouen and Mazingarbe were closed in 2009.
- The Group is considering the sale of its mine and quarries business at Mazingarbe. Sale of this business has been submitted to prior consultation with employee representative organizations and to the approval by the relevant authorities.

This plan is expected to improve the competitiveness of GPN by regrouping its operations at two sites which feature production capacity greater than the European average.

acquisitions while concentrating on growing markets and focusing on the marketing of new products with high added value.

In 2009, Specialty Chemicals faced a difficult environment due to the global economic slowdown, especially in the first half of the year. In this adverse environment, Specialty Chemicals sales decreased by 13% compared to 2008. Results substantially increased in the second half of 2009 compared to the same period in 2008, due to improving margins and cost reduction programs.

1. Nitrogen oxide emissions are harmful to the environment and subject to regulation.



## ● Rubber processing

Hutchinson manufactures and markets products derived from rubber processing that are principally intended for the automotive, aerospace and defense industries.

Hutchinson, among the industry's leaders <sup>1</sup>, provides its customers with innovative solutions in the areas of fluid transfer, water and airtightness, transmission, mobility and vibration, as well as sound and thermal insulation.

Hutchinson's 2009 sales decreased by 11% in an uneven environment depending on the lines of business. Automotive products sales decreased substantially compared to 2008 in a challenging market environment, especially in the first half of the year, both in North America and in Europe. In other industrial markets, sales increased slightly in 2009 compared to 2008 due to sustained demand from the defense, aerospace and railway industries.

To strengthen its position in the aerospace industry, Hutchinson acquired Strativer in late 2008, a company that specializes in the expanding composite materials industry.

Throughout 2009, Hutchinson continued to develop in expanding markets, primarily Eastern Europe, South America and China, relying notably on the sites opened in 2006 in Brasov (Romania), Lodz (Poland) and Suzhou (China) and in 2009 in Sousse (Tunisia).

## ● Consumer products

The Consumer products business is organized into baby care products (Nuk® and Tigex®) and household specialties (Mapa® and Spontex®). The baby care products sector strengthened in 2009 with the acquisition of Gerber in late 2008. As a result, sales increased by 11% in 2009 compared to 2008. These markets depend heavily on the level of household consumption and due to the economic slowdown, like-for-like consumption was lower on both markets. Thanks to brand recognition, the Consumer products business is expected to continue to grow in Europe, the United States and emerging countries.

In early 2010, TOTAL launched a process to sell its Consumer products business. Sale of this business has been submitted to prior consultation with employee representative organizations and to the approval by the relevant authorities.

## ● Resins

TOTAL produces and markets resins for adhesives, inks, paints, coatings and composite materials through three subsidiaries: Cray Valley, Sartomer, and Cook Composites & Polymers.

In 2009, sales decreased by 22%, reflecting the ongoing economic slowdown in the United States, which is the main market segment for the Resins business, and decreasing volumes in Europe.

In this environment, all the subsidiaries accelerated their programs to reduce fixed costs in Europe and the United States. In addition, they continued to refocus on their most profitable lines of business through a selective investment policy targeting in particular the most dynamic geographical areas. For instance, Sartomer continued to expand in China from its Nansha plant that started up in April 2008.

## ● Adhesives

Bostik is one of the world leaders in its sector, based on sales <sup>1</sup>, with leading positions in the industrial, hygiene, construction and consumer and commercial distribution markets.

In 2009, Bostik's sales decreased by 8% compared to 2008. These comparatively positive results in an adverse economy confirm Bostik's strategy of strengthening its position in the industrial market, which has been less affected than the construction industry, and continuing its development in growing markets, especially in the Asia-Pacific region.

For instance, new production units were commissioned in China (Zhuhai) and Australia (Sydney). In September 2009, Bostik launched the construction of a plant in Changshu (China) that is expected to eventually become the company's largest plant.

Furthermore, Bostik is actively pursuing its program for innovation and is focusing notably on new products and applications contributing to sustainable development.

## ● Electroplating

Atotech, which encompasses TOTAL's electroplating business, is the second largest company in this sector based on worldwide sales <sup>2</sup>. It is active in both the electronics (printed circuits, semiconductors) and general metal finishing markets (automotive, sanitary goods, furnishing).

The electroplating business was impacted by the global economic slowdown that affected the automotive and the electronics industries. Sales decreased by 20% in 2009 compared to 2008.

In this context of economic slowdown, Atotech successfully pursued its strategy designed to better differentiate its products through comprehensive service provided to its customers in terms of equipment, processes, design, chemical products and through the development of green, innovative technologies to reduce the environmental footprint. This strategy relies on global coverage provided by its technical centers located near customers. Finally, Atotech intends to continue to develop in Asia, which represents more than 50% of its global sales.

1. Based on publicly available information, consolidated sales.

2. Based on publicly available information.

## Investments

### Principal investments made over the 2007-2009 period

(en millions d'euros)	2009	2008	2007
Upstream	9,855	10,017	8,882
Downstream	2,771	2,418	1,875
Chemicals	631	1,074	911
Corporate	92	131	54
<b>Total</b>	<b>13,349</b>	<b>13,640</b>	<b>11,722</b>

Most of the investments made by TOTAL are comprised of additions to property, plant and equipment and intangible assets

Investments, including net investment in equity affiliates and non consolidated subsidiaries and acquisitions, amounted to \$18.1 billion in 2009, compared to \$18.3 billion in 2008.

In the Upstream segment, capital expenditures are mainly intended to develop new hydrocarbon production facilities, exploration activities and acquisitions of new permits. In 2009, development expenditures were devoted primarily to the following projects: Kashagan in Kazakhstan; Pazflor, Angola LNG and Tombua Landana in Angola; Akpo, Usan and Ofon II in Nigeria; Ekofisk in Norway; the Mahakam zone in Indonesia; the Alwyn zone in the United Kingdom; Moho Bilondo in the Republic of the Congo and Anguille in Gabon.

In the Downstream segment, capital expenditures are split between refining and marketing activities (notably for the retail network). Refining investments (approximately \$2.6 billion in 2009) are divided between maintenance of the facilities (included major turnarounds amounting to \$0.5 billion in 2009, similar to 2008) and projects to increase the production of light products, add desulphurization capacities, adapt the system to new specifications and improve the plants energy efficiency. Highlights of 2009 included the ongoing construction of a deep conversion unit at the Port Arthur refinery in the United States.

In the Chemicals segment, capital expenditures for 2009 were approximately 65% for Base Chemicals and 35% for Specialties.

### Principal investments anticipated

For the year 2010, TOTAL announced an investment budget<sup>1</sup> of approximately \$18 billion (excluding acquisitions) of which approximately 80% are devoted to the Upstream segment.

Capital expenditures in the Upstream segment are expected to be principally dedicated to major development projects, including Kashagan in Kazakhstan ; Pazflor and Angola LNG in Angola; Usan, Ofon II and OML 58 in Nigeria; the Ekofisk area in Norway and the Mahakam area in Indonesia. In the Downstream segment, investments are expected for, among others, the development of projects intended to increase the conversion and desulphurization capacities, notably through the modernization program of the Port Arthur refinery in the United States.

Beyond 2010, TOTAL plans to pursue a sustained investment effort to supply the growth of its activities, prioritizing the Upstream segment.

TOTAL self-finances most of its capital expenditures from cash flow from operations (see the Consolidated Statement of Cash Flow of the Consolidated Financial Statements, which are essentially increased by accessing the bond market on a regular basis, when conditions in the financial markets are favorable (see Note 23 to the Consolidated Financial Statements). However, capital expenditures for joint ventures between TOTAL and external partners may be funded through project financing.

As part of certain project financing arrangements, TOTAL S.A. has provided guarantees. These guarantees, as well as other information on off-balance sheet commitments for the Group, appear in Note 23 to the Consolidated Financial Statements. The Group does not currently consider that these guaranties, or any other off-balance sheet arrangements of TOTAL S.A. or of any other Group company, currently have or are reasonably likely to have in the future a material impact on the Group's financial condition, changes in revenues or expenses liquidity, capital expenditure or capital resources.

1. Including net investments in equity affiliates and non-consolidated companies, excluding acquisitions and divestments, based on €1 = \$1.40 for 2010.

## ► Organizational structure

### ■ Position of the Company within the Group

TOTAL S.A. is the parent company of the Group. As of December 31, 2009, there were 712 consolidated subsidiaries of which 617 were fully consolidated, 12 were proportionately consolidated, and 83 were accounted for under the equity method.

The decision of the principal subsidiaries of TOTAL S.A. to declare dividends is made by their respective shareholders' meetings and remain subject to the provisions of local laws and regulations applicable to them. As of December 31, 2009, there is no restriction under those provisions that would materially restrict the distribution to TOTAL S.A. of the dividends declared by those subsidiaries.

The Group's businesses are organized as indicated on the chart on pages 54 and 55 of this Registration Document. The operating segments of the Group are assisted by centralized corporate functions (Finance, Legal, Ethics, Insurance, Strategy & Business Intelligence, Human Resources and Communications) which are also represented in the chart mentioned above and which are part of the parent company, TOTAL S.A.

### ■ Principal subsidiaries

A list of the principal subsidiaries of the Company is detailed in Note 35 to the Consolidated Financial Statements.

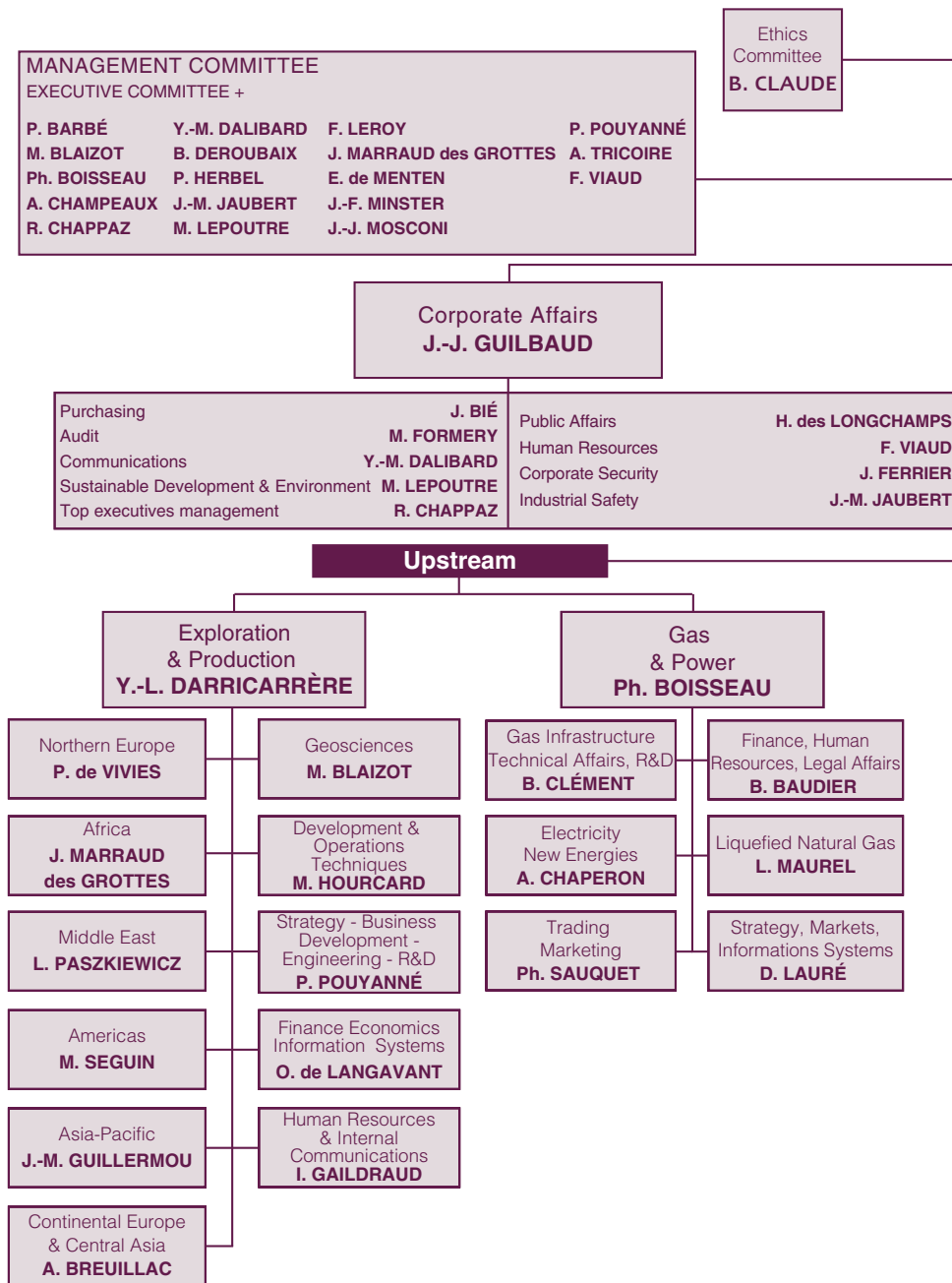
## ► Property, plant and equipment

TOTAL has freehold and leasehold interests in over 130 countries throughout the world. The principal activities based at these sites, fields and other industrial, commercial or administrative properties are described in this chapter for each of the business segments (Upstream, Downstream, Chemicals).

A summary of the fixed assets and their financial impact on the Group (depreciation and impairment) is included in Note 11 to the Consolidated Financial Statements.

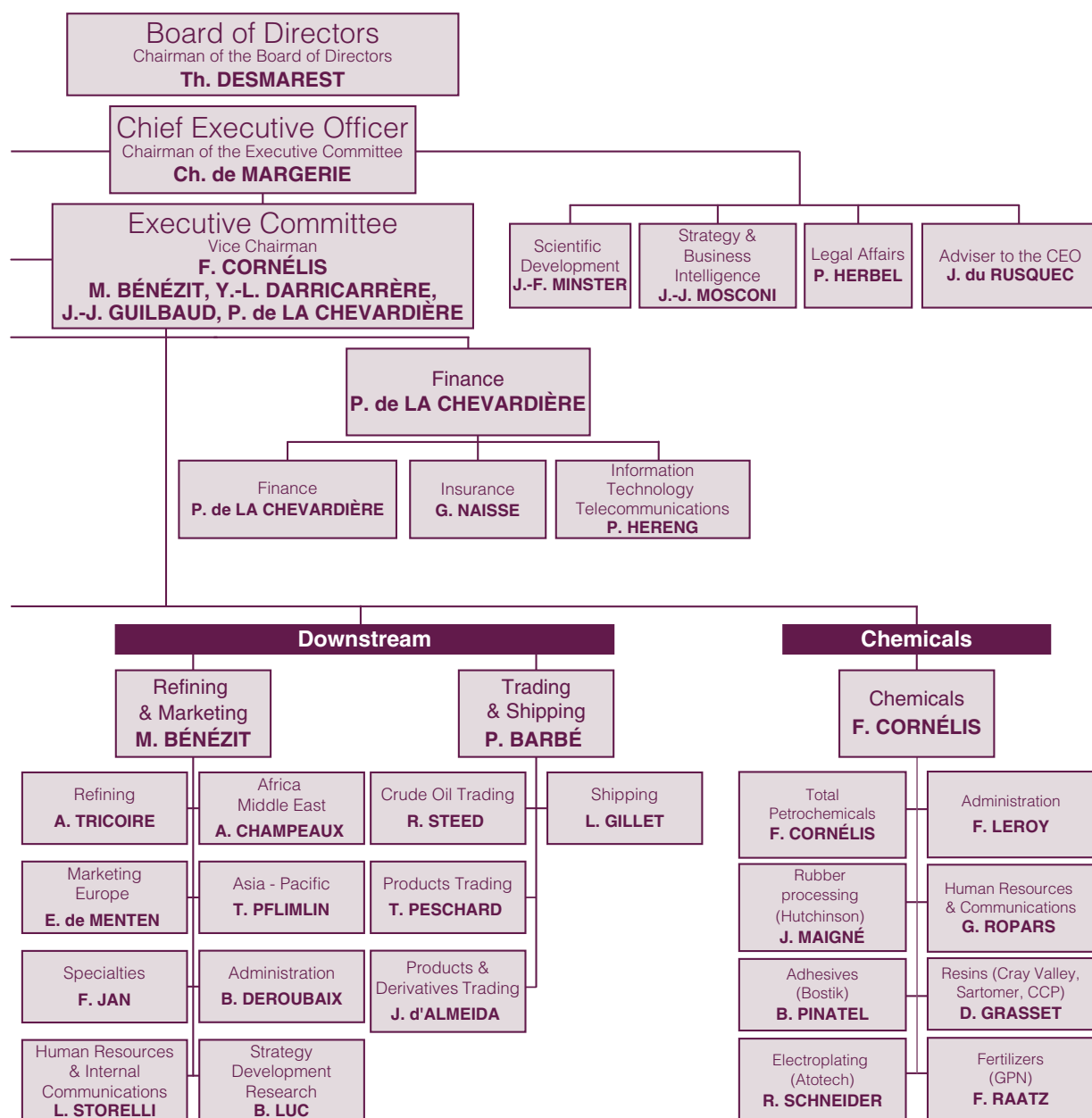
Information about the Company's environmental policy, notably that for the Group's industrial sites, is presented on pages 312 and 313 of this Registration Document.

► Organization chart as of January 1, 2010



Organization chart as of January 1, 2010

BUSINESS OVERVIEW







*Chapter 3 (Management Report) was set by the Board of Directors on February 10, 2010, and has not been updated with subsequent events.*

<b>SUMMARY OF RESULTS AND FINANCIAL POSITION</b>	<b>p. 58</b>
Overview of the 2009 fiscal year for TOTAL S.A.	p. 58
2009 results	p. 59
Upstream results	p. 61
Downstream results	p. 62
Chemicals results	p. 62
TOTAL S.A. 2009 results and proposed dividend	p. 63
<b>Liquidity and capital resources</b>	<b>p. 64</b>
Long-term and short-term capital	p. 64
Cash flow	p. 64
Borrowing requirements and funding structure	p. 65
External financing available	p. 65
Anticipated sources of financing	p. 65
<b>Research and development</b>	<b>p. 66</b>
Exploration & Production	p. 66
Gas & Power	p. 66
Refining & Marketing	p. 67
Petrochemicals	p. 67
Specialty Chemicals	p. 67
Environment	p. 67
R&D organization	p. 67
<b>Trends and outlook</b>	<b>p. 68</b>
Outlook	p. 68
Risks and uncertainties	p. 68
2010 sensitivities to market environment	p. 68

## ► Summary of results and financial position

### ■ Overview of the 2009 fiscal year for TOTAL S.A.

The 2009 oil and gas market environment was marked by a sharp decline in the demand for oil, natural gas and refined products. Crude oil prices, nonetheless, rebounded during the year to average \$61.7/b thanks to the support from OPEC reductions and the anticipation by the market of an economic recovery. In contrast, natural gas spot prices remained depressed and refining margins fell to historically low levels, under pressure from significant overcapacity. In Chemicals, despite strong demand for polymers in China, the environment was hurt by low margins and a sharp drop in demand in OECD markets.

In this context, TOTAL's 2009 adjusted net income was \$10.9 billion, a decrease of 47% compared to 2008. The Group's results for the year were among the most resilient of the major oil companies. In the fourth quarter, thanks to a 6% increase in Upstream production, higher oil prices and Downstream results that remained slightly positive despite very weak refining margins, adjusted net income rose to \$3.1 billion, an increase of 15% compared to the third quarter.

With its strong balance sheet and financial flexibility, TOTAL has been able to continue its investment program and dividend policy in 2009, while keeping its net-debt-to-equity ratio, in line with its objectives, at 27% at the end of December 2009.

In the Upstream, in 2009 five major projects started production in Nigeria, the Gulf of Mexico, Angola, Qatar and Yemen. The Group also approved the investment to launch the Surmont Phase II project in Canada, and, to further strengthen its portfolio, entered into a number of joint ventures, notably with Chesapeake and Cobalt in the United States, Novatek in Russia, and Sonatrach in Algeria. These additions were made within the framework of the company's strict financial criteria. In addition, cost reduction plans launched in late 2008 led to an 8% reduction in operating costs and allowed the company to maintain its technical costs at \$15.4/boe, the same level as in 2008.

The Downstream and Chemicals segments continued to implement plans to adapt to the particularly difficult conditions they faced in 2009 that included reducing capacity to restore profitability to these activities in an environment undergoing profound transformation. The measures taken in the modernization of the refining and petrochemicals site at Normandy demonstrate the Group's will to be socially responsible as it adapts its industrial operations to structural changes in the market.

In addition, outlays for research and development rose to €650 million in 2009, an increase of 6% compared to 2008. In particular, this allowed the Group to start up this year the pilot project for CO<sub>2</sub> capture and storage at Lacq, which illustrates its commitment to the fight against global climate change.

In reaffirming the priority of safety and the environment and by building on its investment discipline, its high-quality portfolio and its recognized expertise, TOTAL is confident in its ability to pursue its strategy of profitable and responsible growth to create value for all of its stakeholders.

## 2009 results

(M€)	2009	2008	2007
Sales	131,327	179,976	158,752
Adjusted operating income from business segments <sup>(a)</sup>	14,154	28,114	23,956
Adjusted net operating income from business segments <sup>(a)</sup>	7,607	13,961	12,231
Net income (Group share)	8,447	10,590	13,181
Adjusted net income (Group share) <sup>(a)</sup>	7,784	13,920	12,203
Fully-diluted weighted-average shares (millions) <sup>(a)</sup>	2,237.3	2,246.7	2,274.4
Adjusted fully-diluted earnings per share (euros) <sup>(a) (b)</sup>	3.48	6.20	5.37
Dividend per share <sup>(c)</sup> (€)	2.28	2.28	2.07
Net-debt-to-equity (as of December 31)	27%	23%	27%
Return on average capital employed (ROACE) <sup>(d)</sup>	13%	26%	24%
Return on equity	16%	32%	31%
Cash flow from operating activities	12,360	18,669	17,686
Investments	13,349	13,640	11,722
Divestments	3,081	2,585	1,556

(a) Adjusted income (adjusted operating income, adjusted net operating income and adjusted net income) is defined as income using replacement cost, adjusted for special items and excluding TOTAL's equity share of adjustments and, from 2009, selected items related to Sanofi-Aventis.

(b) Based on the fully-diluted weighted-average number of common shares outstanding during the period.

(c) 2009 dividend is subject to the approval by the Shareholders' Meeting on May 21, 2010.

(d) Based on adjusted net operating income and average capital employed at replacement cost.

Market environment	2009	2008	2007
Exchange rate (€-\$)	1.39	1.47	1.37
Brent (\$/b)	61.7	97.3	72.4
European refining margins ERMI <sup>(a)</sup> (\$/t)	17.8	51.1	49.6

(a) ERMI has replaced TRCV as the European refining margin indicator, as announced by TOTAL on January 15, 2010 in the publication of its 4<sup>th</sup> quarter indicators. In view of market changes over the past years (particularly in terms of refinery complexity, crude feedstock and product runs) the ERMI should be more representative of the margin on average variable costs for a theoretical European refinery.

Adjustments to operating income from business segments (M€)	2009	2008	2007
Special items affecting operating income from the business segments	(711)	(375)	(35)
Restructuring charges	-	-	-
Impairments	(391)	(177)	(47)
Other	(320)	(198)	12
Pre-tax inventory effect: FIFO vs. replacement cost <sup>(a)</sup>	2,205	(3,503)	1,830
<b>Total adjustments affecting operating income from the business segments</b>	<b>1,494</b>	<b>(3,878)</b>	<b>1,795</b>

(a) See Note 1 paragraph N to the Consolidated Financial Statements.

Adjustments to net income (Group share) (M€)	2009	2008	2007
Special items affecting net income (Group share)	(570)	(485)	(64)
Gain on asset sales	179	214	306
Restructuring charges	(129)	(69)	(35)
Impairments	(333)	(205)	(162)
Other	(287)	(425)	(173)
TOTAL's equity share of selected items related to Sanofi-Aventis <sup>(a)</sup>	(300)	(393)	(243)
After-tax inventory effect: FIFO vs. replacement cost <sup>(b)</sup>	1,533	(2,452)	1,285
<b>Total adjustments affecting net income</b>	<b>663</b>	<b>(3,330)</b>	<b>978</b>

(a) Based on TOTAL's participation in Sanofi-Aventis of 7.4% as of December 31, 2009, 11.4% as of December 31, 2008 and 13.1% as of December 31, 2007 – selected items from 2009.

(b) See paragraph N of Note 1 to the Consolidated Financial Statements.

## ● Sales

Consolidated sales decreased by 27% to €131,327 million in 2009 from €179,976 million in 2008.

## ● Operating income

Using Total's market indicators and comparing 2009 to 2008, the environment was marked by a 36% decrease in the average realized liquids price and a 30% decrease in the average realized natural gas price. The ERMI refining margin indicator for Europe fell by 65% to \$17.8/t. The Chemicals environment was marked by a drop in demand for polymers and specialty chemicals.

The euro-dollar exchange rate was \$1.39/€ in 2009 compared to \$1.47/€ in 2008.

In this context, the adjusted operating income from the business segments was €14,154 million, a decrease of 50% compared to 2008<sup>1</sup>. Expressed in dollars, adjusted operating income from the business segments was \$19.7 billion, a decrease of 52% compared to 2008.

The effective tax rate<sup>2</sup> for the business segments was 55% compared to 56% in 2008.

Adjusted net operating income from the business segments was €7,607 million compared to €13,961 million in 2008, a decrease of 46%. The smaller decrease, relative to the one in adjusted operating income, is essentially due to the more limited decrease in the contribution from equity affiliates.

Expressed in dollars, adjusted net operating income from the business segments fell by 48%.

## ● Net income Group share

Adjusted net income decreased by 44% to €7,784 million in 2009 from €13,920 million in 2008. It excludes the after-tax inventory effect, special items, and the Group's equity share of adjustments and selected items related to Sanofi-Aventis.

The after-tax inventory effect had a positive impact on net income of €1,533 million in 2009 compared to a negative impact of €2,452 million in 2008;

The Group's share of adjustments and selected items related to Sanofi-Aventis had a negative impact on net income of €300 million in 2009 and a negative impact on net income of €393 million in 2008;

Other special items had a negative impact on net income of €570 million in 2009 compared to a negative impact of €485 million in 2008.

Reported net income (Group share) was €8,447 million compared to €10,590 million in 2008.

The effective tax rate for the Group was 55% in 2009 compared to 56% in 2008.

The Group did not buy back shares in 2009. On December 31, 2009, there were 2,243.7 million fully-diluted shares compared to 2,235.3 million fully-diluted shares on December 31, 2008.

Adjusted fully-diluted earnings per share, based on 2,237.3 million weighted-average shares was €3.48 compared to €6.20 in 2008, a decrease of 44%.

Expressed in dollars, the adjusted fully-diluted earnings per share was \$4.85 compared to \$9.11 in 2008, a decrease of 47%.

## ● Investments – divestments

Investments excluding acquisitions and including net investments in equity affiliates and non-consolidated companies were €12.3 billion (\$17.1 billion) in 2009 compared to €11.4 billion (\$16.8 billion) in 2008.

Acquisitions were €743 million in 2009.

Asset sales in 2009 were €2,663 million, consisting essentially of Sanofi-Aventis shares.

Net investments<sup>3</sup> were €10.3 billion in 2009 compared to €11.1 billion in 2008. Expressed in dollars, net investments in 2009 were \$14.3 billion, a decrease of 12% compared to the \$16.3 billion of net investments in 2008.

## ● Profitability

The ROACE for the full year 2009 was 13% for the Group and 13% for the business segments compared to 26% and 28%, respectively, for the full year 2008.

Return on equity was 16% in 2009 compared to 32% in 2008.

1. Special items affecting operating income from the business segments had a negative impact of €711 million in 2009 and a negative impact of €375 million in 2008.

2. Defined as: (tax on adjusted net operating income) / (adjusted net operating income – income from equity affiliates, dividends received from investments and impairments of acquisition goodwill + tax on adjusted net operating income).

3. Net investments = investments including acquisitions and net investments in equity affiliates and non-consolidated companies – asset sales + net financing for employees related to stock purchase plans.

## Upstream results

Environment – liquids and gas price realizations <sup>(a)</sup>	2009	2008	2007
Brent (\$/b)	61.7	97.3	72.4
Average liquids price (\$/b)	58.1	91.1	68.9
Average gas price (\$/Mbtu)	5.17	7.38	5.40
Average hydrocarbons price (\$/boe)	47.1	72.1	55.2

(a) Consolidated subsidiaries, excluding fixed margin and buyback contracts.

TOTAL's average liquids price decreased by 36% in 2009 compared to 2008. TOTAL's average gas price decreased by 30%.

Hydrocarbon production	2009	2008	2007
Liquids (kb/d)	1,381	1,456	1,509
Gas (Mcf/d)	4,923	4,837	4,839
<b>Combined production (kboe/d)</b>	<b>2,281</b>	<b>2,341</b>	<b>2,391</b>

For the full-year 2009, hydrocarbon production was 2,281 kboe/d, a decrease of 2.6% compared to 2008, mainly as a result of:

- +2% for ramp-ups and start-ups of new fields net of the normal decline;
- +1.5% for the price effect <sup>1</sup>;
- -3% for OPEC reductions and lower gas demand;
- -1% for disruptions in Nigeria related to security issues;
- -2% for changes in the portfolio, mainly in Venezuela and Libya.

Excluding the impact of OPEC reductions, production growth was stable compared to 2008.

Year-end 2008 reserves <sup>(a)</sup>	2009	2008	2007
Liquids (Mb)	5,689	5,695	5,778
Gas (Bcf)	26,318	26,218	25,730
<b>Hydrocarbon reserves (Mboe)</b>	<b>10,483</b>	<b>10,458</b>	<b>10,449</b>

Proved reserves based on SEC rules (Brent at \$59.91/b) were 10,483 Mboe at December 31, 2009. At the 2009 average rate of production, the reserve life is more than twelve years.

The 2009 reserve replacement rate <sup>2</sup>, based on SEC rules, was 103%. Excluding acquisitions and divestments, the reserve replacement rate was 93%.

As of year-end 2009, TOTAL has a solid and diversified portfolio of proved and probable reserves <sup>3</sup> representing 20 Bboe, or more than a 20-year reserve life based on the 2009 average production rate, and resources <sup>4</sup> representing more than a 40-year reserve life.

Results (M€)	2009	2008	2007
Adjusted operating income	12,879	23,639	19,514
Adjusted net operating income	6,382	10,724	8,849
Cash flow from operating activities	10,200	13,765	12,692
Adjusted cash flow from operating activities	11,336	14,313	12,562
Total expenditures	9,855	10,017	8,882
Divestments	398	1,130	751
Return on average capital employed	18%	36%	34%

Over the full year 2009, adjusted net operating income for the Upstream segment was €6,382 million compared to €10,724 million in 2008, a decrease of 40%. Expressed in dollars, adjusted net operating income for the Upstream segment was \$8.9 billion, a 44% decrease compared to 2008, essentially due to lower hydrocarbon prices.

Technical costs for consolidated subsidiaries, in accordance with ASC 932 <sup>5</sup> (previously FAS69) were \$15.4/boe in 2009, stable compared to 2008, with a decrease of 8% in operating expenses per barrel offsetting an increase in depreciation, depletion and amortization (DD&A) charges related notably to the start-up of new projects.

The return on average capital employed (ROACE <sup>6</sup>) for the Upstream segment was 18% in 2009 compared to 36% in 2008.

1. Impact of changing hydrocarbon prices on entitlement volumes.

2. Change in reserves excluding production i.e. (revisions + discoveries, extensions + acquisitions – divestments) / production for the period. In an environment with a constant 36.55 \$/b oil price, excluding acquisitions and divestments, the reserve replacement rate would be 97%.

3. Limited to proved and probable reserves covered by E&P contracts on fields that have been drilled and for which technical studies have demonstrated economic development in a \$60/b Brent environment, including projects developed by mining.

4. Proved and probable reserves plus contingent resources (potential average recoverable reserves from known accumulations – Society of Petroleum Engineers – 03/07).

5. FASB Accounting Standards Codification Topic 932, Extractive industries – Oil and Gas.

6. Calculated based on adjusted net operating income and average capital employed, using replacement cost.



## Downstream results

Operating data	2009	2008	2007
Refinery throughput <sup>(a)</sup> (kb/d)	2,151	2,362	2,413
Refined product sales <sup>(b)</sup> (kb/d)	3,616	3,658	3,774 <sup>(c)</sup>

(a) Including share of CEPSA.

(b) Including Trading and share of CEPSA.

(c) The amount is different from that in TOTAL's 2007 Registration Document due to a change in the calculation method for sales of the Port Arthur refinery.

For the full year 2009, the utilization rate based on crude was 78% (83% for crude and other feedstocks) compared to 88% in 2008 (91% for crude and other feedstocks) reflecting the voluntary throughput reductions in the Group's refineries. Five refineries had scheduled turnarounds for maintenance in 2009 compared to six in 2008. Turnaround activity in 2010 is expected to be lower than in 2009.

Results (M€)	2009	2008	2007
Adjusted operating income	1,026	3,602	3,287
Adjusted net operating income	953	2,569	2,535
Cash flow from operating activities	1,164	3,111	4,148
Adjusted cash flow from operating activities	1,601	4,018	3,276
Total expenditures	2,771	2,418	1,875
Divestments	133	216	394
Return on average capital employed	7%	20%	21%

For the full year 2009, the European refining margin indicator was \$17.8/t, a decrease of 65% compared to 2008.

Adjusted net operating income for the Downstream segment for the full year 2009 was €953 million, a decrease of 63% compared to 2008.

Expressed in dollars, adjusted net operating income for the Downstream segment was \$1,329 million in 2009, a decrease of

65% compared to \$3,778 million in 2008, reflecting essentially the significantly weaker refining environment.

The decreases in cash flow from operating activities and adjusted cash flow shown for the fourth quarter and full year 2009 were due to a large increase in working capital requirements and the decrease in adjusted net operating income.

The ROACE<sup>1</sup> for the Downstream segment for the full year 2009 was 7% compared to 20% for 2008.

## Chemicals results

(M€)	2009	2008	2007
Sales	14,726	20,150	19,805
Adjusted operating income	249	873	1,155
Adjusted net operating income	272	668	847
Cash flow from operating activities <sup>(a)</sup>	1,082	920	1,096
Adjusted cash flow from operating activities	442	1,093	1,093
Total expenditures	631	1,074	911
Divestments	47	53	83
Return on average capital employed	4%	9%	12%

(a) Including expenses related to AZF: €42 million in 2007, €18 million in 2008 and €216 million in 2009.

1. Calculated based on adjusted net operating income and average capital employed, using replacement cost.

For the full year 2009, adjusted net operating income for the Chemicals segment was €272 million compared to €668 million in 2008, a decrease of 59% that resulted from the significantly weaker environment for Base chemicals and, to a lesser degree, lower sales and results from the Specialties.

The ROACE<sup>1</sup> for the Chemicals segment for the full year 2009 was 4% compared to 9% for 2008.

## TOTAL S.A. 2009 results and proposed dividend

Net income for TOTAL S.A., the parent company, was €5,634 million in 2009 compared to €6,008 million in 2008. After closing the accounts, the Board of Directors decided to propose at the May 21, 2010 Annual Shareholders Meeting a dividend of €2.28 per share for 2009, stable in euros compared to the previous year.

Based on 2009 adjusted net income, TOTAL's pay-out ratio would be 66%.

Taking into account the interim dividend of €1.14 per share paid on November 18, 2009, the remaining €1.14 per share would be paid on June 1, 2010<sup>2</sup>.

1. Calculated based on adjusted net operating income and average capital employed, using replacement cost.

2. The ex-dividend date for the remainder of the 2009 dividend would be May 27, 2010.

## ► Liquidity and capital resources

### ■ Long-term and short-term capital

Long-term capital  
As of December 31,  
(M€)

	2009	2008	2007
Shareholders equity <sup>(a)</sup>	50,993	47,410	43,303
Non-current financial debt	19,437	16,191	14,876
Hedging instruments of non-current financial debt	(1,025)	(892)	(460)
<b>Total net non-current capital</b>	<b>69,405</b>	<b>62,709</b>	<b>57,719</b>

(a) Based on a 2009 dividend equal to the 2008 dividend (€2.28 /share) less the interim dividend €1.14 /share (€2,545 million) paid in November 2009.

Short-term capital  
As of December 31,  
(M€)

	2009	2008	2007
Current borrowings	6,994	7,722	4,613
Net current financial assets	(188)	(29)	(1,204)
<b>Net current financial debt</b>	<b>6,806</b>	<b>7,693</b>	<b>3,409</b>
Cash and cash equivalents	(11,662)	(12,321)	(5,988)

### ■ Cash flow

(M€)	2009	2008	2007
Cash flow from operating activities	12,360	18,669	17,686
Changes in working capital adjusted for the pre-tax FIFO inventory effect	(1,111)	(932)	354
<b>Cash flow from operating activities before changes in working capital adjusted for the pre-tax FIFO inventory effect</b>	<b>13,471</b>	<b>19,601</b>	<b>17,332</b>
Total expenditures	(13,349)	(13,640)	(11,722)
Divestments	3,081	2,585	1,556
<b>Net cash flow at replacement cost, before changes in working capital</b>	<b>3,203</b>	<b>8,546</b>	<b>7,166</b>
Dividends paid	(5,275)	(5,158)	(4,738)
Share buybacks	-	(1,189)	(1,526)
Net-debt-to-equity ratio at December 31	27%	23%	27%

Cash flow from operating activities was €12,360 million, a decrease of 34% compared to 2008.

Adjusted cash flow <sup>1</sup> was €13,471 million, a decrease of 31%, reflecting mainly the decrease in adjusted net income. Expressed in dollars, adjusted cash flow was \$18.8 billion, a decrease of 35%.

Net cash flow <sup>2</sup> for the Group was €2,092 million compared to €7,614 million in 2008, essentially due to an increase in working capital requirements. Expressed in dollars, net cash flow for the Group was \$2.9 billion in 2009.

The net-debt-to-equity ratio was 26.6% on December 31, 2009 compared to 22.5% on December 31, 2008.

1. Cash flow from operations at replacement cost before changes in working capital.

2. Net cash flow = cash flow from operations + divestments - gross investments.

## Borrowing requirements and funding structure

The Group's policy consists of incurring non-current debt primarily at a floating rate, or, if the opportunity arises at the time of an issuance, at a fixed rate. Debt is incurred in dollars or in euros according to general corporate needs. Long-term interest rate and currency swaps may be used to hedge bonds at their issuance in order to create a variable or fixed rate synthetic debt. In order to partially modify the interest rate structure of the long-term debt, TOTAL may also enter into long-term interest rate swaps.

The non-current debt is generally raised by the Treasury Department, either directly in dollars or in euros, or in currencies exchanged for dollars or euros, based on the Group's general needs, through swaps.

The Group has established standards for market transactions under which bank counterparties must be approved in advance, based on an assessment of the counterparty's financial soundness (multi-criteria analysis including a review of market prices and of the *Credit Default Swap* (CDS), its ratings with Standard & Poor's and Moody's, which must be of high quality and its overall financial condition).

An overall authorized credit limit is defined for each bank and is allotted among the subsidiaries and the Group's central treasury entities according to their needs.

To reduce the market values risk on its commitments, in particular for swaps set as part of bonds issuance, the Group also developed a system of margin call that is gradually implemented with significant counterparties.

## External financing available

The total amount, as of December 31, 2009, of the principal confirmed lines of credit granted by international banks to Group companies, including TOTAL S.A., was \$10,084 million (compared to \$9,621 as of December 31, 2008), of which \$10,051 million was unused (compared to \$9,380 million December 31, 2008).

TOTAL S.A. has confirmed lines of credit granted by international banks that allow the Company to fund a significant cash reserve. As of December 31, 2009, these lines of credit amounted to \$9,322 million (compared to \$8,966 million as of December 31, 2008), of which \$9,289 million were unused (compared to €8,725 million as of December 31, 2008).

The contracts for the lines of credit granted to TOTAL S.A. contain no provisions that tie the terms and conditions of the loan to the Company's financial ratios, to its financial ratings from specialized agencies, or to the occurrence of events that could have a material negative impact on its financial position.

The lines of credit granted to Group companies other than TOTAL S.A. are not intended to finance the Group's general needs; they are intended to finance either the general needs of the borrowing subsidiary or a specific project.

As of December 31, 2009, there was no restriction on the use of the capital received by the Group's companies (including TOTAL S.A.) which could have a direct or indirect material impact on the Group's operations.

## Anticipated sources of financing

In 2009, investments, working capital and dividend payments were financed essentially by the cash flow generated from operating activities and by asset disposals and net borrowings.

For the coming years and based on the current financing conditions, the Company intends to maintain this method of financing its investments and activities.

## ► Research and development

In 2009, Research & Development (R&D) expenses amounted to €650 million, compared to €612 million in 2008 and €594 million in 2007<sup>1</sup>. The process initiated in 2004 to increase R&D budgets continued in 2009. In addition, the Group implemented in 2009 a financial device to contribute to the development of start-ups that specialize in the development of innovative technologies in the field of energy.

In 2009, 4,016 employees were dedicated to R&D, compared to 4,285 in 2008 and 4,216 in 2007.

There are six major R&D areas at TOTAL:

- developing knowledge, tools and technological mastery to discover and operate technologically complex oil and gas resources to meet global demand for energy;
- developing and industrializing solar, biomass and carbon capture and storage technologies to contribute to the evolution of the global energy mix;
- understanding and measuring the impacts of the Group's operations and products on ecosystems (water, soil, air, biodiversity) to strengthen environmental safety, as part of the regulation in place, and reduce their environmental footprint to achieve sustainability in the Group's operations;
- developing practical, innovative and competitive materials that meet the market's specific needs; contribute to the emergence of new features and systems; enable current materials to be replaced by materials achieving higher performance; address the challenges of improved energy efficiency, lower environmental impact and toxicity and achieve better management of product life cycle;
- developing, industrializing and improving conversion processes of oil, coal and biomass resources to adapt to changes in resources and markets, improve reliability and safety, achieve better energy efficiency, reduce the environmental footprint and maintain economic margins on the long term;
- mastering and using innovative technologies such as biotechnologies, nanotechnologies, high-performance computing, information and communications technologies and new analytic techniques.

These issues are addressed synergistically within a portfolio of projects. Different aspects may be looked at independently by different divisions.

<sup>1</sup> Including, starting in 2009, expenses for Exploration & Production pilot facilities.

## ■ Exploration & Production

In addition to continuously optimizing the development of offshore projects and gas resources, TOTAL continues to improve its computing, exploration, seismic acquisition and processing tools as well as those for the initial appraisal of reservoirs and simulation of field evolution during operations, especially for tight sand, very deep and carbonated reservoirs.

Enhancing oil recovery from operated reservoirs and recovery of heavy oil and bitumen with lesser environmental impacts are also subjects involving major research. In particular, a new major project to develop technology for the development of oil shale was launched in 2008.

In addition, the carbon dioxide capture and storage project in the Rouse depleted field in Lacq (southwestern France) continues, in line with schedule. The first injections took place in early 2010.

Water management is also the subject of increased R&D activities.

## ■ Gas & Power

R&D mainly involves energy conversion related to:

- new technical features for terminals regarding LNG (liquefied natural gas);
- the emergence of DME (DiMethyl Ether) through the Group's involvement in a testing program for this fuel;
- CTL (Coal to Liquids) projects to convert coal into liquid hydrocarbons, with carbon dioxide capture as part of this process.

R&D efforts were sustained in new energies, in particular in the development of new generation photovoltaic cells as part of several partnerships with recognized research institutes.

Energy production from biomass is also a major R&D challenge in the development of new energies. The Group is involved in a program to develop a production process from biomass and in biotechnologies studies related to biomass processing.

R&D partnerships in tidal current energy, thermal energy and marine power also contribute to the Group's better understanding of the technological challenges in these fields.

## Refining & Marketing

In Refining & Marketing, TOTAL is preparing for the emergence of tomorrow's resources, including non-conventional oil and biomass, and develops products that meet the market needs, such as higher-performance and energy-saving fuels, additives and lubricants.

The Refining & Marketing Division develops processes and catalysts and studies the operation of its industrial sites to improve production and adapt to the fuel market. The division develops new products (fuels, heating fuels, lubricants, etc.) that are adapted to new engines and more environmentally-friendly as well as technologies to measure and reduce industrial emissions in the environment.

Several R&D projects in the field of second-generation biofuel production were also launched as part of partnerships with academic, industrial and economic players in order to develop enzymatic and thermo-chemical conversion of biomass.

## Petrochemicals

In Petrochemicals, R&D is focused on the use of alternative resources to naphtha and ethane, such as methanol from coal, gas and renewable feedstock.

The development of new grades of polymers is also a significant R&D activity and the Group is involved in the development of biodegradable polymers such as polylactic acid (PLA) as part of a joint venture with the company Galactic.

R&D efforts also involve research on catalysts and processes and include new pilot programs for development, such as the industrial pilot program to convert methanol into olefins combined with a polymerization pilot, which allows the gradual optimization of the process at the Feluy site in Belgium.

## Specialty Chemicals

In the Chemicals segment, R&D has strategic importance for the specialty chemicals products. It is closely linked to the needs of subsidiaries.

Atotech is one of the world leaders for integrated production systems (chemicals, equipment, know-how and service) for industrial surface finishing and the manufacturing of integrated circuits. Given the environmental challenges related to electroplating, nearly one third of Atotech's R&D projects are intended to develop cleaner technologies and create conditions for the sustainable development of these industries.

Innovation at Hutchinson is focused on the development of thermoplastic elastomers, clean production technologies and energy-efficient systems for large industrial clients.

Bostik and Cray Valley-Sartomer are seeking to develop products (glues and resins) that are adapted to new markets and offer new features stemming from clean production technologies, including biomass resources.

## Environment

Environmental issues are important throughout the Group and taken into account in all R&D projects. Environmental challenges include:

- detection and reduction of emissions into the air;
- prevention of soil and water contamination by focusing R&D activity on the most significant environmental risks at the Group's sites or projects, notably by reducing the use of water from natural environments and by lowering emissions;
- changes in the Group's different products and management of their life cycle, in compliance with the REACH Directive;
- reduction of greenhouse gases through the improvement of energy efficiency and carbon dioxide capture and storage.

## R&D organization

The Group intends to increase R&D at all the business units through cross-functional themes and technologies. Attention is paid to synergies of R&D efforts between business units.

The Group has twenty-two R&D sites worldwide and has developed approximately 600 partnerships with other industrial groups, academic or special research institutes. TOTAL also has a permanently renewed network of scientific advisors worldwide that monitor and advise on matters of interest to the Group's R&D activities. Long-term partnerships with universities and academic laboratories, deemed strategic in Europe, the United States, Japan and China, as well as innovating small businesses are part of the Group's approach.

Each business unit is developing an active intellectual property activity, aimed at protecting its developments, allowing its activity without constraints as well as facilitating its partnerships. In 2009, close to 250 new patents applications were issued by the Group.



## ► Trends and outlook

### ■ Outlook

In the Upstream, 2010 production is expected to increase thanks to the ramp-up on projects started up in 2009. TOTAL will continue to build on its large and diversified portfolio, its recognized expertise in project management and cost control. Following the launch of the Surmont Phase II project announced in January 2010, TOTAL expects to launch several other major projects, including CLOV in Angola, Laggan/Tormore in the United Kingdom, and Ofon II and Egina in Nigeria.

In the Downstream and Chemicals, the Group plans to continue to adapt its activities in mature areas and reinforce its portfolio in growing markets, notably with the construction of the Jubail refinery and the benefit from the start-up of a new ethane cracker in Qatar.

The Group is continuing to pursue its growth policy in 2010 with an investment budget of \$18 billion<sup>1</sup>, stable compared to the 2009 budget; 80% of the investments will be dedicated to the Upstream. In addition, TOTAL intends to divest non-strategic assets, in particular through the progressive sale of its shares in Sanofi-Aventis and a project to sell Mapa-Spontex, a subsidiary in its Specialty chemicals sector. Based on this, the Group maintains its net-debt-to-equity ratio objective of around 25-to-30%. TOTAL is confident in its ability to maintain its dividend policy.

Since the beginning of the first quarter 2010, the price of Brent has traded between \$70/b and \$80/b and natural gas prices have recovered somewhat. The environment for refining and petrochemicals remains difficult.

### ■ Risks and uncertainties

Due to the nature of its business, the Company is subject to market risks (in both the oil and financial markets), industrial and environmental risks related to their operations, and to geopolitical risks stemming from the global presence of most of its activities.

In addition, risks related to cash management activities and to interest rate and foreign exchange rate financial instruments are managed according to strict rules set by the Company's management, which also oversees the centralization of liquidity positions and the management of financial instruments.

Detailed information is given in the Risk Factors section (Chapter 4), of this Registration Document, which also includes information referred to in Article L. 225-102-1 of the French Commercial Code related to TOTAL S.A.'s environmental and social report (Chapter 11, Appendix 3, TOTAL S.A., Social and environmental information).

### ■ 2010 sensitivities to market environment (a)

Market environment	Scenario	Change	Estimated impact on adjusted operating income	Estimated impact on adjusted net operating income
€-\$	1.40 \$/€	+0.10 \$/€	-1.1 B€	-0.6 B€
Brent	60 \$/b	+1 \$/b	+0.25 B€/ + 0.35 B\$	+0.11 B€/ + 0.15 B\$
European refining margins (ERMI <sup>(b)</sup> )	15 \$/t	+1 \$/t	+0.07 B€/ + 0.10 B\$	+0.05 B€/ + 0.07 B\$

(a) Sensitivities revised once per year upon publication of the previous year's fourth quarter results. The impact of the \$/€ sensitivity on adjusted operating income and adjusted net operating income attributable to the Upstream segment are approximately 80% and 75% respectively, and the remaining impact of the \$/€ sensitivity is essentially in the Downstream segment.

1. Including net investments in equity affiliates and non-consolidated companies, excluding acquisitions, based on €1=\$1.40 for 2010.

<b>MARKET RISKS</b>	p. 70
Sensitivity to market environment	p. 70
Oil and gas market related risks	p. 70
Financial markets related risks	p. 71
Counterparty risk	p. 72
Currency exposure	p. 72
Short-term interest rate exposure and cash	p. 72
Interest rate risk on non-current debt	p. 72
Sensitivity analysis on interest rate and foreign exchange risk	p. 73
Stock market risk	p. 75
Liquidity risk	p. 75
Credit risk	p. 76
<b>INDUSTRIAL AND ENVIRONMENTAL RISKS</b>	p. 79
Types of risk	p. 79
Risk evaluation	p. 79
Risk management	p. 80
Asbestos	p. 80
<b>OTHER RISKS</b>	p. 81
Risks related to oil and gas exploration and production	p. 81
Risks related to economic or political factors	p. 81
Legal aspects of exploration and production activities	p. 82
Legal aspects of the Group's other businesses	p. 82
Business activities in Cuba, Iran, Sudan and Syria	p. 83
Nigeria	p. 85
Risks related to competition	p. 85
Legal and arbitration proceedings	p. 85
<b>INSURANCE AND RISK MANAGEMENT</b>	p. 86
Organization	p. 86
Risk and insurance management policy	p. 86
Insurance policy	p. 86

## Market risks

### Sensitivity to market environment

The financial performance of TOTAL is sensitive to a number of factors, the most significant being crude oil and natural gas prices, refining margins and exchange rates, in particular that of the dollar versus the euro.

Generally, a rise in the price of crude oil has a positive effect on earnings as a result of an increase in revenues from oil and gas production. Conversely, a decline in crude oil prices reduces revenues. For the year ended 2010, according to the scenarios retained, the Group estimates that an increase or decrease of \$1.00

per barrel in the price of Brent crude would respectively increase or decrease annual adjusted net operating income by approximately €0.11 billion (\$0.15 billion)<sup>1</sup>. The impact of changes in crude oil prices on Downstream and Base Chemicals operations depends on the speed at which the prices of finished products adjust to reflect these changes. The Group estimates that an increase or decrease in the European ERMI refining margins of \$1.00 per ton would increase or decrease annual adjusted net operating income by approximately €0.05 billion (\$0.07 billion)<sup>1</sup>.

All of the Group's activities are, to various degrees, sensitive to fluctuations in the dollar/euro exchange rate. The Group estimates that a strengthening or weakening of the dollar against the euro by \$0.10/€ would respectively improve or reduce annual adjusted net operating income, expressed in euros, by approximately €0.6 billion.

The Group's results, particularly in the Chemicals segment, also depend on the overall economic environment.

2010 Sensitivities <sup>(a)</sup>	Scenario	Change	Estimated impact on adjusted operating income	Estimated impact on adjusted net operating income
€-\$	1.40 \$/€	+0.10 \$/€	-1.1 B€	-0.6 B€
Brent	60 \$/b	+1 \$/b	+0.25 B€/ + 0.35 B\$	+0.11 B€/ + 0.15 B\$
European refining margins (ERMI <sup>(b)</sup> )	15 \$/t	+1 \$/t	+0.07 B€/ + 0.10 B\$	+0.05 B€/ + 0.07 B\$

(a) Sensitivities revised once per year upon publication of the previous year's fourth quarter results. The impact of the \$/€ sensitivity on adjusted operating income and adjusted net operating income attributable to the Upstream segment are approximately 80% and 75% respectively, and the remaining impact of the \$/€ sensitivity is essentially in the Downstream segment.

(b) ERMI has replaced TRCV as the European refining margin indicator, as announced by TOTAL on January 15, 2010, in the publication of its 4<sup>th</sup> quarter indicators. In view of market changes over the past years (particularly in terms of refinery complexity, crude feedstock and product runs) the ERMI should be more representative of the margin on average variable costs for a theoretical European refinery.

### Oil and gas market related risks

Due to the nature of its business, the Group has significant oil and gas trading activities as part of its day-to-day operations in order to optimize revenues from its oil and gas production and to obtain favorable pricing to supply its refineries.

In its international oil trading business, the Group follows a policy of not selling its future production for future delivery. However, in connection with this trading business, the Group, like most other oil companies, uses energy derivative instruments to adjust its exposure to price fluctuations of crude oil, refined products, natural gas and electricity. The Group also uses freight rate derivative contracts in its shipping business to adjust its exposure to freight-rate fluctuations. To hedge against this risk, the Group uses various instruments such as futures, forwards, swaps and options on organized markets or over-the-counter markets. The list of the different derivatives held by the Group in these markets is detailed in Note 30 to the Consolidated Financial Statements.

1. Calculated with a base case exchange rate of \$1.40 per €1.00.

The Trading & Shipping division measures its market risk exposure, *i.e.* potential loss in fair value, on its crude oil, refined products and freight rates trading activities using a value-at-risk technique. This technique is based on an historical model and makes an assessment of the market risk arising from possible future changes in market values over a 24-hour period. The calculation of the range of potential changes in fair values takes into account a snapshot of the end-of-day exposures and the set of historical price movements

for the last 400 business days for all instruments and maturities in the global trading activities. Options are systematically reevaluated using appropriate models.

The potential movement in fair values corresponds to a 97.5% value-at-risk type confidence level. This means that the Group's portfolio result is likely to exceed the value-at-risk loss measure once over 40 business days if the portfolio exposures were left unchanged.

### Trading & Shipping: value-at-risk with a 97.5% probability

As of December 31, (M€)	High	Low	Average	Year-end
<b>2009</b>	<b>18.8</b>	<b>5.8</b>	<b>10.2</b>	<b>7.6</b>
2008	13.5	2.8	6.9	11.8
2007	11.6	3.3	6.7	5.4

As part of its gas and power trading activity, the Group also uses derivative instruments such as futures, forwards, swaps and options in both organized and over-the-counter markets. In general, the transactions are settled at maturity date through physical delivery. The Gas & Power division measures its market risk exposure, *i.e.* potential loss in fair values, on its trading business using a value-at-risk technique. This technique is based on an

historical model and makes an assessment of the market risk arising from possible future changes in market values over a one-day period. The calculation of the range of potential changes in fair values takes into account a snapshot of the end-of-day exposures and the set of historical price movements for the past two years for all instruments and maturities in the global trading business.

### Gas & Power trading: value-at-risk with a 97.5% probability

As of December 31, (M€)	High	Low	Average	Year-end
<b>2009</b>	<b>9.8</b>	<b>1.9</b>	<b>5.0</b>	<b>4.8</b>
2008	16.3	1.3	5.0	1.4
2007 <sup>(a)</sup>	18.2	3.2	7.9	4.3

(a) Data takes into account historical price movements over one year.

The Group has implemented strict policies and procedures to manage and monitor these market risks. These are based on the splitting of supervisory functions from operational functions and on an integrated information system that enables real-time monitoring of trading activities.

Limits on trading positions are approved by the Group's Executive Committee and are monitored daily. To increase flexibility and encourage liquidity, hedging operations are performed with numerous independent operators, including other oil companies, major energy producers or consumers and financial institutions. The Group has established counterparty limits and monitors outstanding amounts with each counterparty on an ongoing basis.

### Financial markets related risks

As part of its financing and cash management activities, the Group uses derivative instruments to manage its exposure to changes in interest rates and foreign exchange rates. These instruments are principally interest rate and currency swaps. The Group may also use, on a less frequent basis, futures, caps, floors and options contracts. These operations and their accounting treatment are detailed in Notes 1 paragraph M, 20, 28 and 29 to the Consolidated Financial Statements.

Risks relative to cash management operations and to interest rate and foreign exchange financial instruments are managed according to rules set by the Group's senior management, which provide for pooling of available cash balances, open positions and management of the financial instruments by the Treasury Department. Excess cash of the Group is deposited mainly in government institutions or deposit banks through deposits, reverse repurchase agreements and purchase of commercial paper. Liquidity positions and the management of financial instruments are centralized by the Treasury Department, where they are managed by a team specialized in foreign exchange and interest rate market transactions.

The Cash Monitoring-Management Unit within the Treasury Department monitors limits and positions per bank on a daily basis and reports results. This unit also prepares marked-to-market valuations and, when necessary, performs sensitivity analysis.

### Counterparty risk

The Group has established standards for market transactions under which bank counterparties must be approved in advance, based on an assessment of the counterparty's financial soundness (multi-criteria analysis including notably a review of market prices and of the Credit Default Swap (CDS), its ratings with Standard & Poor's and Moody's, which must be of high quality and its overall financial condition).

An overall authorized credit limit is set for each bank and is alloted among the subsidiaries and the Group's central treasury entities according to their needs.

To reduce the market values risk on its commitments, in particular for swaps set as part of bonds issuance, the Treasury Department also developed a system of margin call that is gradually implemented with significant counterparties.

### Currency exposure

The Group seeks to minimize the currency exposure of each entity to its functional currency (primarily the euro, the dollar, the pound sterling and the Norwegian krone).

For currency exposure generated by commercial activity, the hedging of revenues and costs in foreign currencies is typically performed using currency operations on the spot market and, in some cases, on the forward market. The Group rarely hedges future cash flows, although it may use options to do so.

With respect to currency exposure linked to non-current assets booked in a currency other than the euro, the Group has a policy of reducing the related currency exposure by financing these assets in the same currency.

Net short-term currency exposure is periodically monitored against limits set by the Group's senior management.

The non-current debt described in Note 20 to the Consolidated Financial Statements is generally raised by the corporate treasury entities either directly in dollars or euros, or in other currencies which are then exchanged for dollars or euros through swap issues to appropriately match general corporate needs. The proceeds from these debt issuances are loaned to affiliates whose accounts are kept in dollars or in euros. Thus, the net sensitivity of these positions to currency exposure is not significant.

The Group's short-term currency swaps, the notional value of which appears in Note 29 to the Consolidated Financial Statements, are used to attempt to optimize the centralized cash management of the Group. Thus, the sensitivity to currency fluctuations which may be induced is likewise considered negligible.

### Short-term interest rate exposure and cash

Cash balances, which are primarily composed of euros and dollars, are managed according to the guidelines established by the Group's senior management (maintain an adequate level of liquidity, optimize revenue from investments considering existing interest rate yield curves, and minimize the cost of borrowing) over a less than 12-month horizon and on the basis of a daily interest rate benchmark, primarily through short-term interest rate swaps and short-term currency swaps, without modifying currency exposure.

### Interest rate risk on non-current debt

The Group's policy consists of incurring non-current debt primarily at a floating rate, or, if the opportunity arises at the time of an issuance, at a fixed rate. Debt is incurred in dollars or in euros according to general corporate needs. Long-term interest rate and currency swaps may be used to hedge bonds at their issuance in order to create a variable or fixed-rate synthetic debt. In order to partially modify the interest rate structure of the long-term debt, TOTAL may also enter into long-term interest rate swaps.

## Sensitivity analysis on interest rate and foreign exchange risk

The tables below present the potential impact of an increase or decrease of 10 basis points on the interest rate yield curves for each of the currencies on the fair value of the current financial instruments as of December 31, 2009, 2008 and 2007.

(M€) Assets/(Liabilities)	Carrying amount	Estimated fair value	Change in fair value due to a change in interest rate by	
			+ 10 basis points	- 10 basis points
<b>As of December 31, 2009</b>				
Bonds (non-current portion, before swaps)	(18,368)	(18,368)	75	(75)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(241)	(241)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	1,025	1,025		
Total swaps hedging fixed-rates bonds (assets and liabilities)	784	784	(57)	57
Current portion of non-current debt after swap (excluding capital lease obligations)	(2,111)	(2,111)	3	(3)
Other interest rates swaps	(1)	(1)	1	(1)
Currency swaps and forward exchange contracts	34	34	-	-
<b>As of December 31, 2008</b>				
Bonds (non-current portion, before swaps)	(14,119)	(14,119)	47	(43)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(440)	(440)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	892	892		
Total swaps hedging fixed-rates bonds (assets and liabilities)	452	452	(44)	44
Current portion of non-current debt after swap (excluding capital lease obligations)	(2,025)	(2,025)	3	(3)
Other interest rates swaps	(4)	(4)	1	(1)
Currency swaps and forward exchange contracts	(56)	(56)	-	-
<b>As of December 31, 2007</b>				
Bonds (non-current portion, before swaps)	(11,741)	(11,741)	37	(37)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(369)	(369)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	460	460		
Total swaps hedging fixed-rates bonds (assets and liabilities)	91	91	(39)	38
Current portion of non-current debt after swap (excluding capital lease obligations)	(1,669)	(1,669)	(1)	1
Other interest rates swaps	1	1	-	-
Currency swaps and forward exchange contracts	(34)	(34)	-	-



The impact of changes in interest rates on the cost of net debt before tax is presented as follows:

<b>For the year ended December 31,</b> (M€)	<b>2009</b>	2008	2007
Cost of net debt	<b>(398)</b>	(527)	(539)
Interest rate translation of + 10 basis points	<b>(11)</b>	(11)	(12)
Interest rate translation of - 10 basis points	<b>11</b>	11	12
Interest rate translation of + 100 basis points	<b>(108)</b>	(113)	(116)
Interest rate translation of - 100 basis points	<b>108</b>	113	116

As a result of the policy for the management of currency exposure previously described, the Group's sensitivity to currency exposure is primarily influenced by the net equity of the subsidiaries whose functional currency is the dollar and, to a lesser extent, the pound sterling and the Norwegian krone.

This sensitivity is reflected in the historical evolution of the currency translation adjustment recorded in the statement of changes in shareholders' equity which, in the course of the last three fiscal years, is essentially related to the fluctuation of dollar and pound sterling and is set forth in the table below:

	<b>Euro / Dollar exchange rates</b>	<b>Euro / Pound sterling exchange rates</b>
<b>As of December 31, 2009</b>	<b>1.44</b>	<b>0.89</b>
As of December 31, 2008	1.39	0.95
As of December 31, 2007	1.47	0.73

<b>As of December 31, 2009</b> (M€)	<b>Total</b>	<b>Euro</b>	<b>Dollar</b>	<b>Pound sterling</b>	<b>Other currencies and equity affiliates</b>
Shareholders' equity at historical exchange rate	<b>57,621</b>	27,717	18,671	5,201	6,032
Currency translation adjustment before net investment hedge	<b>(5,074)</b>		(3,027)	(1,465)	(582)
Net investment hedge – open instruments	<b>5</b>		6	(1)	
Shareholders' equity at exchange rate as of December 31, 2009	<b>52,552</b>	27,717	15,650	3,735	5,450

<b>As of December 31, 2008</b> (M€)	<b>Total</b>	<b>Euro</b>	<b>Dollar</b>	<b>Pound sterling</b>	<b>Other currencies and equity affiliates</b>
Shareholders' equity at historical exchange rate	<b>53,868</b>	25,084	15,429	5,587	7,768
Currency translation adjustment before net investment hedge	<b>(4,876)</b>		(2,191)	(1,769)	(916)
Net investment hedge – open instruments	<b>–</b>		–	–	–
Shareholders' equity at exchange rate as of December 31, 2008	<b>48,992</b>	25,084	13,238	3,818	6,852

<b>As of December 31, 2007</b> (M€)	<b>Total</b>	<b>Euro</b>	<b>Dollar</b>	<b>Pound sterling</b>	<b>Other currencies and equity affiliates</b>
Shareholders' equity at historical exchange rate	<b>49,254</b>	22,214	12,954	5,477	8,609
Currency translation adjustment before net investment hedge	<b>(4,410)</b>		(3,501)	(289)	(620)
Net investment hedge – open instruments	<b>14</b>		14	–	–
Shareholders' equity at exchange rate as of December 31, 2007	<b>44,858</b>	22,214	9,467	5,188	7,989

As a result of this policy, the impact of currency exchange rate fluctuations on consolidated income, as illustrated in Note 7 to the Consolidated Financial Statements, has not been significant over the last three years despite the considerable fluctuation of the dollar (loss of €32 million in 2009, gain of €112 million in 2008, gain of €35 million in 2007).

## Stock market risk

The Group holds interests in a number of publicly-traded companies (see Notes 12 and 13 to the Consolidated Financial Statements). The market value of these holdings fluctuates due to various factors, including notably stock market trends, valuations of the sectors in which the companies operate, and the economic and financial condition of each individual company.

## Liquidity risk

TOTAL S.A. has confirmed lines of credit granted by international banks, which are calculated to allow it to manage its short-term liquidity needs as required.

As of December 31, 2009, these lines of credit amounted to \$9,322 million, of which \$9,289 million were unused. The agreements for the lines of credit granted to TOTAL S.A. do not contain conditions related to the Company's financial ratios, to its financial ratings from specialized agencies, or to the occurrence of events that could have a material adverse effect on its financial position. As of December 31, 2009, the aggregate amount of the principal confirmed lines of credit granted by international banks to Group companies, including TOTAL S.A., was \$10,084 million, of which \$10,051 million were unused. The lines of credit granted to Group companies other than TOTAL S.A. are not intended to finance the Group's general needs; they are intended to finance either the general needs of the borrowing subsidiary or a specific project.

The following tables show the maturity of the financial assets and liabilities of the Group as of December 31, 2009, 2008 and 2007 (see Note 20 to the Consolidated Financial Statements).

### As of December 31, 2009

(M€)

Assets/(Liabilities)	Less than one year	Between 1 year and 5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)		(12,589)	(5,823)	(18,412)
Current borrowings	(6,994)			(6,994)
Other current financial liabilities	(123)			(123)
Current financial assets	311			311
Cash and cash equivalents	11,662			11,662
<b>Net amount before financial expense</b>	<b>4,856</b>	<b>(12,589)</b>	<b>(5,823)</b>	<b>(13,556)</b>
Financial expense on non-current financial debt	(768)	(2,007)	(1,112)	(3,887)
Interest differential on swaps	447	342	(55)	734
<b>Net amount</b>	<b>4,535</b>	<b>(14,254)</b>	<b>(6,990)</b>	<b>(16,709)</b>

### As of December 31, 2008

(M€)

Assets/(Liabilities)	Less than one year	Between 1 year and 5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)		(13,206)	(2,093)	(15,299)
Current borrowings	(7,722)			(7,722)
Other current financial liabilities	(158)			(158)
Current financial assets	187			187
Cash and cash equivalents	12,321			12,321
<b>Net amount before financial expense</b>	<b>4,628</b>	<b>(13,206)</b>	<b>(2,093)</b>	<b>(10,671)</b>
Financial expense on non-current financial debt	(554)	(1,431)	(174)	(2,159)
Interest differential on swaps	118	410	(7)	521
<b>Net amount</b>	<b>4,192</b>	<b>(14,227)</b>	<b>(2,274)</b>	<b>(12,309)</b>

### As of December 31, 2007

(M€)

Assets/(Liabilities)	Less than one year	Between 1 year and 5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)		(11,424)	(2,992)	(14,416)
Current borrowings	(4,613)			(4,613)
Other current financial liabilities	(60)			(60)
Current financial assets	1,264			1,264
Cash and cash equivalents	5,988			5,988
<b>Net amount before financial expense</b>	<b>2,579</b>	<b>(11,424)</b>	<b>(2,992)</b>	<b>(11,837)</b>
Financial expense on non-current financial debt	(532)	(1,309)	(226)	(2,067)
Interest differential on swaps	(29)	(80)	(44)	(153)
<b>Net amount</b>	<b>2,018</b>	<b>(12,813)</b>	<b>(3,262)</b>	<b>(14,057)</b>

In addition, the Group guarantees bank debt and finance lease obligations of certain non-consolidated companies and equity affiliates. A payment would be triggered by failure of the guaranteed party to fulfill its obligation covered by the guarantee, and no assets are held as collateral for these guarantees. Maturity dates and amounts are set forth in Note 23 to the Consolidated Financial Statements ("Guarantees given against borrowings").

The Group also guarantees the current liabilities of certain non-consolidated companies. Performance under these guarantees would be triggered by a financial default of these entities. Maturity dates and amounts are set forth in Note 23 to the Consolidated Financial Statements ("Guarantees given against current liabilities").

The following table sets forth financial assets and liabilities related to operating activities as of December 31, 2009, 2008 and 2007 (see Note 28 to the Consolidated Financial Statements).

<b>As of December 31</b> (M€)	<b>2009</b>	2008	2007
<b>Assets/(Liabilities)</b>			
Accounts payable	<b>(15,383)</b>	(14,815)	(18,183)
Other operating liabilities <i>including financial instruments related to commodity contracts</i>	<b>(4,706)</b> <b>(923)</b>	(4,297) (1,033)	(3,900) (733)
Accounts receivable, net	<b>15,719</b>	15,287	19,129
Other operating receivables <i>including financial instruments related to commodity contracts</i>	<b>5,145</b> <b>1,029</b>	6,208 1,664	4,430 983
<b>Total</b>	<b>775</b>	<b>2,383</b>	<b>1,476</b>

These financial assets and liabilities mainly have a maturity date below one year.

## Credit risk

Credit risk is defined as the risk of the counterparty to a contract failing to perform or pay the amounts due.

The Group is exposed to credit risks in its operating and financing activities. The Group's maximum exposure to credit risk is

partially related to financial assets recorded on its balance sheet, including energy derivative instruments that have a positive market value.

The following table presents the Group's maximum credit risk exposure:

<b>As of December 31,</b> (M€)	<b>2009</b>	2008	2007
<b>Assets/(Liabilities)</b>			
Loans to equity affiliates (Note 12)	<b>2,367</b>	2,005	2,575
Loans and advances (Note 14)	<b>1,284</b>	1,403	851
Hedging instruments of non-current financial debt (Note 20)	<b>1,025</b>	892	460
Accounts receivable (Note 16)	<b>15,719</b>	15,287	19,129
Other operating receivables (Note 16)	<b>5,145</b>	6,208	4,430
Current financial assets (Note 20)	<b>311</b>	187	1,264
Cash and cash equivalents (Note 27)	<b>11,662</b>	12,321	5,988
<b>Total</b>	<b>37,513</b>	<b>38,303</b>	<b>34,697</b>

The valuation allowance on loans and advances and on accounts receivable and other operating receivables is detailed respectively in Notes 14 and 16 to the Consolidated Financial Statements.

As part of its credit risk management related to operating and financing activities, the Group has developed margin call contracts with certain counterparties. As of December 31, 2009, the net amount paid or received as part of these margin calls was €693 million.

Credit risk is managed by the Group's business segments as follows:

## ● Upstream segment

### ► Exploration & Production

Risks arising under contracts with government authorities or other oil companies or under long-term supply contracts necessary for the development of projects are evaluated during the project approval process. The long-term aspect of these contracts and the high-quality of the other parties lead to a low level of credit risk.

Risks related to commercial operations, other than those described above (which are, in practice, directly monitored by subsidiaries), are subject to procedures for establishing and reviewing credit.

Customer receivables are subject to provisions on a case-by-case basis, based on prior history and management's assessment of the facts and circumstances.

### ► Gas & Power

The Gas & Power division deals with counterparties in the energy, industrial and financial sectors throughout the world, primarily in Europe and North America. Financial institutions providing credit risk coverage are highly rated international bank and insurance groups.

Potential counterparties are subject to credit assessment and approval before concluding transactions and are thereafter subject to regular review, including re-appraisal and approval of the limits previously granted.

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third-party and market information, such as data published by rating agencies. On this basis, credit limits are defined for each potential counterparty and, where appropriate, transactions are subject to specific authorizations.

Credit exposure, which is essentially an economic exposure or an expected future physical exposure, is permanently monitored and subject to sensitivity measures.

Credit risk is mitigated by the systematic use of industry standard contractual frameworks that permit netting, enable requiring added security in case of adverse change in the counterparty risk, and allow for termination of the contract upon occurrence of certain events of default.

## ● Downstream segment

### ► Refining & Marketing

Internal procedures for the Refining & Marketing division include rules on credit risk that describe the basis of internal control in this domain, including the separation of authority between commercial and financial teams. Credit policies are defined at the local level, complemented by the implementation of procedures to monitor customer risk (credit committees at the subsidiary level, the creation of credit limits for corporate customers, portfolio guarantees, etc.).

Each entity also implements monitoring of its outstanding receivables. Risks related to credit may be mitigated or limited by requiring security or guarantees.

Bad debts are provisioned on a case-by-case basis at a rate determined by management based on an assessment of the facts and circumstances.

### ► Trading & Shipping

Trading & Shipping deals with commercial counterparties and financial institutions located throughout the world. Counterparties to physical and derivative transactions are primarily entities involved in the oil and gas industry or in the trading of energy commodities, or financial institutions. Credit risk coverage is concluded with financial institutions, international banks and insurance groups selected in accordance with strict criteria.

The Trading & Shipping division has a strict policy of internal delegation of authority governing establishment of country and counterparty credit limits and approval of specific transactions. Credit exposures contracted under these limits and approvals are monitored on a daily basis.

Potential counterparties are subject to credit assessment and approval prior to any transaction being concluded and all active counterparties are subject to regular reviews, including re-appraisal and approval of granted limits. The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third-party and market information, such as ratings published by Standard & Poor's, Moody's Investors Service and other agencies.

Contractual arrangements are structured so as to maximize the risk mitigation benefits of netting between transactions wherever possible and additional protective terms providing for the provision of security in the event of financial deterioration and the termination of transactions on the occurrence of defined default events are used to the greatest permitted extent.

Credit risks in excess of approved levels are secured by means of letters of credit and other guarantees, cash deposits and insurance arrangements. In respect of derivative transactions, risks are secured by margin call contracts wherever possible.

### ● Chemicals segment

Credit risk in the Chemicals segment is primarily related to commercial receivables. Each division implements procedures for managing and provisioning credit risk that differ based on the size of the subsidiary and the market in which it operates. The principal elements of these procedures are:

- implementation of credit limits with different authorization procedures for possible credit overruns;
- use of insurance policies or specific guarantees (letters of credit);
- regular monitoring and assessment of overdue accounts (aging balance), including collection procedures; and
- provisioning of bad debts on a customer-by-customer basis, according to payment delays and local payment practices.

## ► Industrial and environmental risks

### ■ Types of risks

TOTAL's activities involve certain industrial and environmental risks which are inherent in the production of products that are flammable, explosive or toxic. Its activities are therefore subject to government regulations concerning environmental protection and industrial safety in most countries. More specifically, in Europe, TOTAL operates industrial sites that meet the criteria of the European Union Seveso II directive for classification as high-risk sites. Some of TOTAL's operated sites in the United States are subject to the Occupational Safety and Health Administration ("OSHA") Process Safety Management of Highly Hazardous Materials, as well as other OSHA regulations.

The broad scope of TOTAL's activities, which include drilling, oil and gas production, on-site processing, transportation, refining and petrochemical activities, storage and distribution of petroleum products, and production of base chemical and specialty products, involve a wide range of operational risks. Among these risks are those of explosion, fire or leakage of toxic products. In the transportation area, the type of risk depends not only on the hazardous nature of the products transported, but also on the transportation methods used (mainly pipelines, maritime, river-maritime, rail, road), the volumes involved, and the sensitivity of the regions through which the transport passes (population density, environmental considerations).

Most of these activities also involve environmental risks related to emissions into the air, water or soil and the creation of waste, and also require environmental site remediation and closure and decommissioning after production is discontinued.

Certain branches or activities face specific risks. In Exploration & Production, there are risks related to the physical characteristics of an oil or gas field. These include eruptions of crude oil or of natural gas, discovery of hydrocarbon pockets with abnormal pressure, crumbling of well openings, leaks generating toxic risks and risks of fire or explosion. All these events could possibly cause injury or even death, damage or even destroy crude oil or natural gas wells as well as related equipment and other property, lead to a disruption of activity or cause environmental damage. In addition, since exploration and production activities may take place on sites that are ecologically sensitive (tropical forest, marine environment, etc.), each site requires a risk-based approach to avoid or minimize the impact on human health, the related ecosystem and biodiversity.

TOTAL's activities in the Chemicals segment and the Refining & Marketing division may also have health, safety and environmental risks related to the overall life cycle of the products manufactured,

as well as raw materials used in the manufacturing process, such as catalysts, additives and monomer feedstocks. These risks can arise from the intrinsic characteristics of the products involved, which may, for example, be flammable, toxic, or result in long-term environmental impacts such as greenhouse gas emissions. Risk of facility contamination and off-site impacts may also arise from emissions and discharges resulting from processing or refining, and from recycling or disposing of materials and wastes at the end of their useful life.

### ■ Risk evaluation

Prior to developing their activities and ongoing during their operation, business units evaluate the related industrial and environmental risks, taking into account regulatory requirements in the countries where these activities are located as well as recognized and generally accepted good engineering practices.

On sites with significant technological risks, Process Hazard Analyses are performed on all new processes and on existing processes where significant changes are proposed. These analyses are generally re-evaluated every five years. To ensure risks are appropriately analyzed and monitored, TOTAL has developed a Group-wide risk management approach, which is being implemented progressively throughout the sites it operates. On the basis of these analyses, relevant sites are finalizing safety management plans and emergency plans in the event of accidents. In the United States, TOTAL is implementing a Process Safety Management Improvement Plan (PSMIP).

In France, all the sites that meet the criteria of the European Union Seveso II directive are developing Risk Management Plans pursuant to the French law of July 30, 2003. Each of these plans will introduce various urban planning measures to reduce risks to urban environments surrounding industrial sites that are considered as high risk according to the Seveso II directive criteria. French administrative authorities are preparing such plans while taking into account input from site operators and neighboring residents.

Similarly, environmental impact studies are carried out prior to any industrial development through a thorough initial site analysis, taking into account any special sensitivity as well as developing plans to prevent and reduce the impact of accidents. These studies also take into account the health impact of such operations on the local population, based on a shared methodology. In countries where prior administrative authorization and supervision is required, projects are not undertaken without the authorization of the relevant authorities and are developed according to the studies the authorities are provided with.



For new products, risk characterizations and evaluations are carried out. Furthermore, life cycle analyses for related risks are performed on certain products to study all the stages of a product's life cycle from its conception until the end of its useful life.

TOTAL's entities actively monitor regulatory developments to comply with local and international rules and standards for the evaluation and management of industrial and environmental risks. In case of operations being stopped, the Group's environmental contingencies and asset retirement obligations are addressed in "Asset retirement obligation" and "Provisions for environmental contingencies" in Note 19 to the Consolidated Financial Statements. Future expenses related to asset retirement obligations are accounted for in accordance with the principles described in paragraph Q of Note 1 to the Consolidated Financial Statements.

## Risk management

Risk management control measures involve equipment design, the reinforcement of safety devices, the design of structures to be built and the protection against the consequences of environmental events.

TOTAL seeks to minimize industrial and environmental risks inherent to its operations and, to this end, has developed efficient organizations as well as quality, safety and environmental management systems. The Group is also targeting the certification for or assessment of its management systems (including International Safety Rating System, ISO 14001, European Management and Audit Scheme) and conducts thorough inspections and audits, trains appropriate personnel, heightens awareness of all the parties involved and implements an active investment policy.

More specifically, following up on the Group's 2002-2005 plan, an action plan was defined by the Group for the 2006-2009 period that focused on two initiatives for improvement: reducing the frequency and severity of on-the-job accidents and strengthening the management of technological risks. The results related to reducing on-the-job accidents are in line with the goals set by the plan, with a significant decrease in the rate of accidents (with or without time-lost) per million hours worked by more than 75% between the end of 2001 and the end of 2009. In terms of technological risks, this plan's initiatives include specific organization and behavioral plans as well as plans to minimize risks at the source and to increase safety for people and for equipment use.

Several environmental action plans have been implemented for different activities of the Group covering periods up to 2012. These plans are designed to improve environmental performance, particularly regarding the use of natural resources, air and water

pollution, waste production and treatment, and site decontamination. They also contain quantified objectives to reduce, most notably, greenhouse gas emissions, water pollution as well as sulphur dioxide emissions and to improve energy efficiency.

As part of its efforts to combat climate change and reduce greenhouse gases, the Group committed to reducing gas flaring at its Exploration & Production sites by 2014 to 50% of the 2005 level. By the end of 2012, the Group intends to obtain ISO 14001 certification for all of its sites that it considers particularly important to the environment according to criteria updated in 2009. As of today, 89% of such sites are ISO 14001-certified, representing more than 280 of the Group's sites worldwide. These activities are monitored through periodic and coordinated reporting by all Group entities.

More detailed information on TOTAL's actions regarding safety and environmental concerns is provided in the separate report entitled *Environment and Society* published by the Group since 2003.

The Group believes that, according to its current estimates, contingencies or liabilities related to health, safety and environmental concerns would not have a material impact on its consolidated financial situation, its cash flow or its income. Due to the nature of such concerns, however, it is impossible to predict whether additional future commitments or liabilities could have a material adverse effect on the Group's activities.

## Asbestos

Like many other industrial groups, TOTAL is affected by reports of occupational diseases caused by asbestos exposure. The circumstances described in these reports generally concern activities prior to the beginning of the 1980s, long before the adoption of more comprehensive bans on the new installation of asbestos-containing products in most of the countries where the Group operates (January 1, 1997, in France). The Group's various businesses are not particularly likely to lead to significant exposure to asbestos-related risks, since this material was generally not used in manufacturing processes, except in limited cases. The main potential sources of exposure are related to the use of certain insulating components in industrial equipment. These components are being gradually eliminated from the Group's equipment through asbestos-elimination plans that have been underway for several years. However, considering the long period of time that may elapse before the harmful results of exposure to asbestos arise (up to 40 years), TOTAL anticipates that other reports may be filed in the years to come. Asbestos-related issues have been subject to close monitoring in all the Group's business units. As of December 31, 2009, the Group estimates that the ultimate cost of all asbestos-related claims paid or pending is not likely to have a material effect on the financial situation of the Group.

## ► Other risks

### Risks related to oil and gas exploration and production

Oil and gas exploration and production require high levels of investment and are associated with particular risks and opportunities. These activities are subject to risks related specifically to the difficulties of exploring underground, to the characteristics of hydrocarbons and to the physical characteristics of an oil or gas field. Of risks related to oil and gas exploration, geologic risks are the most important. For example, exploratory wells may not result in the discovery of hydrocarbons, or may result in amounts that would be insufficient to allow for economic development. Even if an economic analysis of estimated hydrocarbon reserves justifies the development of a discovery, the reserves can prove lower than the estimates during the production process, thus adversely affecting the economic development.

Almost all the exploration and production operations of TOTAL are accompanied by a high level of risk of loss of the invested capital due to the risks related to economic or political factors detailed hereafter. It is impossible to guarantee that new resources of crude oil or of natural gas will be discovered in sufficient amounts to replace the reserves currently being developed, produced and sold to enable TOTAL to recover the capital it has invested.

The development of oil and gas fields, the construction of facilities and the drilling of production or injection wells require advanced technology in order to extract and exploit fossil fuels with complex properties over several decades. The deployment of this technology in such a difficult environment makes cost projections uncertain. TOTAL's operations can be limited, delayed or cancelled as a result of numerous factors, such as administrative delays, particularly in terms of the host states' approval processes for development projects, shortages, late delivery of equipment and weather conditions, including the risk of hurricanes in the Gulf of Mexico. Some of these risks may also affect TOTAL's projects and facilities further down the oil and gas chain.

### Risks related to economic or political factors

The oil sector is subject to domestic regulations and the intervention of governments or state-owned companies in such areas as:

- the award of exploration and production interests;

- authorizations by governments or by a state-controlled partner, especially for development projects, annual programs or the selection of contractors or suppliers;
- the imposition of specific drilling obligations;
- environmental protection controls;
- control over the development and abandonment of a field causing restrictions on production;
- calculating the costs that may be recovered from the relevant authority and what expenditures are deductible from taxes; and
- possible, though exceptional, nationalization, expropriation or reconsideration of contractual rights.

The oil industry is also subject to the payment of royalties and taxes, which may be high compared with those imposed with respect to other commercial activities and which may be subject to material modifications by the governments of certain countries.

Substantial portions of TOTAL's oil and gas reserves are located in certain countries which may be considered as politically and economically unstable. These reserves and the related operations are subject to certain additional risks, including:

- the establishment of production and export quotas;
- the compulsory renegotiation of contracts;
- the expropriation or nationalization of assets;
- risks relating to changes of local governments or resulting changes in business customs and practices;
- payment delays;
- currency exchange restrictions;
- depreciation of assets due to the devaluation of local currencies or other measures taken by governments that might have a significant impact on the value of activities; and
- losses and impairment of operations due to armed conflicts, civil unrest or the actions of terrorist groups.

TOTAL, like other major international oil companies, has a geographically diverse portfolio of reserves and operational sites, which allows it to conduct its business and financial affairs so as to reduce its exposure to such political and economic risks. However, there can be no assurance that such events will not adversely affect the Group.

## Legal aspects of exploration and production activities

TOTAL's exploration and production activities are conducted in many different countries and are therefore subject to an extremely broad range of regulations. These cover virtually all aspects of exploration and production activities, including matters such as leasehold rights, production rates, royalties, environmental protection, exports, taxes and foreign exchange rates. The terms of the concessions, licenses, permits and contracts governing the Group's ownership of oil and gas interests vary from country to country. These concessions, licenses, permits and contracts are generally granted by or entered into with a government entity or a state-owned company and are sometimes entered into with private owners. These arrangements usually take the form of concessions or production sharing agreements.

The oil concession agreement remains the traditional model for agreements entered into with States: the oil company owns the assets and the facilities and is entitled to the entire production. In exchange, the operating risks, costs and investments are the oil company's responsibility and it agrees to remit to the relevant State, usually the owner of the subsoil resources, a production-based royalty, income tax, and possibly other taxes that may apply under local tax legislation.

The production sharing contract (PSC) involves a more complex legal framework than the concession agreement: it defines the terms and conditions of production sharing and sets the rules governing the cooperation between the company or consortium in possession of the license and the host State, which is generally represented by a state-owned company. The latter can thus be involved in operating decisions, cost accounting and production allocation.

The consortium agrees to undertake and finance all exploration, development and production activities at its own risk. In exchange, it is entitled to a portion of the production, known as "cost oil", the sale of which should cover all of these expenses (investments and operating costs). The balance of production, known as "profit oil", is then shared in varying proportions, between the company or consortium, on the one hand, and with the State or the state-owned company, on the other hand.

In some instances, concession agreements and PSCs coexist, sometimes in the same country. Even though other contractual structures still exist, TOTAL's license portfolio is comprised mainly of concession agreements. In all countries, the authorities of the host State, often assisted by international accounting firms, perform joint venture and PSC cost audits and ensure the observance of contractual obligations.

In some countries, TOTAL has also signed contracts called "contracts for risk services", which are similar to production sharing contracts, with the main difference being that the repayment of expenses and the compensation for services are established on a monetary basis. Current contracts for risk services are backed by a compensation agreement (buyback), which allows TOTAL to receive part of the production equal to the cash value of its expenses and compensation.

Hydrocarbon exploration and production activities are subject to public authorizations (permits), which can be different for each of these activities. These permits are granted for limited periods of time and include an obligation to return a large portion, in case of failure the entire portion, of the permit area at the end of the exploration period.

TOTAL is required to pay income tax on income generated from its production and sales activities under its concessions or licenses. In addition, depending on the country, TOTAL's production and sale activities may be subject to a range of other taxes, fees and withholdings, including special petroleum taxes and fees. The taxes imposed on oil and gas production and sale activities may be substantially higher than those imposed on other businesses.

The legal framework of TOTAL's exploration and production activities, established through concessions, licenses, permits and contracts granted by or entered into with a government entity, a state-owned company or, sometimes, private owners, is subject to certain risks which in certain cases can diminish or challenge the protections offered by this legal framework.

## Legal aspects of the Group's other businesses

The Group's other businesses (Gas & Power, Downstream and Chemicals) are also subject to a wide range of regulation.

In European countries and in the United States, sites and products are subject to environmental (water, air, soil, noise, nature protection, waste management, impact studies, etc.), health (on-the-job safety, chemical product risks) and safety (safety of personnel and residents, major risk facilities) regulations. Product quality and consumer protection are also subject to regulations. Within the European Union, EU regulations must be transposed into member states' national laws or directly enforced. In such member states, EU legislation and regulations may be in addition to national and local government regulations. However, for the European Union, licenses are delivered by local administrations to industrial actors based on national and EU law. In the United States, federal regulations may supplement the regulations of each state, as in the European Union.

In other countries where the Group operates, legislation is often inspired by European and U.S. rules. These countries may more fully develop certain aspects of regulation, for example protecting water, health and nature.

Irrespective of the particular country in which the Group operates, TOTAL has developed standards based on best practices existing in countries with more developed regulation and progressively implements policies to improve these standards.

Such standards include obligations related to strategic oil reserves and shipping (whether as the owner of the transport or the charterer) and others related to classified facilities. Requirements for strategic oil reserves also exist in other European countries and in the United States.

## Business activities in Cuba, Iran, Sudan and Syria

The U.S. Department of State has identified Cuba, Iran, Sudan and Syria as state sponsors of terrorism. Provided in this section is certain information relating to TOTAL's activities in these jurisdictions.

### ● U.S. and other legal restrictions

In 1996, the United States adopted legislation implementing sanctions against non-U.S. companies doing business in Iran and Libya (the Iran and Libya Sanction Act, referred to as "ILSA"), which in 2006 was amended to concern only business in Iran (then renamed the Iran Sanctions Act, referred to as "ISA"). The ISA is set to expire in December 2011. Pursuant to this statute, the President of the United States is authorized to initiate an investigation into the activities of non-U.S. companies in Iran and the possible imposition of sanctions (from a list that includes denial of financing by the U.S. Export-Import Bank, limitations on the amount of loans or credits available from U.S. financial institutions and prohibition of U.S. federal procurements from sanctioned persons) against persons found, in particular, to have knowingly made investments of \$20 million or more in any 12-month period in the petroleum sector in Iran. In May 1998, the U.S. government waived the application of sanctions for TOTAL's investment in the South Pars gas field. This waiver, which has not been modified since it was granted, does not address TOTAL's other activities in Iran, although TOTAL has not been notified of any related sanctions.

In November 1996, the Council of the European Union adopted regulations which prohibit TOTAL from complying with any requirement or prohibition based on or resulting directly or indirectly from certain enumerated legislation, including the ILSA (now ISA). It also prohibits TOTAL from having its waiver for South Pars extended to other activities.

In each of the years since the passage of the ILSA and until 2007, TOTAL made investments in Iran in excess of \$20 million (excluding the investments made as part of the development of South Pars). Since 2008, TOTAL's position has consisted essentially in being reimbursed for its past investments as part of buyback contracts signed between 1995 and 1999 with respect to permits on which the Group is no longer the operator. In 2009, TOTAL's production in Iran represented approximately 0.4% of the Group's worldwide production. TOTAL does not believe that its operations in Iran have a material impact on the Group's results.

In the future, TOTAL may decide to invest amounts in excess of \$20 million per year in Iran. To our knowledge, sanctions under the ISA have not been imposed on any non-U.S. oil and gas company which has investments in Iran. However, TOTAL cannot predict whether the U.S. government will take any action under the ISA with respect to its previous or possible future activities in Iran. It is

possible, however, that the United States may determine that these or other activities constitute activity prohibited by the ISA and will subject TOTAL to sanctions. TOTAL does not believe that enforcement of the ISA against TOTAL, including the imposition of the maximum sanctions under the current version of the ISA, would have a material adverse effect on its results of operations or financial condition, although it could result in reputational harm.

However, the U.S. House of Representatives and the Senate have recently passed bills which, if adopted, would expand the scope of the ISA and could restrict the President's ability to grant waivers. The proposed legislation would, among other things, require imposition of specific sanctions against companies that supply refined petroleum products to Iran, contribute to Iran's ability to maintain or expand domestic production or engage in certain related conduct. The sanctions to be imposed against violating firms would generally prohibit transactions in foreign exchange by the sanctioned company, prohibit any transfers of credit or payments between, by, through or to any financial institution to the extent that such transfers or payments involve any interest of the sanctioned company, and require blocking of any property of the sanctioned company that is subject to the jurisdiction of the United States. The bills would also generally forbid federal procurements from and assistance to non-U.S. companies that engage in sanctions-triggering actions.

TOTAL is closely monitoring legislative and other developments in the United States in order to determine whether its limited activities in Iran could subject it to application of either current or any future ISA sanctions. In the event the proposed legislation were adopted in its current form, such new legislation could potentially have a material adverse effect on TOTAL.

France and the European Union have adopted measures, based on United Nations Security Council resolutions, which restrict the movement of certain individuals and goods to or from Iran as well as certain financial transactions with Iran, in each case when such individuals, goods or transactions are related to nuclear proliferation and weapons activities or likely to contribute to their development. As currently applicable, the Group believes that these measures are not applicable to its activities and projects in this country.

The United States also imposes sanctions based on the United Nations Security Council resolutions described above, as well as broad and comprehensive economic sanctions, which are administered by the U.S. Treasury Department's Office of Foreign Assets Control (referred to as "OFAC"). These OFAC sanctions generally apply to U.S. persons and activities taking place in the United States or that are otherwise subject to U.S. jurisdiction. Sanctions administered by OFAC target Cuba, Iran, Myanmar (Burma), Sudan and Syria. TOTAL does not believe that these sanctions are applicable to any of its activities in these countries.

In addition, many U.S. states have adopted legislation requiring state pension funds to divest themselves of investments in any company with active business operations in Iran or Sudan. Recently, there have been similar initiatives by state insurance regulators relating to investments by insurance companies in companies doing business with the Iranian oil and gas, nuclear and

defense sectors. TOTAL has no business operations in Sudan and, to date, has not made any significant investments or industrial investments there. The Genocide Intervention Network (formerly known as Sudan Divestment Task Force) report states that TOTAL should be regarded as "inactive" in Sudan by the U.S. states that have adopted such divestment legislation. On December 31, 2007, the U.S. Congress adopted the Sudan Accountability and Divestment Act, which supports these state legislative initiatives. Similar legislation is pending in the U.S. Congress that supports state legislative initiatives regarding Iran. If TOTAL's operations in Iran or Sudan were determined to fall within the prohibited scope of these laws, and TOTAL were to not qualify for any available exemptions, certain U.S. state pension funds holding interests in TOTAL may be required to sell their interests. If significant, sales resulting from such laws and/or regulatory initiatives could have an adverse effect on TOTAL's share price.

### ● Activities in Cuba, Iran, Sudan and Syria

Provided below is certain information on TOTAL's activities in Cuba, Iran, Sudan and Syria.

#### ► Cuba

In 2009, TOTAL had limited marketing activities for the sale of specialty products to non-state entities in Cuba and paid taxes on such activities. In addition, TOTAL's Trading & Shipping division purchased hydrocarbons pursuant to spot contracts from a state-controlled entity for approximately €18 million.

#### ► Iran

TOTAL's Exploration & Production division has been active in Iran through buyback contracts. Under such contracts, the contractor is responsible for and finances development operations. Once development is completed, operations are handed over to the national oil company, which then operates the field. The contractor receives payments in cash or in kind to recover its expenditures as well as a remuneration based on the field's performance. Furthermore, upon the national oil company's request, a technical services agreement may be implemented in conjunction with a buyback contract to provide qualified personnel and services until full repayment of all amounts due to the contractor.

To date, TOTAL has entered into such buyback contracts with respect to the development of four fields: Sirri, South Pars 2 & 3, Balal and Dorood. For all of these contracts, development operations have been completed and TOTAL retains no operational responsibilities. In addition, a technical services agreement exists with respect to the Dorood field. As TOTAL is no longer involved in the operation of these fields, TOTAL has no information on the production from these fields. Some payments are yet to be reimbursed to TOTAL with respect to South Pars 2 & 3, Balal and Dorood. In 2009, TOTAL's production in Iran, corresponding to such payments in kind, was approximately 8 kboe/d.

No royalties or fees are paid by the Group in connection with these buyback and service contracts. In 2009, TOTAL made non-material payments to the Iranian administration with respect to certain taxes and social security.

With respect to TOTAL's Refining & Marketing division's activities in Iran, Beh Total, a company held 50/50 by Behran Oil and Total Outre-Mer, a subsidiary of the Group, produces and markets small quantities of lubricants for sale to domestic consumers in Iran. In 2009, revenue generated from Beh Total's activities was €27.4 million and cash flow was €5.6 million. Beh Total paid €605,000 in taxes. TOTAL does not own or operate any refineries or chemicals plants in Iran.

In 2009, TOTAL's Trading & Shipping division purchased in Iran pursuant to a mix of spot and term contracts approximately fifty eight million barrels of hydrocarbons from state-controlled entities for approximately €2.6 billion, and paid to a state-owned entity approximately €24 million pursuant to shipping contracts.

#### ► Sudan

TOTAL holds an interest in Block B in Southern Sudan through a 1980 Exploration and Production Sharing Agreement (EPSA). Operations were voluntarily suspended in 1985 because of escalating security concerns, but the company maintained its exploration rights. The Group's initial interest was 32.5%. Despite the withdrawal of a partner, TOTAL does not intend to increase its interest above its initial level. Consequently, the Group has entered into negotiations with new partners to transfer the former partner's interests for which the Group financially carries a share.

The EPSA was revised, effective December 21, 2004, to provide that the parties (the Government of Sudan and the consortium partners) would mutually agree upon a resumption date when the petroleum operations could be safely undertaken in the contract area. Such resumption date would mark the starting point of the Group's work obligations as foreseen in the contract. A joint decision on the resumption date has not yet been taken.

Pursuant to the EPSA in 2009, TOTAL paid to the Government of Sudan an annual surface rental fee of approximately \$200,000 and disbursed nearly \$3 million as scholarship bonus, social development contribution and contribution to the construction of social infrastructures, schools and water wells along with non-governmental organizations and other stakeholders involved in Southern Sudan.

If TOTAL were to resume its activities in Southern Sudan, it would do so in compliance with applicable national, European and international laws and regulations, as well as with the Group's Code of Conduct and Ethics Charter. Within its scope of operations and authority, the Group is committed to upholding human rights and fundamental freedoms, including social, economic and cultural rights, and the rights and interests of local residents and minorities. In particular, the Group is studying the situation with non-governmental organizations (NGOs) and stakeholders involved in Southern Sudan and conducting socio-economic programs adapted to the needs of the local population.



## ► Syria

In Syria, in 2009, TOTAL had two contracts relating to oil and gas Exploration & Production activities: a Production Sharing Agreement entered into in 1988 ("PSA 1988") for an initial period of twenty years and renewed at the end of 2008 for an additional 10-year period, and the Tabiyeh Gas Project risked Service Contract (the "Tabiyeh contract") effective from the end of October 2009. TOTAL owns 100% of the rights and obligations under PSA 1988, and is operating on various oil fields in the Deir Ez Zor area through a dedicated non-profit operating company owned equally by the Group and the state-owned Syrian Petroleum Company ("SPC").

The main terms of PSA 1988 are similar to those normally used in the oil and gas industry. The Group's revenues derived from PSA 1988 are made up of a combination of "cost oil" and "profit oil". "Cost oil" represents the reimbursement of operating and capital expenditures and is accounted for in accordance with normal industry practices. The Group's share of "profit oil" depends on the total annual production level. TOTAL receives its revenues in cash payments made by SPC. TOTAL pays to the state-owned Syrian company SCOT a transportation fee equal to \$2/bl for the oil produced in the area, as well as non-material payments to the Syrian government related to PSA 1988 for such items as withholding taxes and Syrian social security.

The Tabiyeh contract may be considered as an addition to PSA 1988 as production, costs and revenues for the oil and part of the condensates coming from the Tabiyeh field are governed by the contractual terms of PSA 1988. This project is designed to enhance liquids and gas output from the Tabiyeh field through the drilling of "commingled" wells and through process modifications in Deir Ez Zor Gas Plant operated by the Syrian Gas Company. TOTAL is financing and implementing the Tabiyeh Gas Project and operates the Tabiyeh field.

For 2009, technical production for PSA 1988 (for full year 2009) and the Tabiyeh contract (since October 2009, the effective date of the contract) taken together amounted to 36 kboe/d of which 20 kboe/d were accounted for as the Group's share of production. The amount identified as technical production under the agreements, minus the amount accounted for as the Group's share of production, does not constitute the total economic benefit accruing to Syria under the terms of the agreements since Syria retains a margin on a portion of the Group's production and receives certain production taxes.

In 2009, TOTAL's Trading & Shipping division purchased in Syria pursuant to a mix of spot and term contracts nearly twelve million barrels of hydrocarbons from state-controlled entities for approximately €472 million.

## ■ Nigeria

Security issues in the Niger Delta region continued to impact the production of the Shell Petroleum Development Company (SPDC) joint venture, in which TOTAL owns 10%. Repair work on facilities in the western zone of the Niger Delta region continued in 2009, allowing production to partially resume, in particular on the EA offshore field (10%), where production resumed in the second half of 2009. In addition, SPDC's 2009 gas and condensates production was affected notably by the shutdown of the Soku treatment plant, which had to be repaired after vandalism on the export pipelines in late 2008.

## ■ Risks related to competition

The Group is subject to intense competition within the oil sector and between the oil sector and other sectors aiming to fulfill the energy needs of the industry and of individuals. TOTAL is subject to competition from other oil companies in the acquisition of assets and licenses for the exploration and production of oil and natural gas. Competition is particularly strong with respect to the acquisition of resources of oil and natural gas. Competition is also intense in the sale of manufactured products based on crude and refined oil.

In this regard, the major international oil companies in competition with TOTAL are ExxonMobil, Royal Dutch Shell, Chevron and BP. As of December 31, 2009, TOTAL ranked fifth among these companies in terms of market capitalization<sup>1</sup>.

## ■ Legal and arbitration proceedings

The main legal proceedings in which the Group is involved are described in Chapter 7 (Financial information) of this Registration Document.

1. Source: Reuters.

## ► Insurance and risk management

### ■ Organization

TOTAL has its own insurance and reinsurance company, Omnium Insurance and Reinsurance Company (OIRC). OIRC is integrated into the Group's insurance management and is used as a centralized global operations tool for covering the Group's risks. It allows the Group to implement its worldwide insurance program in compliance with the various regulatory environments in the countries where the Group operates.

Some countries require the purchase of insurance from a local insurance company. If the local insurer accepts to cover the subsidiary of the Group in compliance with its worldwide insurance program, OIRC requests a retrocession of the covered risks from the local insurer. As a result, OIRC negotiates reinsurance contracts with the subsidiaries' local insurance companies, which transfer most of the risk to OIRC. When a local insurer covers the risks at a lower level than that defined by the Group, OIRC provides additional coverage so as to standardize coverage throughout the Group.

At the same time, OIRC negotiates a reinsurance program at the Group level with mutual insurance companies for the oil industry and commercial reinsurers. OIRC enables the Group to better manage changes in prices in the insurance market by taking on a greater or lesser amount of risk corresponding to the price trends in the insurance market.

In 2009, the net amount of risk retained by OIRC after reinsurance was at a maximum of €55 million per property/business interruption insurance claim and €50 million per third-party liability insurance claim.

### ■ Risk and insurance management policy

In this context, the Group risk and insurance management policy is to work with the relevant internal department of each subsidiary to:

- define scenarios of major disaster risks (estimated maximum loss);
- assess the potential financial impact on the Group in case these catastrophic events should occur;
- help in implementing measures to limit the probability that a catastrophic event occurs and the extent of such events; and

- manage the level of risk from such events to be either covered internally by the Group or to be transferred to the insurance market.

### ■ Insurance policy

The Group has worldwide third-party liability and property insurance coverage for all its subsidiaries. These programs are contracted with first-class insurers (or reinsurers and mutual insurance companies of the oil industry through OIRC).

The amounts insured depend on the financial risks defined in the disaster scenarios and the coverage terms offered by the market (available capacities and price conditions).

More specifically, for:

- Third-party liability insurance: since the maximum financial risk cannot be evaluated by a systematic approach, the amounts insured are based on market conditions and industry practice, in particular, the oil industry. The insurance cap in 2009 for general and product liability was \$800 million.
- Property damage and business disruption: the amounts insured by sector and by site are based on estimated costs and reconstruction scenarios under the estimated maximum loss scenarios and on insurance market conditions. The Group subscribed for business disruption coverage in 2009 for its main refining and petrochemical sites.

For example, for the highest estimated risks of the Group (floating production, storage and offloading units (FPSO) in Angola and main European refineries), the limit of indemnity was close to \$1.5 billion in 2009.

Deductibles for property damages fluctuate between €0.1 million and €10 million depending on the level of risk, and are borne by the subsidiary. For business interruption, they represent sixty days.

Other insurance contracts are bought by the Group in addition to property damage and third-party liability coverage, mainly for car fleets, credit insurance and employee benefits. These risks are entirely underwritten by outside insurance companies.

The above-described policy is given as an example of past practice over a certain period of time and cannot be considered as representative of future conditions. The Group's insurance policy may be changed at any time depending on the market conditions, specific circumstances and on management's assessment of the risks incurred and the adequacy of their coverage. The Group cannot guarantee that it will not suffer any uninsured loss.



<b>REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS</b> <b>(Article L. 225-37 of the French Commercial Code)</b>	p. 88
Composition of the Board of Directors	p. 88
Other disclosures	p. 95
Corporate governance code	p. 95
Rules of procedure of the Board of Directors	p. 95
Committees of the Board of Directors	p. 97
2009 Activity of the Board of Directors and its Committees	p. 99
Board of Directors practices	p. 101
Director independence	p. 101
Internal control and risk management	p. 101
Particular conditions regarding participation at Shareholder's Meeting	p. 104
Information mentioned in Article L. 225-100-3 of the French Commercial Code	p. 104
Policy for determining the compensation and other benefits of the Chairman and of the Chief Executive Officer	p. 104
<b>STATUTORY AUDITORS' REPORT (Article L. 225-235 of the French Commercial Code)</b>	p. 106
<b>MANAGEMENT</b>	p. 108
General Management	p. 108
The Executive Committee	p. 108
The Management Committee	p. 108
<b>STATUTORY AUDITORS</b>	p. 109
Statutory auditors	p. 109
Alternate auditors	p. 109
Auditor's term of office	p. 109
Fees received by the statutory auditors (including members of their network)	p. 109
<b>COMPENSATION OF THE BOARD OF DIRECTORS AND EXECUTIVE OFFICERS</b>	p. 110
Board Compensation	p. 110
Directors attendance at the Board and Committees meetings in 2009	p. 110
Compensation of the Chairman	p. 111
Compensation of the Chief Executive Officer	p. 111
Executive Officer compensation	p. 111
Pensions and other commitments (Article L. 225-102-1, paragraph 3, of the French Commercial Code)	p. 112
Stock options and restricted share grants policy	p. 113
Summary table for the Chairman and the Chief Executive Officer	p. 115
TOTAL stock options plans	p. 118
TOTAL stock options as of December 31, 2009	p. 119
TOTAL restricted share grants	p. 124
Restricted share plans as of December 31, 2009	p. 125
Elf Aquitaine share subscription options	p. 127
<b>EMPLOYEES, SHARE OWNERSHIP</b>	p. 128
Employees	p. 128
Arrangements for involving employees in the Company's share capital	p. 128
Shares held by Directors and Executive Officers	p. 129

## ► Report of the Chairman of the Board of Directors (Article L. 225-37 of the French Commercial Code)

Pursuant to Article L. 225-37 of the French Commercial Code, the following report presents information for the year 2009 related to the composition and practices of the Board of Directors, internal control procedures and risk management implemented by the Company and, eventually, any limits set by the Board of Directors concerning the powers of the Chief Executive Officer. This report sets forth the provisions of the by-laws applicable to participation at Shareholders' Meetings as well as the principles and rules applied to determine the compensation and other benefits of the directors.

### ■ Composition of the Board of Directors

Directors are appointed by the shareholders for a 3-year term (Article 11 of the Company's by-laws).

In case of the resignation or death of a director between two Shareholders' Meetings, the Board may temporarily appoint a replacement director. This appointment must be ratified by the next Shareholders' Meeting. The terms of office of the members of the Board are staggered to more evenly space the renewal of appointments.

The Board of Directors appoints the Chairman of the Board of Directors from among its members. The Board of Directors also appoints the Chief Executive Officer who may or may not be a member of the Board.

As of December 31, 2009, the Board of Directors has fifteen members. Of these, one director has been elected by the shareholders to represent employee shareholders.

The following individuals were members of the Board of Directors of TOTAL S.A. (information as of December 31, 2009<sup>1</sup>):

#### Thierry Desmarest

64 years old

A graduate of the *École Polytechnique* and a Mining Engineer, Mr. Desmarest served as Director of Mines and Geology in New Caledonia, then as technical advisor on the staffs of the Minister of Industry and the Minister of Economy. He joined TOTAL in 1981, where he held various management positions, then served as President of Exploration & Production until 1995. He served as

1. Including information pursuant to paragraph 4 of Article L. 225-102-1 of the French Commercial Code or under Item 14.1 of Annex I of EC Regulation no 809/2004 of April 29, 2004.

\* Company names marked with an asterisk are publicly-listed companies.

Chairman and Chief Executive Officer of TOTAL from May 1995 until February 2007, and continues to serve as Chairman of the Board of TOTAL.

Director of TOTAL S.A. since 1995 and until 2010 (last renewal: May 11, 2007).

Holds 380,576 shares.

#### Current directorships

- Chairman of TOTAL S.A. \*
- Director of Sanofi-Aventis \*
- Director of Air Liquide \*
- Director of Renault SA \*
- Director of Renault SAS
- Director of Bombardier Inc. \* (Canada)

#### Directorships that expired in the previous five years

- Member of the Supervisory Board of Areva \* until March 4, 2010
- Chief Executive Officer of TOTAL S.A. \* until 2007
- Chairman and Chief Executive Officer of Elf Aquitaine \* until 2007

#### Christophe de Margerie

58 years old

Mr. de Margerie joined the Group after graduating from the *École Supérieure de Commerce* in Paris in 1974. He served in several positions in the Group's Finance Department and Exploration & Production division. He became president of Total Middle East in 1995 before joining the Group's executive committee as the President of the Exploration & Production division in May 1999. He then became Senior Executive Vice President of Exploration & Production of the new TotalFinaElf group in 2000. In January 2002 he became President of the Exploration & Production division of TOTAL. He was appointed a member of the Board of Directors by the Shareholders' Meeting held on May 12, 2006 and became Chief Executive Officer of TOTAL on February 14, 2007.

Director of TOTAL S.A. since 2006 and until 2012 (last renewal: May 15, 2009).

Holds 85,230 TOTAL shares and 43,714 shares of the TOTAL ACTIONNARIAT FRANCE collective investment fund.

**Current directorships**

- o Chief Executive Officer and Director of TOTAL S.A. \*
- o Chairman and Chief Executive Officer of Elf Aquitaine \*
- o Chairman of Total E&P Indonésie
- o Director of Shtokman Development AG (Switzerland)
- o Member of the Supervisory Board of Vivendi \*
- o Manager of CDM Patrimonial SARL

**Directorships that expired in the previous five years**

- o Director of Total E&P Russia until 2008
- o Director of Total Exploration and Production Azerbaijan until 2008
- o Director of Total E&P Kazakhstan until 2008
- o Director of Total Profils Pétroliers until 2008
- o Director of Abu Dhabi Petroleum Company Ltd (ADPC) until 2008
- o Director of Abu Dhabi Marine Areas Ltd (ADMA) until 2008
- o Director of Iraq Petroleum Company Ltd (IPC) until 2008
- o Permanent representative of TOTAL S.A. on the Board of Total Abu al Bukhoosh until 2008
- o Director of Total E&P Norge A.S. until 2007
- o Director of Total Upstream UK Ltd until 2007
- o Director of Innovarex until 2006
- o Director of Total E&P Myanmar until 2005
- o Member of the Supervisory Board of Taittinger until 2005

**Patrick Artus**

58 years old

A graduate from the *École Polytechnique*, the *École Nationale de la Statistique et de l'Administration de l'Économie* (ENSEA) and the *Institut d'Études Politiques de Paris*, Mr. Artus began his career at the INSEE (French National Institute for Statistics and Economic Studies) where his work included economic forecasting and modelling. He then worked at the Economics Department of the OECD (1980), later becoming the Head of Research at the ENSAE from 1982 to 1985. He was scientific adviser at the research department of the *Banque de France*, before joining the Natixis Group as the head of the research department. He is a professor at the *École Polytechnique* and associate professor at the University of Paris I, Sorbonne. He is also a member of the council of economic advisors to the French Prime Minister and of the French National Economic Commission. He has authored many articles and books.

Director of TOTAL S.A. since May 5, 2009 and until 2012.

Holds 1,000 shares.

**Current directorships**

- o Director of TOTAL S.A. \*
- o Director of IPSOS

\* Company names marked with an asterisk are publicly-listed companies.

**Directorships that expired in the previous five years**

None.

**Patricia Barbizet**

54 years old

A graduate of the *École Supérieure de Commerce* of Paris in 1976, Mrs. Barbizet started her career in the Renault Group as the Treasurer of Renault Véhicules Industriels and Chief Financial Officer of Renault Crédit International. She joined the Pinault group in 1989 as the Chief Financial Officer and then served as the Chief Executive Officer of Financière Pinault until 2009. Since 1992, she has been the Director and Chief Executive Officer of Artémis. Since 2005, she has been the Vice Chairman of the PPR Board of Directors and Chairman of Christie's.

Director of TOTAL S.A. since May 18, 2008 and until 2011.

Holds 1,000 shares.

**Current directorships**

- o Director of TOTAL S.A. \*
- o Vice Chairman of PPR \* Board of Directors
- o Chief Executive Officer and Director of Artémis
- o Acting Managing Director of Palazzo Grazi
- o Chairman of Christie's International Plc
- o Director of Société Nouvelle du Théâtre Marigny
- o Permanent representative of Artémis at the Board of Directors of Agefi
- o Permanent representative of Artémis at the Board of Directors of Sebdo le Point
- o Member of the Supervisory Board of Financière Pinault
- o Director of Tawa Plc \*
- o Director of Fnac
- o Member of the Supervisory Board of Gucci Group N.V.
- o Member of the Supervisory Board of Yves Saint Laurent
- o Director of Air France-KLM \*
- o Director of Bouygues \*
- o Director of TF1 \*
- o Director of the Fonds stratégique d'investissement (French government sovereign fund)
- o Member of the Management Board of Château Latour

**Directorships that expired in the previous five years**

- o Chief Executive Officer of Financière Pinault until 2009
- o Director of Piasa until 2008
- o Director of AFIPA until 2006

- o President of the Supervisory Board of PPR \* until 2005
- o Chairman of the Board of Directors of Société Nouvelle du Théâtre Marigny until 2005
- o Permanent representative of Artémis at the Board of Directors of Bouygues \* until 2005

## Daniel Boeuf

61 years old

A graduate of the *École Supérieure des Sciences Économiques et Commerciales (ESSEC)*, Mr. Boeuf joined the Group in October 1973 and served in several sales positions before holding various operational positions in Refining & Marketing entities, until, in his last operational position, he was responsible for training and skills management in specialties within the Refining & Marketing division. An elected member of the Supervisory Board of the TOTAL ACTIONNARIAT FRANCE collective investment fund from 1999 to 2009, he served as the Chairman of its Supervisory Board from 2003 to 2006.

Director of TOTAL S.A. since 2004 (last renewal: May 11, 2007; end of office: December 31, 2009, pursuant to Article 11 of the Company's by-laws).

Holds 4,396 TOTAL shares and 4,394 shares of the TOTAL ACTIONNARIAT FRANCE collective investment fund.

### Current directorships

- o Director of TOTAL S.A. \* representing employee shareholders until December 31, 2009.

### Directorships that expired in the previous five years

- o Elected member, representing holders, of the Supervisory Board of the TOTAL ACTIONNARIAT FRANCE collective investment fund until 2009
- o Chairman of the Supervisory Board of the TOTAL ACTIONNARIAT FRANCE collective investment fund until 2006

## Daniel Bouton

59 years old

Inspector General of Finance, Mr. Bouton has held various positions within the French Ministry of Economy. He served as Budget Director at the Ministry of Finance from 1988 to 1990. He joined Société Générale in 1991, where he was appointed Chief Executive Officer in 1993, then Chairman and Chief Executive Officer in November 1997. He has been serving as the Chairman of the Société Générale group since May 12, 2008, and has been the honorary President since May 6, 2009.

Director of TOTAL S.A. since 1997 and until 2012 (last renewal: May 15, 2009).

Holds 3,200 shares.

\* Company names marked with an asterisk are publicly-listed companies.

### Current directorships

- o Director of TOTAL S.A. \*
- o Director of Veolia Environnement \*

### Directorships that expired in the previous five years

- o Chairman and Chief Executive Officer of Société Générale \* until 2008 and Chairman of the Board of Directors until 2009.
- o Director of Schneider Electric S.A. \* until 2006

## Bertrand Collomb

67 years old

A graduate of the *École Polytechnique* and a Mining Engineer, Mr. Collomb held a number of positions within the Ministry of Industry and other staff positions from 1966 to 1975. He joined the Lafarge group in 1975, where he served in various management positions. He served as Chairman and Chief Executive Officer of Lafarge from 1989 to 2003, then as Chairman of the Lafarge Board of Directors from 2003 to 2007 and has been the honorary President since 2007.

He is also President of the *Institut des Hautes Études pour la Science et la Technologie (IHEST)* and the *Institut Français des Relations Internationales (IFRI)*.

Director of TOTAL S.A. since 2000 and until 2012 (last renewal: May 15, 2009).

Holds 4,712 shares.

### Current directorships

- o Director of TOTAL S.A. \*
- o Director of Lafarge \*
- o Director of DuPont \* (United States)
- o Director of Atco \* (Canada)

### Directorships that expired in the previous five years

- o Chairman of the Board of Directors of Lafarge \* until 2007
- o Director of Lafarge North America until 2006
- o Director of Unilever \* (the Netherlands) until 2006
- o Director of Vivendi Universal \* until 2005

## Paul Desmarais Jr.

55 years old

A graduate of McGill University in Montreal and INSEAD in Fontainebleau, Mr. Desmarais was elected Vice Chairman (1984) then Chairman of the Board (1990) of Corporation Financière Power, a company he helped to found. Since 1996, he has served as Chairman of the Board and Co-Chief Executive Officer of Power Corporation of Canada.

Director of TOTAL S.A. since 2002 and until 2011 (last renewal: May 16, 2008).

Holds 2,000 ADRs (corresponding to 2,000 shares).

#### Current directorships

- o Director of TOTAL S.A. \*
- o Chairman of the Board, Co-Chief Executive Officer and Member of the Executive Committee of Power Corporation of Canada \*
- o Member of the Board, Co-Chief Executive Officer and Chairman of the Executive Committee of Corporation Financière Power \* (Canada)
- o Vice Chairman of the Board of Directors and Acting Managing Director of Pargesa Holding S.A. \* (Switzerland)
- o Member of the Board of Directors and Executive Committee of La Great-West Compagnie d'assurance-vie (Canada)
- o Member of the Board of Directors and Executive Committee of Great-West Life & Annuity Insurance Company (United States)
- o Member of the Board of Directors and Executive Committee of Great-West Lifeco Inc. \* (Canada)
- o Member of the Board of Directors of Great West Financial (Canada) Inc. (Canada)
- o Member of the Board of Directors and Executive Committee of Groupe Bruxelles Lambert S.A. \* (Belgium)
- o Member of the Board of Directors and Executive Committee of Groupe Investors Inc. (Canada)
- o Member of the Board of Directors and Executive Committee of London Insurance Group Inc. (Canada)
- o Member of the Board of Directors and Executive Committee of London Life, Compagnie d'assurance-vie (Canada)
- o Member of the Board and Executive Committee of Mackenzie Inc.
- o Deputy Chairman of the Board of La Presse Ltée (Canada)
- o Deputy Chairman of the Board of Gesca Ltée (Canada)
- o Director of GDF Suez \* (France)
- o Director of Lafarge \*
- o Director of The Canada Life Assurance Company (Canada)
- o Director of Canada Life Financial Corporation (Canada)
- o Director of IGM Financial Inc. \* (Canada)
- o Chairman of the Board of 152245 Canada Inc, 171263 Canada Inc. (Canada)
- o Deputy Chairman of the Board of 3819787 Canada Inc. (Canada)
- o Director of GWL&A Financial Inc. (USA)
- o Director of Great West Financial (Nova Scotia) Co.
- o Director of First Great-West Life & Annuity Insurance Company
- o Director of Power Communications Inc.
- o Vice Chairman of the Board of Power Corporation International
- o Director of Putman Investments LLC

\* Company names marked with an asterisk are publicly-listed companies.

- o Member of the Supervisory Boards of Power Financial Europe B.V. and of Parjointco N.V.
- o Director of Canada Life Capital Corporation Inc. (Canada)
- o Director of The Canada Life Insurance Company (Canada)
- o Director of Crown Life Insurance Company (Canada)

#### Directorships that expired in the previous five years

- o Member of the Board of Les Journaux Trans-Canada (1996) Inc. (Canada) until 2009
- o Vice Chairman of the Board of Directors and member of the Strategic Committee of Imerys \* (France) until 2008
- o Director of GWL Properties until 2007

### Bertrand Jacquillat

65 years old

A graduate of *École des Hautes Études Commerciales* (HEC), *Institut d'Études Politiques de Paris* and Harvard Business School, Mr. Jacquillat holds a PhD in management. He has been a university professor (in both France and the United States) since 1969, and is a professor at the *Institut d'Études Politiques* in Paris, Vice President of the *Cercle des Économistes* and member of the Economic Analysis Board to the Prime Minister. He is the founding chairman of *Associés en Finance*.

Director of TOTAL S.A. since 1996 and until 2011 (last renewal: May 16, 2008).

Holds 3,600 shares.

#### Current directorships

- o Director of TOTAL S.A. \*
- o Chairman and Chief Executive Officer of *Associés en Finance*
- o Member of the Supervisory Board of Klépierre \*
- o Member of the Supervisory Board of *Presses Universitaires de France* (PUF)

#### Directorships that expired in the previous five years

None.

### Antoine Jeancourt-Galignani

72 years old

Inspector of Finance, Mr. Jeancourt-Galignani held various positions within the Ministry of Finance before serving as Deputy Managing Director of *Crédit Agricole* from 1973 to 1979. He became Chief Executive Officer of *Indosuez* bank in 1979 before serving as its Chairman from 1988 to 1994. He then served as Chairman of *Assurances Générales de France* (AGF) from 1994 to 2001, before serving as Chairman of *Gecina* from 2001 to 2005, where he served as a director until 2009.



Director of TOTAL S.A. since 1994 (last renewal: May 12, 2006; end of office: May 15, 2009).

#### Current directorships

- o Chairman of the Supervisory Board of Euro Disney SCA \*
- o Director of Kaufman & Broad S.A. \*
- o Member of the Supervisory Board of Oddo et Cie

#### Directorships that expired in the previous five years

- o Director of TOTAL S.A. \* until May 2009
- o Director of Gecina \* until June 2009
- o Director of Société Générale \* until 2008
- o Member of the Supervisory Board of Hypo Real Estate Holding \* (Germany) until 2008
- o Chairman of the Board of Groupe SNA (Lebanon) until 2007 and Director until 2008
- o Director of Société des Immeubles de France \* until 2007
- o Director of Assurances Générales de France \* until 2007
- o Member of the Supervisory Board of Jetix Europe N.V. \* until 2005
- o Chairman of the Board of Directors of Gecina \* until 2005

### Anne Lauvergeon

50 years old

Chief Mining Engineer and a graduate of the *École Normale Supérieure* with a doctorate in physical sciences, Mrs. Lauvergeon held various positions in industry before becoming Deputy Chief of Staff in the Office of the President of the Republic in 1990. She joined Lazard Frères et Cie as Managing Partner in 1995. From 1997 to 1999 she was Executive Vice President and member of the Executive Committee of Alcatel, in charge of industrial partnerships.

Mrs. Anne Lauvergeon has served as Chairman of the Management Board of AREVA since July 2001 and Chairman and Chief Executive Officer of Areva NC (formerly Cogema) since June 1999.

Director of TOTAL S.A. since 2000 and until 2012 (last renewal: May 15, 2009).

Holds 2,000 shares.

#### Current directorships

- o Director of TOTAL S.A. \*
- o Chairperson of the Management Board of Areva \*
- o Chairperson and CEO of Areva NC
- o Director of GDF Suez \*
- o Director of Vodafone Group Plc \*

#### Directorships that expired in the previous five years

- o Vice President and Member of the Supervisory Board of Safran \* until February 2009
- o Director of FCI until 2005

\* Company names marked with an asterisk are publicly-listed companies.

### Lord Levene of Portsoken

68 years old

Lord Levene served in various positions within the Ministry of Defense, the office of the Secretary of State for the Environment, the office of the Prime Minister and the Ministry of Trade in the United Kingdom from 1984 to 1995. He then served as senior adviser at Morgan Stanley from 1996 to 1998 before becoming the Chairman of Bankers Trust International from 1998 to 2002. He was Lord Mayor of London from 1998 to 1999. He is currently Chairman of Lloyd's.

Director of TOTAL S.A. since 2005 and until 2011 (last renewal: May 16, 2008).

Holds 2,000 shares.

#### Current directorships

- o Director of TOTAL S.A. \*
- o Chairman of Lloyd's
- o Chairman of International Financial Services
- o Chairman of General Dynamics UK Ltd
- o Director of Haymarket Group Ltd
- o Director of China Construction Bank \*

#### Directorships that expired in the previous five years

- o Member of the Supervisory Board of Deutsche Börse\* until 2005

### Claude Mandil

67 years old

A graduate of the *École Polytechnique* and a General Mining Engineer, Mr. Mandil served as a Mining Engineer in the Lorraine and Bretagne provinces. He then served as a Project Manager at the *Délégation de l'Aménagement du Territoire et de l'Action Régionale* (City and Department planning/DATAR) and as the Interdepartmental Head of Industry and Research and regional delegate of ANVAR. From 1981 to 1982, he served as the technical advisor on the staff of the Prime Minister, in charge of the industry, energy and research sectors. He was appointed Chief Executive Officer, then Chairman and Chief Executive Officer of the *Institut de Développement Industriel* (Industry Development Institute) until 1988. He was Chief Executive Officer of *Bureau de Recherches Géologiques et Minières* (BRGM) from 1988 to 1990. From 1990 to 1998, Mr. Mandil was Chief Executive Officer for Energy and Commodities at the French Industry Ministry and the first representative for France at the Management Board of the Energy International Agency (EIA) Executive Committee. He served as the Chairman of the EIA in 1997 and 1998. In 1998, he was appointed Deputy Chief Executive Officer of Gaz de France and, in April 2000, Chairman of the *Institut Français du Pétrole* (French Institute of Oil). From 2003 to 2007, he was the Executive Director of the EIA.

Director of TOTAL S.A. since May 16, 2008 and until 2011.

Holds 1,000 shares.

#### Current directorships

- o Director of TOTAL S.A. \*
- o Director of Institut Veolia Environnement

#### Directorships that expired in the previous five years

- o Director of GDF Suez \* from July to December 2008

### Michel Pébereau

67 years old

Honorary Inspector General of Finance, Mr. Pébereau held various positions in the Ministry of Economy and Finance, before serving, from 1982 to 1993, as Chief Executive Officer and then as Chairman and CEO of Crédit Commercial de France (CCF). He was Chairman and Chief Executive Officer of BNP then BNP Paribas from 1993 to 2003, and is currently Chairman of the Board of BNP Paribas. He has also been the Chairman of European Financial Round Table (EFRT) since 2009.

Director of TOTAL S.A. since 2000 and until 2012 (last renewal: May 15, 2009).

Holds 2,356 shares.

#### Current directorships

- o Director of TOTAL S.A. \*
- o Chairman of the Board of Directors of BNP Paribas\*
- o Director of Lafarge \*
- o Director of Saint-Gobain \*
- o Member of the Supervisory Board of AXA \*
- o Director of EADS N.V. \*
- o Director of Pargesa Holding S.A. \* (Switzerland)
- o Director of BNP Paribas Suisse
- o Member of the Supervisory Board of Banque marocaine pour le Commerce et l'Industrie \*
- o Non-voting member (*Censeur*) of the Supervisory Board of Galeries Lafayette

#### Directorships that expired in the previous five years

- o Chairman of la Fédération Bancaire Européenne until 2008
- o Director of BNP Paribas UK Holdings Ltd until 2005

\* Company names marked with an asterisk are publicly-listed companies.

\*\* A Groupe Bruxelles Lambert (GBL) 100%-owned subsidiary.

### Thierry de Rudder

60 years old

A graduate of the *Université de Genève* in mathematics, the *Université Libre de Bruxelles* and Wharton (MBA), Mr. de Rudder served in various positions at Citibank from 1975 to 1986 before joining Groupe Bruxelles Lambert, where he was appointed Acting Managing Director.

Director of TOTAL S.A. since 1999 and until 2010 (last renewal: May 11, 2007).

Holds 3,956 shares.

#### Current directorships

- o Director of TOTAL S.A. \*
- o Director of Imerys \*
- o Director of GDF Suez \*
- o Director of Lafarge \*
- o Director of Compagnie Nationale à Portefeuille \*
- o Director of Suez-Tractebel
- o Acting Managing Director of Groupe Bruxelles Lambert \*
- o Director of Brussels Securities (Belgium)
- o Director of GBL Treasury Center \*\* (Belgium)
- o Director of GBL Participations \*\* (Belgium)
- o Director of Sagerpar \*\* (Belgium)
- o Director of GBL Energy Sarl \*\* (Luxembourg)
- o Director of GBL Verwaltung Sarl \*\* (Luxembourg)
- o Director of GBL Verwaltung GmbH \*\* (Germany)

#### Directorships that expired in the previous five years

- o Director of GBL Finance SA \*\* (Luxembourg) until April 2009
- o Directeur of Immobilière Rue de Namur \*\* (Luxembourg) until 2007
- o Director of SI Finance until 2005

### Serge Tchuruk

72 years old

A graduate of the *École Polytechnique* and an *Ingénieur de l'armement*, Mr. Tchuruk held various management positions with Mobil Corporation, then with Rhône-Poulenc, where he was named Chief Executive Officer in 1983. He served as Chairman and CEO of CDF-Chimie/Orkem from 1986 to 1990, then as Chairman and CEO of TOTAL from 1990 to 1995. In 1995, he became Chairman and Chief Executive Officer of Alcatel. From 2006 to 2008, he was appointed Chairman of the Board of Alcatel-Lucent.

Director of TOTAL S.A. since 1989 and until 2010 (last renewal: May 11, 2007).

Holds 61,060 shares.

#### Current directorships

- o Director of TOTAL S.A. \*



- o Director of Weather Investment SPA

**Directorships that expired in the previous five years**

- o Director of Thalès \* until 2009
- o Chairman of the Board of Directors of Alcatel-Lucent \* until 2008
- o Member of the Supervisory Board of Alcatel Deutschland GmbH until 2008
- o Member of the Board of Directors of the École Polytechnique until 2008
- o Chairman of the Board of Directors of Alcatel USA Holdings Corp. until 2006
- o Director of the Institut Pasteur until 2005

**Pierre Vaillaud**

74 years old

A graduate of the *École Polytechnique*, a Mining Engineer and a graduate of the *École Nationale Supérieure du Pétrole et des Moteurs*, Mr. Vaillaud worked as an engineer with Technip and Atochem before joining TOTAL. He served as Chief Executive Officer of TOTAL from 1989 to 1992, before becoming Chairman and Chief Executive Officer of Technip from 1992 to 1999, and of Elf Aquitaine from 1999 to 2000.

Director of TOTAL S.A. since 2000 (last renewal: May 12, 2006; end of office: May 15, 2009).

**Current directorships**

- o Member of the Supervisory Board of Oddo et Cie

**Directorships that expired in the previous five years**

- o Director of TOTAL S.A. \* until May 2009
- o Director of Technip \* until 2007
- o Member of the Supervisory Board of Cegelec until 2006

\* Company names marked with an asterisk are publicly-listed companies.

## Other disclosures

At its meeting on September 15, 2009, the Board of Directors appointed Charles Paris de Bollardière Secretary of the Board. He succeeds Thierry Reveau de Cyrières.

The current members of the Board of Directors of the Company have informed the Company that they have not been convicted, have not been associated with a bankruptcy, receivership or liquidation, and have not been incriminated or publicly sanctioned or disqualified, as stipulated in item 14.1 of Annex I of EC Regulation 809/2004 of April 29, 2004.

## Corporate governance code

For several years, TOTAL has been actively examining corporate governance matters. At its meeting on November 4, 2008, the Board of Directors confirmed its decision to use the Corporate Governance Code for Listed Companies published in 2008 by the principal French business confederations, the *Association Française des Entreprises Privées* (AFEP) and the *Mouvement des Entreprises de France* (MEDEF) ("**AFEP-MEDEF Code**") as its reference for corporate governance matters.

The AFEP-MEDEF Code is available on the MEDEF website ([www.medef.fr](http://www.medef.fr)).

The Company's corporate governance practices differ from the recommendations contained in the AFEP-MEDEF Code on the following limited matters:

- o The AFEP-MEDEF Code recommends that a director no longer be considered as independent upon the expiry of the term of office during which the length of his service on the board reaches twelve years. The Board has not followed this recommendation in regards to one of its members considering the long-term nature of its investments and operation as well as the experience and authority of which this director is in possession, which reinforce his independence and contribute to the Board's work.
- o The Chairman of the Board of Directors chairs the Nominating & Governance Committee of the Board. The Board of Directors and this Committee consider that the participation of the Chairman on the Nominating & Governance Committee enables the Committee to benefit from his experience and his knowledge of the Company's activities, environment and executive teams, which is particularly useful to inform the Committee's deliberations concerning the appointment of executives and directors. The fact that the Chairman of the Board, who does not exercise executive duties, chairs the committee permits close collaboration between the Board and the Committee, the latter being responsible for the review of the Board's workings and corporate governance matters. This committee is comprised of a majority of independent directors and the Chairman and the Chief Executive Officer do not attend deliberations concerning their own situation.

Pursuant to the AFEP-MEDEF Code, on February 11, 2009, the Board of Directors noted that, effective from the same day, the employment contracts of its Chairman and its Chief Executive Officer had been terminated.

Since 2004, the Board of Directors has had a **financial code of ethics** that, in the overall context of the Group's Code of Conduct, sets forth specific rules for its Chairman, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and the financial and accounting officers for its principal activities. The Board has made the Audit Committee responsible for implementing and ensuring compliance with this code.

In 2005, the Board approved the procedure for alerting the Audit Committee of complaints or concerns regarding accounting, internal accounting controls or auditing matters.

## Rules of procedure of the Board of Directors

At its meeting on February 13, 2007, the Board of Directors adopted rules of procedure to replace the Directors' Charter and to take into account the separation of the positions of Chairman of the Board and Chief Executive Officer implemented at the same meeting.

The Board's rules of procedure specify the obligations of each director and set forth the mission and working procedures of the Board of Directors. They also define the respective responsibilities and authority of the Chairman and of the Chief Executive Officer. It is reviewed on a regular basis to match the changes in rules and practices related to governance.

The principal matters covered by the rules of procedure are summarized below. An unabridged version of these rules and procedures is available on the Company's website.

Each director undertakes to maintain the independence of his analysis, judgment, decision-making and actions as well as not to be unduly influenced. When a director participates in and votes at Board meetings, he is required to represent the interest of the shareholders and the Company as a whole. Directors must actively participate in the affairs of the Board, specifically on the basis of information communicated to them by the Company.

Directors undertake to devote the amount of time required to consider the information they are given and otherwise prepare for meetings of the Board and of the committees on which they sit. Directors may request any additional information that they feel is necessary or useful from the Chairman or the Chief Executive Officer. A director, if he considers it necessary, may request training

on the Company's specificities, businesses and activities. Directors participate in all Board meetings and all committees or Shareholders' Meetings, unless they have previously contacted the Chairman to inform him of scheduling conflicts.

Each director must inform the Board of conflicts of interest that may arise, including the nature and terms of any proposed transactions that could give rise to such situations. If he is opposed to a project brought before the Board, he is required to clearly express his opposition. He is required to own at least 1,000 company shares in registered form (with the exception of the director representing employee shareholders, for whom the requirements are more flexible) and comply strictly with provisions regarding the use of material non-public information. The requirement to hold a minimum of 1,000 company shares while in office is accepted by each director as a restriction on his ability to freely dispose of these shares.

In addition to stipulating that any shares and ADRs of TOTAL S.A. and its publicly traded subsidiaries held by directors are to be held in registered form, the rules of procedure prohibit buying on margin or short selling those same securities. They also prohibit trading shares of TOTAL S.A. on the dates of the Company's periodic earnings announcements, as well as the 15 calendar days preceding such dates.

The **Board of Directors' mission** is to determine the strategic direction of the Group and supervise the implementation of this vision.

With the exception of the powers and authority expressly reserved for shareholders and within the limits of the Company's legal purpose, the Board may address any issue related to the operation of the Company and take any decision concerning the matters falling within its purview.

Within this framework, the Board's duties and responsibilities include, but are not limited to, the following:

- o appointing the Chairman and the Chief Executive Officer and supervising the handling of their responsibilities;
- o defining the Company's strategic orientation and, more generally, that of the Group;
- o approving investments or divestments under study by the Group that concern amounts greater than 3% of shareholders' equity, whether or not the project is part of the announced strategy;
- o reviewing information on significant events related to the Company's affairs, in particular for investments or divestments that are greater than 1% of shareholders' equity;
- o monitoring the quality of information supplied to shareholders and the financial markets through the financial statements that it approves and the annual reports, or when major transactions are conducted;
- o convening and setting the agenda for Shareholders' Meetings;
- o preparing, for each year, a list of the directors it deems to be independent under generally recognized corporate governance criteria, in particular those defined in the AFEP-MEDEF Code; and

- o conducting audits and investigations as it may deem appropriate.

The Board, with the assistance of its specialized committees where appropriate, ensures that:

- o authority within the Company has been properly delegated before it is exercised, and that the various entities of the Company respect the authority, duties and responsibilities they have been given;
- o no individual is authorized to contract on behalf of the Company or to commit to pay, or to make payments, on behalf of the Company, without proper supervision and control;
- o the internal control function operates properly and that the statutory auditors are able to conduct their audits under appropriate circumstances; and
- o the committees it has created duly perform their responsibilities.

The Board of Directors is regularly informed, through the Audit Committee, of the Group's financial position, cash position and obligations.

**Board of Directors' activity:** The Board of Directors meets at least four times a year and as often as circumstances may require.

Directors are generally given written notice eight days prior to Board meetings. Documents to be considered for decisions to be made at Board meetings are, when possible, sent with the notice of meetings, or otherwise delivered to the directors. The minutes of the previous meeting are expressly approved at each Board meeting.

Directors may participate in meetings either by being present, by being represented by another director or via video conference (in compliance with the technical requirements set by applicable regulations).

The Board may establish specialized committees, whether permanent or *ad hoc*, as required by applicable legislation or as it may deem appropriate. The Board allocates directors' fees and may allocate additional directors' fees to directors who participate in specialized committees, within the total amount established by the shareholders. The Chairman and the Chief Executive Officer are not awarded directors' fees for their work on the Board and Committees.

The Board of Directors, based on the recommendation of its Chairman, appoints a Secretary. Every member of the Board of Directors can refer to the Secretary and benefit from his assistance. The Secretary is responsible for the working procedures of the Board of Directors. The Board shall review such procedures periodically.

The Board conducts, at regular intervals not to exceed three years, an assessment of its practices. It also conducts an annual discussion of its methods.

**Responsibility and authority of the Chairman:** The Chairman represents the Board, and, except under exceptional circumstances, is the sole member authorized to act and speak on behalf of the

Board. He is responsible for organizing and presiding over the Board's activities and monitors corporate bodies to ensure that they are functioning effectively and respecting corporate governance principles. He is responsible, with the Group's management, for maintaining relations between the Board and the Company's shareholders. He monitors the quality of the information disclosed by the Company. In close cooperation with the Group's management, he may represent the Group in high level discussions with government authorities and the Group's important partners, on both a national and international level. He is regularly informed by the Chief Executive Officer of events and situations that are important for the Group and may request that the Chief Executive Officer provide any useful information for the Board or its committees. He may also work with the statutory auditors to prepare matters before the Board or the Audit Committee.

**Authority of the Chief Executive Officer:** The Chief Executive Officer is responsible for the general management of the Company. He chairs the Group's Executive Committee and Management Committee. Subject to the Company's corporate governance rules (see above: "the Board of Directors' mission"), he has the full extent of authority to act on behalf of the Company in all instances, with the exception of actions that are, by law, reserved to the Board of Directors or to Shareholders' meetings. He is responsible for periodic reporting of the Group's results and outlook to shareholders and the financial community. He reports on significant Group activities to the Board.

## Committees of the Board of Directors

### ● Audit Committee

The Audit Committee's role is to assist the Board of Directors in ensuring effective internal control and oversight over financial reporting to shareholders and the financial markets.

The Audit Committee's duties include:

- recommending the appointment of statutory auditors and their compensation, ensuring their independence and monitoring their work;
- establishing the rules for the use of statutory auditors for non-audit services and verifying their implementation;
- supervising the audit by the statutory auditors of the Company's financial statements and consolidated financial statements;
- examining the accounting policies used to prepare the financial statements, examining the parent company's annual financial statements and the consolidated annual, semi-annual, and quarterly financial statements prior to their examination by the Board, after regularly monitoring the financial situation, cash position and obligations of the Company;
- supervising the implementation of internal control and risk management procedures and their effective application, with the assistance of the internal audit department;
- supervising procedures for preparing financial information;
- monitoring the implementation and activities of the disclosure committee, including reviewing the conclusions of this committee;
- reviewing the annual work program of internal and external auditors;
- receiving information periodically on completed audits and examining annual internal audit reports and other reports (statutory auditors, annual reports, etc.);
- reviewing the choice of appropriate accounting principles and methods;
- reviewing the Group's policy for the use of derivative instruments;
- reviewing, if requested by the Board, major transactions contemplated by the Group;
- reviewing significant litigation annually;
- implementing, and monitoring compliance with, the financial code of ethics;
- proposing to the Board, for implementation, a procedure for complaints or concerns of employees, shareholders and others, related to accounting, internal accounting controls or auditing matters, and monitoring the implementation of this procedure; and
- reviewing the procedure for booking the Group's proved reserves.

### ► Audit Committee membership and practices

The Committee is made up of at least three directors designated by the Board of Directors. Members must be independent directors.

In selecting the members of the Committee, the Board pays particular attention to their independence and their financial and accounting qualifications. Members of the Committee may not be executive officers of the Company or one of its subsidiaries, nor own more than 10% of the Company's shares, whether directly or indirectly, individually or acting together with another party.

Members of the Audit Committee may not receive from the Company and its subsidiaries, whether directly or indirectly, any compensation other than:

- directors' fees paid for their services as directors or as members of the Audit Committee or, if applicable, another committee of the Board; and
- compensation and pension benefits related to prior employment by the Company, or another Group company, which are not dependent upon future work or activities.

The Committee appoints its own Chairman. The Chairman appoints the Committee secretary who may be the Chief Financial Officer. The Committee meets at least four times a year to examine the consolidated annual and quarterly financial statements.

The Audit Committee may meet with the Chairman of the Board, the Chief Executive Officer, and, if applicable, any acting Managing Director of the Company and perform inspections and consult with managers of operating or non-operating departments, as may be useful in performing its duties.

The Committee consults with the statutory auditors and examines their work, and may do so without management being present. If it deems it necessary to accomplish its duties, the Committee may request from the Board the resources to engage external consultants.

The Committee submits written reports to the Board of Directors regarding its work.

In 2009, the Committee's members were Mrs. Patricia Barbizet and Messrs. Bertrand Jacquillat and Thierry de Rudder as well as, until May 15, 2009, Mr. Antoine Jeancourt-Galignani. All of the members of the Committee are independent directors and have recognized experience in the financial and accounting fields, as illustrated in their summary biographies (see pages 89 to 93 of this Registration Document).

The Committee was chaired by Mr. Antoine Jeancourt-Galignani, who was determined to be the Audit Committee financial expert by the Board at its meeting on September 5, 2006. Mrs. Patricia Barbizet was appointed by the Committee at its meeting on July 28, 2009, to succeed Mr. Antoine Jeancourt-Galignani for the Committee chairmanship. The Board of Directors, at its meeting on July 30, 2009, decided to appoint Mr. Bertrand Jacquillat to serve as the Audit Committee financial expert based on a recommendation by the Audit Committee.

### ● Compensation Committee

In February 2007, the Compensation Committee was separated from the then existing Nominating & Compensation Committee. The principal objectives of the Compensation Committee are to:

- examine the executive compensation policies implemented by the Group and the compensation of members of the Executive Committee; and
- evaluate the performance and recommend the compensation of the Chairman of the Board and of the Chief Executive Officer.

Its duties include the following:

- examining the criteria and objectives proposed by management for executive compensation and advising on this subject;
- presenting recommendations and proposals to the Board concerning;
  - compensation, pension and insurance plans, in-kind benefits and other compensation, including severance benefits, for the Chairman and the Chief Executive Officer of the Company, and
  - awards of stock options and restricted share grants to the Chairman and the Chief Executive Officer; and
- examining stock option plans, restricted share grants, equity-based plans and pension and insurance plans.

### ► Compensation Committee membership and practices

The Committee is made up of at least three directors designated by the Board of Directors.

A majority of the members must be independent directors. Members of the Compensation Committee may not receive from the Company and its subsidiaries, either directly or indirectly, any compensation other than:

- directors' fees paid for their services as directors or as members of the committee, or, if applicable, as members of another committee of the Company's Board; and
- compensation and pension benefits related to prior employment by the Company which are not dependant upon future work or activities.

The Committee appoints its chairman and its secretary. The secretary is a Company senior executive.

The Committee meets at least twice a year.

The Committee invites the Chairman and the Chief Executive Officer of the Company to present their recommendations.

Neither the Chairman nor the Chief Executive Officer may be present during deliberations regarding his own situation.

While maintaining the appropriate level of confidentiality for its discussions, the Committee may request that the Chief Executive Officer provide it with the assistance of any senior executive of the Company whose skills and qualifications could facilitate the handling of an agenda item.

If it deems it necessary to accomplish its duties, the Committee may request from the Board the resources to engage external consultants.

The Committee reports on its activities to the Board of Directors.

In 2009, the Committee's members were Messrs. Bertrand Collomb, Michel Pébureau and Serge Tchuruk, each an independent director.

Mr. Michel Pébureau chairs the Committee.

### ● Nominating & Governance Committee

In February 2007, the Nominating & Governance Committee was separated from the then existing Nominating & Compensation Committee. The principal objectives of the Nominating & Governance Committee are to:

- recommend to the Board of Directors the persons that are qualified to be appointed as directors, Chairman or Chief Executive Officer;
- prepare the Company's corporate governance rules and supervise their implementation; and
- examine any questions referred to it by the Board or the Chairman of the Board, in particular questions related to ethics.

Its duties include the following:

- presenting recommendations to the Board for its membership and the membership of its committees;



- o proposing annually to the Board the list of directors who may be considered as “independent directors” of the Company;
- o assisting the Board in the selection and evaluation of the Chairman of the Board and the Chief Executive Officer and examining the preparation of their possible successors, in cooperation with the Compensation Committee;
- o preparing a list of individuals who might be considered for election as Directors and those who might be named to serve on Board committees;
- o proposing methods for the Board to evaluate its performance;
- o proposing the procedure for allocating directors’ fees;
- o developing and recommending to the Board the corporate governance principles applicable to the Company; and
- o examining ethical issues at the request of the Board or its Chairman.

#### ► **Nominating & Governance Committee membership and practices**

The Committee is made up of at least three directors designated by the Board of Directors.

A majority of the members must be independent directors.

Members of the Nominating & Governance Committee, other than the Chairman of the Board and the Chief Executive Officer, may not receive from the Company and its subsidiaries any compensation other than:

- o directors’ fees paid for their services as directors or as members of the committee, or, if applicable, as members of another committee of the Company’s Board; and
- o compensation and pension benefits related to prior employment by the Company which are not dependant upon future work or activities.

The Committee appoints its chairman and its secretary. The secretary is a Company senior executive.

The Committee meets at least twice a year.

The Committee may invite the Chairman of the Board or the Chief Executive Officer of the Company, as applicable, to present recommendations.

Neither the Chairman nor the Chief Executive Officer may be present during deliberations regarding his own situation.

While maintaining the appropriate level of confidentiality for its discussions, the Committee may request that the Chief Executive Officer provide it with the assistance of any senior executive of the Company whose skills and qualifications could facilitate the handling of an agenda item.

If it deems it necessary to accomplish its duties, the Committee may request from the Board the resources to engage external consultants.

The Committee reports on its activities to the Board of Directors.

In 2009, the Committee’s members were Messrs. Bertrand Collomb, Thierry Desmarest, Michel Pébereau and Serge Tchuruk. Each, with the exception of the Chairman of the Board, is an independent director.

Mr. Thierry Desmarest chairs the Committee.

## 2009 Activity of the Board of Directors and its Committees

The Board held eight meetings in 2009, with an average attendance of 88.7%.

The Audit Committee held six meetings in 2009, with 100% attendance.

The Compensation Committee met twice, with 100% attendance.

The Nominating & Governance Committee met twice, with 100% attendance.

A table summarizing individual attendance at the Board of Directors and Committees meetings is provided on page 110 of this Registration Document.

**The meetings of the Board of Directors** included, but were not limited to, a review of the following subjects:

#### **January 13**

- o strategic outlook for the Chemicals segment;
- o 2009 Budget;
- o Group insurance policy; and
- o summary of the Ethics Committee activities.

#### **February 11**

- o 2008 accounts (consolidated financial statements, parent company accounts);
- o debate on Board of Directors practices;
- o proposition to change the by-laws regarding the age limit of the Chairman of the Board;
- o change in the rules and procedures of the Board of Directors, the Audit Committee and the Nominating & Governance Committee;
- o assessment of the independence of the Directors;
- o proposal to renew directorships and appoint a new director;
- o policy for determining the compensation and other advantages of the Chairman and of the Chief Executive Officer;
- o compensation of the Chairman and of the Chief Executive Officer and other related commitments;
- o convocation of the Shareholders’ Meeting and approval of the documents related to this meeting;

- o Group financial policy;
- o project to invest in deep offshore in Nigeria (Egina project); and
- o project to launch a public tender offer for UTS Energy Corporation (Canada).

#### March 31

- o review of requests to include new resolution projects on the Shareholders' Meeting agenda.

#### May 5

- o strategic outlook for the Gas & Power division;
- o earnings for the first quarter of 2009; and
- o preparation and arrangements for the Shareholders' Meeting.

#### May 15

- o appointment of the Chief Executive Officer and confirmation of the conditions for its compensation; and
- o renewal of the appointments of the members of the Committees of the Board of Directors.

#### July 30

- o strategic outlook for the Refining & Marketing division;
- o earnings for the second quarter of 2009 and the first half of 2009;
- o cancellation of Company shares and corresponding reduction of share capital;
- o payment of an interim dividend; and
- o presentation of the participation in the call for tenders launched by the Abu Dhabi Emirate to build and operate a nuclear power plant in partnership with GDF Suez and Areva.

#### September 15

- o strategic outlook for the Exploration & Production division;
- o financial communication for mid-2009;
- o award of share subscription options and restricted share grants; and
- o announcement by the Nominating & Governance Committee of the Board's self-evaluation for its activities during the fourth quarter of 2009.

#### November 3

- o Group strategy and 5-year plan; and
- o results for the third quarter of 2009.

#### ► Audit Committee activity

In 2009, the members of the Audit Committee reviewed the following matters:

- o At its meeting on February 9, the Committee reviewed the accounts for the fourth quarter of 2008 as well as the annual consolidated statements report for the Group and the statutory accounts of TOTAL S.A., the parent company, for 2008. The Head of Internal Audit presented the conclusions of the audits

conducted in 2008 and the audit plan scheduled for 2009, as well as the 2009 work program for internal control over financial reporting in compliance with the Sarbanes-Oxley Act. The Committee also reviewed the draft of the Chairman's report on internal control procedures

- o At its meeting on April 20, the Committee reviewed the conditions for the use of derivatives in crude oil and petroleum products trading activities. The Committee also reviewed the procedures for evaluating oil and gas reserves. It acknowledged the approach of the Refining & Marketing division to strengthen its risk assessment and management device, in particular by mapping the major risks faced by the division and business units. Finally, the Committee also reviewed the update of the financial code of ethics.
- o The Committee met on April 30, to review the consolidated financial statements for the first quarter of 2009. The Committee also approved the launch of a call for tenders to select the two statutory auditors whose appointment will be submitted to the Shareholders' Meeting on May 2010, the term of office of the current statutory auditors expiring at that date.
- o At its meeting on July 28, the Committee appointed its chairman and proposed the appointment of a financial expert within the Committee. It reviewed the financial statements for the second quarter and first half of 2009.
- o On October 15, the Committee met to acknowledge the statutory auditors' specific focus with regard to the audit of the 2009 financial statements. The Committee reviewed the Group's significant litigation. It also studied the mapping of the Petrochemicals business risks. The investment decision-making process and the procedure to prepare financial statements and consolidated information were submitted to the Committee.
- o On October 30, the Committee reviewed the financial statements for the third quarter of 2009 and the budget for the fees of the statutory auditors. The members of the Committee met with the statutory auditors without management being present. The Committee was informed of the Group's policy for the use of derivative instruments.

The statutory auditors attended all the Audit Committee meetings in 2009, except for the review of their compensation and the preparation of the call for tenders related to their appointment. At each presentation of the quarterly consolidated financial statements, the statutory auditors reported on their work and presented their conclusions.

The Committee periodically monitored the financial situation, cash flow, risks and significant off-balance sheet commitments of the Company, as well as internal audit activity.

The chairman of the Committee reported to the Board of Directors on the Committee's activities.

#### ► Compensation Committee activity

At its meeting on February 5, 2009, the Committee acknowledged the Chairman and the Chief Executive Officer's request to terminate their employment contract. The Committee prepared its proposal to be made to the Board for the rules and principles to determine compensation and other benefits to be awarded to the Chairman



and to the Chief Executive Officer as well as the terms that apply in case they are removed from or not renewed in office.

The Committee reviewed the 2009 compensation policy for the Chairman and the Chief Executive Officer and made a proposal for the compensation of the Chairman and Chief Executive Officer, as well as restrictions on share transfers by these individuals. The Committee also examined the compensation of the members of the Executive Committee and reviewed information related to the compensation of the Company's management bodies and to the Company's pension and insurance plans, in preparation for the disclosure of this information in the Company's annual reports for 2008.

At its meeting on September 2, 2009, the Committee reviewed the share subscription option and restricted share grant plans.

#### ► Nominating & Governance Committee activity

At its meeting on February 5, 2009, the Committee discussed the composition of the Board, in particular in relation to various commonly used independence criteria. The Committee proposed to the Board of Directors the list of directors to be recommended for appointment by the 2009 Shareholders' Meeting, which included the recommendation of a new independent director. The Committee proposed to the Board of Directors a resolution to change the by-laws regarding the age limit of the Chairman of the Board to be submitted to the Shareholders' Meeting in order to have more flexibility depending on circumstances.

At its meeting on September 2, 2009, the Committee discussed the changes in the composition of the Board of Directors to be anticipated in 2010 in order to strengthen the diversity of the Board and the share of independent directors.

The Committee evaluated the independence of the directors and made a list of independent directors as of December 31, 2009.

It also reviewed the working procedures of the Board of Directors and proposed to the Board that it carries out a self-evaluation, with the assistance of a consulting agency.

## ■ Board of Directors practices

At its meeting on February 10, 2010, the Board of Directors discussed the results of its self-evaluation carried out with the assistance of a consulting agency, which demonstrated that the Board's working procedures and the quality of the information provided met the Directors's expectations.

Pursuant to the recommendation of the Nominating & Governance Committee, at its meeting on February 10, 2010, the Board approved the suggestions for improvement that were proposed, which were mainly related to the organization of a day for strategic thinking.

## ■ Director independence

At its meeting on February 10, 2010, the Board of Directors, acting on a proposal from the Nominating & Governance Committee, reviewed the independence of the Company's directors as of December 31, 2009. Also based on the Committee's proposal, the Board considered that, pursuant to the AFEP-MEDEF Code, a director is independent when "he or she has no relationship, of any nature, with the company, its group, or the management of either, that may compromise the exercise of his or her freedom of judgement".

Mrs. Barbizet, Messrs. Artus, Bouton, Collomb, Desmarais, Jacquillat, Mandil, Pébereau, de Rudder, Tchuruk and Lord Levene of Portsoken were deemed to be independent directors.

These directors meet the criteria set forth in the AFEP-MEDEF Code, with the exception of one individual who has been a director for longer than twelve years. For a company that has long-term investments and activities, a longer term of office gives experience and authority, and thereby reinforces the independence of directors. The Board concluded that Mr. Tchuruk, the only director concerned by this criterion, should be considered as independent.

Concerning "material" relationships, as a client, supplier, investment or finance banker, between a director and the Company, the Board deemed that the level of activity between Group companies and the bank at which one of its Directors is an officer, which is less than 0.1% of its net banking income and less than 5% of the Group's overall assets, represents neither a material portion of the overall activity of such bank nor a material portion of the Group's external financing. The Board concluded that Mr. Pébereau should be considered as independent.

73% of the directors are independent.

The Board also noted the absence of potential conflicts of interests between the Company and its directors.

## ■ Internal control and risk management

The internal control framework adopted by TOTAL is that of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In this framework, internal control is a process intended to provide reasonable assurance that the following will be achieved: effective and efficient operational control, accurate reporting of financial information, and compliance with applicable laws and regulations. As for any system for internal control, there can be no guarantee that all risks are completely eliminated.

As a result, the Group's internal control procedures are based on the COSO framework: design and implementation of internal controls, risk evaluation process, internal control operation, documentation and reporting internal controls, and supervision of the internal control system.

### ● Organization and principles of internal control

The Group's internal control procedures are designed around an operating environment with three levels: Group, business segments and profit centers. Each level is directly involved in the design and implementation of internal controls, as determined by the level of centralization desired by the Group's management.

At each of the three levels, internal control procedures are designed to include specific organizational procedures, delegation of authority and employee training and education that conform to the Group's overall framework.

The principal themes of human resources policy are coordinated at the Group's Human Resources Department. Human resources are generally managed on a decentralized basis at profit centers.

The design of internal control procedures is based on key values that are deeply rooted in the Group's control environment, including the integrity, ethical conduct and professional competence of its employees.

The Group's values and principles of conduct are formalized and distributed to employees throughout the Group in the Group's code of conduct and ethics charter. The Group's code of financial ethics is distributed to financial managers at the corporate and operating levels. They are also implemented in codes, procedures and practical guides governing certain important procedures at the operating level. These codes explain the Group's values and describe its principles for behavior and conduct with regard to employees, shareholders, clients, suppliers and competitors. They mention principles for individual behavior that all employees are expected to respect and the conduct that is expected in countries where the Group is present.

The Group's senior management receives regular training on the content and the importance of proper conduct, which is documented in the code of conduct and available on the Group's website. Each year, the chief executive and financial officers of profit centers or subsidiaries provide internal written representations to the Chief Financial Officer that they have complied with internal control procedures and that the financial reporting under their responsibility is accurate.

The Group's Ethics Committee has implemented a program to prevent insider trading. This program alerts employees to their status as permanent or temporary insiders and warns them that they are prohibited from trading Group securities during certain periods.

These control principles are part of the corporate governance framework described above. The Audit Committee is responsible for monitoring the efficiency of internal controls systems and risk

management with the assistance of the Internal Audit Department and the teams in charge of internal control at the operating level. These rules are designed to allow the Board of Directors to ensure that internal control is effective and that accurate information is disclosed to shareholders and financial markets.

### ● Risk evaluation

The Executive Committee, with the assistance of the Risk Committee, the Budget Management Department and the Internal Audit Department, is responsible for compiling and analyzing the internal and external risks that could have an impact on the Group's performance. This approach is part of a continual process within the relevant entities and divisions.

The principal risks monitored at Group level are: sensitivity to the oil market environment (oil prices and refining, marketing and petrochemical margins); exposure to oil and gas trading risks; financial markets risks (foreign exchange risk, particularly related to the dollar, and interest rate); political and legal risks related to the operating and contractual environment of the exploration and production activities; and industrial and environmental risks related to the sectors in which the Group is active.

As regards risks related to the trading of oil and financial instruments, the relevant departments whose activity is restricted to limits defined by the Executive Committee, assess on a daily basis their position and exposition and analyze their market risks using, notably, a value-at-risk technique.

As regards counterparty risks, credit limits and processes to analyze the credit risk are determined at the level of each line of business and updated on a regular basis.

The broad range of activities and countries in which the Group operates requires analysis on a local level, by business segment, of the associated legal, contractual and political risks. Compliance programs with regards to competition law matters are implemented by the Group to ensure compliance with applicable legislation.

Business units are responsible for the evaluation of their industrial and environmental risks and for the implementation of the regulatory requirements of the countries where these activities are located as well as any directive or recommendation in this field defined at the Group or division level. TOTAL's entities are also responsible for actively monitoring developments and complying with local and international rules and standards for the evaluation and management of industrial and environmental risks. Risk evaluations lead to the establishment of management measures that are designed to prevent and decrease environmental impacts, to minimize the risks of accidents and to limit their consequences.

The "Risk Factors" section (Chapter 4) of this Registration Document contains a formal and extensive description of the principal risks faced by the Group and how the Group manages these risks.

### ● Internal control operations

Internal control procedures, particularly financial reporting systems, are designed to take into account the specific nature of these risks and the degree to which operational control is delegated to the business segments and profit centers.

Management exercises operational control over the Group's activities through the Executive Committee's approval of investments and commitments for projects, based on defined thresholds. These projects are subject to prior vetting by the Risk Committee, whose report is presented to the Executive Committee.

Control is primarily based on a strategic plan which is reviewed annually, an annual budget, monthly management financial reports with in-depth analysis of differences between actual and budgeted expenditures, and a quarterly reconciliation between consolidated financial statements and management reports. These procedures are supervised at the Finance Department by the Budget-Management Accounting and the Accounting Departments, and are conducted according to accepted financial reporting methods that conform to the accounting standards used to publish the Group's accounts. The financial measures and accounting methods used allow the accurate measure of risks and return on average capital employed (ROACE).

The Group's Accounting Department centralizes the interpretation and application of accounting standards applicable to the Group's consolidated accounts and transmits these standards through formal procedures and a financial reporting manual. This Department monitors the effective implementation of standards throughout the Group through periodic, formal communication with management at the operating level. This Department also periodically reports any exceptions to the Chief Financial Officer.

The Treasury Department monitors and manages the risks related to cash management operations as well as to interest rate related and foreign exchange related financial instruments in accordance with specific rules defined by the Group's management. Cash and cash equivalents, financial positions and financial instruments are centralized by the Treasury Department.

Oil and gas reserves are reviewed by a committee of experts (the Reserves Committee), approved by the senior management of the Exploration & Production division and then confirmed by the Group's management.

The Disclosure Committee, whose members are the managers of the principal non-operating departments in the Group, establishes and maintains procedures designed to ensure the quality and accuracy of external communications intended for the public and financial markets.

At the profit center and subsidiary level, daily control operations are organized around the principal operational processes: exploration and reserves, purchasing, capital expenditures, production, sales, oil and gas trading, inventories, human resources, financing and cash management.

The Group has implemented a wide range of procedures and programs that help to prevent, detect and limit different types of fraud. This effort is supported by the principles and conduct described in the Group's code of conduct and in procedures and codes issued at the operating level. The Group has also implemented an ethics alert system for employees and third parties to report circumstances that might amount to fraud or other violations related to accounting and internal control.

The Information Technology Department has developed and distributed rules for governance and security that describe the recommended infrastructure, organization and procedures to maintain information systems that are adapted to the needs of the Group and to limit information security risks. These rules are implemented throughout the Group under the responsibility of the various operating divisions.

Internal control procedures intended to prevent industrial or environmental risks are implemented at the profit centers. External certification or third-party audits are conducted for some of the management systems related to this type of risk. More detailed information on TOTAL's actions regarding safety and environmental concerns is provided in the separate report entitled *Environment and Society*.

### ● Documentation and communication of internal control procedures

Internal control procedures are defined at each of the three operating levels: general rules at the Group level; sector specific procedures at the business segment level; and more specific procedures at the profit center and subsidiary level. These procedures are circulated in memorandum, and are also available on the intranet sites of the Group and, where applicable, those of the business segments.

The principal procedures regarding financial controls established at the Group level cover acquisitions and disposals, capital expenditures, financing and cash management, budget management and financial reporting. Disclosure controls and procedures for financial information are in place. At the operating level, procedures, directives or recommendations cover mainly safety and security (both industrial and information technology), health, environment and sustainable development.

The procedures for the business segments primarily concern management supervision specific to each sector. At the profit center and subsidiary level, the principles of the Group's overall framework are implemented through the creation of specific procedures adapted to the size and context of operations.

### ● Internal control supervision

The holding company, each business segment and the profit centers and subsidiaries are responsible together for supervising internal control by monitoring the elements assigned to each of them.

Internal control audits are primarily conducted by the Group Audit Department, which reports to the Executive Committee through the Chief Administrative Officer. Internal audits are planned annually. The reports from these audits are periodically summarized and presented to the Audit Committee and, thereby, to the Board of Directors.

In 2009, the Group Audit Department employed seventy-five professionals and conducted nearly 200 audits. The Vice President of Group Internal Audit Department attended all the meetings held by the Audit Committee and presented internal audit activity on a quarterly basis.

The Group's management is responsible for implementing and evaluating internal control over financial reporting. In this context, the Group conducted in 2008 an evaluation of the quality of execution of the Group's internal control procedures, based on the COSO framework, covering the principal entities of the Group. The Group, with the assistance of its principal entities and the Group Audit Department as coordinated by the officer in charge of internal control compliance with regulations related to financial information, also examined and evaluated in 2009 the design and effectiveness of the key operational, information systems and financial controls related to internal control over financial reporting pursuant to section 404 of the Sarbanes-Oxley Act. Based on this internal evaluation, the Group's management concluded that internal control over financial reporting was effective.

The statutory auditors perform those verifications of internal control that they deem necessary as part of the mission to certify the Group's accounts and present their observations to the Audit Committee.

For the year 2009, the statutory auditors evaluated the implementation of the Group's internal control framework and the design and execution at its principal entities of the Group's key internal controls over financial reporting. Based on the work performed, the statutory auditors declared that they had no comments on the information and conclusions related to this subject presented in this report.

### Particular conditions regarding participation at Shareholders' Meeting

Shareholders' Meetings are convened and deliberate under the conditions provided for by law. However, pursuant to Article 18 of the Company's by-laws, double voting rights are granted to all registered shares held continuously in the name of the same shareholder for at least two years. Article 18 of the Company's by-laws also provides that at Shareholders' Meetings, no shareholder may cast, by himself or through his agent, on the basis of the single voting rights attached to the shares he holds directly or indirectly and the shares for which he holds powers, more than 10% of the total number of voting rights attached to the Company's shares. However, if a shareholder holds double voting rights, this limit may be greater than 10%, but shall not exceed 20%.

For more detailed information on these conditions, see Chapter 8 (General Information – Shareholders' Meetings) of this Registration Document.

### Information mentioned in Article L. 225-100-3 of the French Commercial Code

This information is provided in Chapter 8 (General information – Agreements mentioned in Article L. 225-100-3 of the French Commercial Code) of this Registration Document.

### Policy for determining the compensation and other benefits of the Chairman and of the Chief Executive Officer

Based on a proposal by the Compensation Committee, the Board adopted the following policy for determining the compensation and other benefits of the Chairman and of the Chief Executive Officer:

- Compensation and benefits for the Chairman and the Chief Executive Officer are set by the Board of Directors after considering proposals from the Compensation Committee. Such compensation shall be reasonable and fair, in a context that values both teamwork and motivation within the Company.

Compensation for the Chairman and the Chief Executive Officer is related to market practice, work performed, results achieved and responsibilities held.

- Compensation for the Chairman and the Chief Executive Officer includes both a fixed portion and a variable portion, each of which is reviewed annually.
- The amount of variable compensation may not exceed a stated percentage of fixed compensation. Variable compensation is determined based on pre-defined quantitative and qualitative criteria. Quantitative criteria are limited in number, objective, measurable and adapted to the Group's strategy.

Variable compensation is designed to reward short-term performance and progress towards medium-term objectives. The qualitative criteria for variable compensation are designed to allow exceptional circumstances to be taken into account, when appropriate.

- The Group does not have any specific pension plan for the Chairman and the Chief Executive Officer. They are eligible for retirement benefits and pensions available to other employees of the Group under conditions determined by the Board.
- Stock options are designed to align the long-term interests of the Chairman and the Chief Executive Officer with those of the shareholders.

Awards of stock options are considered in light of the amount of the total compensation paid to the Chairman and the Chief Executive Officer. The exercise of stock options to which the Chairman and the Chief Executive Officer are entitled is subject to a performance condition.

The exercise price for stock options awarded is not discounted compared to the market price, at the time of the grant, for the underlying share.

Stock options are awarded at regular intervals to prevent any opportunistic behavior.

The Board has put in place restrictions on the transfer of a portion of shares issued upon the exercise of options.

- After three years in office, the Chairman and Chief Executive Officer are required to hold at least the number of Company shares set by the Board.
- The Chairman and Chief Executive Officer do not receive restricted share grants.

This report, which has been prepared with the assistance of the relevant corporate departments of the Company, has been approved by the Board of Directors at its meeting on February 10, 2010, after the Board's Committees reviewed the sections relevant to their respective duties.

**Thierry Desmarest**

Chairman of the Board of Directors

## ▶ Statutory auditors' report (Article L. 225-235 of the French Commercial Code)

*This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.*

*Statutory Auditors' report, prepared in accordance with Article L. 225-235 of the French Commercial Law ("Code de commerce"), on the report prepared by the Chairman of the Board of Directors of the Company TOTAL S.A.*

Year ended December 31, 2009

To the Shareholders,

In our capacity as Statutory Auditors of TOTAL S.A., and in accordance with Article L. 225-235 of the French Commercial Law ("Code de commerce"), we hereby report on the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Law for the year ended 31 December 2009.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L. 225-37 of the French Commercial Law ("Code de Commerce") relating especially to corporate governance.

It is our responsibility to:

- report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information, and
- attest that this report contains the other disclosures required by Article L. 225-37 of the French Commercial Law ("Code de commerce"), it being specified that we are not responsible for verifying the fairness of these other disclosures.

We conducted our work in accordance with professional standards applicable in France.

### Information on the internal control procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- obtaining an understanding of the evaluation process in place and assessing the quality and appropriateness of its documentation with respect to the information on the evaluation of internal control procedures;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L. 225-37 of the French Commercial Law ("Code de Commerce").



## Other information

We hereby attest that the Chairman's report includes the other disclosures required by Article L. 225-37 of the French Commercial Law ("Code de commerce").

Paris La Défense, March 31, 2010

The Statutory Auditors

*French original signed by*

KPMG Audit  
A department of KPMG S.A

Jay Nirsimloo

ERNST & YOUNG AUDIT

Pascal Macioce



## ► Management

### ■ General Management

At its meeting on February 13, 2007, the Board of Directors, based on the recommendation of the Nominating & Compensation Committee, resolved to have separate individuals serve in the positions of Chairman of the Board and of Chief Executive Officer of the Company to ensure continuity during changes to the Group's management.

The management form selected shall remain in effect until a decision to the contrary is made by the Board of Directors.

### ■ The Executive Committee

The Executive Committee, under the responsibility of the Chief Executive Officer, is the primary decision-making body of the Group. It implements the strategy formulated by the Board of Directors and authorizes related investments, subject to the approval by the Board of Directors for investments exceeding 3% of the Group's equity.

The following individuals were members of the Executive Committee as of December 31, 2009:

- Christophe de Margerie, Chairman of the Executive Committee (Chief Executive Officer);
- François Cornéris, Vice Chairman of the Executive Committee (President of the Chemicals segment);
- Michel Bénézit (President of the Refining & Marketing division);
- Yves-Louis Darricarrère (President of the Exploration & Production division);
- Jean-Jacques Guilbaud (Chief Administrative Officer); and
- Patrick de La Chevadière (Chief Financial Officer).

### ■ The Management Committee

The Group Management Committee facilitates coordination among the divisions and monitors the operating results and activity reports of these divisions.

In addition to the members of the Executive Committee, the following eighteen individuals from various non-operating departments and operating divisions served as members of the Management Committee as of December 31, 2009:

#### Corporate

René Chappaz, Yves-Marie Dalibard, Peter Herbel, Jean-Marc Jaubert, Manoelle Lepoutre, Jean-François Minster, Jean-Jacques Mosconi, François Viaud.

#### Upstream

Marc Blaizot, Philippe Boisseau, Jacques Marraud des Grottes, Patrick Pouyanné.

#### Downstream

Pierre Barbé, Alain Champeaux, Eric de Menten, Bertrand Deroubaix, André Tricoire.

#### Chemicals

Françoise Leroy.

## ▶ Statutory auditors

### ■ Statutory auditors

#### Ernst & Young Audit

41, rue Ybry, 92576 Neuilly-sur-Seine Cedex  
Appointed on May 14, 2004 for a 6-year term  
P. Macioce

#### KPMG Audit

A department of KPMG S.A.  
1, cours Valmy, 92923 Paris-La Défense  
Appointed on May 13, 1998 for a 6-year term  
Appointment renewed on May 14, 2004, for an additional 6-year term.  
J. Nirsimloo

### ■ Alternate auditors

#### Jean-Luc Decornoy

2 bis, rue de Villiers, 92300 Levallois-Perret  
Appointed on May 14, 2004 for a 6-year term

#### Pierre Jouanne

41, rue Ybry, 92576 Neuilly-sur-Seine Cedex  
Appointed on May 14, 2004 for a 6-year term

### ■ Auditor's term of office

French law provides that the statutory and alternate auditors are appointed for renewable 6-year terms. The terms of office of the statutory auditors and of the alternate auditors expire at the conclusion of the Shareholders' Meeting of May 21, 2010.

The renewal of the statutory auditors' term of office as well as the appointment of alternate auditors will be proposed to this Shareholders' Meeting.

### ■ Fees received by the statutory auditors (including members of their network)

(M€)	Ernst & Young Audit				KPMG Audit			
	Amount (excluding VAT)		%		Amount (excluding VAT)		%	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>Audit</b>								
○ Audit and certification of the parent company and consolidated accounts								
TOTAL S.A.	3.3	3.3	16.5	16.1	3.5	3.5	17.1	16.9
Consolidated subsidiaries	14.4	14.4	72.0	70.2	12.5	12.4	61.3	59.9
○ Other work and services directly related to the responsibilities of statutory auditors								
TOTAL S.A.	0.2	0.2	1.0	1.0	1.0	1.2	4.9	5.8
Consolidated subsidiaries	0.6	0.8	3.0	3.9	1.9	2.2	9.3	10.6
<b>Sub-total</b>	<b>18.5</b>	<b>18.7</b>	<b>92.5</b>	<b>91.2</b>	<b>18.9</b>	<b>19.3</b>	<b>92.6</b>	<b>93.2</b>
<b>Other services provided by the network to consolidated subsidiaries</b>								
○ Legal, tax, corporate	1.4	1.8	7.0	8.8	1.2	1.2	5.9	5.8
○ Other	0.1	0.0	0.5	0.0	0.3	0.2	1.5	1.0
<b>Sub-total</b>	<b>1.5</b>	<b>1.8</b>	<b>7.5</b>	<b>8.8</b>	<b>1.5</b>	<b>1.4</b>	<b>7.4</b>	<b>6.8</b>
<b>Total</b>	<b>20.0</b>	<b>20.5</b>	<b>100</b>	<b>100</b>	<b>20.4</b>	<b>20.7</b>	<b>100</b>	<b>100</b>

## ► Compensation of the Board of Directors and executive officers

### ■ Board Compensation

The amount paid to the members of the Board of Directors as directors' fees was €0.97 million in 2009 in accordance with the decision of the Shareholders' Meeting held on May 11, 2007. There were fifteen directors as of December 31, 2009, compared to sixteen directors as of December 31, 2008.

Compensation was paid to the members of the Board of Directors in 2009 based on the following principles, which remained unchanged from 2008.

- o a fixed amount of €20,000 was paid to each director (paid *pro rata temporis* in case of a change during the period), apart from the

Chairman of the Audit Committee who was paid €30,000 and the other Audit Committee members who were paid €25,000;

- o each director was paid €5,000 for each meeting of the Board of Directors, of the Audit Committee, of the Compensation Committee or of the Nominating & Governance Committee attended, such amount being increased to €7,000 for those directors who reside outside of France; and
- o neither the Chairman of the Board, nor the Chief Executive Officer received directors' fees as directors of TOTAL S.A. or any other company of the Group.

A table summarizing the total compensation (including in-kind benefits) paid to each director during the last two fiscal years (Article L. 225-102-1 of the French Commercial Code, 1<sup>st</sup> and 2<sup>nd</sup> paragraphs) is provided on page 116 of this Registration Document.

### ■ Directors attendance at the Board and Committees meetings in 2009

	Board of Directors	Audit Committee	Compensation Committee	Nominating & Governance Committee
<b>Number of meetings in 2009</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>2</b>
Thierry Desmarest	8			2
Christophe de Margerie	8			
Patrick Artus	3 <sup>(a)</sup>			
Patricia Barbizet	8	6 <sup>(b)</sup>		
Daniel Boeuf	8			
Daniel Bouton	8			
Bertrand Collomb	7		2	2
Paul Desmarais Jr.	4			
Bertrand Jacquillat	8	6		
Antoine Jeancourt-Galignani	4 <sup>(c)</sup>	3 <sup>(d)</sup>		
Anne Lauvergeon	5			
Lord Peter Levene of Portsoken	7			
Claude Mandil	7			
Michel Pébereau	6		2	2
Thierry de Rudder	7	6		
Serge Tchuruk	8		2	2
Pierre Vaillaud	4 <sup>(e)</sup>			

(a) Director since May 15, 2009.

(b) Chairperson of the Audit Committee since July 28, 2009.

(c) Director until May 15, 2009.

(d) Chairman of the Audit Committee until May 15, 2009.

## Compensation of the Chairman

(See summary tables on pages 115 to 117 of this Registration Document)

The total gross compensation paid to Mr. Desmarest for fiscal 2009 was set by the Board of Directors, based upon the proposal of the Compensation Committee. This compensation is composed of a fixed base salary of €1,100,000 and a variable portion.

The variable portion is calculated by taking into account the Group's return on equity, the Group's earnings compared to those of other major international oil companies, as well as the Chairman's personal contribution to the Group's strategy, corporate governance and performance. The variable portion can reach a maximum amount of 100% of the fixed base salary. The objectives related to personal contribution were considered to be mostly fulfilled, and taking into account the comparison of TOTAL's earnings with the major international oil companies that are its competitors, the variable portion paid to the Chairman in 2010 for his contribution in 2009 amounted to €871,852.

The total gross compensation paid to the Chairman for fiscal year 2009 amounted to €1,971,852.

Mr. Thierry Desmarest's total gross compensation for fiscal 2008, as Chairman of the Board of Directors, amounted to €2,069,430, composed of a fixed base salary of €1,100,000 and a variable portion of €969,430 paid in 2009.

Mr. Desmarest does not receive any in-kind benefits.

## Compensation of the Chief Executive Officer

(See summary tables on pages 115 to 117 of this Registration Document)

The total gross compensation paid to Mr. de Margerie for fiscal 2009 was set by the Board of Directors, based upon the proposal of the Compensation Committee. This compensation is composed of a fixed base salary of €1,310,000 and a variable portion.

The variable portion is calculated by taking into account the Group's return on equity, the Group's earnings compared to those of other major international oil companies, as well as the Chief Executive Officer's personal contribution to the Group's strategy, evaluated on the basis of objective operational criteria related to the

Group's business segments. The variable portion can reach a maximum amount of 140% of the fixed base salary, which may be increased up to 165% for exceptional performance. The objectives related to personal contribution were considered to be mostly fulfilled, and taking into account the comparison of TOTAL's earnings with the major international oil companies that are its competitors, the variable portion paid to the Chief Executive Officer in 2010 for his contribution in 2009 amounted to €1,356,991.

The total gross compensation paid to the Chief Executive Officer for fiscal year 2009 amounted to €2,666,991.

Mr. Christophe de Margerie's total gross compensation for fiscal 2008 amounted to €2,802,875, composed of a fixed-base salary of €1,250,000 and a variable portion of €1,552,875 paid in 2009.

Mr. Christophe de Margerie has the use of a company car.

## Executive Officer compensation

In 2009, the aggregate amount paid directly or indirectly by the French and foreign affiliates of the Company as compensation to the executive officers of TOTAL in office as of December 31, 2009 (members of the Management Committee and the Treasurer, twenty-five individuals) as a group was €17.1 million, including €8 million paid to the six members of the Executive Committee. Variable compensation accounted for 44.5% of the aggregate amount of €17.1 million paid to executive officers.

The following individuals were executive officers of the Group as of December 31, 2009 (twenty-five individuals compared to twenty-eight individuals as of December 31, 2008):

### Management Committee

Christophe de Margerie *	Bertrand Deroubaix
François Cornélis *	Peter Herbel
Michel Bénézit *	Jean-Marc Jaubert
Yves-Louis Darricarrère *	Manoelle Lepoutre
Jean-Jacques Guilbaud *	Françoise Leroy
Patrick de La Chevardièrre *	Jacques Marraud des Grottes
Pierre Barbé	Éric de Menten
Marc Blaizot	Jean-François Minster
Philippe Boisseau	Jean-Jacques Mosconi
Alain Champeaux	Patrick Pouyanné
René Chappaz	André Tricoire
Yves-Marie Dalibard	François Viaud

### Treasurer

Jérôme Schmitt

\* Member of the Executive Committee

## Pension and other commitments (Article L. 225-102-1, paragraph 3, of the French Commercial Code)

1) The Chairman and the Chief Executive Officer, pursuant to applicable law, are eligible for the French social security benefits, ARRCO (French Association for Complementary Pension Schemes) and AGIRC (French executive pension scheme federation) complementary pensions, RECOSEP (French Collective Supplementary Pension Scheme) defined benefit pension plan, and the supplementary pension plan created by the Company. This supplementary pension plan, which is not limited to the Chairman and the Chief Executive Officer, is detailed below.

2) The Chairman and the Chief Executive Officer are eligible for a supplementary pension plan open to all employees of the Group whose annual compensation is greater than the annual French social security threshold multiplied by eight.

This supplementary pension plan is financed and managed by TOTAL S.A. to award a pension that is based on the period of employment (up to a limit of twenty years) and the portion of annual gross compensation (including fixed and variable portions) that exceeds by at least eight times the annual French social security threshold. This pension is indexed to the ARRCO index.

As of December 31, 2009, the Group's supplementary pension obligations related to the Chairman are the equivalent of an annual pension of 26.3% of the Chairman's 2009 compensation.

For the Chief Executive Officer, the Group's pension obligations are, as of December 31, 2009, the equivalent of an annual pension of 18.8% of his 2009 compensation.

3) The Company also funds a life insurance policy which guarantees a payment, upon death, equal to two years' compensation (both fixed and variable), increased to three years upon accidental death, as well as, in case of disability, a payment proportional to the degree of disability.

4) The Chairman and the Chief Executive Officer are also entitled to retirement benefits equal to those available to eligible members of the Group under the French National Collective Bargaining Agreement for the Petroleum. This benefit amounts to 25% of the annual compensation (including fixed and variable portions) of the 12-month period preceding the retirement of the Chairman and the Chief Executive Officer.

5) If the Chairman or the Chief Executive Officer's employment is terminated or his term of office is not renewed by the Company, he is eligible for severance benefits equal to two times his gross annual compensation. The calculation will be based on the gross compensation (including both fixed and variable) paid in the 12-month period preceding the termination or the non-renewal of his term of office.

The severance benefits to be paid upon a change of control or a change of strategy of the Company are cancelled in the case of gross negligence or wilful misconduct or if the Chairman or the Chief Executive Officer leaves the Company of his own volition, accepts new responsibilities within the Group, or may claim full retirement benefits within a short time period.

Since Mr. Desmarest is eligible to claim his full retirement benefits, these provisions are only relevant to Mr. de Margerie.

6) The commitments related to the supplementary pension plan, retirement benefits and severance benefits upon termination of employment or term of office are subject to the procedure for regulated agreements set forth in article L. 225-38 of the French Commercial Code.

7) Pursuant to the provisions of the French law of August 21, 2007, which modifies article L. 225-42-1 of the French Commercial Code, the commitments described in items 4) and 5) above are subject to performance conditions.

These performance conditions are deemed to be met if at least two of the three following criteria are satisfied:

- the average ROE (Return On Equity) over the three years immediately preceding the year in which the officer retires is at least 12%;
- the average ROACE (Return On Average Capital Employed) over the three years immediately preceding the year in which the officer retires is at least 10%;
- The Company's oil and gas production growth over the three years immediately preceding the year in which the officer retires is greater than or equal to the average production growth of ExxonMobil, Shell, BP and Chevron.

8) In addition, the Company has the following pension commitments, (described in paragraph 2, above) as defined under French law, to Messrs. Tchuruk and Vaillaud:

- The Company has funded an annual supplementary pension for Mr. Tchuruk related to his previous employment by the Group of approximately €74,379 (December 31, 2009 value) indexed to the ARRCO index.
- The Company has funded supplementary pension for Mr. Vaillaud related to his previous employment by the Group of approximately €53,431 indexed to the ARRCO index.

9) At year end 2009, the total amount of the Group's pension commitments related to the directors of the Group is equal to €28.1 million.

Summary table as of February 28, 2010	Employment contract	Benefits or advantages due or likely to be due upon termination or change of office	Benefits related to a non-compete agreement	Benefits or advantages due or likely to be due after termination or change of office
<b>Thierry Desmarest</b> <b>Chairman of the Board of Directors</b> Member of the Board since May 1995 <sup>(a)</sup> Expiry of current term of office: May 21, 2010 Shareholders' Meeting	NO	NO	NO	YES (retirement benefit) <sup>(b)</sup> (supplementary pension plan also applicable to some Group employees)
<b>Christophe de Margerie</b> <b>Chief Executive Officer</b> Member of the Board since February 2007 Expiry of current term of office: The Shareholders' Meeting called in 2012 to approve the financial statements for the year ending December 31, 2011	NO	YES (termination benefit) <sup>(c)</sup>	NO	YES (retirement benefit) <sup>(c)</sup> (supplementary pension plan also applicable to some Group employees)

(a) Chairman and Chief Executive Officer until February 13, 2007, and Chairman of the Board of Directors since February 14, 2007.

(b) Payment subject to a performance condition in accordance with the decision of the Board of Directors on February 11, 2009.

(c) Payment subject to a performance condition in accordance with the decision of the Board of Directors on February 11, 2009, and confirmed by the Board of Directors on May 15, 2009.

## Stock options and restricted share grants policy

### ● General policy

Stock options and restricted share grants concern only TOTAL shares. No options for or restricted grants of shares of any of the Group's listed subsidiaries are awarded.

All plans are approved by the Board of Directors, based on recommendations by the Compensation Committee. For each plan, the Compensation Committee recommends a list of the beneficiaries and the number of options or restricted shares granted to each beneficiary. The Board of Directors then gives final approval for this list.

Stock options have a term of eight years, with an exercise price set at the average of the opening share prices during the twenty trading days prior to the award date, without any discount being applied. For the option plans established after 2002, options may only be exercised after an initial 2-year period and the shares issued upon exercise may not be transferred prior to the termination of an additional 2-year holding period. For the 2007, 2008 and 2009 share subscription option plans, the transfer or conversion to bearer shares of shares issued from the exercise of stock options, for the beneficiaries of an employment contract with a non-French subsidiary on the date of the award, can take place after the termination of the initial 2-year period.

Restricted share grants become final after a 2-year vesting period, subject to a continued employment condition and a performance condition based on the ROE of the Group. This performance

condition is defined in advance by the Board of Directors on recommendations by the Compensation Committee. At the end of this vesting period, and subject to the conditions set, the restricted share grants become final. However, these shares may not be transferred prior to the end of an additional 2-year mandatory holding period.

For the 2009 restricted share grant, the Board of Directors required that, for each beneficiary of more than 100 shares, half of the shares in excess of this number will be finally granted subject to a performance condition. This condition is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate:

- is equal to zero if the average ROE is less than or equal to 7%;
- varies on a straight-line basis between 0% and 100% if the average ROE is more than 7% and less than 18%; and
- is equal to 100% if the average ROE is more than or equal to 18%.

For the 2007 and 2008 Plans, the performance condition stated that the restricted shares finally granted was based on the ROE of the Group related to the fiscal year preceding the year of the final grant. The acquisition rate:

- is equal to zero if the ROE is less than or equal to 10%;
- varies on a straight-line basis between 0% and 80% if the ROE is more than 10% or less than 18%;
- varies on a straight-line basis between 80% and 100% if the ROE is more than or equal to 18% or less than 30%; and
- is equal to 100% if the ROE is more than or equal to 30%.



The grant of these options or restricted shares is used to complement, based upon individual performance assessments at the time of each plan, the Group-wide policy of developing employee shareholding (including savings plans, and capital increases reserved for employees) which allows employees to be more closely associated with the financial and share price performance of TOTAL (see pages 128 and 131 of this Registration Document).

### ● Grants to the Chairman, the Chief Executive Officer and executive officers

Pursuant to the provisions of French law No. 2006-1770 of December 30, 2006, the Board of Directors decided that, for the 2007, 2008 and 2009 share subscription option plans, the Chairman of the Board and the Chief Executive Officer will have to hold a number of TOTAL shares representing 50% of the capital gains, net of tax and related contributions, resulting from the exercise of stock options under these plans. Once the Chairman and the Chief Executive Officer hold a number of shares (including shares or interests in collective investment funds invested in Company securities) corresponding to more than five times their current gross annual fixed salary, this holding requirement will be reduced to 10%. If in the future this ratio is no longer met, the previous 50% holding requirement will once again apply.

The Chairman of the Board of Directors was not granted any share subscription options under the 2008 and 2009 plans.

In addition, the Chairman of the Board of Directors and the Chief Executive Officer were not granted any restricted shares under the 2006, 2007, 2008 and 2009 plans.

As part of the 2009 share subscription option plan, the Board of Directors required that, for the Chief Executive Officer, the number of share subscription options finally granted will be subject to two performance conditions:

- For 50% of the share subscription options granted, the first performance condition states that the number of options finally granted is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate is equal to zero if the average ROE is less than or equal to 7%, varies on a straight-line basis between 0% and 100% if the average ROE is more than 7% and less than

18%; and is equal to 100% if the average ROE is more than or equal to 18%.

- For 50% of the share subscription options granted, the second performance condition states that the number of options finally granted is related to the average ROACE of the Group as published by TOTAL. The average ROACE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate is equal to zero if the average ROACE is less than or equal to 6%, varies on a straight-line basis between 0% and 100% if the average ROACE is more than 6% and less than 15%, and is equal to 100% if the average ROACE is more than or equal to 15%.

In addition, as part of the 2009 share subscription option plan, the Board of Directors required that for each beneficiary other than the CEO of more than 25,000 options, one third of the options granted in excess of this number will be finally granted subject to a performance condition. This condition is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate:

- is equal to zero if the average ROE is less than or equal to 7%;
- varies on a straight-line basis between 0% and 100% if the average ROE is more than 7% and less than 18%; and
- is equal to 100% if the average ROE is more than or equal to 18%.

As part of the 2007 and 2008 share subscription option plans, the Board required that, for each beneficiary of more than 25,000 options, one third of the options granted in excess of this number be subject to a performance condition. This performance condition states that the final acquisition rate is based on the ROE of the Group. The ROE is calculated based on the consolidated accounts published by TOTAL and related to the fiscal year preceding the final grant. The acquisition rate:

- is equal to zero if the ROE is less than or equal to 10%;
- varies on a straight-line basis between 0% and 80% if the ROE is more than 10% or less than 18%;
- varies on a straight-line basis between 80% and 100% if the ROE is more than or equal to 18% or less than 30%; and
- is equal to 100% if the ROE is more than or equal to 30%.

## Summary table for the Chairman and the Chief Executive Officer (AFEP-MEDEF Code for corporate governance of listed companies)

### ● Summary of compensation, stock options and restricted shares granted to the Chairman and the Chief Executive Officer

For the year ended December 31,

(€)	2009	2008
<b>Thierry Desmarest</b> <b>Chairman of the Board of Directors</b>		
Compensation <sup>(a)</sup>	1,971,852	2,069,430
Value of options granted <sup>(b)</sup>	-	-
Value of restricted shares granted <sup>(c)</sup>	-	-
<b>Total</b>	<b>1,971,852</b>	<b>2,069,430</b>
<b>Christophe de Margerie</b> <b>Chief Executive Officer</b>		
Compensation <sup>(a)</sup>	2,673,771	2,808,395
Value of options granted <sup>(d)</sup>	1,676,000	998,000
Value of restricted shares granted <sup>(c)</sup>	-	-
<b>Total</b>	<b>4,349,771</b>	<b>3,806,395</b>

(a) Compensation detailed in the following table.

(b) The Chairman of the Board was not granted any share subscription options as part of the 2008 and 2009 plans.

(c) The Chairman and Chief Executive Officer were not granted any restricted shares as part of the 2008 and 2009 plans.

(d) Options granted in 2009 are detailed on page 116 of this Registration Document. The value of options granted was calculated on the day they were granted using the Black-Scholes model based on the assumptions used for the consolidated accounts (see Note 25 to the Consolidated Financial Statement).

### ● Compensation of the Chairman and the Chief Executive Officer

(€)	For the year ended 2009		For the year ended 2008	
	Amount due for 2009	Amount paid in 2009 <sup>(a)</sup>	Amount due for 2008	Amount paid in 2008 <sup>(a)</sup>
<b>Thierry Desmarest</b> <b>Chairman of the Board of Directors</b>				
Fixed compensation	1,100,000	1,100,000	1,100,000	1,100,000
Variable compensation <sup>(b)</sup>	871,852	969,430	969,430	1,112,199
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
In-kind benefits	-	-	-	-
<b>Total</b>	<b>1,971,852</b>	<b>2,069,430</b>	<b>2,069,430</b>	<b>2,212,199</b>
<b>Christophe de Margerie</b> <b>Chief Executive Officer</b>				
Fixed compensation	1,310,000	1,310,000	1,250,000	1,250,000
Variable compensation <sup>(c)</sup>	1,356,991	1,552,875	1,552,875	1,496,335
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
In-kind benefits <sup>(d)</sup>	6,780	6,780	5,520	5,520
<b>Total</b>	<b>2,673,771</b>	<b>2,869,655</b>	<b>2,808,395</b>	<b>2,751,855</b>

(a) Variable portion paid for prior fiscal year.

(b) The variable portion for the Chairman is calculated by taking into account the Group's return on equity during the relevant fiscal year, the Group's earnings compared to those of other major international oil companies, as well as the Chairman's personal contribution to the Group strategy, corporate governance and performance. The variable portion can reach a maximum amount of 100% of the fixed base salary. The objectives related to personal contribution were considered to be mostly met in 2009.

(c) The variable portion for the Chief Executive Officer is calculated by taking into account the Group's return on equity during the relevant fiscal year, the Group's earnings compared to those of other major international oil companies as well as the Chief Executive Officer's personal contribution based on operational target criteria. The variable portion can reach a maximum amount of 140% of the fixed base salary, which may be increased up to 165% for exceptional performance. The objectives related to personal contribution were considered to be mostly met in 2009.

(d) Mr. de Margerie has the use of a company car.

## ● Directors' fees and other compensation received by directors

Total compensation (including in-kind benefits) paid to each director in the year indicated (Article L. 225-102-1 of the French Commercial Code, 1<sup>st</sup> and 2<sup>nd</sup> paragraphs)

(€)	2009	2008
Thierry Desmarest	(a)	(a)
Christophe de Margerie	(a)	(a)
Patrick Artus	27,656 (b)	–
Patricia Barbizet	94,192 (c)	39,651 (d)
Daniel Boeuf	272,143 (e)	173,910 (e)
Daniel Bouton	60,000	40,000
Bertrand Collomb	75,000	55,000
Paul Desmarais Jr.	48,000	48,000
Bertrand Jacquillat	95,000	90,000
Antoine Jeancourt-Galignani	46,013 (f) (g)	95,000
Anne Lauvergeon	45,000	45,000
Peter Levene of Portsoken	69,000	41,000
Claude Mandil	55,000	27,568 (d)
Michel Pébereau	70,000	70,000
Thierry de Rudder	116,000	116,000
Serge Tchuruk	154,379 (h)	143,427 (h)
Pierre Vaillaud	80,773 (f) (i)	186,873 (i)

(a) For the Chairman of the Board of Directors and the Chief Executive Officer, see summary tables of compensation provided on pages 115 to 117 of this Registration Document. Thierry Desmarest and Christophe de Margerie received no directors' fees for their service on the Company's Board of Directors.

(b) Appointed as a director on May 15, 2009.

(c) Chairperson of the Audit Committee since July 28, 2009.

(d) Appointed as a director on May 16, 2008.

(e) Including the compensation received from Total Raffinage Marketing (a subsidiary of TOTAL S.A.), representing €123,910.48 in 2008 and €212,143 in 2009.

(f) Director until May 15, 2009.

(g) Chairman of the Audit Committee until May 15, 2009.

(h) Including pension payments related to previous employment by the Group, which amounted to €73,427 in 2008 and €74,379 in 2009.

(i) Including pension payments related to previous employment by the Group, which amounted to €141,873 in 2008 and €53,431 in 2009.

Over the past two years, the directors currently in office have not received any compensation or in-kind benefits from companies controlled by TOTAL S.A., except for Mr. Daniel Boeuf, who is an employee of Total Raffinage Marketing. The compensation indicated in the table above (except for that of the Chairman, the Chief Executive Officer and Messrs. Boeuf, Tchuruk and Vaillaud) consists solely of directors' fees (gross amount) paid during the relevant period. None of the Directors of TOTAL S.A. have service contracts which provide for benefits upon termination of employment.

## ● Stock options granted in 2009 to the Chairman and the Chief Executive Officer

	Date of plan	Type of options	Value of options (€) (a)	Number of options granted during fiscal year (b)	Exercise price (€)	Exercise period
<b>Thierry Desmarest</b> Chairman of the Board of Directors	2009 Plan 09/15/2009	Subscription options	–	–	–	–
<b>Total</b>			–	–		
<b>Christophe de Margerie</b> Chief Executive Officer	2009 Plan 09/15/2009	Subscription options	1,676,000	200,000	39.90	09/16/2011 09/15/2017
<b>Total</b>			<b>1,676,000</b>	<b>200,000</b>		

Detailed stock option plans for the Chairman and the Chief Executive Officer are provided on pages 121 and 122 of this Registration Document.

(a) The value of options granted was calculated on the day they were granted using the Black-Scholes model based on the assumptions used for the consolidated accounts (see Note 25 to the Consolidated Financial Statement).

(b) As part of the share subscription option plan awarded on September 15, 2009, the Board of Directors required that, for the Chief Executive Officer, the number of share subscription options finally granted after a 2-year vesting period will be subject to performance conditions (see page 114 of this Registration Document).

### ● Stock options exercised in 2009 by the Chairman and the Chief Executive Officer

Detailed stock option plans for the Chairman and the Chief Executive Officer are provided on pages 121 and 122 of this Registration Document.

	Date of plan	Number of options exercised during fiscal year	Exercise price (€)
<b>Thierry Desmarest</b> Chairman of the Board of Directors	2002 Plan 07/09/2002	45,000	39.03
<b>Total</b>		<b>45,000</b>	
<b>Christophe de Margerie</b> Chief Executive Officer	–	–	–
<b>Total</b>		<b>–</b>	

### ● Restricted share grants awarded in 2009 to the Chairman, the Chief Executive Officer or any director (conditional award)

	Date of plan	Number of shares granted during fiscal year	Value of shares granted (€)	Acquisition date	Availability date	Performance condition
<b>Thierry Desmarest</b> Chairman of the Board of Directors	2009 Plan 09/15/2009	–	–	–	–	–
<b>Christophe de Margerie</b> Chief Executive Officer	2009 Plan 09/15/2009	–	–	–	–	–
<b>Daniel Boeuf</b> Director representing the employee shareholders	2009 Plan 09/15/2009	–	–	–	–	–
<b>Total</b>		<b>–</b>	<b>–</b>			

### ● Restricted shares finally granted in 2009 to the Chairman, the Chief Executive Officer or any director

	Date of plan	Number of shares finally granted during fiscal year <sup>(a)</sup>	Acquisition condition
<b>Thierry Desmarest</b> Chairman of the Board of Directors	2007 Plan 07/17/2007	–	–
<b>Christophe de Margerie</b> Chief Executive Officer	2007 Plan 07/17/2007	–	–
<b>Daniel Boeuf</b> Director representing the employee shareholders	2007 Plan 07/17/2007	432	<sup>(b)</sup>
<b>Total</b>		<b>432</b>	

(a) Shares finally granted to the beneficiaries after a 2-year vesting period, i.e. on July 18, 2009.

(b) The acquisition rate, connected to the performance condition, was 100% (see page 125 of this Registration Document). Moreover, the transfer of the restricted shares finally granted will only be permitted after the end of a 2-year mandatory holding period, i.e. from July 18, 2011.

## TOTAL stock options plans

The following table gives a breakdown of stock options awarded by category of beneficiaries (executive officers, senior managers and other employees) for the plans in effect during 2009.

		Number of beneficiaries	Number of options awarded <sup>(a)</sup>	Percentage	Average number of options per beneficiary <sup>(a)</sup>
<b>2001 Plan <sup>(b) (c): Purchase options</sup></b>	Executive Officers <sup>(d)</sup>	21	295,350	11.0%	14,064
Decision of the Board on July 10, 2001	Senior managers	281	648,950	24.1%	2,309
Exercise price: €168.20; discount: 0.0%	Other employees	3,318	1,749,075	64.9%	527
Exercise price as of May 24, 2006: €41.47 <sup>(a)</sup>	<b>Total</b>	<b>3,620</b>	<b>2,693,375</b>	<b>100%</b>	<b>744</b>
<b>2002 Plan <sup>(e) (c): Purchase options</sup></b>	Executive Officers <sup>(d)</sup>	28	333,600	11.6%	11,914
Decision of the Board on July 9, 2002	Senior managers	299	732,500	25.5%	2,450
Exercise price: €158.30; discount: 0.0%	Other employees	3,537	1,804,750	62.9%	510
Exercise price as of May 24, 2006: €39.03 <sup>(a)</sup>	<b>Total</b>	<b>3,864</b>	<b>2,870,850</b>	<b>100%</b>	<b>743</b>
<b>2003 Plan <sup>(e) (c): Subscription options</sup></b>	Executive Officers <sup>(d)</sup>	28	356,500	12.2%	12,732
Decision of the Board on July 16, 2003	Senior managers	319	749,206	25.5%	2,349
Exercise price: €133.20; discount: 0.0%	Other employees	3,603	1,829,600	62.3%	508
Exercise price as of May 24, 2006: €32.84 <sup>(a)</sup>	<b>Total</b>	<b>3,950</b>	<b>2,935,306</b>	<b>100%</b>	<b>743</b>
<b>2004 Plan <sup>(e): Subscription options</sup></b>	Executive Officers <sup>(d)</sup>	30	423,500	12.6%	14,117
Decision of the Board on July 20, 2004	Senior managers	319	902,400	26.8%	2,829
Exercise price: €159.40; discount: 0.0%	Other employees	3,997	2,039,730	60.6%	510
Exercise price as of May 24, 2006: €39.30 <sup>(a)</sup>	<b>Total</b>	<b>4,346</b>	<b>3,365,630</b>	<b>100%</b>	<b>774</b>
<b>2005 Plan <sup>(e): Subscription options</sup></b>	Executive Officers <sup>(d)</sup>	30	370,040	24.3%	12,335
Decision of the Board on July 19, 2005	Senior managers	330	574,140	37.6%	1,740
Exercise price: €198.90; discount: 0.0%	Other employees	2,361	581,940	38.1%	246
Exercise price as of May 24, 2006: €49.04 <sup>(a)</sup>	<b>Total</b>	<b>2,721</b>	<b>1,526,120</b>	<b>100%</b>	<b>561</b>
<b>2006 Plan <sup>(e): Subscription options</sup></b>	Executive Officers <sup>(d)</sup>	28	1,447,000	25.3%	51,679
Decision of the Board on July 18, 2006	Senior managers	304	2,120,640	37.0%	6,976
Exercise price: €50.60; discount: 0.0%	Other employees	2,253	2,159,600	37.7%	959
	<b>Total</b>	<b>2,585</b>	<b>5,727,240</b>	<b>100%</b>	<b>2,216</b>
<b>2007 Plan <sup>(e) (f) (g): Subscription options</sup></b>	Executive Officers <sup>(d)</sup>	27	1,329,360	22.8%	49,236
Decision of the Board on July 17, 2007	Senior managers	298	2,162,270	37.1%	7,256
Exercise price: €60.10; discount: 0.0%	Other employees	2,401	2,335,600	40.1%	973
	<b>Total</b>	<b>2,726</b>	<b>5,827,230</b>	<b>100%</b>	<b>2,138</b>
<b>2008 Plan <sup>(e) (f): Subscription options</sup></b>	Executive Officers <sup>(d)</sup>	26	1,227,500	27.6%	47,212
Decision of the Board on September 9, 2008, and awarded on October 9, 2008	Senior managers	298	1,988,420	44.7%	6,673
Exercise price: €42.90; discount: 0.0%	Other employees	1,690	1,233,890	27.7%	730
	<b>Total</b>	<b>2,014</b>	<b>4,449,810</b>	<b>100%</b>	<b>2,209</b>
<b>2009 Plan <sup>(e) (f): Subscription options</sup></b>	Executive Officers <sup>(d)</sup>	26	1,201,500	27.4%	46,211
Decision of the Board on September 15, 2009	Senior managers	284	1,825,540	41.6%	6,428
Exercise price: €39.90; discount: 0.0%	Other employees	1,742	1,360,460	31.0%	781
	<b>Total</b>	<b>2,052</b>	<b>4,387,500</b>	<b>100%</b>	<b>2,138</b>

(a) To take into account the spin-off of Arkema, pursuant to Articles 174-9, 174-12 and 174-13 of Decree number 67-236 of March 23, 1967, effective at that time and as of the date of the shareholders' meeting on May 12, 2006, at its meeting of March 14, 2006, the Board of Directors resolved to adjust the rights of holders of TOTAL stock options. For each plan and each holder, the exercise prices for TOTAL stock options were multiplied by 0.986147 and the number of unexercised stock options was multiplied by 1.014048 (and then rounded up), effective as of May 24, 2006. In addition, to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006, the exercise price for stock options was divided by four and the number of unexercised stock options was multiplied by four. The presentation in this table of the number of options initially awarded has not been adjusted to reflect the four-for-one stock split.

(b) Options are exercisable after January 1, 2005, subject to a continued employment condition, and expire eight years after the date of the Board meeting awarding the options and expire eight years after this date. The underlying shares may not be transferred during the 4-year period from the date of the Board meeting awarding the options. The continued employment condition states that the termination of the employment contract will also terminate the grantee's right to exercise the options.

(c) Certain employees of the Elf Aquitaine group in 1998 also benefited in 2000, 2001, 2002 and 2003 from the vesting of Elf Aquitaine options awarded in 1998 subject to performance conditions related to the Elf Aquitaine group from 1998 to 2002. These Elf Aquitaine plans expired on March 31, 2005.

(d) Members of the Management Committee and the Treasurer as of the date of the Board meeting awarding the options. The Chairman of the Board has no longer been a member of the Management Committee since February 14, 2007. The Chairman of the Board of Directors was granted 110,000 options in 2007 and no options in 2008 and 2009.

(e) Options are exercisable, subject to a continued employment condition, after a 2-year vesting period from the date of the Board meeting awarding the options (except for the 2008 plan) and expire eight years after this date. The underlying shares may not be transferred during the 4-year period from the date of the Board meeting awarding the options. The continued employment condition states that the termination of the employment contract will also terminate the grantee's right to exercise the options.

(f) The 4-year transfer restriction period does not apply to employees of non-French subsidiaries as of the date of the grant, who may transfer the underlying shares after a 2-year period from the date of the grant.

(g) For the 2007 plan, the options acquisition rate, connected to the performance condition, was 100%.

## TOTAL stock options as of December 31, 2009

### ● Outstanding TOTAL stock options plans

Type of options	2001 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	Total
	Purchase options	Purchase options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	
Date of the Shareholders' Meeting	05/17/2001	05/17/2001	05/17/2001	05/14/2004	05/14/2004	05/14/2004	05/11/2007	05/11/2007	05/11/2007	
Date of the award <sup>(a)</sup>	07/10/2001	07/09/2002	07/16/2003	07/20/2004	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	
<b>Total number of options granted, including <sup>(b)</sup>:</b>	<b>10,773,500</b>	<b>11,483,400</b>	<b>11,741,224</b>	<b>13,462,520</b>	<b>6,104,480</b>	<b>5,727,240</b>	<b>5,937,230</b>	<b>4,449,810</b>	<b>4,387,500</b>	<b>74,066,904</b>
directors <sup>(c)</sup>										
• T. Desmarest	300,000	240,000	240,000	240,000	240,720	400,720	310,840	200,660	200,000	2,372,940
• C. de Margerie	300,000	240,000	240,000	240,000	240,000	240,000	110,000	-	-	1,610,000
• D. Boeuf	n/a	n/a	n/a	n/a	n/a	160,000	200,000	200,000	200,000	760,000
	n/a	n/a	n/a	-	720	720	840	660	-	2,940
<b>Additional award</b>	<b>16,000</b>	<b>-</b>	<b>-</b>	<b>24,000</b>	<b>134,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,400</b>
<b>Adjustments related to the spin-off of Arkema <sup>(d)</sup></b>	<b>113,704</b>	<b>165,672</b>	<b>163,180</b>	<b>196,448</b>	<b>90,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>729,284</b>
Date as of which the options may be exercised	01/01/2005	07/10/2004	07/17/2005	07/21/2006	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	
Expiration date	07/10/2009	07/09/2010	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	
Exercise price (€) <sup>(e)</sup>	41.47	39.03	32.84	39.30	49.04	50.60	60.10	42.90	39.90	
<b>Cumulative number of options exercised as of December 31, 2009</b>	<b>6,156,019</b>	<b>5,615,101</b>	<b>4,996,833</b>	<b>908,976</b>	<b>38,497</b>	<b>8,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cumulative number of options cancelled as of December 31, 2009</b>	<b>4,747,185</b>	<b>98,710</b>	<b>95,942</b>	<b>278,283</b>	<b>105,223</b>	<b>72,934</b>	<b>65,565</b>	<b>8,180</b>	<b>10,610</b>	
<b>Number of options:</b>										
• outstanding as of January 1, 2009	4,691,426	6,450,857	7,501,348	12,767,177	6,191,704	5,651,056	5,885,445	4,443,810	-	53,582,823
• granted in 2009 <sup>(f)</sup>	-	-	-	-	-	-	-	-	4,387,620	4,387,620
• cancelled in 2009	(4,650,446)	(7,920)	(8,020)	(18,387)	(6,264)	(5,370)	(13,780)	(2,180)	(10,610)	(4,722,977)
• exercised in 2009	(40,980)	(507,676)	(681,699)	(253,081)	-	-	-	-	-	(1,483,436)
<b>• outstanding as of December 31, 2009</b>	<b>-</b>	<b>5,935,261</b>	<b>6,811,629</b>	<b>12,495,709</b>	<b>6,185,440</b>	<b>5,645,686</b>	<b>5,871,665</b>	<b>4,441,630</b>	<b>4,377,010</b>	<b>51,764,030</b>

(a) The date of the award is the date of the Board meeting awarding the options, except for the share subscription option plan of October 9, 2008, decided by the Board on September 9, 2008.



- (b) The number of options awarded before May 23, 2006, has been multiplied by four to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.
- (c) Options awarded to directors at the time of award.
- (d) Adjustments approved by the Board on its meeting on March 14, 2006 pursuant to Articles 174-9, 174-12 and 174-13 of Decree No. 67-236 dated March 23, 1967 in effect at the time of the Board meeting as well as at the time of the Shareholders' Meeting on May 12, 2006, related to the spin-off of Arkema. These adjustments have been made on May 22, 2006 with an effective date of May 24, 2006.
- (e) Exercise price as of May 24, 2006. To take into account the four-for-one stock split that took place on May 18, 2006, the exercise price of stock options from plans then effective has been divided by four. In addition, to take into account the spin-off of Arkema, the exercise price of stock options was multiplied by an adjustment ratio of 0.986147, effective as of May 24, 2006. Exercise prices prior to May 24, 2006, are shown on pages 236 to 238 of this Registration Document.
- (f) For the 2007 plan, the options acquisition rate, connected to the performance condition, was 100%.

If all the outstanding stock options as of December 31, 2009 were exercised, the corresponding shares would represent 2.16% <sup>1</sup> of the Company's potential share capital as of such date.

### ● TOTAL stock options awarded to executive officers (Management Committee and Treasurer) as of December 31, 2009

Type of options	2001 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	Total
	Purchase options	Purchase options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	
Expiration date	07/10/2009	07/09/2010	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	
Exercise price (€) <sup>(a)</sup>	41.47	39.03	32.84	39.30	49.04	50.60	60.10	42.90	39.90	
<b>Options granted by the Board <sup>(b)</sup></b>	<b>492,000</b>	<b>560,200</b>	<b>635,704</b>	<b>796,800</b>	<b>689,680</b>	<b>823,720</b>	<b>1,000,840</b>	<b>1,101,200</b>	<b>1,169,800</b>	<b>7,269,944</b>
<b>Adjustments related to the spin-off of Arkema <sup>(c)</sup></b>	<b>3,254</b>	<b>7,568</b>	<b>8,120</b>	<b>11,248</b>	<b>9,608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,798</b>
Options outstanding as of January 1, 2009	182,268	243,232	338,337	795,048	699,416	823,720	1,000,840	1,101,200	-	5,184,061
Options awarded in 2009 <sup>(d)</sup>	-	-	-	-	-	-	-	-	1,169,800	1,169,800
Options exercised in 2009	-	-	(47,000)	(90,000)	-	-	-	-	-	(137,000)
<b>Options outstanding as of December 31, 2009</b>	<b>-</b>	<b>243,232</b>	<b>291,337</b>	<b>705,048</b>	<b>699,416</b>	<b>823,720</b>	<b>1,000,840</b>	<b>1,101,200</b>	<b>1,169,800</b>	<b>6,034,593</b>

- (a) Exercise price as of May 24, 2006. To take into account the four-for-one stock split that took place on May 18, 2006, the exercise price of stock options from plans then effective has been divided by four. In addition, to take into account the spin-off of Arkema, the exercise price of stock options was multiplied by an adjustment ratio of 0.986147, effective as of May 24, 2006. Exercise prices prior to May 24, 2006, are shown on pages 236 to 238 of this Registration Document.
- (b) The number of options awarded before May 23, 2006, has been multiplied by four to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.
- (c) Adjustments approved by the Board on its meeting on March 14, 2006 pursuant to Articles 174-9, 174-12 and 174-13 of Decree No. 67-236 dated March 23, 1967 in effect at the time of the Board meeting and at the time of the Shareholders' Meeting on May 12, 2006, related to the spin-off of Arkema. These adjustments have been made on May 22, 2006 with an effective date of May 24, 2006.
- (d) The number of options awarded in 2009 to executive officers, having this title as of December 31, 2009, does not match the amount shown on page 118 of this Registration Document, due to changes among the executive officers after the date the Board decided the share option plan.

As part of the 2007, 2008 and 2009 share subscription option plans, the Board of Directors required that for each beneficiary of more than 25,000 options, one third of the options granted in excess of this number be subject to a performance condition (see page 114 of this Registration Document). For the 2007 plan, the options acquisition rate, connected to the performance condition, was 100%.

In addition, Mr. Daniel Boeuf, the director representing employee shareholders, has not exercised any option in 2009 and has not been awarded any share subscription option by the 2009 plan.

<sup>1</sup> Out of a total potential share capital of 2,394,251,653 shares (see page 169 of this Registration Document).

● **TOTAL stock options awarded to Mr. Thierry Desmarest, Chairman of the Board of TOTAL S.A.**

	2001 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	Total
Type of options	Purchase options	Purchase options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	
Expiration date	07/10/2009	07/09/2010	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	
Exercise price (€) <sup>(a)</sup>	41.47	39.03	32.84	39.30	49.04	50.60	60.10	42.90	39.90	
<b>Options granted by the Board <sup>(b)</sup></b>	<b>300,000</b>	<b>240,000</b>	<b>240,000</b>	<b>240,000</b>	<b>240,000</b>	<b>240,000</b>	<b>110,000</b>	<b>-</b>	<b>-</b>	<b>1,610,000</b>
<b>Adjustments related to the spin-off of Arkema <sup>(c)</sup></b>	<b>2,532</b>	<b>3,372</b>	<b>2,476</b>	<b>3,372</b>	<b>3,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,124</b>
Options outstanding as of January 1, 2009	-	70,372	-	243,372	243,372	240,000	110,000	-	-	907,116
Options awarded in 2009	-	-	-	-	-	-	-	-	-	-
Options exercised in 2009	-	(45,000)	-	-	-	-	-	-	-	(45,000)
<b>Options outstanding as of December 31, 2009</b>	<b>-</b>	<b>25,372</b>	<b>-</b>	<b>243,372</b>	<b>243,372</b>	<b>240,000</b>	<b>110,000</b>	<b>-</b>	<b>-</b>	<b>862,116</b>

(a) Exercise price as of May 24, 2006. To take into account the four-for-one stock split that took place on May 18, 2006, the exercise price of stock options from plans then effective has been divided by four. In addition, to take into account the spin-off of Arkema, the exercise price of stock options was multiplied by an adjustment ratio of 0.986147, effective as of May 24, 2006. Exercise prices prior to May 24, 2006, are shown on pages 236 to 238 of this Registration Document.

(b) The number of options awarded before May 23, 2006, has been multiplied by four to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.

(c) Adjustments approved by the Board on its meeting on March 14, 2006 pursuant to Articles 174-9, 174-12 and 174-13 of Decree No. 67-236 dated March 23, 1967 in effect at the time of the Board meeting and at the time of the Shareholders' Meeting on May 12, 2006, related to the spin-off of Arkema. These adjustments have been made on May 22, 2006 with an effective date of May 24, 2006.

As part of the 2007 plan, the Board has conditioned the award of these options to the Chairman of the Board on the fulfillment of a performance condition (see page 114 of this Registration Document). For the 2007 plan, the options acquisition rate, connected to the performance condition, was 100%.

The Chairman of the Board of Directors' outstanding options as of December 31, 2009, represent 0.036% <sup>1</sup> of the Company's potential share capital as of such date.

1. Out of a total potential share capital of 2,394,251,653 shares (see page 169 of this Registration Document).

● **TOTAL stock options awarded to Mr. Christophe de Margerie, Chief Executive Officer of TOTAL S.A.**

	2001 Plan	2002 Plan	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	Total
Type of options	Purchase options	Purchase options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	
Expiration date	07/10/2009	07/09/2010	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	
<b>Exercise price (€) <sup>(a)</sup></b>	41.47	39.03	32.84	39.30	49.04	50.60	60.10	42.90	39.90	
<b>Options granted by the Board <sup>(b)</sup></b>	88,000	112,000	112,000	128,000	130,000	160,000	200,000	200,000	200,000	1,330,000
<b>Adjustments related to the spin-off of Arkema <sup>(c)</sup></b>	1,240	1,576	1,576	1,800	1,828	-	-	-	-	8,020
Options outstanding as of January 1, 2009	89,240	113,576	113,576	129,800	131,828	160,000	200,000	200,000	-	1,138,020
Options awarded in 2009	-	-	-	-	-	-	-	-	200,000	200,000
Options exercised in 2009	-	-	-	-	-	-	-	-	-	-
<b>Options outstanding as of December 31, 2009</b>	-	113,576	113,576	129,800	131,828	160,000	200,000	200,000	200,000	1,248,780

(a) Exercise price as of May 24, 2006. To take into account the four-for-one stock split that took place on May 18, 2006, the exercise price of stock options from plans then effective has been divided by four. In addition, to take into account the spin-off of Arkema, the exercise price of stock options was multiplied by an adjustment ratio of 0.986147, effective as of May 24, 2006. Exercise prices prior to May 24, 2006, are shown on pages 236 to 238 of this Registration Document.

(b) The number of options awarded before May 23, 2006, has been multiplied by four to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.

(c) Adjustments approved by the Board on its meeting on March 14, 2006 pursuant to Articles 174-9, 174-12 and 174-13 of Decree No. 67-236 dated March 23, 1967 in effect at the time of the Board meeting and at the time of the Shareholders' Meeting on May 12, 2006, related to the spin-off of Arkema. These adjustments have been made on May 22, 2006 with an effective date of May 24, 2006.

As part of the 2007, 2008 and 2009 plans, the Board has conditioned the award of these options to the Chief Executive Officer on the fulfillment of performance conditions (see page 114 of this Registration Document). For the 2007 plan, the options acquisition rate, connected to the performance condition, was 100%.

The Chief Executive Officer' outstanding options as of December 31, 2009 represent 0.052%<sup>1</sup> of the Company's potential share capital as of such date.

1. Out of a total potential share capital of 2,394,251,653 shares (see page 169 of this Registration Document).

● **Stock options awarded to the ten employees (other than directors) receiving the largest awards / Stock options exercised by the ten employees (other than directors) exercising the largest number of options**

	Total number of options awarded/ options exercised	Exercise price (€)	Date of the award <sup>(a)</sup>	Expiration date
Options awarded in 2009 to the ten employees of TOTAL S.A., or any company in the Group, receiving the largest number of options	659,000	39.90	09/15/2009	09/15/2017
Options exercised in 2009 by the ten employees of TOTAL S.A., or any company in the Group, exercising the largest number of options <sup>(b)</sup>	10,000 52,100 115,431 102,172	41.47 39.03 32.84 39.30	07/10/2001 07/09/2002 07/16/2003 07/20/2004	07/10/2009 07/09/2010 07/16/2011 07/20/2012
	<b>279,703</b>	<b>36.66 <sup>(c)</sup></b>		

(a) The date of the award is the date of the Board meeting awarding the options.

(b) Exercise price as of May 24, 2006. To take into account the four-for-one stock split that took place on May 18, 2006, the exercise price of stock options from plans then effective has been divided by four. In addition, to take into account the spin-off of Arkema, the exercise price of stock options was multiplied by an adjustment ratio of 0.986147, effective as of May 24, 2006. Exercise prices prior to May 24, 2006, are shown on pages 236 to 238 of this Registration Document.

(c) Weighted-average price.

## TOTAL restricted share grants

The following table gives a breakdown of restricted share grants by category of grantee (executive officers, senior managers and other employees).

		Number of beneficiaries	Number of restricted shares granted <sup>(a)</sup>	Percentage	Average number of restricted shares per beneficiary
<b>2005 Plan <sup>(b)</sup></b>	Executive officers <sup>(c)</sup>	29	13,692	2.4%	472
Decision of the Board on July 19, 2005	Senior managers	330	74,512	13.1%	226
	Other employees <sup>(d)</sup>	6,956	481,926	84.5%	69
	<b>Total</b>	<b>7,315</b>	<b>570,130</b>	<b>100%</b>	<b>78</b>
<b>2006 Plan <sup>(b)</sup></b>	Executive officers <sup>(c)</sup>	26	49,200	2.2%	1,892
Decision of the Board on July 18, 2006	Senior managers	304	273,832	12.0%	901
	Other employees <sup>(d)</sup>	7,509	1,952,332	85.8%	260
	<b>Total</b>	<b>7,839</b>	<b>2,275,364</b>	<b>100%</b>	<b>290</b>
<b>2007 Plan <sup>(b)</sup></b>	Executive officers <sup>(c)</sup>	26	48,928	2.1%	1,882
Decision of the Board on July 17, 2007	Senior managers	297	272,128	11.5%	916
	Other employees <sup>(d)</sup>	8,291	2,045,309	86.4%	247
	<b>Total</b>	<b>8,614</b>	<b>2,366,365</b>	<b>100%</b>	<b>275</b>
<b>2008 Plan</b>	Executive officers <sup>(c)</sup>	25	49,100	1.8%	1,964
Decision of the Board on September 9, 2008, and awarded on October 9, 2008	Senior managers	300	348,156	12.5%	1,161
	Other employees <sup>(d)</sup>	9,028	2,394,712	85.8%	265
	<b>Total</b>	<b>9,353</b>	<b>2,791,968</b>	<b>100%</b>	<b>299</b>
<b>2009 Plan</b>	Executive officers <sup>(c)</sup>	25	48,700	1.6%	1,948
Decision of the Board on September 15, 2009	Senior managers	284	329,912	11.1%	1,162
	Other employees <sup>(d)</sup>	9,693	2,593,406	87.3%	268
	<b>Total</b>	<b>10,002</b>	<b>2,972,018</b>	<b>100%</b>	<b>297</b>

(a) The number of restricted shares granted shown in this table has not been recalculated to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.

(b) For the 2005, 2006 and 2007 plans, the acquisition rates of the shares granted, related to the performance conditions, were 100%.

(c) Members of the Management Committee and the Treasurer as of the date of the Board meeting granting the restricted shares. The Chairman of the Board and the Chief Executive Officer were not granted any restricted shares.

(d) Mr. Daniel Boeuf, employee of Total Raffinage Marketing, a subsidiary of TOTAL S.A. and the director of TOTAL S.A. representing employee shareholders, was granted 416 restricted shares in 2005, 416 restricted shares in 2006, 432 restricted shares in 2007 and 588 shares in 2008. Mr Boeuf was not granted any restricted shares in 2009.

The shares, previously bought back by the Company on the market, are finally granted to their beneficiaries after a 2-year vesting period from the date of the grant. This final grant is subject to continued employment and condition performances (see page 113 of this Registration Document). Moreover, the transfer of the restricted shares will not be permitted until the end of a 2-year mandatory holding period.

## Restricted share plans as of December 31, 2009

### ● Outstanding TOTAL restricted share grants

	2005 Plan <sup>(a)</sup>	2006 Plan	2007 Plan	2008 Plan	2009 Plan
<b>Date of the Shareholders' Meeting</b>	05/17/2005	05/17/2005	05/17/2005	05/16/2008	<b>05/16/2008</b>
<b>Date of grant <sup>(b)</sup></b>	07/19/2005	07/18/2006	07/17/2007	10/09/2008	<b>09/15/2009</b>
Closing price on the date of the award <sup>(c)</sup>	52.13 €	50.40 €	61.62 €	35.945 €	<b>41.615 €</b>
Average repurchase price per share paid by the Company	51.62 €	51.91 €	61.49 €	41.63 €	<b>38.54 €</b>
Total number of restricted shares granted, including to:	2,280,520	2,275,364	2,366,365	2,791,968	<b>2,972,018</b>
● directors <sup>(d)</sup>	416	416	432	588	<b>0</b>
● ten employees with largest grants <sup>(e)</sup>	20,000	20,000	20,000	20,000	<b>20,000</b>
Start of the vesting period:	07/19/2005	07/18/2006	07/17/2007	10/09/2008	<b>09/15/2009</b>
Date of final grant, subject to specific condition (end of the vesting period)	07/20/2007	07/19/2008	07/18/2009	10/10/2010	<b>09/16/2011</b>
Transfer possible from (end of the mandatory holding period)	07/20/2009	07/19/2010	07/18/2011	10/10/2012	<b>09/16/2013</b>
<b>Number of restricted shares:</b>					
● Outstanding as of January 1, 2009	–	–	2,333,217	2,772,748	
● Granted in 2009	–	–	–	–	<b>2,972,018</b>
● Cancelled in 2009	1,928 <sup>(h)</sup>	2,922 <sup>(h)</sup>	(12,418)	(9,672)	<b>(5,982)</b>
● Finally granted in 2009 <sup>(f)</sup> <sup>(g)</sup>	(1,928) <sup>(h)</sup>	(2,922) <sup>(h)</sup>	(2,320,799)	(600)	<b>–</b>
● Outstanding as of December 31, 2009	–	–	–	2,762,476	<b>2,966,036</b>

(a) The number of restricted shares granted has been multiplied by four to take into account the four-for-one stock split approved by TOTAL Shareholders' Meeting on May 12, 2006.

(b) The date of the award is the date of the Board meeting awarding the restricted share grant, except for the restricted shares awarded on October 9, 2008, decided by the Board on September 9, 2008.

(c) To take into account the four-for-one stock split in May 18, 2006, the closing price for TOTAL shares on July 19, 2005, (€208.50) has been divided by four.

(d) The Chairman of the Board of Directors was not granted any restricted shares under the 2005, 2006, 2007, 2008 and 2009 plans. Furthermore, Mr. de Margerie, director of TOTAL S.A. since May 12, 2006, and Chief Executive Officer of TOTAL S.A. since February 14, 2007, was not granted any restricted shares under the 2006, 2007, 2008 and 2009 plans. The Chief Executive Officer was finally granted on July 20, 2007, the 2,000 restricted shares he had been granted by the 2005 plan since he was not a director of TOTAL S.A. as of the date of the grant. Furthermore, Mr. Boeuf, the director of TOTAL S.A. representing employee shareholders, was finally granted on July 18, 2009, the 432 shares he had been granted by the 2007 plan and was not granted any restricted shares by the 2009 plan.

(e) Employees of TOTAL S.A., or of any Group company, who were not directors of TOTAL S.A. as of the date of grant.

(f) For the 2008 plan, final grants following the death of the beneficiary.

(g) For the 2007 plan, the acquisition rate, related to the performance condition, was 100%.

(h) Restricted shares finally granted for which the entitlement right had been cancelled erroneously.

In case of a final award of the outstanding restricted shares as of December 31, 2009, the corresponding shares would represent 0.24%<sup>1</sup> of the Company's potential share capital as of such date.

1. Out of a total potential share capital of 2,394,251,653 shares (see page 169 of this Registration Document).



- **TOTAL restricted shares finally granted, following the decision by the Board meeting of September 15, 2009, to the ten employees (other than directors) receiving the largest number of grants / TOTAL restricted share grants finally granted following the restricted share plan approved by the Board meeting on July 17, 2007, to the ten employees (other than directors) receiving the largest number of shares**

	Restricted share grants / Shares finally granted	Date of the award	Date of the final grant	End of the holding period
TOTAL restricted share grants decided by the Board meeting on September 15, 2009 to the ten employees (other than directors) receiving the largest amount of grants <sup>(a)</sup>	20,000	09/15/2009	09/16/2011	09/16/2013
TOTAL restricted share grants finally granted in 2009 following the restricted share plan approved by the Board meeting on July 17, 2007, to the ten employees (other than directors) receiving the largest amount of shares <sup>(b)</sup>	20,000	07/17/2007	07/18/2009	07/18/2011

(a) Grant approved by the Board on September 15, 2009. Grants of these restricted shares will become final, subject to a performance condition, after a 2-year vesting period, i.e. on September 16, 2011 (see page 113 of this Registration Document). Moreover, the transfer of the restricted shares will not be permitted until the end of a 2-year mandatory holding period, i.e. on September 16, 2013.

(b) Grant approved by the Board on July 17, 2007. Grants of these restricted shares will become final, subject to a performance condition, after a 2-year vesting period, i.e. on July 18, 2009 (see page 113 of this Registration Document). The acquisition rate of the shares granted, connected to the performance condition, was 100%. Moreover, the transfer of the restricted shares will not be permitted until the end of a 2-year mandatory holding period, i.e. from July 18, 2011.

## Elf Aquitaine share subscription options

### ● Elf Aquitaine stock options of Executive Officers (Members of the Management Committee and the Treasurer) as of December 31, 2009

Certain executive officers of TOTAL as of December 31, 2009, who were previously with the Elf Aquitaine group hold Elf Aquitaine options that, upon exercise, benefited from exchange rights for TOTAL shares based upon the exchange ratio used in the public tender offer of TOTAL for Elf Aquitaine in 1999.

This exchange ratio was adjusted on May 22, 2006, as described in Note 25 to the Consolidated Financial Statements.

As of December 31, 2009, the exchange guarantee is no longer in effect and Elf Aquitaine share subscription option plans have expired. Therefore, no Elf Aquitaine shares are covered by the exchange guarantee as of December 31, 2009.

Elf Aquitaine share subscription plan	1999 Plan n°1
Exercise price per Elf Aquitaine share (€) <sup>(a)</sup>	114.76
Expiration date	03/30/2009
Options awarded	14,880
Adjustments related to the spin-off of S.D.A. <sup>(b)</sup>	42
Options outstanding as of January 1, 2009	1,406
Options exercised in 2009	1,406
Options outstanding as of December 31, 2009	-
<b>Corresponding number of TOTAL shares, as of December 31, 2009, likely to be created pursuant to the exchange guarantee</b>	<b>-</b>

*(a) Exercise price as of May 24, 2006. To take into account the spin-off of S.D.A. (Société de Développement Arkema) by Elf Aquitaine, the exercise price for Elf Aquitaine share subscription options was multiplied the exercise price was multiplied by an adjustment ratio of 0.992769, effective as of May 24, 2006.*

*(b) Adjustments approved by the Board of Elf Aquitaine on March 10, 2006, pursuant to Articles 174-9, 174-12 and 174-13 of Decree No. 67-236 dated March 23, 1967, in effect at the time of this meeting and at the time of the Shareholders' Meeting of Elf Aquitaine on May 10, 2006, related to the spin-off of S.D.A. These adjustments have been made on May 22, 2006 with an effective date of May 24, 2006.*

## ► Employees, share ownership

### ■ Employees

The tables below set forth the number of employees, by division and geographic location, of the Group (fully-consolidated subsidiaries) as of the end of the periods indicated:

	Upstream	Downstream	Chemicals	Corporate	Total
<b>2009</b>	<b>16,628</b>	<b>33,760</b>	<b>44,667</b>	<b>1,332</b>	<b>96,387</b>
2008	16,005	34,040	45,545	1,369	96,959
2007	15,182	34,185	45,797	1,278	96,442

	France	Rest of Europe	Rest of world	Total
<b>2009</b>	<b>36,407</b>	<b>26,299</b>	<b>33,681</b>	<b>96,387</b>
2008	37,101	27,495	32,363	96,959
2007	37,296	27,374	31,772	96,442

### ■ Arrangements for involving employees in the Company's share capital

Pursuant to agreements signed on March 15, 2002, as amended, the Group created a "Total Group Savings Plan" (PEGT), a "Partnership for Voluntary Wage Savings Plan" (PPESV, later becoming PERCO) and a "Complementary Company Savings Plan" (PEC) for employees of the Group's French companies. These plans allow investments in a number of mutual funds including one invested in Company shares ("TOTAL ACTIONNARIAT FRANCE"). A "Shareholder Group Savings Plan" (PEG-A) has also been in place since November 19, 1999, to facilitate capital increases reserved for employees of the Group's French and foreign subsidiaries covered by these plans.

#### ● Company savings plans

The various Company savings plans (PEGT, PEC) give the employees of the Group's French companies belonging to these savings plans access to several collective investment funds (*Fonds communs de placement*), including a Fund invested in shares of the Company ("TOTAL ACTIONNARIAT FRANCE").

The capital increases reserved for employees are conducted under PEG-A through the "TOTAL ACTIONNARIAT FRANCE" fund for employees of the Group's French subsidiaries and through the "TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION" fund for the employees of foreign subsidiaries. In addition, U.S. employees participate in these operations through ADRs and Italian employees may participate by directly subscribing to new shares at the Group Caisse Autonome in Belgium.

#### ● Incentive agreements

Performance indicators used under the June 26, 2009, profit-sharing agreements for employees of ten Group companies, when permitted by local law, link amounts available for profit sharing to the performance (ROE) of the Group as a whole (see page 174 of this Registration Document).

## ● Employee shareholding

The total number of TOTAL shares held by employees as of December 31, 2009, is as follows:

TOTAL ACTIONNARIAT FRANCE	71,010,179
TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION	16,267,110
ELF PRIVATISATION No.1	1,208,239
Shares held by U.S. employees	735,391
Group Caisse Autonome (Belgium)	310,169
TOTAL shares from the exercise of the Company's stock options and held as registered shares within a Company Savings Plan (PEE) <sup>(a)</sup>	3,207,451
<b>Total shares held by employee shareholder funds</b>	<b>92,738,539</b>

(a) Company savings plans.

As of December 31, 2009, Group employees held, on the basis of the definition of employee shareholding contained in Article L. 225-102 of the French Commercial Code, 92,738,539 TOTAL shares, representing 3.95% of the Company's share capital and 7.48% of the voting rights that could be exercised at a Shareholders' Meeting on that date.

## ● Capital increase reserved for employees

At the Shareholders' Meeting held on May 11, 2007, the shareholders delegated to the Board of Directors the authority to increase the share capital of the Company in one or more transactions and within a maximum period of twenty-six months from the date of the meeting, by an amount not exceeding 1.5% of the share capital outstanding on the date of the meeting of the Board of Directors at which a decision to proceed with an issuance is made, reserving subscriptions for such issuance to the Group employees participating in a company savings plan. It was specified that the amount of any such capital increase reserved for Group employees would be counted against the aggregate maximum nominal amount of share capital increases authorized by the Shareholders' Meeting held on May 11, 2007 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with pre-emptive subscription rights (par value €4 billion). This delegation of authority has cancelled and replaced, for the unused part, the one granted by the Shareholders' Meeting on May 17, 2005.

Pursuant to this delegation of authority, the Board of Directors decided on November 6, 2007, to proceed with a capital increase of a maximum of 12 million shares with a subscription price of €44.40 per share reserved for TOTAL employees, bearing dividends as of January 1, 2007. In accordance with Article 14 of the French Financial Markets Authority (*Autorité des marchés financiers*, AMF) instruction No. 2005-11 as of December 13, 2005, regarding the information to be disclosed in case of a capital increase operation, TOTAL S.A. released on January 16, 2008, on its website and filed with the AMF a press release which specified the terms of the offering. The offering was opened to the employees of TOTAL S.A. and to the employees of its French and foreign subsidiaries in which TOTAL S.A. holds directly or indirectly 50% at least of the capital, who are participants in the TOTAL Group Savings Plan (PEG-A) and for which local regulatory approval was obtained. The offering was also open to former employees of TOTAL S.A. and its

French subsidiaries who have retired and still have holdings in TOTAL employee savings plans. Subscription was open from March 10, 2008, through March 28, 2008, and 4,870,386 new TOTAL shares were issued in 2008.

The management of each of the three employee collective investment funds (*Fonds Commun de Placement d'Entreprise*) mentioned above is controlled by a dedicated supervisory board, two thirds of its members representing holders of fund units and one third representing the Company. This board is responsible for: reviewing the collective investment funds' management report and annual financial statements as well as the financial, administrative and accounting management; exercising voting rights attached to portfolio securities; deciding contribution of securities in case of a public tender offer; deciding mergers, spin-offs or liquidation; and granting its approval prior to changes in the rules and procedures of the collective investment fund in the conditions provided for by the rules and procedures.

These rules and procedures also stipulate a simple majority vote for decisions, except for decisions requiring a qualified majority vote of two thirds plus one related to a change in a fund's rules and procedures, its conversion or its disposal, and decisions related to contribution of securities of the Elf Privatisation collective investment fund in case of a public tender offer.

For employees holding shares outside of the employee collective investment funds mentioned in the chart above, voting rights are exercised individually.

## ■ Shares held by Directors and Executive Officers

As of December 31, 2009, based upon information from the members of the Board and the share registrar, the members of the Board and the Group Executive Officers (Management Committee and Treasurer) held a total of less than 0.5% of the share capital:

- Members of the Board of Directors (including the Chairman and the Chief Executive Officer): 558,086 shares;

- Chairman of the Board of Directors: 380,576 shares;
- Chief Executive Officer: 85,230 shares and 43,714 shares of the TOTAL ACTIONNARIAT FRANCE collective investment plan;
- Management Committee (including the Chief Executive Officer) and Treasurer: 542,935 shares.

By decision of the Board of Directors:

- The Chairman and Chief Executive Officer are required to hold a number of shares of the Company equal in value to two years of the fixed portion of their annual compensation.

- Members of the Executive Committee are required to hold a number of shares of the Company equal in value to two years of the fixed portion of their annual compensation. These shares have to be acquired within three years from the appointment to the Executive Committee.

The number of TOTAL shares to be considered includes:

- directly held shares, whether or not they are subject to transfer restrictions; and
- shares in collective investment funds (FCPE) invested in TOTAL shares.

## ● Summary of transactions in the Company's securities (Article L. 621-18-2 of the French Monetary and Financial Code)

The following table presents transactions, of which the Company has been informed, in the Company's shares or related financial instruments carried out in 2009 by the individuals concerned under paragraphs a) through c) of Article L. 621-18-2 of the French Monetary and Financial Code.

2009		Acquisition	Subscription	Transfer	Exchange	Exercise of stock options
Thierry Desmarest <sup>(a)</sup>	TOTAL shares			50,000		45,000
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>					
Christophe de Margerie <sup>(a)</sup>	TOTAL shares					
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	4,215.92				
Michel Bénézit <sup>(a)</sup>	TOTAL shares		30,000	17,000		
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	292.48	189.85	5,310.47		
François Cornélis <sup>(a)</sup>	TOTAL shares			90,000		90,000
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	1,086.47				
Yves-Louis Darricarrère <sup>(a)</sup>	TOTAL shares			4,200		
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	4.04				
Jean-Jacques Guilbaud <sup>(a)</sup>	TOTAL shares					
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	322.97	287.90			
Bertrand Jacquillat <sup>(a)</sup>	TOTAL shares	700				
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>					
Patrick de La Chevardière <sup>(a)</sup>	TOTAL shares					
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	150.86	190.88			

(a) Including the related individuals in the meaning of the provisions of the Article R. 621-43-1 of the French Monetary and Financial Code.

(b) Collective investment funds (FCPE) primarily investing in Company shares.





# TOTAL AND ITS SHAREHOLDERS

<b>LISTING DETAILS</b>	<b>p. 134</b>
Listing	p. 134
Share performance	p. 135
<b>DIVIDEND</b>	<b>p. 139</b>
Dividend policy	p. 139
Dividend payment	p. 139
Coupons	p. 140
<b>SHARE BUYBACKS</b>	<b>p. 141</b>
Share buybacks and cancellations in 2009	p. 141
Board's report on share buybacks	p. 142
2010-2011 share buyback program	p. 143
<b>SHAREHOLDERS</b>	<b>p. 146</b>
Relationship between TOTAL and the French State	p. 146
Merger of TOTAL with PetroFina in 1999	p. 146
Merger of TotalFina with Elf Aquitaine	p. 146
Principal shareholders	p. 147
Treasury shares	p. 148
Shares held by members of the administrative and management bodies	p. 149
Employee shareholding	p. 149
Shareholding structure	p. 149
Regulated agreements and related party transactions	p. 150
<b>INFORMATION FOR OVERSEAS SHAREHOLDERS</b>	<b>p. 151</b>
United States holders of ADRs	p. 151
Non-resident shareholders (other than U.S. Shareholders)	p. 151
Dividends	p. 151
<b>COMMUNICATION WITH SHAREHOLDERS</b>	<b>p. 153</b>
Communication policy	p. 153
Relationships with institutional investors and financial analysts	p. 153
An ISO 9001-certified Individual Shareholders Department since 2007	p. 153
Registered shareholding	p. 154
Individual Shareholders Department Contacts	p. 155
2010 Schedule	p. 156
2011 Schedule	p. 156
Investor Relations contacts	p. 156

## ▶ Listing details

### ■ Listing

#### ● Exchanges

Paris, Brussels, London and New York

#### ● Codes

ISIN	FR0000120271
Reuters	TOTF.PA
Bloomberg	FP FP
Datastream	F:TAL
Mnémo	FP

#### ● Included in the following stock indexes:

CAC 40, DJ Euro Stoxx 50, DJ Stoxx 50, DJ Global Titans

#### ● Included in the following sustainable development and governance indexes

DJSI World, DJ STOXX SI, FTSE4Good, ASPI

#### ● Weight in indexes as of December 31, 2009

CAC 40	13.3%	1 <sup>st</sup> place
DJ EURO STOXX 50	6.1%	1 <sup>st</sup> place
DJ STOXX 50	3.8%	4 <sup>th</sup> place
DJ GLOBAL TITANS	2.3%	16 <sup>th</sup> place

#### ● Largest market capitalization on Euronext Paris and in the euro zone as of December 31, 2009

Largest companies by market capitalization in the euro zone <sup>(a)</sup>  
As of December 31, 2009  
(B€)

TOTAL	105,7
Santander	95,0
Telefónica	89,1
EDF	76,8
Sanofi	72,5

(a) Bloomberg for companies other than TOTAL.

#### ● Market capitalization as of December 31, 2009 <sup>1</sup>

€105.7 billion <sup>2</sup>

\$150.4 billion <sup>3</sup>

#### ● Percentage of free float

90% <sup>4</sup>

#### ● Par value

€2.50

#### ● Credit ratings as of December 31, 2009 (long term/outlook/short term)

Standard & Poor's: AA/Negative/A-1+

Moody's: Aa1/Stable/P-1

DBRS: AA/Stable/R-1(middle)

On September 3, 2009, Standard & Poor's announced the revision of its outlook to "negative" for the Group's long-term rating.

1. Shares outstanding as of December 31, 2009: 2,348,422,884.

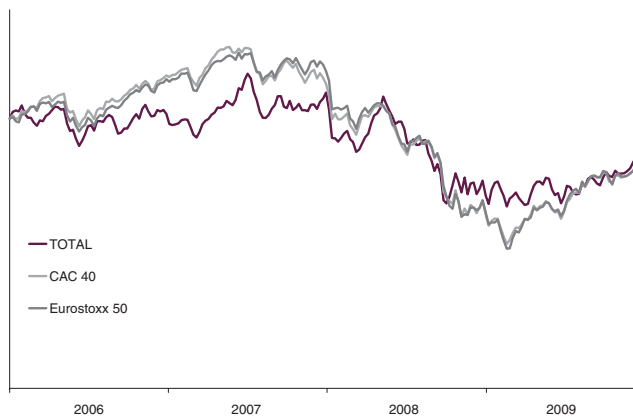
2. TOTAL share closing price in Paris as of December 31, 2009: €45.005.

3. TOTAL ADR closing price in New York as of December 31, 2009: \$64.04

4. Euronext Paris revised the floating rate of the TOTAL share from 100% to 90% on September 18, 2009. Since September 18, 2009, the calculation of the free float has excluded interests greater than 5% of the total voting rights of the issuer, except if these interests are held by a collective investment scheme, a pension fund or mutual funds. In addition, certain insider holdings, government holding and holdings of the company itself (including subsidiaries) will no longer be considered free float, irrespective of the size. This rule is applied to all Euronext Paris indexes weighted by the percentage of free float.

## Share performance

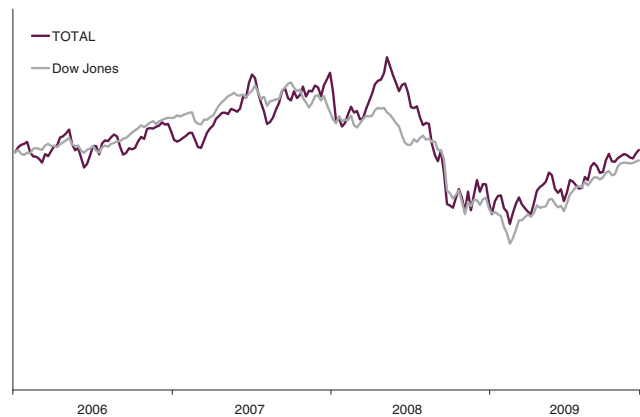
### TOTAL share price (in euros) in Paris (2006-2009) (a)



Source Bloomberg – Share price as of December 31, 2009: €45.005.

(a) Base 100 as of January 1, 2006. TOTAL's historical share price has been adjusted by Euronext Paris to take into account the spin-off of Arkema and the four-for-one stock split. TOTAL's stock price before May 18, 2006, has been multiplied by a 0.9871 adjustment coefficient (based on TOTAL's €210 closing price on May 17, 2006, as well as Arkema's reference stock price (before quotation) of €27) and by 0.25. These adjustments, defined by Euronext Paris have been taken into account in the calculation of changes in the share price shown on this chart.

### TOTAL ADR price (in dollars) in New York (2006-2009) (a)



Source Bloomberg – ADR price as of December 31, 2009: \$64.04.

(a) Base 100 as of January 1, 2006. TOTAL's historical share price has been adjusted by the New York Stock Exchange (NYSE) to take into account the spin-off of Arkema and the ADR's division by two. TOTAL's ADR price before May 23, 2006, has been multiplied by an 0.9838 adjustment coefficient (based on TOTAL ADR's \$130.40 closing price on May 22, 2006, as well as Arkema's OTC closing price on May 18, 2006, of \$42.15) and by 0.5. These adjustments, defined by the NYSE, have been taken into account in the calculation of changes in the share price shown on this chart.

## ● Arkema spin-off

Within the framework of the spin-off of Arkema's chemical activities from the Group's other chemical activities, the Shareholders' Meeting of May 12, 2006, approved TOTAL S.A.'s contribution to Arkema, under the regulation governing spin-offs, of all its interests in the businesses included under Arkema's scope, as well as the allocation for each TOTAL share of an allotment right for Arkema shares, with ten allotment rights entitling the holder to one Arkema share. Since May 18, 2006, Arkema's shares have been freely traded on Euronext Paris.

Pursuant to provisions stated in the notice prior to the sale of unclaimed shares (*Avis préalable à la mise en vente de titres non réclamés*) published on August 3, 2006, in the French newspaper

*Les Échos*, Arkema shares corresponding to allotment rights for fractional shares which were unclaimed as of August 3, 2008, were sold on Euronext Paris at an average price of €32.5721 per share. As a result, from August 3, 2008, the indemnity price per share of allotment rights for Arkema share is €3.25721 (NYSE Euronext notice No.PAR\_20080812\_02958\_EUR). BNP Paribas Securities Services paid an indemnity to the financial intermediaries on remittance of corresponding allotment rights for Arkema shares. As from August 4, 2018, the unclaimed amounts will be handed over to the French *Caisse des dépôts et consignations* where the holders will still be able to claim them for a period of twenty years. After this time limit, the amounts will permanently become the property of the French State.

● **Change in share prices in Europe compared to major European oil companies between January 1, 2009 and December 31, 2009 (closing price in local currency)**

TOTAL (euro)	+15.7%
BP (pound sterling)	+14.1%
Royal Dutch Shell A (euro)	+12.5%
Royal Dutch Shell B (pound sterling)	+5.0%
ENI (euro)	+6.3%

Source: Bloomberg

● **Change in share prices in the United States (ADR quotes in dollars for European companies) compared to major international oil companies between January 1, 2009 and December 31, 2009 (closing price in dollars)**

TOTAL	+15.8%
ExxonMobil	-14.6%
BP	+24.0%
Royal Dutch Shell A	+13.5%
Royal Dutch Shell B	+13.0%
Chevron	+4.1%
ENI	+5.8%
ConocoPhillips	-1.4%

Source: Bloomberg

● **Appreciation of a portfolio invested in TOTAL shares**

Net yield of 7.0% per year over ten years (excluding tax credit).

● **Multiplication of the initial investment by two over ten years**

For every €1,000 invested in TOTAL shares as of December 31, in year N, by an individual residing in France, assuming that the net dividends (excluding the tax credit) are reinvested in TOTAL shares, and excluding tax and social withholding.

Investment date	Average annual total return <sup>(a)</sup>		Total investment at year ended 2009 would be:	
	TOTAL	CAC 40 <sup>(b)</sup>	TOTAL	CAC 40
<b>1 year</b> <b>January 1, 2009</b>	+21.8%	+27.6%	1,218	1,276
<b>5 years</b> <b>January 1, 2005</b>	+7.2%	+3.9%	1,416	1,211
<b>10 years</b> <b>January 1, 2000</b>	+7.0%	-1.6%	1,967	851
<b>15 years</b> <b>January 1, 1995</b>	+13.7%	+7.5%	6,861	2,959

(a) TOTAL's share prices, used for the calculation of the total return (including dividends and appreciation), take into account the adjustment made by Euronext Paris ex Arkema's share allocation rights.

(b) CAC 40 quotes taken into account to calculate the total return (including dividends and appreciation) include all dividends distributed by the companies that are in the index.

## ● Information summary

Information in this table prior to May 18, 2006, has been adjusted to take into account the four-for-one stock split. Trading prices and dividends have been divided by four and trading volumes in Paris have been multiplied by four.

Share price (€)	2009	2008	2007	2006	2005
Highest (during regular trading session)	<b>45.785</b>	59.50	63.40	58.15	57.28
Adjusted highest <sup>(a)</sup> (during regular trading session)	–	–	–	57.40	56.54
Lowest (during regular trading session)	<b>34.25</b>	31.52	48.33	46.52	39.50
Adjusted lowest <sup>(a)</sup> (during regular trading session)	–	–	–	–	38.99
End of the year (close)	<b>45.005</b>	38.91	56.83	54.65	53.05
Adjusted end of the year <sup>(a)</sup> (close)	–	–	–	–	52.37
Average of the last 30 trading sessions of the year (close)	<b>43.194</b>	39.58	55.31	54.30	54.11
Trading volume (average per session)					
Euronext Paris	<b>7,014,959</b>	11,005,751	10,568,310	10,677,157	10,838,962
New York Stock Exchange <sup>(b)</sup> (number of ADRs)	<b>2,396,192</b>	2,911,002	1,882,072	1,500,331	1,716,466
Dividend <sup>(c)</sup>	<b>2.28</b>	2.28	2.07	1.87	1.62

(a) Adjusted market price of the spin-off of Arkema.

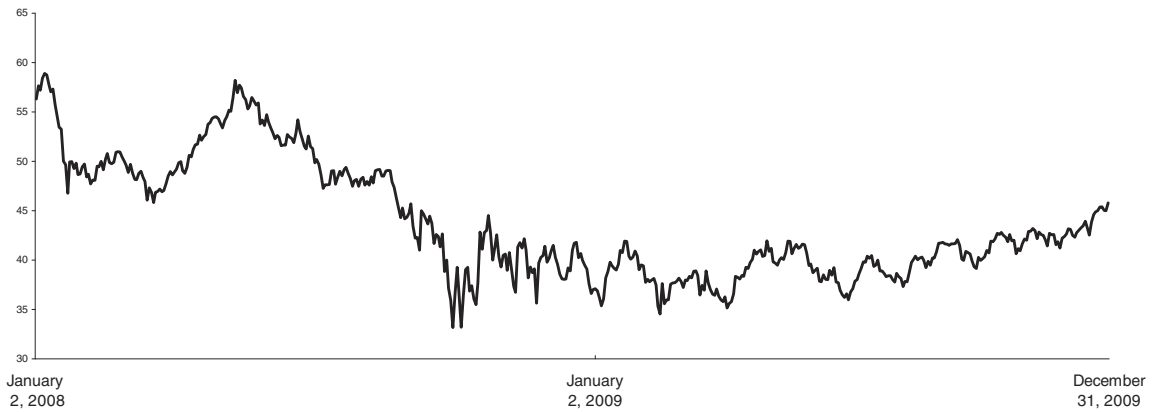
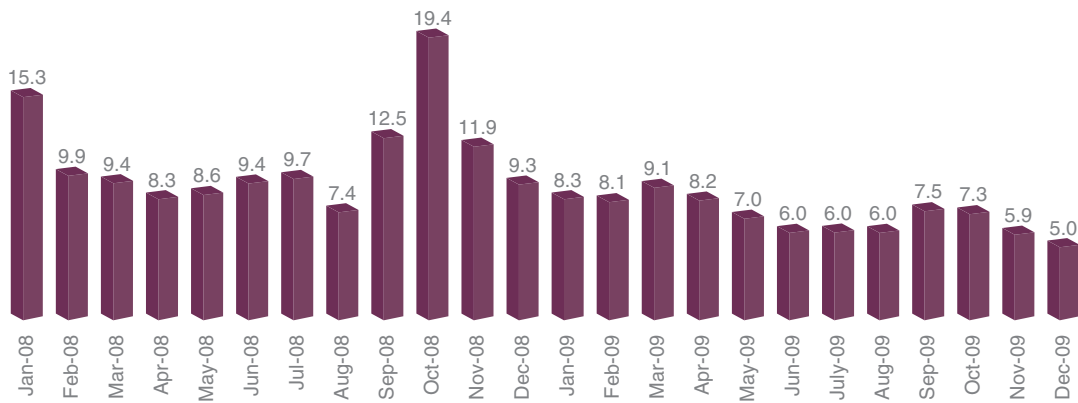
(b) Pursuant to the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006, and effective on May 18, 2006, and pursuant to the change in the ADR ratio, effective on May 23, 2006, one ADR corresponding to one TOTAL share. Trading volumes in New York before May 23, 2006, have been multiplied by two.

(c) 2009 dividend is subject to the approval by the Shareholders' Meeting on May 21, 2010. This amount includes the 2009 interim dividend of €1.14 per share paid on November 18, 2009, and is eligible for the 40% rebate applying to individuals residing in France for tax purposes provided for by Article 158 of the French General Tax Code.

## ● TOTAL share price over the past 18 months (Euronext Paris) <sup>(a)</sup>

	Average daily volume	Highest price quoted (€)	Lowest price quoted (€)
September 2008	12,523,975	<b>49.17</b>	40.50
October 2008	<b>19,433,641</b>	43.90	<b>31.52</b>
November 2008	11,883,725	44.55	36.115
December 2008	9,319,764	42.00	35.44
January 2009	8,277,843	42.465	34.35
February 2009	8,120,267	42.185	36.64
March 2009	9,069,449	39.42	34.25
April 2009	8,163,626	39.04	34.72
May 2009	7,026,974	41.97	38.30
June 2008	6,031,235	42.455	37.20
July 2009	5,956,920	40.89	35.75
August 2009	5,978,302	40.64	36.965
September 2009	7,537,239	42.45	38.91
October 2009	7,312,637	43.11	39.005
November 2009	5,908,294	43.495	40.50
December 2009	<b>5,010,797</b>	45.785	41.50
January 2010	6,089,982	46.735	41.215
February 2010	7,098,526	43.165	40.05
<b>Maximum for the period</b>		<b>49.17</b>	
<b>Minimum for the period</b>			<b>31.52</b>

(a) Source: Euronext Paris.

**TOTAL share price at closing (€)****TOTAL average daily volume traded (in millions of shares)**



## ▶ Dividends

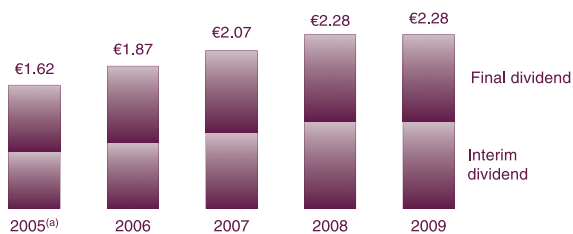
### ■ Dividend policy

In accordance with the policy announced at the Shareholders' Meeting on May 14, 2004, an interim dividend is paid in the fourth quarter of each year, except under exceptional circumstances.

The Board of Directors met on September 15, 2009, and approved a 2009 interim dividend of €1.14 per share. The ex-dividend date for the interim dividend on Euronext Paris was November 13, 2009 and the payment date was November 18, 2009.

For 2009, TOTAL plans to continue its dividend policy by proposing a dividend of €2.28 per share at the Shareholders' Meeting on May 21, 2010, including a remainder of €1.14 per share, with an ex-dividend date on May 27, 2010, and a payment on June 1, 2010. This €2.28 per share dividend is stable compared to the previous year. Over the past five years, the dividend has increased by an average of 8.9%<sup>1</sup> per year.

In 2009, TOTAL's pay-out ratio was 66%<sup>2</sup>.



(a) Amounts adjusted to take into account the four-for-one stock split on May 18, 2006.

### ■ Dividend payment

BNP Paribas Securities Services manages the payment of the dividend, which is made through financial intermediaries using the Euroclear France direct payment system.

The Bank of New York Mellon (101 Barclay Street 22 W, New York, NY 10286, USA) manages the payment of dividends to holders of American Depositary Receipts (ADRs).

1. This increase does not take into account the Arkema share allotment right granted on May 18, 2006.

2. On the basis of adjusted fully-diluted earnings per share of €3.48.

## ● Dividend payment on Stock Certificates

TOTAL issued Stock Certificates (*certificats représentatifs d'actions*, "CRs") as part of the public exchange offer for PetroFina shares. The CR is a stock certificate provided for by French Law, issued by Euroclear France, intended to circulate exclusively outside of France, and which may not be held by French residents. The CR is issued as a physical certificate that is registered in a custody account, and has the characteristics of a bearer security. The CR is freely convertible from a physical certificate into a security registered on a custody account and conversely. However, pursuant to the Belgian law of December 14, 2005 on the dematerialization of securities in Belgium, CRs may only be delivered in the form of a dematerialized certificate once this law became effective on January 1, 2008. New CRs were issued following TOTAL's four-for-one stock split in 2006. ING Belgique is the bank handling the payment of any coupon detached from any outstanding CR.

No fees are applicable to the payment of coupons detached from CRs, except for any income or withholding taxes; the payment may be received at the teller windows of the following institutions:

ING Belgique	Avenue Marnix 24, 1000 Brussels, Belgium
BNP Paribas Fortis	Montagne du Parc 3, 1000 Brussels, Belgium
KBC BANK N.V.	Avenue du Port 2, 1080 Brussels, Belgium

## ● Strips-VVPR TOTAL

Strips-VVPR are securities that allow a shareholder resident in Belgium to reduce the Belgian withholding tax applicable to securities income on the dividend paid by TOTAL from 25% to 15%. These Strips-VVPR are traded separately from TOTAL shares and are listed on the semi-official market (*marché semi-continu*) of the Brussels stock exchange. According to the Belgian law of December 14, 2005, on the dematerialization of securities in Belgium, the Strips VVPR may only be delivered in the form of a dematerialized certificate after this law became effective on January 1, 2008.

Strips-VVPR grant rights only if accompanied by TOTAL shares. There were 227,734,056 strips-VVPR TOTAL outstanding as of December 31, 2009.

## Coupons

For the year ended December 31,	Ex-dividend date	Payment date	Expiration date	Type	Net amount (€)	Net amount <sup>(a)</sup> (€)
2003	05/24/2004	05/24/2004	05/24/2009	Dividends	4.70	1.18
2004	11/24/2004	11/24/2004	11/24/2009	Interim dividend	2.40	0.60
	05/24/2005	05/24/2005	05/24/2010	Final dividend	3.00	0.75
2005	11/24/2005	11/24/2005	11/24/2010	Interim dividend	3.00	0.75
	05/18/2006	05/18/2006	05/18/2011	Final dividend	3.48	0.87
2006	11/17/2006	11/17/2006	11/17/2011	Interim dividend	0.87	0.87
	05/18/2007	05/18/2007	05/18/2012	Final dividend	1.00	1.00
2007	11/16/2007	11/16/2007	11/16/2012	Interim dividend	1.00	1.00
	05/20/2008	05/23/2008	05/23/2013	Final dividend	1.07	1.07
2008	11/14/2008	11/19/2008	11/19/2013	Interim dividend	1.14	1.14
	05/19/2009	05/22/2009	05/22/2014	Final dividend	1.14	1.14
2009 <sup>(b)</sup>	11/13/2009	11/18/2009	11/18/2014	Interim dividend	1.14	1.14
	05/27/2010	06/01/2010	06/01/2015	Final dividend	1.14	1.14

(a) Net amounts adjusted to take into account the four-for-one stock split on May 18, 2006.

(b) A resolution will be submitted to the Shareholders' Meeting on May 21, 2010, to pay a cash dividend of €2.28 per share for fiscal year 2009. Taking into account the interim dividend of €1.14 per share with an ex-dividend date of November 13, 2009, and payment date of November 18, 2009, the final dividend would be €1.14 per share with an ex-dividend date of May 27, 2010 and payment date of June 1, 2010.

## ► Share buybacks

The Shareholders' Meeting of May 16, 2008, authorized the Board of Directors for a period of eighteen months to buy and sell the Company's shares within the framework of the share buyback program, described in the 2008 Registration Document. The maximum purchase price was set at €80 per share. The number of shares acquired may not exceed 10% of the authorized share capital.

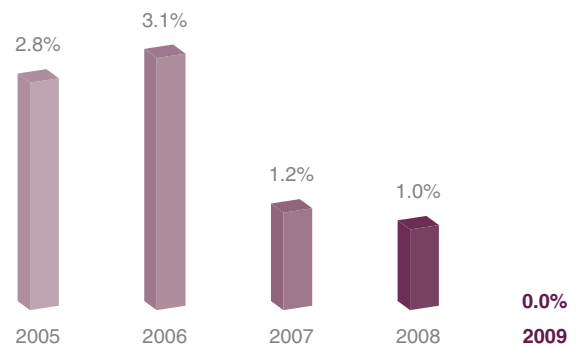
The Shareholders' Meeting of May 15, 2009, after acknowledging the Report of the Board of Directors, authorized the Board of Directors, in accordance with the provisions of Article L. 225-209 of the French Commercial Code and of European Regulation 2273/2003 dated December 22, 2003, concerning the application of Council Directive 2003/6/EC dated January 28, 2003, to buy and sell the Company's shares within the framework of the share buyback program. The maximum purchase price was set at €70 per share. The number of shares acquired may not exceed 10% of the authorized share capital. This authorization was granted for a period of 18 months and replaced the previous authorization granted by the Shareholders' Meeting of May 16, 2008.

A resolution will be submitted to the Shareholders' Meeting scheduled for May 21, 2010 to authorize trading in TOTAL shares through a share buyback program performed in accordance with the provisions of Article L. 225-209 of the French Commercial Code and of Council Regulation 2273/2003 dated December 22, 2003, concerning the application of Council Directive 2003/6/EC dated January 28, 2003. This program is described on pages 143 to 147 of this Registration Document.

### ■ Share buybacks and cancellations in 2009

In 2009, TOTAL did not buy back any shares. Over the twenty-four months prior to December 31, 2009, the Company cancelled 54,800,000 TOTAL shares, representing 2.3% of the share capital as of December 31, 2009.

#### ● Percentage of share capital bought back <sup>1</sup>



1. Average share capital of year N = (share capital as of December 31, N-1 + share capital as of December 31, N)/2. For 2005, 2006, 2007 and 2008, excluding share buybacks linked to restricted share granted under the 2005, 2006, 2007 and 2008 plans.

## Board's report on share buybacks

### ● Share buybacks during 2009

In 2009, TOTAL did not buy back any shares.

### ● Shares held in the name of the Company and its subsidiaries as of December 31, 2009.

As of December 31, 2009, the Company held directly 15,075,922 TOTAL shares, representing 0.64% of TOTAL's share capital. By law, the voting rights and dividend rights of these shares are suspended.

After taking into account the shares held by Group subsidiaries that are entitled to a dividend but deprived of voting rights, the total number of TOTAL shares held by the Group as of December 31, 2009, was 115,407,190, representing 4.91% of TOTAL's share capital comprised, on the one hand, of 15,075,922 treasury shares, 6,017,499 shares held to cover call options, 5,799,400 shares to cover restricted share grants, 3,259,023 shares to cover new share purchase option plans or restricted share grants and, on the other hand, of 100,331,268 shares held by subsidiaries.

For shares bought back to be allocated to Company or Group employees as part of one of the provisions referred to in Article 3 of EC Regulation No.2273/2003 of December 22, 2003, note that when such shares are held to cover call options that have expired or restricted share grants that have not been awarded at the end of the vesting period, they will be allocated to new TOTAL share purchase options plans or restricted share grants that could be approved by the Board of Directors.

### ● Sale of shares during 2009

548,656 TOTAL shares were sold in 2009 at an average price of €39.21 per share through the exercise of TOTAL share purchase options granted under share purchase option plans approved by the Board of Directors on July 10, 2001 and July 9, 2002.

In addition, 2,326,249 TOTAL shares were sold in 2009 pursuant to the shares finally granted under the restricted share grants approved by the Board of Directors on July 19, 2005, July 18, 2006, July 17, 2007 and September 9, 2008.

### ● Cancellation of Company shares during 2008, 2009 and 2010

Pursuant to the authorization granted by the Shareholders' Meeting on May 11, 2007, to reduce the share capital by up to 10% by

cancelling shares held by the Company during a 24-month period, the Board of Directors decided to cancel 30,000,000 shares on July 31, 2008, and 24,800,000 shares on July 30, 2009. These shares were accounted for as long-term securities in the parent company's financial statements. This authorization will no longer be valid from the date of the Shareholders' Meeting to approve the financial statements for the year ending December 31, 2011.

Based on 2,348,422,884 shares outstanding as of December 31, 2009, and given the cancellations carried out successively on July 31, 2008 (30,000,000 shares) and July 30, 2009 (24,800,000 shares), the Company may cancel a maximum of 180,042,288 shares up to and including July 31, 2010, before reaching the cancellation threshold of 10% of share capital cancelled during a 24-month period.

### ● Reallocation for other approved purposes during fiscal year 2009

Shares purchased by the Company under the authorization granted by the Shareholders' Meeting of May 16, 2008, or under previous authorizations, were not reallocated in 2009 to purposes other than those initially specified at the time of purchase.

### ● Conditions for the buyback and use of derivative products

Between January 1, 2009 and February 28, 2010, the Company did not use any derivative products on the financial markets as part of the share buyback programs successively authorized by the Shareholders' Meetings on May 16, 2008 and May 15, 2009.

### ● Treasury shares

As of February 28, 2010, the Company held 14,710,872 TOTAL treasury shares, representing 0.63% of TOTAL's share capital. By law, the voting rights and dividend rights of these shares are suspended.

After taking into account the shares held by Group subsidiaries that are entitled to a dividend but deprived of voting rights, the total number of TOTAL shares held by the Group as of February 28, 2010 was 115,042,140, representing 4.90% of TOTAL's share capital comprised, on the one hand, of 14,710,872 treasury shares, including 5,653,571 shares held to cover call options, 5,799,120 shares to cover restricted share grants, 3,258,181 shares to cover new share purchase option plans or restricted share grants and, on the other hand, of 100,331,268 shares held by subsidiaries.

Summary table of transactions completed by the Company involving its own shares from March 1, 2009 to February 28, 2010 <sup>(a)</sup>

	Gross cumulated flows		Open positions as of February 28, 2010			
	Purchases	Sales <sup>(b)</sup>	Open buy positions		Open sell positions	
Number of shares	-	904,370	Bought calls	Forward buys	Sold calls	Forward sells
Average maximum maturity date	-		-	-	-	-
Average transaction price (€)	-	39.14	-	-	-	-
Average exercise price	-	-	-	-	-	-
Amounts (M€)	-	35.4	-	-	-	-

(a) In compliance with the applicable regulations as of February 28, 2010, the period indicated commenced the day after the date used as a reference for the publication of information regarding the previous program (Registration Document 2008).

(b) Shares disposed of pursuant to the exercise of TOTAL share purchase options as part of the share purchase option plans decided by the Board of Directors on July 10, 2001 and July 9, 2002.

In addition, 2,324,329 TOTAL shares were sold between March 1, 2009 and February 28, 2010, pursuant to the shares finally granted under the restricted share grants approved by the Board of Directors on July 19, 2005, July 18, 2006, July 17, 2007 and September 9, 2008.

## Treasury shares

### As of February 28, 2010

<b>Percentage of share capital held by TOTAL S.A.</b>	<b>0.63%</b>
Number of shares held in portfolio <sup>(a)</sup>	14,710,872
Book value of the portfolio (at purchase price) (M€)	581
Market value of the portfolio (M€) <sup>(b)</sup>	603
<b>Percentage of capital held by the entire Group <sup>(c)</sup></b>	<b>4.90%</b>
Number of shares held in portfolio	115,042,140
Book value of the portfolio (at purchase price) (M€)	3,608
Market value of the portfolio (M€) <sup>(b)</sup>	4,714

(a) TOTAL S.A. has not bought back any shares during the 3 business days preceding February 28, 2010. As a result, TOTAL S.A. owns all the shares held in portfolio as of this date.

(b) On the basis of a closing price of €40.98 per share as of February 26, 2010.

(c) TOTAL S.A., Total Nucléaire, Financière Valorgest, Sogapar and Fingestval.

## 2010-2011 share buyback program

### Description of the share buyback program under Article 241-1 and following of the French Financial Markets Authority (*Autorité des marchés financiers*) General Regulation

#### ● Objectives of the share buyback program

- Reduce the Company's capital through the cancellation of shares;
- Honor the Company's obligations related to securities convertible or exchangeable into Company shares; and
- Honor the Company's obligations related to stock option programs or other share grants to employees of the Company or Group Companies.

#### ● Legal framework

Implementation of the share buyback program, which falls within the legal framework created by French Law No. 98-546 of July 2, 1998, containing various economic and financial provisions and within the framework of the provisions of European Regulation No. 2273/2003 of December 22, 2003, on the conditions for the application of Council Directive No. 2003/6/EC of January 28, 2003, is subject to approval by TOTAL S.A.'s Shareholders' Meeting of May 21, 2010, through the sixth resolution, which reads as follows:

"Ruling under conditions for quorum and majority required for ordinary general meetings and upon presentation of the report by the Board of Directors, and certain information appearing in the description of the program prepared in accordance with Articles 241-1 and thereafter of the General Regulation (*règlement général*) of the French Financial Markets Authority (*Autorité des marchés financiers*) and in accordance with the provisions of Article L. 225-209 of the French Commercial Code and of Council Regulation No. 2273/2003 dated December 22, 2003, concerning the application of Council Directive No. 2003/6/CE dated

January 28, 2003, the shareholders hereby authorize the Board of Directors to buy or sell shares within the framework of a share buyback program.

The purchase of such shares may be transacted by any means on the market or over the counter, including the purchase of blocks of shares under the conditions authorized by the competent market authorities. Within this framework, this includes using any financial derivative instrument traded on a regulated market or over the counter and implementing option strategies.

These transactions may be carried out at any time, except any public offering periods applying to the Company's share capital, in accordance with the applicable rules and regulations.

The maximum purchase price is set at €70 per share.

In case of a capital increase by incorporation of reserves and restricted share grants, and in the case of a stock-split or a reverse-stock-split, this maximum price shall be adjusted by applying the ratio of the number of shares outstanding before the transaction to the number of shares outstanding after the transaction.

Pursuant to Article L. 225-209 of the French Commercial Code, the maximum number of shares that may be bought back under this authorization may not exceed 10% of the total number of shares outstanding, as this number may be adjusted from time to time as a result of transactions after the date of the present meeting, and under no circumstances may the Company hold, either directly or indirectly through indirect subsidiaries, more than 10% of its share capital.

As of December 31, 2009, of the 2,348,422,884 shares outstanding at this date, the Company held 15,075,922 shares directly and 100,331,268 shares indirectly through its subsidiaries, for a total of 115,407,190 shares. Under these circumstances, the maximum number of shares that the Company could buy back is 119,435,098 shares, and the maximum amount that the Company may spend to acquire such shares is €8,360,456,860.

The purpose of this share buyback program is to reduce the number of shares outstanding or to allow the Company to fulfill its engagements in connection with:

- Convertible or exchangeable securities that may give holders rights to receive shares upon conversion or exchange; and
- Share purchase option plans, employee shareholding plans, company savings plans, or other share allocation programs for management or employees of the Company or of Group companies (in particular as part of restricted share grants).

According to the intended purpose, the treasury shares that are acquired by the Company through this program may be:

- Cancelled up to the maximum legal limit of 10 % of the total number of shares outstanding on the date of the operation during each 24-month period;
- Granted to the employees of the Group and to the management of the Company or of other companies in the Group;
- Delivered to the holders of Company's share subscription options having exercised such options;

- Sold to employees, either directly or through the intermediary of Company savings plans; or
- Delivered to the holders of securities that grant such rights to receive such shares, either through redemption, conversion, exchange, presentation of a warrant or in any other manner.

This program may also be used by the Company to trade in its own shares, either on or off the market, for any other purpose that is authorized or any permitted market practice, or any other purpose that may be authorized or any other market practice that may be permitted under the applicable law or regulation. In case of transactions other than the mentioned intended purpose, the Company will inform its shareholders in a press release.

While they are held by the Company, such shares will be deprived of voting rights and dividend rights.

This authorization is granted for a period of eighteen months from the date of this meeting or until the date such authorization is renewed at a Shareholders' Meeting prior to the expiration of such 18-month period.

The Board of Directors is hereby granted full authority, with the right to delegate such authority, to undertake all actions necessary or desirable to carry out the program or programs authorized by this resolution. This resolution cancels and replaces up to unused portion of the previous authorization granted by the seventh resolution of the Shareholders' Meeting held on May 15, 2009."

The Shareholders' Meeting of May 11, 2007, had also authorized the Board of Directors to reduce the capital by cancellation of shares up to a maximum of 10% of the share capital over a period of twenty-four months in accordance with the following resolution:

"Upon presentation of the report of the Board of Directors and the auditors' special report, and ruling under conditions for quorum and majority required for extraordinary general meetings, the shareholders hereby authorize the Board of Directors, in accordance with Article L. 225-209 of the French Commercial Code, to reduce the company's capital on one or more occasions by cancelling shares that the Company holds or that it could hold as a result of purchases made in connection with this same article. The shareholders hereby grant all powers to the Board of Directors, with the option to sub-delegate such powers under conditions provided for by law, to carry out such capital reduction or reductions based on its decisions alone, in 24-month periods and within the limit of 10% of the total number of shares outstanding as of the transaction date, to decide on the amount, and to apply the difference between the buyback value of the securities and their par value against any reserves or premiums, to amend the by-laws accordingly, and to complete all necessary formalities related thereto. This authorization shall cancel and replace any unused amounts otherwise available under the authorization granted by the thirteenth resolution of the Shareholders' Meeting of May 7, 2002, and shall expire at the conclusion of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2011."

## ● Conditions

### ▶ Maximum share capital to be purchased and maximum funds allocated to the transaction

The maximum number of shares that may be purchased under the authorization proposed to the Shareholders' Meeting of May 21, 2010, may not exceed 10% of the total number of shares outstanding, with this limit applying to an amount of the Company's share capital that will be adjusted, if necessary, to include transactions affecting the share capital subsequent to this meeting; purchases made by the Company cannot in any case result in the Company holding more than 10% of the share capital, either directly or indirectly through subsidiaries.

Before any share cancellation under the authorization given by the Shareholders' Meeting of May 11, 2007, based on the number of shares outstanding as of December 31, 2009 (2,348,422,884 shares), and given the 115,042,140 shares held by the Group on February 28, 2010, representing 4.90% of the share capital, the maximum number of shares that may be purchased would be 119,800,148 shares representing a theoretical maximum investment of €8,386,010,360 based on the maximum purchase price of €70.

### ▶ Conditions for buybacks

Such shares may be bought back by any means on the market or over the counter, including the purchase of blocks of shares under

the conditions authorized by the competent market authorities. Within this framework, this includes using any financial derivative instrument traded on a regulated market or over the counter and implementing option strategies, with the Company taking measures, however, to avoid increasing the volatility of its stock. The portion of the program realized through the purchase of blocks of shares will not be subject to quota allocation, up to the limit set by this resolution. These shares may be bought back at any time in accordance with current regulation, except any public offering periods applying to the Company's share capital.

### ▶ Duration and schedule of the share buyback program

In accordance with the sixth resolution, which will be subject to approval of the Shareholders' Meeting of May 21, 2010, the share buyback program may be implemented over an 18-month period following the date of this meeting, expiring therefore on November 21, 2011.

### ▶ Transactions carried out under the previous program

Transactions carried out under the previous program are listed in the special report of the Board of Directors on share buybacks (see pages 142 and 143 of this Registration Document).



## ► Shareholders

### ■ Relationship between TOTAL and the French State

Since the decree of December 13, 1993, providing for a unique Elf Aquitaine share to the French State was repealed on October 3, 2002, no agreement governing shareholding relationships between TOTAL (or its subsidiary Elf Aquitaine) and the French State has been implemented.

### ■ Merger of Total with PetroFina in 1999

In December, 1998, Total<sup>1</sup> signed an in-kind contribution agreement with Electrafina, Investor, Tractebel, Electrabel and AG 1824 (the Contributors), under which the Contributors exchanged their PetroFina shares. Total then launched in 1999 a public exchange offer for the remaining PetroFina shares not in its possession, at the same parity of exchange as the previous one. Following this public offer, Total held 98.8% of Petrofina's share capital.

In October 2000, TotalFinaElf launched, at the same parity of exchange as the previous one, a complementary public exchange offer for the PetroFina shares not yet held by the Company. As of December 31, 2000, TotalFinaElf held 99.6% of PetroFina's share capital. Then in April 2001, the Extraordinary Shareholders' Meeting of Total Chimie approved TotalFinaElf's contribution to Total Chimie (a 100% subsidiary of TOTAL S.A.) of the entire interest held by the Company in PetroFina. Finally in September, 2001, the Board of Directors of Total Chimie decided to launch a squeeze-out procedure for the 90,129 PetroFina shares not yet held. Since the end of the squeeze-out, all shares of PetroFina have been held by Total Chimie.

On December 22, 2006, the Court of Appeal of Brussels rendered a decision in which it put an end to the escrow ordered by the Commercial Court of Brussels dated April 15, 2002, following a motion for a summary hearing filed by minority PetroFina

shareholders holding 4,938 shares. In May 2003, the same group of former minority PetroFina shareholders brought a complaint against Total Chimie and PetroFina before the Commercial Court of Brussels contesting, in particular, the price offered by Total Chimie in the squeeze-out procedure and the terms of PetroFina's sale of the assets of Fina Exploration Norway (FEN SA) to Total Norge AS in December 2000. In June 2006, the same group of shareholders brought a complaint against TOTAL S.A. On May 31, 2007 and February 8, 2008, the Commercial Court of Brussels rendered preliminary rulings in which it appointed an expert to examine the valuation of PetroFina's assets in Angola and Norway with regard to the squeeze-out procedure launched by Total Chimie. On April 16, 2008, Total Chimie, PetroFina and TOTAL S.A. appealed the decisions rendered by the Commercial Court of Brussels. The legal proceeding is currently pending before the Court of Appeals of Brussels. Following the withdrawal of several minority shareholders, the plaintiffs account for less than 2,500 securities as of today.

### ■ Merger of TotalFina with Elf Aquitaine

In 1999, the Boards of Directors of TotalFina and Elf Aquitaine recommended to their shareholders that the two companies merge through a public exchange offer. TotalFina acquired 254,345,078 shares of Elf Aquitaine in exchange for 371,735,114 new TotalFina shares. In 2000, the Board of Directors launched an offer for the remaining Elf Aquitaine shares not yet held by the Company. Upon completion of this offer, TotalFinaElf acquired 10,828,326 shares of Elf Aquitaine in exchange for 14,437,768 new TotalFinaElf shares.

Elf Aquitaine shares are traded in the delisted shares section of the regulated markets (*compartiment des valeurs radiées des marchés réglementés of Euronext Paris*) and may be traded at a price fixed daily at 3:00 p.m. (Paris time).

As of December 31, 2009, TOTAL S.A. held, directly and indirectly, 279,875,134 shares of Elf Aquitaine, taking into account the 10,635,844 Elf Aquitaine treasury shares held by Elf Aquitaine. This represented 99.48% of Elf Aquitaine's share capital (281,343,859 shares) and 538,308,099 voting rights, or 99.72% of the 539,811,865 voting rights exercisable at Shareholders Meetings.

1. The name "Total" was changed to "TotalFina S.A." on June, 14 1999. The name "TotalFina S.A." was then changed to "TotalFinaElf S.A." by the Shareholders' Meeting of March 22, 2000. It was then changed to "TOTAL S.A." by the Shareholders' Meeting of May 6, 2003.

On March 24, 2010, TOTAL S.A. has filed a public tender offer followed by a squeeze out with the French Autorité des marchés financiers (AMF) in order to buy the 1,468,725 Elf Aquitaine shares that it does not already hold at a price of €305 per share (including the remaining 2009 dividend). Subject to a clearance decision from the AMF, the Elf Aquitaine shares targeted by the offer which have not been tendered to the offer will be transferred to TOTAL S.A. under the squeeze out on the first trading day after the offer closing date, upon payment to the shareholders equal to the offer price. After the squeeze out, TOTAL S.A. will hold all Elf Aquitaine shares either directly or indirectly. These shares will then be delisted from the Compartment of the delisted securities on the regulated market managed by Euronext Paris S.A.

## Principal shareholders

### ● Holdings of principal shareholders

The principal shareholders of TOTAL as of December 31, 2009, 2008 and 2007 are set forth in the table below:

As of December 31,	2009			2008		2007	
	% of share capital	% of voting rights	% of theoretical voting rights (a)	% of share capital	% of voting rights	% of share capital	% of voting rights
Groupe Bruxelles Lambert (b) (c)	4.0	4.0	3.7	4.0	4.0	3.9	4.0
Compagnie Nationale à Portefeuille (b) (c)	1.4	1.4	1.3	1.4	1.4	1.4	1.4
Areva (b)	0.0	0.0	0.0	0.3	0.6	0.3	0.6
BNP Paribas (b)	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Group employees (b) (d)	3.9	7.5	6.8	3.8	7.4	3.6	7.0
Other registered shareholders (non-Group)	1.4	2.4	2.2	1.2	2.1	1.2	2.1
Treasury shares	4.9	–	8.5	6.0	–	6.3	–
of which TOTAL S.A.	0.6	–	0.6	1.8	–	2.1	–
of which Total Nucléaire	0.1	–	0.2	0.1	–	0.1	–
of which subsidiaries of Elf Aquitaine	4.2	–	7.7	4.1	–	4.1	–
Other bearer shareholders	84.2	84.5	77.3	83.1	84.3	83.1	84.6
of which holders of ADS (e)	7.5	7.6	6.9	8.2	8.3	8.5	8.6

(a) Pursuant to article 223-11 of the AMF General Regulation, the number of theoretical voting rights is calculated on the basis of all outstanding shares to which voting rights are attached, including treasury shares that are deprived of voting rights.

(b) Shareholders with an executive officer (or a representative of employees) serving as a director of TOTAL S.A.

(c) Groupe Bruxelles Lambert is a company controlled jointly by the Desmarais family and Frère-Bourgeois S.A., and for the latter mainly through its direct and indirect interest in Compagnie Nationale à Portefeuille.

(d) Based on the definition of employee shareholding pursuant to Article L. 225-102 of the French Commercial Code.

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

As of December 31, 2009, the holdings of the principal shareholders were calculated on the basis of 2,348,422,884 shares, representing 2,339,384,550 voting rights exercisable at Shareholders' Meetings or 2,555,123,008 theoretical voting rights<sup>1</sup> including:

- 200,662,536 voting rights attached to the 100,331,268 TOTAL shares held by TOTAL S.A. subsidiaries that cannot be exercised at Shareholders' Meetings; and
- 15,075,922 voting rights attached to the 15,075,922 TOTAL shares held by TOTAL S.A. deprived of voting rights.

For prior years, the principal shareholders' interests were established on the basis of 2,371,808,074 shares, to which were attached 2,339,251,395 voting rights that could be exercised at Shareholders' Meetings as of December 31, 2008, and of 2,395,532,097 shares to which were attached 2,353,106,888 voting rights that could be exercised at Shareholders' Meetings as of December 31, 2007.

1. Pursuant to Article 223-11 of the AMF General Regulation, the number of theoretical voting rights is calculated on the basis of all outstanding shares, including those shares held by the Group that are deprived of voting rights.

## ● Identification of the holders of bearer shares

In accordance with Article 9 of its by-laws, the Company is authorized, to the extent permitted under applicable law, to identify the holders of securities that grant immediate or future voting rights at the Company's Shareholders' Meetings.

## ● Legal thresholds

In addition to the legal obligation to inform the Company and the French Financial Markets Authority (*Autorité des marchés financiers*) within four business days when thresholds representing 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50%, 66 2/3%, 90% or 95% of the share capital or voting rights<sup>1</sup> are crossed (Article L. 233-7 of the French Commercial Code), any individual or entity who directly or indirectly acquires a percentage of the share capital, voting rights or rights giving future access to the share capital of the Company which is equal to or greater than 1%, or a multiple of this percentage, is required to notify the Company within fifteen days by registered mail with return receipt requested, and declare the number of securities held.

In case the shares above these thresholds are not declared, any shares held in excess of the threshold and undeclared may be deprived of voting rights at future Shareholders' Meetings if, at that meeting, the failure to make a declaration is acknowledged and if one or more shareholders holding collectively at least 3% of the Company's share capital or voting rights so request at that meeting.

All individuals and entities are also required to notify the Company in due form and within the time limits stated above when their direct or indirect holdings fall below each of the aforementioned thresholds.

## ● Holdings above the legal thresholds

In accordance with Article L. 233-13 of the French Commercial Code, only one shareholder, Compagnie Nationale à Portefeuille (CNP) and Groupe Bruxelles Lambert (GBL), acting together, holds 5% or more of TOTAL's share capital at year-end 2009<sup>2</sup>.

In addition, two known shareholders held 5% or more of the voting rights exercisable at TOTAL Shareholders' Meetings at year-end 2009:

### ○ CNP jointly with GBL.

In the AMF notice No. 209C1156 dated September 2, 2009, CNP and GBL acting together declared that they held more than the threshold of 5% of the voting rights of TOTAL as of August 25, 2009, and held 127,149,464 TOTAL shares representing 127,745,604 voting rights, *i.e.* 5.42% of the share capital and 5.0009% of the theoretical voting rights<sup>1</sup> (on the basis

of a share capital of a share capital of 2,347,601,812 shares representing 2,554,431,468 voting rights). To the Company's knowledge, CNP, jointly with GBL, held, as of December 31, 2009, 5.41% of the share capital representing 5.46% of the voting rights exercisable at Shareholders' Meetings and 5% of the theoretical voting rights<sup>1</sup>.

### ○ The collective investment fund (*Fonds commun de placement*) "TOTAL ACTIONNARIAT FRANCE".

To the Company's knowledge, the collective investment fund (*fonds commun de placement*) "TOTAL ACTIONNARIAT FRANCE" held, as of December 31, 2009, 3.02% of the share capital representing 5.76% of the voting rights exercisable at a Shareholders' Meeting and 5.28% of the theoretical voting rights<sup>1</sup>.

## ● Shareholders' agreements

TOTAL is not aware of any agreements among its shareholders.

## ■ Treasury shares

As of December 31, 2009, the Company held 115,407,190 TOTAL shares either directly or through its indirect subsidiaries, which represented 4.91% of the share capital, as of this date. By law, these shares are also deprived of voting rights.

For further information, see Chapter 8 (General Information—Treasury shares) of this Registration Document.

## ● TOTAL shares held directly by the Company (treasury shares)

The Company held 15,075,922 treasury shares as of December 31, 2009, representing 0.64% of the share capital as of that date.

## ● TOTAL shares held by Group companies

As of December 31, 2009, Total Nucléaire, a Group company wholly-owned indirectly by TOTAL held 2,023,672 TOTAL shares. As of December 31, 2009, Financière Valorgest, Sogapar and Fingestval, indirect subsidiaries of Elf Aquitaine, held respectively 22,203,704, 4,104,000 and 71,999,892 TOTAL shares, representing a total of 98,307,596 TOTAL shares. As of December 31, 2009, the Company held through its indirect subsidiaries 4.27% of the share capital.

1. Pursuant to Article 223-11 of the AMF General Regulation, the number of theoretical voting rights is calculated on the basis of all outstanding shares, including those shares held by the Group that are deprived of voting rights.

2. AMF notice No. 209C1156 dated September 2, 2009.

**Shares held by members of the administrative and management bodies**

Related information appears on Chapter 5 (Corporate Governance – Composition of the Board of Directors, Shares held by Directors and Executive Officers) of this Registration Document.

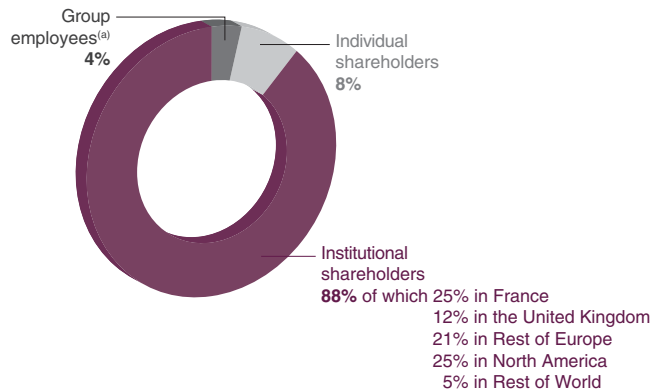
**Employee shareholding**

Related information appears in Chapter 5 (Corporate Governance, Arrangements for involving employees in the capital of the Company) and Chapter 8 (General Information, Employee incentives and profit-sharing) of this Registration Document.

**Shareholding structure**

*Estimates as of December 31, 2009, excluding treasury shares*

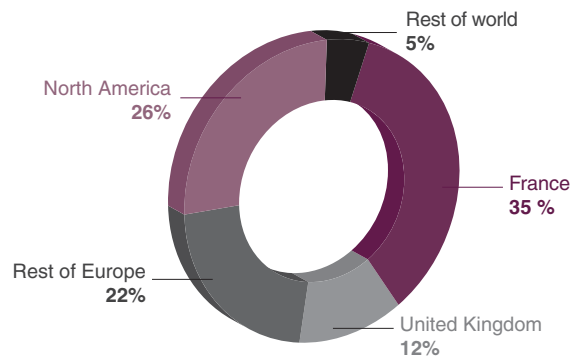
**By shareholder type**



(a) Based on the definition of employee shareholding pursuant to Article L. 225-102 of the French Commercial Code.

The number of French individual TOTAL shareholders is estimated at approximately 540,000.

**By geographic area**



## Regulated agreements and related party transactions

### ● Regulated agreements and undertakings

The special report of the statutory auditors of TOTAL S.A. on regulated agreements and undertakings in accordance with Article L. 225-38 of the French Commercial Code for fiscal year 2009 appears in Appendix 3, page 282 of this Registration Document.

The list and purpose of the other regulating to agreements related to current operations entered into under normal terms and conditions and covered by Articles L. 225-39 and L. 225-115 of the French Commercial Code, provided to the shareholders at the Company's corporate offices, contains no agreement likely to have a significant impact on the Company's financial situation.

No agreement links the Company to a shareholder holding a fraction greater than 10% of the Company's voting rights.

### ● Related party transactions

Details of transactions with related entities as required by the regulations adopted under EC regulation No. 1606/2002, entered into by the Group Companies during fiscal years 2007, 2008 or 2009, appear in Note 24 to the Consolidated Financial Statements of this Registration Document.

These transactions primarily concern equity affiliates and non-consolidated companies in which TOTAL exercises significant influence.

## ► Information for overseas shareholders

### ■ United States holders of ADRs

Information intended for U.S. holders of TOTAL's American Depositary Shares (ADSS), represented by American Depositary Receipts (ADRs), is provided in the Form 20-F filed by TOTAL S.A. with the United States Securities and Exchange Commission for the year ended December 31, 2009.

### ■ Non-resident shareholders (other than U.S. Shareholders)

In addition to Euronext Paris, TOTAL's shares have been listed on the London Stock Exchange since 1973 and on the Brussels stock exchange since 1999.

### ■ Dividends

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

Effective January 2008, the 25% withholding tax rate was reduced to 18% for dividends distributed to individuals who are residents, for tax purposes, within the European Union, in Iceland or in Norway.

In accordance with the French Finance Law for 2009 (*Loi de Finances rectificative pour 2009*), dated December 30, 2009, dividends paid to not-for-profit organizations that are residents of the European Union, Iceland or Norway are subject to the French withholding tax rate of 15%. Administrative guidelines setting forth the conditions under which this 15% withholding tax rate will be applied have not yet been released.

In accordance with the above-mentioned French Finance Law the withholding tax rate on dividends will be 50% effective March 1, 2010, should the dividends be distributed to so-called "Non-Cooperative Countries and Territories" ("NCCTs"), regardless of the beneficiary's tax residence.

Pursuant to French law, a country or territory is described as non-cooperative should the following cumulative conditions be satisfied: (1) it is not a member of the European Union; and (2) it has not concluded with France and with at least twelve other countries or territories a convention on administrative assistance for the exchange of any information necessary for the application of tax legislation of the relevant parties.

Countries or territories that have signed such a convention with France prior to January 1, 2010, will not be registered on the NCCT list, even if the convention has not entered into force as of that date (conversely, such countries or territories will be registered on the NCCT list if the convention has not entered into force by January 1, 2011). A list of NCCTs will be established annually and updated by the French tax authorities. The procedure for application of this new tax provision has not yet been released by the French tax authorities.

According to many tax treaties signed between France and other countries ("Tax Treaties"), the rate of French withholding tax is reduced in the case of dividends paid to a beneficial owner of the dividend that is a resident of one of these countries as defined by the Tax Treaties, provided that certain requirements are satisfied ("Eligible Holder").

Countries with which France has signed a Tax Treaty providing for a reduction of the French withholding tax rate on dividends to 15% include Austria, Belgium, Canada, Germany, Ireland, Italy, Japan, Luxembourg, Norway, the Netherlands, Singapore, South Africa, Spain, Switzerland, and the United Kingdom (this is not an exhaustive list).

Administrative guidelines issued by the French Tax Authorities set forth the conditions under which the reduced French withholding tax rate of 15% may be available. The immediate application of the reduced 15% rate is available only to Eligible Holders who may benefit from the so-called "simplified procedure" and are residents of a country with which France has concluded a Tax Treaty that provides for a reduction of the withholding tax.

Under the "simplified procedure", such Eligible Holders may claim the instant application of the reduced 15% withholding tax on the dividends to be received by them, provided that:

- They provide the financial institution managing their securities with a certificate of residence conforming to the model attached to the Administrative Guidelines. The instant application of the 15% withholding tax rate will be available only if the certificate of residence is sent to the financial institution managing their securities before the dividend payment date. Furthermore, each financial institution managing the eligible Holders' securities must also send to the French paying agent the figure of the total amount of dividends eligible for the reduced withholding tax rate before the dividend payment date.
- The foreign financial institution managing such Eligible Holder's securities provides the French paying agent with a list of the

Eligible Holders and other information set forth in the Administrative Guidelines. These documents must be sent as soon as possible, in all cases before the end of the third month computed as from the end of the month of the dividend payment date.

Where the foreign Eligible Holder's identity and tax residence are known by the French paying agent, the latter may release such foreign Eligible Holder from providing the financial institution managing its securities with the above-mentioned certificate of residence, and apply the 15% withholding tax rate to dividends it pays to such foreign Eligible Holder.

For an Eligible Holder that is not entitled to the so-called "simplified procedure", the 25% French withholding tax will be levied at the time the dividends are paid. Such Eligible Holder may, however, be entitled to a refund of the withholding tax in excess of the 15% rate under the standard procedure, as opposed to the "simplified procedure", provided that the Eligible Holder provides the French paying agent with an application for refund on a specific form before December 31 of the second year following the date of payment of the withholding tax at the 25% rate. Any French withholding tax refund is generally expected to be paid within 12 months from the filing of the abovementioned form. However, it will not be paid before January 15 of the year following the year in which the dividend was paid. The "simplified procedure" is not applicable to Swiss corporate holders and Singapore resident holders.

Copies of the French forms mentioned above are, in principle, available from the French non-resident tax office, at the following address:

Recette des impôts des non résidents, 10, rue du Centre, 93463 Noisy le Grand, France.

According to certain Tax Treaties, certain Eligible Holders were entitled to receive a French tax credit (the so-called *avoir fiscal*). However, the *avoir fiscal* was abolished, effective January 1, 2005.

The *avoir fiscal* was replaced, for French resident shareholders who are individuals, by a tax credit equal to 50% of the amount distributed, but with an overall annual cap of €230 or, as the case maybe, €115 depending on the marital status of the individual holder.

Non-resident individual taxpayers entitled to the previous *avoir fiscal* under certain Tax Treaties are also entitled to this tax credit limited to €230 or €115 depending on the marital status of the individual holder, possibly reduced by the French withholding tax. Please note that the French tax authorities do not provide for the procedure of refund of such credit yet.

The foreign taxation of dividends varies from one country to another according to their respective tax legislation.

In most countries, the gross amount of dividend, if any, and the refund up to €230 or €115 is generally included in the recipient's taxable income. Subject to certain conditions and limitations, French withholding taxes on dividends will be eligible for credit against the holder's income tax liability.

However, there are certain exceptions. For instance, in Belgium, a so-called *précompte mobilier* of 15% is applicable to the net dividends received by individual shareholders.

Because the foregoing is a general summary, holders are advised to consult their own tax advisors in order to determine the effect of the Tax Treaties and the applicable procedures as well as their income tax and more generally the tax consequences of the ownership of shares applicable in their particular tax situations.



## ► Communication with shareholders

### ■ Communication policy

In addition to its Registration Document filed each year with the French Financial Markets Authority (*Autorité des marchés financiers*) the Group provides information regularly on its operations on reports and newsletters as well as its website [www.total.com](http://www.total.com) and through press releases for significant news. The Group's presentations on its results and outlook are also available on its website.

Since its shares are traded in the United States, the Company also files an annual report on Form 20-F, in English, with the United States Securities and Exchange Commission (SEC) (see page 174).

The Group holds regular information sessions and participates in conferences for shareholders and financial analysts, both in France and abroad.

In 2009, TOTAL was awarded several prizes by the Institutional Investor Research Group, the Investor Relations Global Ranking and the Thomson Extel Survey, including a prize for the best Head of Investors Relations and the second best Investor Relations Department among listed oil companies for the quality of its financial communication policy.

In 2009 about 600 meetings bringing together institutional investors and analysts were organized by the Group.

The Group maintains an active dialogue with shareholders on issues related to Corporate and Social Responsibility (CSR) through:

- The publication of an annual report: *Environment and Society*.
- Individual and group meetings with shareholders are organized in Europe and in the United States. In November 2009, TOTAL made its first full-day CSR (Corporate Social Responsibility) presentation in London to the financial community, with several Group senior executives speaking, including the Chief Executive Officer. The agenda of the day focused on the sustainable satisfaction of the energy needs of today and tomorrow and the acceptability of TOTAL though its commitment as a responsible local actor. Topics such as TOTAL's safety policy, climate change, development of new energies, transparency for oil and gas revenues, operational implementation of the Group's environmental and social responsibility in challenging environments, such as Nigeria, Myanmar and Canada, were also addressed.
- The Investor Relations Department is available to investors and provides responses to their questions about the Group's social and environmental responsibilities (ethics, governance, safety, health and environmental protection, contribution to the development of local communities, future energies, measures to combat climate change).

### ■ Relationships with institutional investors and financial analysts

Members of the Group's management regularly meet with portfolio managers and financial analysts in the leading financial centers throughout the world (Europe, North America, Asia and the Middle East).

The first series of meetings are held annually in the first quarter, after publication of the results for the prior fiscal year. The second set of meetings takes place in the third quarter of the year. Material from those meetings is available on the Group's website ([www.total.com](http://www.total.com), heading Investors/Presentations).

As in previous years, three phone conferences were led by the Group's Chief Financial Officer in 2009 to discuss results for the first, second and third quarters of the year. These conferences are available on the Group's website ([www.total.com](http://www.total.com), heading Investors/Results).

### ■ An ISO 9001-certified Individual Shareholders Department since 2007

TOTAL's Individual Shareholder Relations Department is the first ISO 9001 version 2000 certified-shareholder service for its communication policy with individual shareholders. This certification was issued by AFNOR following a thorough audit of the various processes implemented in terms of communication with individual shareholders.

To achieve this goal, TOTAL optimized its communication tools by implementing a Customer Relationship Management (CRM) software designed for increasing its personal interactions with every individual shareholder through a contact log.

Since then, two follow-up audits, one conducted on October 7, 2008, and another on October 22, 2009, confirmed the certification. In particular, the second audit allowed TOTAL to gain the 2008 version of this certification.

This certification demonstrates TOTAL's commitment to providing shareholders with high-quality financial information over the long term. As a result, TOTAL was awarded the 2007 "Fils d'Or" prize, organized by La Vie Financière and Synerfil for the best Individual Shareholders Department of the CAC 40 index. As the 2007 prize-winner, TOTAL chaired the 2008 Fils d'Or Board. Given the closure of the Vie Financière newspaper, this prize was not awarded in 2009.

As part of this quality assurance certification, a satisfaction form has been available on the Group's website since 2008 in order to improve feedback from shareholders ([www.total.com](http://www.total.com), Individual Shareholders/ Individual Shareholders Relations). In addition, phone surveys were conducted in 2008 and 2009 to poll the shareholders' opinion on the Shareholders' Newsletter as well as the efficiency of the services provided by the Shareholders' Circle and its communication policy. These surveys were intended to ensure that the services provided met the shareholders' expectations.

In 2009, TOTAL also continued to organize meetings and information sessions with individual shareholders as part of different events:

- o The Shareholders' Meeting, held on May 15, 2009, gathered more than 3,500 shareholders at the Paris Convention Center. As for each year, this meeting was broadcast live and was later available on the Group's website. Notice of the meeting is sent to all holders of 250 or more bearer shares and to all registered shareholders.
- o During the Actionaria Trade Show that was held at the Convention Center in Paris in November 2009, TOTAL welcomed visitors to a new booth dedicated to the Pazflor project and proposed seven short seminars on the alliance of deepwater experience with technological boldness, with the project communication managers attending. In 2010, TOTAL is planning to organize a meeting led by the Group CEO at the Paris Convention Center.

The five meetings with individual shareholders organized in 2009 in Marseille, Geneva, Rennes, Toulouse and Brussels gathered over 1,600 people. In 2010, TOTAL is planning to organize the next meetings in Clermont-Ferrand, La Rochelle, Lille, Mandelieu-La-Napoule and Orléans.

- o The new Consultative Shareholders Committee, comprised of twelve members, held four meetings:
  - in March, on the occasion of the transfer of powers during a meeting held with the former Consultative Shareholders Committee, with Christophe de Margerie attending;
  - in May, following the Shareholders' Meeting;
  - in October, at the Exploration & Production Scientific and Technical Center in Pau, France; and
  - in December, with the Group Chief Financial Officer, at La Défense.

During these meetings, the Consultative Shareholders Committee gives its opinion on various components of the communications directed towards individual shareholders, including the Shareholders' Newsletter and the program of the Shareholders' Circle.

As a result, in 2009, the Consultative Shareholders Committee brought its contribution to different projects concerning individual shareholders, such as the efficiency of the services provided by the Shareholders' Circle as well as its communication policy and the actions to take to improve them. Regarding the Shareholders' Meeting, the Consultative Shareholders Committee also addressed the format of the notice of the Shareholders' Meeting and gave its feedback on the arrangements for this meeting.

- o The Shareholders' Circle, open to shareholders holding at least thirty bearer shares or one registered share, organized close to thirty events in 2009, gathering over 2,200 shareholder-members of the Circle. They visited industrial facilities, sites supported by the Total Foundation and attended seminars dedicated to better understanding the Group's different businesses and expertise. Finally, they attended cultural events within the framework of the Total Foundation sponsorship policy.

In this context, more than 11,000 individual shareholders met with Group representatives in 2009.

## Registered shareholding

TOTAL shares, which are generally bearer instruments, can be registered. In this case shareholders are identified by TOTAL S.A., in its capacity as the issuer, or by its agent, BNP Paribas Securities Services, which is responsible for the registration of shareholders.

### Registration

There are two forms of registration:

- o administered registered shares: shares are registered with TOTAL through BNP Paribas Securities Services, but the holder's financial intermediary continues to administer them with regards to sales, purchases, coupons, shareholders' meeting notices, etc.
- o pure registered shares: TOTAL holds and directly administers shares on behalf of the holder through BNP Paribas Securities Services, which administers sales, purchases, coupons, shareholders' meeting notices, etc., so that the shareholder does not need to appoint a financial intermediary. This form of registration is not easily compatible with the registration of shares in a French share savings plan (PEA) given the administrative procedures in place.

### Main advantages of administered registered shares

The advantages of administered registered shares include:

- o double voting rights if the shares are held continuously for two successive years (page 172 of this Registration Document);
- o a dedicated number for all contacts with BNP Paribas Securities Services (a toll-free call within France from a landline): 0 800 11 7000 or +33 1 40 14 80 61 (from abroad); from Monday to Friday (working days), 8:45 am – 6:00 pm (Paris time) (fax +33 1 55 77 34 17);

- o complete information about TOTAL: the shareholder receives, at home, all information published by the Group for its shareholders; and
- o the ability to join the TOTAL Shareholders' Circle by holding one share or more.

#### ► Main advantages of pure registered shares

The advantages of pure registered shares, in addition to those of administered registered shares, include:

- o no custodial fees;
- o easier placement of market orders <sup>1</sup> (phone, mail, fax, internet);
- o brokerage fees of 0.20% (before tax) based on the amount of the transaction, with no minimum charge and up to €1,000 per transaction; and
- o possibility to check share holdings on the Internet.

To convert TOTAL shares into pure registered shares, shareholders are required to fill out a form, which can be obtained upon request from the Individual Shareholder Relations Department, and send it to his/her financial intermediary. Once BNP Paribas Securities Services receives the shares, a certificate of account registration is sent and the following are requested:

- o a bank account number (or a postal account or savings account number) for payment of dividends; and
- o a market service agreement to facilitate trading TOTAL shares on the stock exchange.

## Individual Shareholders Department Contacts

For any information regarding the conversion of bearer to registered shares, membership in the Shareholders' Circle or any other general information, individual shareholders may contact:

TOTAL S.A.  
Individual Shareholder Relations Department  
2, place Jean Millier – La Défense 6  
92078 Paris La Défense Cedex  
France

Phone: From France: 0 800 039 039  
(toll-free number from a landline in France)  
From abroad: + 33 1 47 44 24 02  
From Monday to Friday, 9:00 am - 12:30 pm and  
1:30 pm - 5:30 pm (Paris time)

Fax: From France: 01 47 44 20 14  
From abroad: + 33 1 47 44 20 14

E-mail From the contact form available at [www.total.com](http://www.total.com),  
heading Individual Shareholders

Contacts Jean-Marie Rossini (Head of Individual Shareholders  
Relations Department)  
Claire Nabet (Individual Shareholders Relations  
Manager)

<sup>1</sup> Subject to having entered into a brokerage services contract, which is free of charge.

## 2010 Schedule

February 11	Results for the fourth quarter of and full year 2009
April 30	Results for the first quarter of 2010
May 21	2010 Shareholders' Meeting in Paris (Paris Convention Center)
May 27	Ex-dividend date for the 2009 final dividend <sup>1</sup>
June 1	Payment date for the 2009 final cash dividend <sup>1</sup>
June 7	Meeting with individual shareholders in Clermont-Ferrand (France)
June 17	Meeting with individual shareholders in La Rochelle (France)
July 30	Results for the second quarter and the first half of 2010
September 15	Performance and mid-2010 outlook in London
October 14	Meeting with individual shareholders in Lille (France)
October 21	Meeting with individual shareholders in Mandelieu-La-Napoule (France)
October 29	Results for the third quarter of 2010
November 19-20	Actionaria Trade Show (Paris Convention Center)
December 7	Meeting with individual shareholders in Orléans (France)

## 2011 Schedule

May 13	Shareholders' Meeting in Paris (Paris Convention Center)
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## Investor Relations contacts

Paris: Bertrand de La Noue  
 Vice President Investor Relations  
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<sup>1</sup> Subject to the approval of the Shareholders' Meeting of May 21, 2010.

<b>HISTORICAL FINANCIAL INFORMATION</b>	p. 158
2009, 2008 and 2007 consolidated financial statements	p. 158
Financial information concerning TOTAL S.A.	p. 158
<b>AUDIT OF THE HISTORICAL FINANCIAL INFORMATION</b>	p. 158
<b>ADDITIONAL INFORMATION</b>	p. 159
<b>DIVIDEND POLICY</b>	p. 159
<b>LEGAL AND ARBITRATION PROCEEDINGS</b>	p. 159
Grande Paroisse	p. 159
Antitrust investigations	p. 160
Sinking of the Erika	p. 161
Buncefield	p. 161
Myanmar	p. 162
South Africa	p. 162
Iran	p. 162
Italy	p. 163
Oil-for-Food Program	p. 163
Blue Rapid and the Russian Olympic Committee	p. 163
<b>SIGNIFICANT CHANGES</b>	p. 164

## ► Historical financial information

### ■ 2009, 2008 and 2007 consolidated financial statements

The consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) for the years ended December 31, 2009, December 31, 2008 and December 31, 2007, were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB (*International Accounting Standards Board*) and as adopted by the European Union as of December 31, 2009.

They appear in Appendix 1 to this Registration Document:

○ Consolidated Statement of Income	page 182
○ Consolidated Balance Sheet	page 183
○ Consolidated Statement of Cash Flows	page 184
○ Consolidated Statement of Changes in Shareholders' Equity	page 185
○ Consolidated Statement of Comprehensive Income	page 186
○ Notes to the Consolidated Financial Statements	page 187

### ■ Financial information concerning TOTAL S.A.

The statutory accounts of TOTAL S.A., the parent company of the Group, for the years ended December 31, 2009, December 31, 2008 and December 31, 2007, were prepared in accordance with French accounting standards as applicable on December 31, 2009.

They appear in Appendix 3 to this Registration Document:

○ Statement of Income	page 286
○ Balance Sheet	page 287
○ Statement of Cash Flow	page 288
○ Statement of Changes in Shareholders' Equity	page 289
○ Notes to the Financial Statements	page 290

## ► Audit of the historical financial information

The consolidated financial statements for the fiscal year 2009 which appear in Appendix 1 to this Registration Document were certified by the Company's auditors. A free translation of the auditors' report on these consolidated financial statements is provided in Appendix 1 (page 180).

The consolidated financial statements for fiscal years 2008 and 2007 appearing in Appendix 1 to this Registration Document were also certified by the Company's auditors. The auditors' report on the Consolidated Financial Statements for fiscal year 2008 is reproduced on page 176 of the French version of the Registration Document for fiscal year 2008 which was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on April 3, 2009 (and a free translation is reproduced on page 174 of the English version of such Registration Document). The auditors' report on the Consolidated Financial Statements for fiscal year 2007 is reproduced on page 160 of the French version of the Registration Document for fiscal year 2007 which was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on April 2, 2008 (and a free translation is reproduced on page 154 of the English version of such Registration Document). Pursuant to Article 28 of EC Regulation No 809/2004, these two reports are incorporated by reference in this Registration Document.

TOTAL's statutory accounts for the fiscal year 2009 (under French accounting standards) which appear in Appendix 3 to this Registration Document were also certified by the Company's auditors. A free translation of the auditors' report on the 2009 statutory accounts is reproduced in Appendix 3 (page 284).

TOTAL's statutory accounts for fiscal years 2008 and 2007 appearing in Appendix 3 to this Registration Document were also certified by the Company's auditors. The auditors' report on the statutory accounts for fiscal year 2008 is reproduced on page 278 of the French version of the Registration Document for fiscal year 2008 which was filed with the French *Autorité des marchés financiers* on April 3, 2009 (and a free translation is reproduced on page 272 of the English version of such Registration Document). The auditors' report on the statutory accounts for fiscal year 2007 is reproduced on page 254 of the French version of the Registration Document for fiscal year 2007 which was filed with the French *Autorité des marchés financiers* on April 2, 2008 (and a free translation is reproduced on page 246 of the English version of such Registration Document). Pursuant to Article 28 of EC Regulation No 809/2004, these two reports are incorporated by reference in this Registration Document.

## ► Additional information

Financial information other than that contained in Appendix 1 or 3 of this Registration Document, in particular ratios, statistical data or other calculated data, which are used to describe the Group or its business performance, is not extracted from the audited financial statements of the issuer. Except where otherwise stated, these data are based on internal Company data.

In particular, the supplemental oil and gas information provided in Appendix 2 to this Registration Document is not extracted from the audited financial statements of the issuer and was not audited by the Company's statutory auditors. This supplemental information

was prepared by the Company based on information available to it, using its own calculations or estimates and taking into account the U.S. standards to which the Company is subject for this kind of information as a result of the listing of its shares (in the form of ADRs) on the New York Stock Exchange.

This Registration Document does not include profit forecasts or estimates, under the meaning given to such terms by Regulation EC No. 809/2004 dated April 29, 2004, for the period after December 31, 2009.

## ► Dividend policy

The Company's dividend policy is described in Chapter 6 (TOTAL and its shareholders) of this Registration Document.

## ► Legal and arbitration proceedings

The main legal proceedings in which the Group is involved are described below.

The Company is not aware of any administrative, legal or arbitration disputes which have recently had or could have a material impact on its financial situation or its profitability or on those of the Group as a whole. According to the information available to the Company to date, there are no administrative, legal or arbitration proceedings pending or threatened that could have a material impact on its financial situation or its profitability or on those of the Group as a whole.

This plant has been closed and individual assistance packages have been provided for employees. The site has been rehabilitated.

On December 14, 2006, Grande Paroisse signed, under the supervision of the city of Toulouse, the deed whereby it donated the former site of the AZF plant to the greater agglomeration of Toulouse (CAGT) and the *Caisse des dépôts et consignations* and its subsidiary ICADE. Under this deed, TOTAL S.A. guaranteed the site restoration obligations of Grande Paroisse and granted a €10 million endowment to the InNaBioSanté research foundation as part of the setting up of a cancer research center at the site by the city of Toulouse.

### ■ Grande Paroisse

An explosion occurred at the Grande Paroisse industrial site in the city of Toulouse in France on September 21, 2001. Grande Paroisse, a former subsidiary of Atofina which became a subsidiary of Elf Aquitaine Fertilisants on December 31, 2004, as part of the reorganization of the Chemicals segment, was principally engaged in the production and sale of agricultural fertilizers. The explosion, which involved a stockpile of ammonium nitrate pellets, destroyed a portion of the site and caused the death of thirty-one people, including twenty-one workers at the site, and injured many others. The explosion also caused significant damage to certain property in part of the city of Toulouse.

Regarding the cause of the explosion, the hypothesis that the explosion was caused by Grande Paroisse through the accidental mixing of hundreds of kilos of a chlorine compound at a storage site for ammonium nitrate was discredited over the course of the investigation. As a result, proceedings against ten of the eleven Grande Paroisse employees charged during the criminal investigation conducted by the Toulouse Regional Court (*Tribunal de grande instance*) were dismissed and this dismissal was upheld by the Court of Appeal of Toulouse. Nevertheless, the final experts' report filed on May 11, 2006 continued to focus on the hypothesis of a chemical accident, although this hypothesis was not confirmed during the attempt to reconstruct the accident at the site. After having articulated several hypotheses, the experts no longer maintain that the accident was caused by pouring a large quantity of a chlorine compound over ammonium nitrate. Instead, the experts have retained a scenario where a container of chlorine



compound sweepings was poured between a layer of wet ammonium nitrate covering the floor and a quantity of dry agricultural nitrate at a location not far from the principal storage site. This is claimed to have caused an explosion which then spread into the main storage site. Grande Paroisse was investigated based on this new hypothesis in 2006. Grande Paroisse is contesting this explanation, which it believes to be based on elements that are not factually accurate.

The Court of Appeal of Toulouse denied all the requests for additional investigations that were submitted by Grande Paroisse, the former site manager and various plaintiffs after the end of the criminal investigation procedure. On July 9, 2007, the investigating judge brought charges against Grande Paroisse and the former plant manager before the criminal chamber of the Court of Appeal of Toulouse. In late 2008, TOTAL S.A. and Mr. Thierry Desmarest were summoned to appear in court pursuant to a request by a victims association. The trial for this case began on February 23, 2009, and lasted approximately four months.

On November 19, 2009, the Toulouse Criminal Court acquitted both the former Plant Manager and Grande Paroisse due to the lack of reliable evidence for the explosion. The Court also ruled that the summonses against TOTAL S.A. and Thierry Desmarest, Chairman and CEO at the time of the disaster, were inadmissible.

Due to the presumption of civil liability that applied to Grande Paroisse, the Court declared Grande Paroisse civilly liable for the damages caused by the explosion to the victims in its capacity as custodian and operator of the plant.

The Prosecutor's office, together with certain third parties, has appealed the Toulouse Criminal Court verdict. In order to preserve its rights, Grande Paroisse lodged a cross-appeal with respect to civil charges.

The appeal proceedings are expected to be ruled by the Court of Appeal of Toulouse during the first half of 2011.

A compensation mechanism for victims was set up immediately following the explosion and €2.29 billion in settlement were paid for the compensation of all claims and related expenses amounts. As of December 31, 2009, a €40 million reserve is recorded in the Group's Consolidated Balance Sheet.

## Antitrust investigations

- Following investigations into certain commercial practices in the chemicals industry in the United States, some subsidiaries of the Arkema<sup>1</sup> group are involved in several criminal investigations, today closed, and civil liability lawsuits for violations of antitrust laws in the United States. TOTAL S.A. has been named in certain of these suits as the parent company.

In Europe, the European Commission commenced investigations in 2000, 2003 and 2004 into alleged anti-competitive practices involving certain products sold by Arkema. In January 2005, under one of these investigations, the European Commission fined Arkema €13.5 million and jointly fined Arkema and Elf Aquitaine €45 million. On September 30, 2009, the Court of First Instance of the European Union denied the appeal from Arkema and Elf Aquitaine. An appeal has been filed to the Court of Justice of the European Communities in the allotted time.

The Commission notified Arkema, TOTAL S.A. and Elf Aquitaine of complaints concerning two other product lines in January and August 2005, respectively. Arkema has cooperated with the authorities in these procedures and investigations. In May 2006, the European Commission fined Arkema €78.7 million and €219.1 million as a result of, respectively, each of these two proceedings. Elf Aquitaine was held jointly and severally liable for, respectively, €65.1 million and €181.35 million of these fines while TOTAL S.A. was held jointly and severally liable, respectively, for €42 million and €140.4 million. TOTAL S.A., Arkema and Elf Aquitaine have appealed these decisions to the Court of First Instance of the European Union.

Arkema and Elf Aquitaine received a statement of objections from the European Commission in August 2007 concerning alleged anti-competitive practices related to another line of chemical products. As a result, Arkema and Elf Aquitaine have been jointly and severally fined in an amount of €22.7 million and individually in an amount of €20.43 million for Arkema and €15.89 million for Elf Aquitaine. The companies concerned have appealed this decision to the relevant European court.

Arkema and Elf Aquitaine received a statement of objections from the European Commission in March 2009 concerning alleged anti-competitive practices related to another line of chemical products. The decision was rendered by the European Commission in November 2009. Arkema and Elf Aquitaine were jointly and severally fined in an amount of €11 million and individually in an amount of €9.92 million for Arkema and €7.71 million for Elf Aquitaine. The companies concerned will appeal this decision to the relevant European court.

No facts have been alleged that would implicate TOTAL S.A. or Elf Aquitaine in the practices questioned in these proceedings, and the fines received are based solely on their status as parent companies.

Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema, as well as TOTAL S.A. and Elf Aquitaine.

- As part of the agreement relating to the spin-off of Arkema, TOTAL S.A. or certain other Group companies agreed to grant Arkema guarantees for certain risks related to antitrust proceedings arising from events prior to the spin-off.

1. Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A. Arkema became an independent company after being spun-off from TOTAL S.A. in May 2006.

These guarantees cover, for a period of ten years that began in 2006, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings.

The guarantee covering the risks related to anti-competition violations in Europe applies to amounts above a €176.5 million threshold.

If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the voting rights of Arkema, or if Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, these guarantees will become void.

On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by these guarantees.

- o The Group has recorded provisions amounting to €43 million in its consolidated financial statements as of December 31, 2009 to cover the risks mentioned above.
- o Moreover, as a result of investigations started by the European Commission in October 2002 concerning certain Refining & Marketing subsidiaries of the Group, Total Nederland N.V. and TOTAL S.A. received a statement of objections in October 2004. These proceedings resulted, in September 2006, in Total Nederland N.V. being fined €20.25 million and in TOTAL S.A. as its parent company being held jointly responsible for €13.5 million of this amount, although no facts implicating TOTAL S.A. in the practices under investigation were alleged. TOTAL S.A. and Total Nederland N.V. have appealed this decision to the Court of First Instance of the European Union.

In addition, in May 2007, Total France (new corporate name: Total Raffinage & Marketing) and TOTAL S.A. received a statement of objections regarding alleged antitrust practices concerning another product line of the Refining & Marketing division. These proceedings resulted, in October 2008, in Total France being fined €128.2 million and in TOTAL S.A., as its parent company, being held jointly responsible although no facts implicating TOTAL S.A. in the practices under investigation were alleged. TOTAL S.A. and Total Raffinage & Marketing have appealed this decision to the Court of First Instance of the European Union.

Furthermore, in July 2009, the French antitrust Authority sent to TotalGaz and Total Raffinage Marketing a statement of objections regarding alleged antitrust practices concerning another product line of the Refining & Marketing division.

- o Given the discretionary powers granted to the European Commission for determining fines relating to antitrust regulations, it is not currently possible to determine with certainty the outcome of these investigations and proceedings. TOTAL S.A. and Elf Aquitaine are contesting their liability and the method of determining these fines. Although it is not possible to predict the ultimate outcome of these proceedings, the Group believes that they will not have a material adverse effect on its financial situation or consolidated results.

## Sinking of the Erika

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding that TOTAL S.A. was negligent in its vetting procedure for vessel selection. TOTAL S.A. was fined €375,000. The court also ordered compensation to be paid to the victims of pollution from the Erika up to an aggregate amount of €192 million, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

TOTAL believes that the finding of negligence and the related conviction for marine pollution are without substance as a matter of fact and as a matter of law. TOTAL also considers that this verdict is contrary to the intended aim of enhancing maritime transport safety.

TOTAL has appealed the verdict of January 16, 2008. In the meantime, it has nevertheless proposed to pay third parties who so request definitive compensation as determined by the court. As of today, forty-one third parties have been compensated for an aggregate amount of €171.5 million.

The appeal proceedings were heard by the Court of Appeal of Paris in late 2009.

By decision dated March 30, 2010, the Court of Appeal upheld the lower court judgment pursuant to which TOTAL S.A. was convicted of marine pollution and fined the Company €375,000. TOTAL S.A. is considering the possibility of filing an appeal in the French Supreme Court (*Cour de cassation*) in this respect.

On the other hand, the Court of Appeal ruled that TOTAL S.A. bears no civil liability according to the applicable international conventions.

TOTAL S.A. considers, according to the information currently available to it, that this case should have no significant impact on the Group's financial situation or consolidated results.

## Buncefield

On December 11, 2005, several explosions, followed by a major fire, occurred at an oil storage depot at Buncefield, north of London. This depot is operated by Hertfordshire Oil Storage Limited (HOSL), a company in which TOTAL's UK subsidiary holds 60% and another oil group holds 40%.

The explosion caused minor injuries to a number of people and caused property damage to the depot and the buildings and homes located nearby. The official Independent Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report was released on December 11, 2008. The civil procedure for claims, which have not yet been settled, took place between October and December 2008. The Court's decision of March 20, 2009, declared TOTAL's UK subsidiary liable for the accident and solely liable for indemnifying the victims. The subsidiary appealed the decision. The appeal hearings were held in January 2010. The Court of Appeals, by a decision handed down on March 4, 2010, confirmed the prior judgment. TOTAL's UK subsidiary is looking into the possibility to file an appeal before the Supreme Court with respect to both the extent and sharing of the liabilities incurred.

The provision for the civil liability that appears in the Group's consolidated financial statements as of December 31, 2009, stands at €295 million after taking into account payments previously made.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The residual amount to be received from insurers amounts to € 211 million as of December 31, 2009.

The Group believes that, based on the information currently available, on a reasonable estimate of its financial liability and on provisions recognized, this accident should not have a significant impact on the Group's financial situation or consolidated results.

On December 1, 2008, the Health and Safety Executive (HSE) and the Environment Agency (EA) issued a Notice of prosecution against five companies, including TOTAL's UK subsidiary. In November 2009, TOTAL's UK subsidiary pleaded guilty to the charges brought by the prosecution and intends to raise a number of elements expected to mitigate the impact of the charges brought against it.

## Myanmar

Under the Belgian "universal jurisdiction" laws of June 16, 1993 and February 10, 1999, a complaint was filed in Belgium on April 25, 2002, against the Company, its Chairman and the former president of its subsidiary in Myanmar. These laws were repealed by the Belgian law of August 5, 2003 on "serious violations of international human rights", which also provided a procedure for terminating certain proceedings that were underway. In this framework, the Belgian *Cour de cassation* terminated the proceedings against TOTAL in a decision dated June 29, 2005. The plaintiffs' request to withdraw this decision was rejected by the *Cour de cassation* on March 28, 2007.

Despite this decision, the Belgian Ministry of Justice asked the Belgian federal prosecutor to request that the investigating judge reopen the case. The Belgian federal prosecutor decided to submit the admissibility of this request to the Court of Appeal of Brussels. In its decision of March 5, 2008, the Court of Appeal confirmed the termination of the proceedings against TOTAL, its Chairman and the former president of its subsidiary, based on the principle of *res judicata* applying to the *Cour de cassation's* decision of June 29, 2005. The plaintiffs appealed the decision of March 5, 2008. On October 29, 2008, the *Cour de cassation* rejected the plaintiffs' appeal, thus ending definitively the proceedings.

TOTAL has always maintained that the accusations made against the Company and its management arising out of the activities of its subsidiary in Myanmar were without substance as a matter of fact and as a matter of law.

## South Africa

In a threatened class action proceeding in the United States, TOTAL, together with approximately 100 other multinational companies, is the subject of accusations by certain South African citizens who alleged that their human rights were violated during the era of apartheid by the army, the police or militias, and who consider that these companies were accomplices in the actions by the South African authorities at the time.

The claims against the companies named in the class action, which were not officially brought against TOTAL, were dismissed by a federal judge in New York. The plaintiffs appealed this dismissal and, after a procedural hearing on November 3, 2008, decided to remove TOTAL from the list of companies against which it was bringing claims.

## Iran

In 2003, the *United States Securities and Exchange Commission* (SEC) issued a non-public formal order directing a private investigation in the matter of certain oil companies (including, among others, TOTAL), in connection with the pursuit of business in Iran. In 2006, a judicial inquiry related to TOTAL was initiated in France. In 2007, the Company's Chief Executive Officer was placed under formal investigation in relation to this inquiry, as the former President of the Middle East department of the Group's Exploration & Production division.

The inquiry concerns an agreement concluded by the Group that relates to the South Pars gas field and allegations that certain payments were made under this agreement to Iranian officials in connection with contracts entered into between the Group and the National Iranian Oil Company (NIOC). The Company has not been notified of any significant developments in the proceedings since the formal investigation was launched. The Company believes that the negotiation and execution of the agreement did not violate any applicable laws or applicable international conventions. However, the Company cannot exclude the possibility that additional procedures may be initiated with respect to this matter.

## Italy

As part of an investigation led by the Prosecutor of the Republic of the Potenza court, Total Italia is the subject of an investigation related to certain calls for tenders that it made for the preparation and development of an oil field. On February 16, 2009, as a preliminary measure before the proceedings go before the court, the preliminary investigation judge of Potenza served notice to Total Italia of a decision that would suspend the concession for this field for one year. Total Italia has appealed the decision by the preliminary investigation judge before the Court of Appeal of Potenza. In a decision handed down on April 8, 2009, the Court reversed the suspension of the concession and appointed for one year, *i.e.* until February 16, 2010, a judicial administrator to supervise the operations related to the development of the concession, allowing the Tempa Rossa project to continue.

In January 2010, the Prosecutor of the Potenza Court filed for a notice to close the criminal investigation.

Since in January 1, 2010, Total Italia's exploration and production operations have been transferred to Total E&P Italia.

## Oil-for-Food Program

Several countries have commenced investigations concerning possible violations related to the United Nations (UN) "Oil-for-Food" program in Iraq.

Pursuant to a French criminal investigation, certain current or former Group employees were placed under formal criminal investigation for possible charges as accessories to the misappropriation of corporate assets and as accessories to the corruption of foreign public agents. The Chief Executive Officer of the Company, formerly president of the Group's Exploration & Production division, was also placed under formal investigation in October 2006. In 2007, the criminal investigation was closed and the case was transferred to the Prosecutor's office. In 2009, the Prosecutor's office recommended dismissing the case for all the Group's current and former employees and for the Chief Executive Officer.

In early 2010, despite the advice of the Prosecutor's office, a new investigating judge decided to place TOTAL S.A. under formal investigation on bribery charges as well as complicity and influence peddling. This formal investigation has been pronounced eight years after the beginning of the investigation without any new evidence being added to the affair.

The Company believes that its activities related to the "Oil-for-Food" program have been in compliance with this program, as organized by the UN in 1996. The Volker report released by the independent investigating committee set up by the UN had discarded any bribery grievance within the framework of the "Oil-For-Food" program.

## Blue Rapid and the Russian Olympic Committee

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine concerning its withdrawal from an exploration and production project in Russia that was negotiated in the early 1990s.

Elf Aquitaine believes this claim to be unfounded.

On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim and found that the Russian Olympic Committee did not have standing in the matter. This decision has been appealed.

## ► Significant changes

Except for the recent events mentioned in the Management Report of the Board of Directors (Chapter 3, Management report) or in the business overview (Chapter 2, Business overview), no significant changes in the Group's financial or commercial position have occurred since December 31, 2009, the end of the last fiscal year for which audited financial statements have been published by the Company.

<b>SHARE CAPITAL</b>	p. 166
Share capital as of December 31, 2009	p. 166
Features of the shares	p. 166
Authorized share capital not issued as of December 31, 2009	p. 166
Potential share capital as of December 31, 2009	p. 169
Treasury shares	p. 169
Share capital history	p. 169
<b>ARTICLES OF INCORPORATION AND BY-LAWS; OTHER INFORMATION</b>	p. 171
General information concerning the Company	p. 171
Company's purpose	p. 171
Provisions of the by-laws governing the administration and management bodies	p. 171
Rights, privileges and restrictions attached to the shares	p. 172
Amending shareholders' rights	p. 173
Shareholders' meetings	p. 173
Thresholds to be declared according to the by-laws	p. 173
Changes in the share capital	p. 173
<b>OTHER MATTERS</b>	p. 174
Employee incentives and profit-sharing	p. 174
Pension savings plan	p. 174
Agreements mentioned in Article L. 225-100-3 of the French Commercial Code	p. 174
Filing of Form 20-F with the United States Securities and Exchange Commission	p. 174
<b>DOCUMENTS ON DISPLAY</b>	p. 175
<b>INFORMATION ON HOLDINGS</b>	p. 176
General information	p. 176
TOTAL's interest in Sanofi-Aventis	p. 176
TOTAL's interest in CEPESA	p. 176
TOTAL's interest in Arkema	p. 177



## ► Share capital

### ■ Share capital as of December 31, 2009

€5,871,057,210, consisting of 2,348,422,884 fully paid shares.

### ■ Features of the shares

There is only one class of shares, par value €2.50. A double voting right is granted to every shareholder, under certain conditions (see page 172 of this Registration Document). The shares are in bearer or registered form at the shareholder's discretion. The shares are in book-entry form and registered in a security account.

### ■ Authorized share capital not issued as of December 31, 2009

A table summarizing the currently valid delegations to increase share capital which have been granted by the Shareholders' Meeting to the Board of Directors, and the uses made of those delegations of authority in fiscal year 2009, is provided on page 168 of this Registration Document.

#### ● Thirteenth resolution of the Shareholders' Meeting held on May 16, 2008

Delegation of authority granted by the Shareholders' Meeting to the Board of Directors to increase the share capital by issuing common shares or other securities granting immediate or future rights to the Company's share capital, maintaining shareholders' pre-emptive subscription rights up to a maximum nominal amount of €2.5 billion (delegation of authority valid for twenty-six months).

#### ● Fourteenth resolution of the Shareholders' Meeting held on May 16, 2008

Delegation of authority granted by the Shareholders' Meeting to the Board of Directors to increase the share capital by issuing common shares or other securities granting immediate or future rights to the Company's share capital, deleting shareholders' pre-emptive subscription rights, including the compensation comprised of

securities as part of a public exchange offer, provided that they meet the requirements of Article L. 225-148 of the French Commercial Code. This resolution grants the Board of Directors the ability to anticipate a priority period for shareholders to subscribe to these securities pursuant to the provisions of Article L. 225-135 of the French Commercial Code. The total amount of the capital increases without pre-emptive subscription rights likely to occur immediately or in the future cannot exceed the nominal amount of €875 million, *i.e.* 350 million shares, par value €2.50 (delegation of authority valid for twenty-six months). The nominal amount of the capital increases is counted against the maximum aggregate nominal amount of €2.5 billion authorized by the thirteenth resolution of the Shareholders' Meeting held on May 16, 2008.

Furthermore, the maximum nominal amount of the debt securities granting rights to the Company's share capital which are likely to be issued pursuant to the above mentioned delegations of authority may not exceed €10 billion, or their exchange value, on the date of the issue.

#### ● Fifteenth resolution of the Shareholders' Meeting held on May 16, 2008

Delegation of authority granted by the Shareholders' Meeting to the Board of Directors to increase the share capital by issuing new ordinary shares or other securities granting immediate or future rights to the Company's share capital with pre-emptive subscription rights through in-kind compensation granted to the Company, by an amount not exceeding 10% of the share capital outstanding at the date of the Shareholders' Meeting on May 16, 2008 (delegation of authority valid for twenty-six months). The nominal amount of the capital increases is counted against the maximum aggregate nominal amount of €875 million authorized by the fourteenth resolution of the Shareholders' Meeting held on May 16, 2008.

#### ● Sixteenth resolution of the Shareholders' Meeting held on May 16, 2008

Delegation of authority to the Board of Directors to complete capital increases reserved for employees participating in the Company Savings Plan (*Plan d'épargne d'entreprise*), up to a maximum amount equal to 1.5% of the outstanding share capital on the date of the decision of the Board of Directors to proceed with the issue (delegation of authority valid for twenty-six months). It is being specified that the amount of the capital increase is counted against the maximum aggregate nominal amount of €2.5 billion authorized by the thirteenth resolution of the Shareholders' Meeting held on May 16, 2008.

As the Board of Directors did not use the delegations of authority granted by the thirteenth, fourteenth, fifteenth and sixteenth resolutions, the authorized share capital not issued was €2.5 billion (*i.e.* 1,000 million shares) as of December 31, 2009.



● **Seventeenth resolution of the Shareholders' Meeting held on May 16, 2008**

Authority to grant restricted outstanding or new TOTAL shares to employees of the Group and to executives and officers, up to a maximum of 0.8% of the share capital outstanding on the date of the meeting of the Board of Directors that approves the restricted share grants (authorization valid for thirty-eight months).

Pursuant to this authorization, 2,800,000 outstanding TOTAL shares were granted in October 9, 2008 by decision of the Board of Directors at its meeting on September 9, 2008 and 3,000,000 outstanding TOTAL shares were granted by decision of the Board of Directors at its meeting on September 15, 2009. As of December 31, 2009, 12,987,383 shares could still be granted pursuant to this authorization.

● **Sixteenth resolution of the Shareholders' Meeting held on May 11, 2007**

Authority to grant stock options reserved for TOTAL employees and to executive and officers up to a maximum of 1.5% of the share capital outstanding on the date of the meeting of the Board of Directors that approves the stock option grant (authorization valid for thirty-eight months).

Pursuant to this authorization, the Board of Directors granted 6,082,640 and 4,600,000 and 4,600,000 share subscription options at its meetings on July 17, 2007, on September 9, 2008 and on September 15, 2009. Therefore, as of December 31, 2009, 19,943,703 shares could still be issued pursuant to this authorization.

● **Seventeenth resolution of the Shareholders' Meeting held on May 11, 2007**

Authority to cancel shares up to a maximum of 10% of the share capital of the Company existing as of the date of the operation within a 24-month period. This authorization is effective until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2011. Pursuant to this authorization, on July 30, 2009 the Board of Directors decided to cancel 24,800,000 shares acquired in 2008 and accounted for as long-term securities in the parent company's financial statements.

Thus, as of December 31, 2009, taking into account the cancellation of 30,000,000 shares on July 31, 2008, pursuant to the authorization granted by the Shareholder's Meeting on May 11, 2007, 180,042,288 shares could still be cancelled under these authorizations up to and including July 31, 2010, before reaching the cancellation threshold of 10% of the share capital cancelled during a 24-month period.

### Summary table of valid delegations and authorizations to increase the share capital granted to the Board of Directors as of December 31, 2009 (Article L. 225-100 of the French Commercial Code)

Type		Par value limit, or maximum number of shares expressed as % of share capital (par value, number of shares or % of share capital)	Use in 2009, par value, or number of shares	Available balance as of 12/31/09, par value, or number of shares	Date of delegation of authority or authorization	Term of authorization granted to the Board of Directors
Total cap on issues of securities granting immediate or future rights to share capital	Debt securities representing rights to capital	10 B€ of securities	-	10 B€	ESM <sup>(a)</sup> of May 16, 2008 (13 <sup>th</sup> and 14 <sup>th</sup> resolutions)	26 months
	Nominal share capital	2.5 B€, i.e. a maximum of 1,000 million shares issued with a pre-emptive subscription right, of which	-	2.5 G€	ESM <sup>(a)</sup> of May 16, 2008 (13 <sup>th</sup> resolution)	26 months
		<b>1/</b> a specific sub-cap of 875M€, i.e. a maximum of 350 million shares for issuances without pre-emptive subscription rights, including the compensation comprised of securities as part of a public exchange offer, provided that they meet the requirements of Article L.225-148 of the French Commercial Code.	-	875 M€	ESM <sup>(a)</sup> of May 16, 2008 (14 <sup>th</sup> resolution)	26 months
		a sub-cap of 10% of the share capital on the date of the Shareholders' Meeting on May 16, 2008 <sup>(b)</sup> (600.1 M€) through in-kind contributions when provisions of Article L.225-148 of the French Commercial Code are not applicable	-	600.1 M€	ESM <sup>(a)</sup> of May 16, 2008 (15 <sup>th</sup> resolution)	26 months
		<b>2/</b> a specific sub-cap of 1.5% of the share capital on the date of Board decision <sup>(c)</sup> , for capital increases reserved for employees participating in Company Savings Plan	-	35.2 million shares <sup>(d)</sup>	ESM <sup>(a)</sup> of May 16, 2008 (16 <sup>th</sup> resolution)	26 months
Stock options	1.5% of share capital <sup>(c)</sup> on the date of Board decision to grant options	4.6 million shares <sup>(e)</sup>	19.9 million shares <sup>(e)</sup>	ESM <sup>(a)</sup> of May 11, 2007 (16 <sup>th</sup> resolution)	38 months	
Restricted shares granted to Group employees and to executives and officers	0.8% of share capital <sup>(c)</sup> on the date of Board decision to grant options	3.0 million shares <sup>(f)</sup>	13.0 million shares <sup>(f)</sup>	ESM <sup>(a)</sup> of May 16, 2008 (17 <sup>th</sup> resolution)	38 months	

(a) ESM = Extraordinary Shareholders' Meeting.

(b) Share capital as of May 16, 2008: 2,400,402,483 shares.

(c) Share capital as of December 31, 2009: 2,348,422,884 shares.

(d) The number of shares authorized under the 16<sup>th</sup> Resolution of the May 16, 2008 ESM may not exceed 1.5% of the share capital on the date on which the capital increase is decided by the Board of Directors. As the Board of Directors decided not to use the delegation of authority, the balance available under this authorization was 35,226,343 new shares as of December 31, 2009, which represents 1.5% of the 2,348,422,884 outstanding shares at year-end.

(e) The number of stock options authorized under the 16<sup>th</sup> Resolution of the May 11, 2007 ESM may not exceed 1.5% of the share capital on the date the options are granted by the Board of Directors. As the Board of Directors granted 6,082,640 TOTAL share subscription options on July 17, 2007, 4,600,000 TOTAL share subscription options on October 9, 2008, for the plan that it awarded at its meeting on September 9, 2008, and 4,600,000 TOTAL share subscription options on September 15, 2009, the number of options that may still be granted as of December 31, 2009 was 19,943,703, which represents 1.5% of the 2,348,422,884 outstanding shares at year-end, minus 15,282,640 options already granted and representing the same number of shares.

(f) The number of outstanding shares that may be awarded as restricted share grants under the 17<sup>th</sup> Resolution of the May 16, 2008 ESM may not exceed 0.8% of the share capital on the date the restricted shares are granted by the Board of Directors. As the Board of Directors granted 2,800,000 outstanding TOTAL shares on October 9, 2008, for the plan that it awarded at its meeting on September 9, 2008, and 3,000,000 outstanding TOTAL shares on September 15, 2009, the number of shares that may still be granted as of December 31, 2009, is 12,987,383 shares, which represents 0.8% of the outstanding 2,348,422,884 shares at year-end, minus the 5,800,000 shares already granted.

## Potential share capital as of December 31, 2009

Securities granting rights to TOTAL shares, through exercise or redemption, are TOTAL share subscription options, such options amounting to 45,828,769 as of December 31, 2009, divided into 6,811,629 options<sup>1</sup> for the plan awarded by the Board of Directors at its meeting on July 16, 2003, 12,495,709 options<sup>1</sup> for the plan awarded by the Board of Directors at its meeting on July 20, 2004, 6,185,440 options<sup>1</sup> for the plan awarded by the Board of Directors at its meeting on July 19, 2005, 5,645,686 options for the plan awarded by the Board of Directors at its meeting on July 18, 2006, and 5,871,665 options for the plan awarded by the Board of Directors at its meeting on July 17, 2007, 4,441,630 options for the October 9, 2008 plan awarded by the Board of Directors at its

meeting on September 9, 2008, and 4,377,010 options for the plan awarded by the Board of Directors at its meeting on September 15, 2009.

Due to the expiration in 2009 of the last share subscription option plans for Elf Aquitaine shares (on March 30 and September 12, 2009) and due to the expiration of the exchange guarantee (under the guarantee given by the Company in the information notice pertaining to the counter-offer of September 22, 1999) for TOTAL shares, no outstanding Elf Aquitaine benefited from exchange rights for TOTAL shares as of December 31, 2009.

The potential share capital (existing share capital plus securities granting rights to TOTAL shares, through exercise or redemption) represented 101.95% of the share capital as of December 31, 2009, on the basis of 2,348,422,884 TOTAL shares constituting the share capital as of December 31, 2009, and of 45,828,769 TOTAL shares that could be issued upon the exercise of TOTAL options.

## Treasury shares

### December 31, 2009

Percentage of share capital held by TOTAL S.A.	0.64%
Number of shares held in portfolio	15,075,922
Book value of the portfolio (at purchase price) (M€)	595
Market value of portfolio (M€) <sup>(a)</sup>	678
Percentage of capital held by the entire Group <sup>(b)</sup>	4.91%
Number of shares held in portfolio	115,407,190
Book value of the portfolio (at purchase price) (M€)	3,622
Market value of portfolio (M€) <sup>(a)</sup>	5,194

(a) On the basis of a market price of €45.005 per share as of December 31, 2009.

(b) TOTAL S.A., Total Nucléaire, Financière Valorgest, Sogapar and Fingestval.

## Share capital history

(Since January 1, 2007)

### ● For the year ended 2007

- January 10, 2007 Reduction of the share capital from €6,064,419,882.50 to €5,981,907,382.50, through the cancellation of 33,005,000 treasury shares, par value €2.50 per share.
- January 10, 2008 Certification of the issue of 2,769,144 new shares, par value €2.50 per share, between January 1 and December 31, 2007, raising the share capital by a total of €6,922,860 from €5,981,907,382.50 to €5,988,830,242.50 (of which 2,453,832 new shares issued through the exercise of the Company's stock options and 315,312 new shares through the exchange of 52,552 shares of Elf Aquitaine stock resulting from the exercise of Elf Aquitaine stock options and eligible for a guaranteed exchange for TOTAL shares).

1. After considering the May 22, 2006 adjustments of the price and the number of share options, in accordance with the legal provisions in force at that date and following decisions of the Shareholders' Meeting held on May 12, 2006, pertaining to the four-for-one stock split of TOTAL and the spin-off of Arkema.

**● For the year ended 2008**

- April 25, 2008 Certification of the subscription to 4,870,386 new shares, par value €2.50 per share, as part of the capital increase reserved for Group employees approved by the Board of Directors on November 6, 2007, raising the share capital by €12,175,965, from €5,988,830,242.50 to €6,001,006,207.50.
- July 31, 2008 Reduction of the share capital from €6,001,006,207.50 to €5,926,006,207.50, through the cancellation of 30,000,000 treasury shares, par value €2.50 per share.
- January 13, 2009 Certification of the issue of 1,405,591 new shares, par value €2.50 per share, between January 1 and December 31, 2008, raising the share capital by a total of €3,513,977.50 from €5,926,006,207.50 to €5,929,520,185 (of which 1,178,167 new shares issued through the exercise of the Company's stock options and 227,424 new shares through the exchange of 37,904 shares of Elf Aquitaine stock resulting from the exercise of Elf Aquitaine stock options and eligible for a guaranteed exchange for TOTAL shares).

**● For the year ended 2009**

- July 30, 2009 Reduction of the share capital from €5,929,520,185 to €5,867,520,185, through the cancellation of 24,800,000 treasury shares, par value €2.50 per share.
- January 12, 2010 Certification of the issue of 1,414,810 new shares, par value €2.50 per share, between January 1 and December 31, 2009, raising the share capital by a total of €3,537,025 from €5,867,520,185 to €5,871,057,210 (of which 934,780 new shares issued through the exercise of the Company's stock options and 480,030 new shares through the exchange of 80,005 shares of Elf Aquitaine stock resulting from the exercise of Elf Aquitaine stock options and eligible for a guaranteed exchange for TOTAL shares).

## ► Articles of incorporation and by-laws; other information

### ■ General information concerning the Company

#### ● Name

TOTAL S.A.

#### ● Corporate offices

2, place Jean Millier, La Défense 6, 92400 Courbevoie (France)

#### ● Legal form and nationality

A French *société anonyme* (limited liability company)

#### ● Trade Registry

542 051 180 RCS Nanterre

#### ● EC Registration Number

FR 59 542 051 180

#### ● Charter and by-laws

On file with Maîtres Gildas Le Gonidec de Kerhalic and Frédéric Lucet, Notaries in Paris

#### ● APE Code (NAF)

111Z until January 7, 2008

741J from January 8, 2008

#### ● Term

99 years from March 22, 2000, to expire on March 22, 2099, unless dissolved prior to this date or extended

#### ● Fiscal year

From January 1 to December 31 of each year

### ■ Company's purpose

The direct and indirect purpose of the Company is to search for and extract mining deposits in all countries, particularly hydrocarbons in all forms, and to perform industrial refining, processing and trading in said materials as well as their derivatives and by-products, as well as all activities relating to production and distribution of all forms of energy, as well as the chemicals sector in all of its forms and to the rubber and health sectors. The complete details of the Company's corporate purpose are set forth in Article, 3 of the by-laws.

### ■ Provisions of the by-laws governing the administration and management bodies

#### ● Election of directors and term of office

Directors are elected by the Shareholders' Meeting for a 3-year term up to a maximum number of directors authorized by law (currently 18), subject to the legal provisions that allow the term to be extended until the next Shareholders' Meeting called to approve the financial statements for the previous fiscal year.

In addition, one director representing the employee shareholders is also elected by the Shareholders' Meeting for a 3-year term from a list of at least two candidates pre-selected by the employee shareholders under the conditions provided for by the laws, regulations and by-laws in force. However, his term shall expire automatically once this Director is no longer an employee or a shareholder. The Board of Directors may meet and conduct valid deliberations until the date his replacement is named.

#### ● Age limit of directors

On the closing date of each fiscal year, the number of individual directors over the age of 70 may not be greater than one third of the directors in office. If this percentage is exceeded, the oldest Board member is automatically considered to have resigned.

The director permanent representative of a legal entity must be under 70 years old.

## ● Age limit of Chairman and Chief Executive Officer

Currently, the duties of the Chairman of the Board and of the Chief Executive Officer automatically cease on their 65<sup>th</sup> birthday at the latest.

The Shareholders' Meeting of May 15, 2009, approved an amendment of the by-laws pertaining to the rules relating to the nomination of the Chairman. The amendment allows the Board, as an exception to the applicable 65-year age limit, to appoint as Chairman of the Board for a period of up to two years a director who is more than 65 years old but less than 70 years old.

## ● Minimum interest in the Company held by directors

Each director (other than the director representing the employee shareholders) must own at least 1,000 shares of stock during his term of office. If he ceases to own the required number of shares, he may, however, adjust his position subject to the conditions set by law. The director representing employee shareholders must hold, during his term of office, either individually or through a Company Savings Plan (*Fonds Commun de Placement d'Entreprise* – FCPE) governed by Article L. 214-40 of the French Monetary and Finance Code, at least one share or a number of units in said fund equivalent to at least one share.

## ● Majority rules for Board meetings

Decisions are adopted by a majority vote of the Directors present or represented. In the event of a tie vote, the Chairman shall cast the deciding vote.

## ● Rules of procedure of the Board and Committees of the Board of Directors

See Chapter 5 (Corporate Governance – Report of the Chairman of the Board of Directors) of this Registration Document.

## ● Form of Management

The Management of the Company is assumed either by the Chairman of the Board of Directors (who then holds the title of the Chairman and Chief Executive Officer), or by another person appointed by the Board of Directors with the title of Chief Executive Officer. It is the responsibility of the Board of Directors to choose between these two forms of management under the majority rules described above.

On February 13, 2007, the Board resolved to have separate individuals serve in the positions of Chairman of the Board and of Chief Executive Officer of the Company.

The management form selected shall remain in effect until a decision to the contrary is made by the Board of Directors.

## ■ Rights, privileges and restrictions attached to the shares

In addition to the right to vote, each share entitles the holder to a portion of the corporate assets, distributions of profits and liquidation dividend which is proportional to the number of shares issued, subject to the laws and regulations in force and the by-laws.

With the exception of the double voting right, no privilege is attached to a specific class of shares or to a specific class of shareholders.

### ● Double voting rights

Double voting rights, in relation to the portion of share capital they represent, are granted to all fully paid-up registered shares held continuously in the name of the same shareholder for at least two years<sup>1</sup>, and to additional registered shares allotted to a shareholder in connection with a capital increase by capitalization of reserves, profits or premiums on the basis of the existing shares which entitle the shareholder to a double voting right.

### ● Limitation of voting rights

Article 18 of the Company's by-laws provides that at Shareholders' Meetings, no shareholder may cast, by himself or through his agent, on the basis of the single voting rights attached to the shares he holds directly or indirectly and the shares for which he holds powers, more than 10% of the total number of voting rights attached to the Company's shares. However, if a shareholder holds double voting rights, this limit may be greater than 10%, but shall not exceed 20%.

Moreover, Article 18 of the Company's by-laws also provides that the limitation on voting rights no longer applies, absent any decision of the Shareholders' Meeting, if an individual or a legal entity acting solely or together with one or more individuals or entities acquires at least two third of the Company shares following a public tender offer for all the Company's shares. In that case, the Board of Directors acknowledges that the limitation no longer applies and carries out the necessary procedure to modify the company's by-laws accordingly.

Once acknowledged, the fact that the limitation no longer applies is final and applies to all Shareholders' Meetings following the public tender offer under which the acquisition of at least two third of the overall number of shares of the Company was made possible, and not solely to the first meeting following that public tender offer.

Because of the fact that in such circumstances the limitation no longer applies, such limitation on voting rights cannot prevent or delay any takeover of the Company, except in case of a public tender offer where the bidder does not acquire at least two third of the Company's shares.

<sup>1</sup> This term is not interrupted and the right acquired is retained in case of a conversion of bearer to bearer pursuant to intestate or testamentary succession, share of community property between spouses or donation to the spouse or relatives entitled to inherit (Article 18 § 6 of by-laws).

## ● Fractional rights

Whenever it is necessary to own several shares in order to exercise a right, a number of shares less than the number required does not give the owners any right with respect to the Company; in such case, the shareholders are responsible for aggregating the required number of shares.

## ● Statutory allocation of profits

The net profit for the period is equal to the net income minus general expenses and other personnel expenses, all amortization and depreciation of the assets, and all provisions for commercial and industrial contingencies.

From this profit, minus prior losses, if any, the following items are deducted in the order indicated:

- 1) 5% to constitute the legal reserve fund, until said fund reaches 10% of the share capital;
- 2) the amounts set by the Shareholders' Meeting to fund reserves for which it determines the allocation or use; and
- 3) the amounts that the Shareholders' Meeting decides to retain.

The remainder is paid to the shareholders as dividends.

The Board of Directors may pay interim dividends.

The Shareholders' Meeting held to approve the financial statements for the fiscal year may decide to grant shareholders an option, for all or part of the dividend or interim dividends, between payment of the dividend in cash or in shares.

The Shareholders' Meeting may decide at any time, but only on the basis of a proposal by the Board of Directors, to make a full or partial distribution of the amounts in the reserve accounts, either in cash or in Company shares.

Dividends which have not been claimed at the end of a 5-year period are forfeited to the French government.

## ■ Amending shareholders' rights

Any amendment to the by-laws must be approved or authorized by the Shareholders' Meeting voting with the quorum and majority required by the laws and regulations governing Extraordinary Shareholders' Meetings.

## ■ Shareholders' meetings

### ● Notice of meetings

Shareholders' Meetings are convened and conducted under the conditions provided for by law.

### ● Admission to meetings

Participation in any form in Shareholders' Meetings is subject to registration or record of participating shares. Shares must either be held in the registered account maintained by the Company (or its securities agent) or recorded in bearer form in a securities account maintained by a financial intermediary. Proof of this registration or record is obtained under a certificate of participation (*attestation de participation*) delivered to the shareholder. This registration or recording of the shares must be effective no later than a "record date" at 0:00 a.m. (Paris time) three business days before the date of the Shareholders' Meeting. If, after having received such a certificate, shares are sold or transferred prior to this record date, the certificate of participation will be cancelled and the votes sent by mail or proxies granted to the Company for such shares will be cancelled accordingly. If shares are sold or transferred after this record date, the certificate of participation will remain valid and votes cast or proxies granted will be taken into account.

## ■ Thresholds to be declared according to the by-laws

Any individual or entity who directly or indirectly acquires a percentage of the share capital, voting rights or securities giving future access to the share capital of the Company which is equal to or greater than 1%, or a multiple of this percentage, is required to notify the Company within fifteen days by registered mail with return receipt requested, and declare the number of securities held. They are also required to notify the Company in due form and within the time limits stated for the aforementioned thresholds when their direct or indirect holdings fall below each of the aforementioned thresholds.

## ■ Changes in the share capital

The Company's share capital may be modified only under the conditions stipulated by the legal and regulatory provisions in force. The provisions of the by-laws, charter, or internal regulations shall not prevail over the law governing changes in the Company's share capital.



## ► Other matters

### ■ Employee incentives and profit-sharing

On June 26, 2009, a new incentive agreement and a profit-sharing agreement was signed for 2009, 2010 and 2011, concerning TOTAL S.A., CDF Énergie, Elf Exploration Production, Total Exploration Production France, Total Fluides, Total Additifs et Carburants Spéciaux, TIGF, Total Raffinage Marketing, Total Lubrifiants and Totalgaz. The amount of the special profit-sharing and incentive reserve to be distributed by all of the companies that signed the Group agreements for fiscal year 2009 would total €106 million.

Company savings plans give employees of the Group's companies covered by these plans the ability to make discretionary contributions (which the Company may, under certain conditions, supplement) to the plans invested in the shares of the Company (see Chapter 5 – Corporate Governance, Employees, share ownership) of this Registration Document.

The Group made gross additional contributions to various savings plans that totaled €53.6 million in 2009.

### ■ Pension savings plan

Pursuant to French law 2003-775 of August 21, 2003, reforming pensions, an agreement was signed with the unions on September 29, 2004, to set up, as of January 1, 2005, a Collective Retirement Savings Plan (PERCO) replacing the Voluntary Partnerships Plan for Employee Savings (PPESV) created in the agreement of March 15, 2002. An amendment to this agreement signed on December 20, 2005, allows for an increase in France of the employee and Company contributions and for contribution of bonuses and/or profit-sharing.

### ■ Agreements mentioned in Article L. 225-100-3 of the French Commercial Code

There are no agreements mentioned in paragraph 9 or 10 of Article L. 225-100-3 of the French Commercial Code.

### ■ Filing of Form 20-F with the United States Securities and Exchange Commission

In order to meet its obligations related to the listing of its shares in the United States, the Company files, along with this Registration Document, an annual report on Form 20-F, in English, with the SEC.

Pursuant to the requirements introduced by Section 302 of the Sarbanes-Oxley Act of July 30, 2002, the Chief Executive Officer and the Chief Financial Officer of the Company have conducted, with the assistance of Management, an evaluation of the effectiveness of the disclosure controls and procedures as defined by U.S. regulations, over the period covered by the Form 20-F. For 2009, the Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures were effective.

## ► Documents on display

Documents and information concerning TOTAL S.A., including its charter, by-laws and the Company's statutory and consolidated financial statements for the year ended December 31, 2009, or for previous fiscal years may be consulted at the Company's corporate offices pursuant to the legal and regulatory provisions in force.

In addition, financial information for direct or indirect subsidiaries of the Company for the years ended December 31, 2008 and December 31, 2009 may be consulted at the headquarters of the subsidiary, under the applicable legal and regulatory conditions.

TOTAL's Registration Documents filed with the French Financial Markets Authority (*Autorité des marchés financiers*) for each of the past five fiscal years, the first half financial statements, the first half Group presentations of its results and outlook, as well as the quarterly financial reports, are available on the Company's website ([www.total.com](http://www.total.com), Investor/Regulated Information in France). Furthermore, the annual summary for information publicly disclosed by TOTAL S.A., as provided for by Article L. 451-1-1 of the French Financial and Monetary Code, are also available on the Company's website ([www.total.com](http://www.total.com), heading Investor/Publications).

## ► Information on holdings

### ■ General information

As of December 31, 2009:

- 617 subsidiaries were fully consolidated, 12 were proportionately consolidated and 83 were accounted for using the equity method;
- TOTAL S.A.'s scope of consolidation includes all companies in which the Company holds a direct or indirect interest, the book value of which on that date is at least equal to 10% of the amount of TOTAL S.A.'s equity or of the consolidated net assets of the Group, or which has generated at least 10% of the TOTAL S.A.'s net income or of the Group's consolidated net income during the last year.

A list of the principal companies consolidated by TOTAL S.A. is provided in a summary table in Note 35 to the consolidated financial statements of this Registration Document.

### ■ TOTAL's interest in Sanofi-Aventis

Following an amendment, signed in November 2003, to the shareholders' agreement concluded in 1999 between TOTAL and L'Oréal, both companies declared that they were not acting together regarding Sanofi-Aventis as of December 2004, the termination date of the agreement. However, each one of the companies had committed itself for a period of three years, starting from the date of termination of the agreement, to inform the other company of any intention to sell more than 1% of Sanofi-Aventis' share capital. The notification was to be sent at least two months prior to the disposal date. Consequently, this obligation of prior notification agreed between the parties expired in December 2007.

In 2009, TOTAL's interest in Sanofi-Aventis, held indirectly through its 99.5% subsidiary Elf Aquitaine, decreased from 11.29% of the share capital and 18.16% of the voting rights (or 148,559,513 shares<sup>1</sup> for 290,052,340 voting rights) as of December 31, 2008<sup>2</sup>, to 7.33% of the share capital and 12.29% of the voting rights (or 96,692,473 shares for 190,899,986 voting rights) as of December 31, 2009<sup>3</sup>.

1. This number takes into account the 500 shares lent to directors representing TOTAL at the Board of directors of Sanofi-Aventis.

2. On the basis of 1,315,525,463 Sanofi-Aventis shares to which are attached 1,597,584,326 voting rights as of December 31, 2008.

3. On the basis of 1,318,479,052 Sanofi-Aventis shares to which are attached 1,553,331,156 voting rights as of December 31, 2009.

On June 10, 2009, TOTAL declared in the AMF notice No. 209C0835, that its interest in Sanofi-Aventis share capital indirectly fell below the 10% threshold pursuant to the disposal of Sanofi-Aventis shares on the market and that the Group held 9.99% of the share capital and 16.23% of voting rights of the company.

On September 2, 2009, TOTAL declared in the AMF notice No. 209C1154, that its voting rights in Sanofi-Aventis indirectly fell below the 15% threshold on August 28, 2009, pursuant to the conversion of Sanofi-Aventis shares to bearer shares, which led to a decrease in the Group's voting rights and to the disposal of Sanofi-Aventis shares on the market, such that the Group held 9.09% of the share capital and 14.58% of the voting rights of the company.

Over the years 2007 and 2008, TOTAL's interest in Sanofi-Aventis successively changed from 13.13% of the outstanding shares and 19.21% of the voting rights to 12.70% of the outstanding shares and 19.11% of the voting rights, and then from 12.70% of the outstanding shares and 19.11% of the voting rights to 11.29% of the outstanding shares and 18.16% of the voting rights.

The gradual selling of the Sanofi-Aventis shares, over the short or medium term, gives the Group a certain amount of financial flexibility to adapt its financial resources to its growth and dividend policies.

For a description of Sanofi-Aventis, please consult the publications issued by that company.

### ■ TOTAL's interest in CEPESA

TOTAL has been a shareholder of the Spanish oil and gas company CEPESA since 1990. As of December 31, 2009, CEPESA's single majority shareholder is International Petroleum Investment Company pursuant to the disposal in 2009 of Santander Central Hispano S.A. (SCH)'s and Unión Fenosa's interest in CEPESA to International Petroleum Investment Company.

As of December 31, 2009, TOTAL held (through its indirectly-owned subsidiary Odivial) 130,668,240 CEPESA shares out of a total of 267,574,941 outstanding shares, representing 48.83% of CEPESA's share capital and voting rights.

## TOTAL's interest in Arkema

Given the expiration, in May 2009, of the mandatory holding period for Arkema shares and the non-strategic character of the Group's interest in Arkema's share capital, TOTAL decided in the fourth quarter of 2009 to gradually divest its interest in Arkema's share capital.

As of December 31, 2009, TOTAL held, through its indirect subsidiaries Fingestval and Financière Valorgest, 2,352,493 shares and 4,152,490 voting rights, representing 3.89% of the outstanding shares and 6.42% of the voting rights.

On March 17, 2010, TOTAL declared in the AMF notice No. 210C0255, that its voting rights in Arkema indirectly fell below the 5% threshold on March 12, 2010, pursuant to the loss of double voting rights following the conversion of Arkema shares to bearer shares and to the disposal of Arkema shares on the market, such that the Group held 2.66% of the share capital and 3.97% of the voting rights of the company.



*Chapter 9 (Appendix 1, Consolidated Financial Statements) was set by the Board of Directors on February 10, 2010, and has not been updated with subsequent events.*

<b>STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS</b>	p. 180
<b>CONSOLIDATED STATEMENT OF INCOME</b>	p. 182
<b>CONSOLIDATED BALANCE SHEET</b>	p. 183
<b>CONSOLIDATED STATEMENT OF CASH FLOW</b>	p. 184
<b>CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>	p. 185
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	p. 186
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	p. 187
<b>Introduction</b>	p. 187
1 - Accounting policies	p. 187
2 - Main indicators – information by business segment	p. 195
3 - Changes in the Group structure, main acquisitions and divestments	p. 196
4 - Business segment information	p. 196
5 - Information by geographical area	p. 206
6 - Operating expenses	p. 206
7 - Other income and other expense	p. 207
8 - Other financial income and expense	p. 207
9 - Income taxes	p. 207
10 - Intangible assets	p. 210
11 - Property, plant and equipment	p. 211
12 - Equity affiliates: investments and loans	p. 213
13 - Other investments	p. 215
14 - Other non-current assets	p. 216
15 - Inventories	p. 216
16 - Accounts receivable and other current assets	p. 217
17 - Shareholders' equity	p. 218
18 - Employee benefits obligations	p. 221
19 - Provisions and other non-current liabilities	p. 224
20 - Financial debt and related financial instruments	p. 226
21 - Other creditors and accrued liabilities	p. 231
22 - Lease contracts	p. 232
23 - Commitments and contingencies	p. 233
24 - Related parties	p. 235
25 - Share-based payments	p. 236
26 - Payroll and staff	p. 241
27 - Statement of cash flows	p. 241
28 - Financial assets and liabilities analysis per instruments class and strategy	p. 243
29 - Fair value of financial instruments (excluding commodity contracts)	p. 245
30 - Financial instruments related to commodity contracts	p. 249
31 - Market risks	p. 251
32 - Other risks and contingent liabilities	p. 257
33 - Other information	p. 259
34 - Post-closing events	p. 259
35 - Consolidation Scope	p. 260

## ▶ Statutory auditors' report on the Consolidated Financial Statements

*This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.*

*This report also includes information relating to the specific verification of information given in the Group's management report.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Year ended December 31, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by your General Shareholder's Annual Meeting, we hereby report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying consolidated financial statements of TOTAL S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

### I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2009 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in the Note "Introduction" to the consolidated financial statements regarding application of the new definition and the new rules of estimates for Oil & Gas reserves.

### II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of French commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

As stated in the Note "Introduction" to the consolidated financial statements, some accounting principles applied by TOTAL S.A. involve a significant amount of assumptions and estimates principally related to the application of the successful efforts method for the oil and gas activities, the depreciation of long-lived assets, the provisions for dismantlement, removal and environmental costs, the valuation of retirement obligations and the determination of the current and deferred taxation. Detailed information relating to the application of these accounting principles is given in the notes to the consolidated financial statements.

Our procedures relating to the material assumptions and estimates made by the management and which can result from the application of these accounting principles enabled us to assess their reasonableness.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, served in forming our audit opinion expressed in the first part of this report.



### III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information relative to the Group, given in the parent company's management report.

We have no matters to report regarding its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, March 8, 2010

The Statutory Auditors

*French original signed by*

KPMG Audit  
A division of KPMG S.A.

Jay Nirsimloo

ERNST & YOUNG Audit

Pascal Macioce

## ► Consolidated statement of income

### TOTAL

For the year ended December 31, (M€) <sup>(a)</sup>		2009	2008	2007
<b>Sales</b>	<i>(Notes 4 &amp; 5)</i>	<b>131,327</b>	<b>179,976</b>	<b>158,752</b>
Excise taxes		<b>(19,174)</b>	(19,645)	(21,928)
Revenues from sales		<b>112,153</b>	160,331	136,824
Purchases net of inventory variation	<i>(Note 6)</i>	<b>(71,058)</b>	(111,024)	(87,807)
Other operating expenses	<i>(Note 6)</i>	<b>(18,591)</b>	(19,101)	(17,414)
Exploration costs	<i>(Note 6)</i>	<b>(698)</b>	(764)	(877)
Depreciation, depletion and amortization of tangible assets and mineral interests		<b>(6,682)</b>	(5,755)	(5,425)
Other income	<i>(Note 7)</i>	<b>314</b>	369	674
Other expense	<i>(Note 7)</i>	<b>(600)</b>	(554)	(470)
Financial interest on debt		<b>(530)</b>	(1,000)	(1,783)
Financial income from marketable securities & cash equivalents		<b>132</b>	473	1,244
Cost of net debt	<i>(Note 29)</i>	<b>(398)</b>	(527)	(539)
Other financial income	<i>(Note 8)</i>	<b>643</b>	728	643
Other financial expense	<i>(Note 8)</i>	<b>(345)</b>	(325)	(274)
Equity in income (loss) of affiliates	<i>(Note 12)</i>	<b>1,642</b>	1,721	1,775
Income taxes	<i>(Note 9)</i>	<b>(7,751)</b>	(14,146)	(13,575)
<b>Consolidated net income</b>		<b>8,629</b>	<b>10,953</b>	<b>13,535</b>
Group share *		<b>8,447</b>	10,590	13,181
Minority interests		<b>182</b>	363	354
Earnings per share (€)		<b>3.79</b>	4.74	5.84
Fully-diluted earnings per share (€) **		<b>3.78</b>	4.71	5.80
* Adjusted net income		<b>7,784</b>	13,920	12,203
** Adjusted fully-diluted earnings per share (€)		<b>3.48</b>	6.20	5.37

(a) Except for per share amounts.

## ► Consolidated balance sheet

### TOTAL

As of December 31, (M€)		2009	2008	2007
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets, net	(Notes 5 & 10)	7,514	5,341	4,650
Property, plant and equipment, net	(Notes 5 & 11)	51,590	46,142	41,467
Equity affiliates: investments and loans	(Note 12)	13,624	14,668	15,280
Other investments	(Note 13)	1,162	1,165	1,291
Hedging instruments of non-current financial debt	(Note 20)	1,025	892	460
Other non-current assets	(Note 14)	3,081	3,044	2,155
<b>Total non-current assets</b>		<b>77,996</b>	<b>71,252</b>	<b>65,303</b>
<b>Current assets</b>				
Inventories, net	(Note 15)	13,867	9,621	13,851
Accounts receivable, net	(Note 16)	15,719	15,287	19,129
Other current assets	(Note 16)	8,198	9,642	8,006
Current financial assets	(Note 20)	311	187	1,264
Cash and cash equivalents	(Note 27)	11,662	12,321	5,988
<b>Total current assets</b>		<b>49,757</b>	<b>47,058</b>	<b>48,238</b>
<b>Total assets</b>		<b>127,753</b>	<b>118,310</b>	<b>113,541</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>Shareholders' equity</b>				
Common shares		5,871	5,930	5,989
Paid-in surplus and retained earnings		55,372	52,947	48,797
Currency translation adjustment		(5,069)	(4,876)	(4,396)
Treasury shares		(3,622)	(5,009)	(5,532)
<b>Total shareholders' equity - Group share</b>	(Note 17)	<b>52,552</b>	<b>48,992</b>	<b>44,858</b>
<b>Minority interests</b>		<b>987</b>	<b>958</b>	<b>842</b>
<b>Total shareholders' equity</b>		<b>53,539</b>	<b>49,950</b>	<b>45,700</b>
<b>Non-current liabilities</b>				
Deferred income taxes	(Note 9)	8,948	7,973	7,933
Employee benefits	(Note 18)	2,040	2,011	2,527
Provisions and other non-current liabilities	(Note 19)	9,381	7,858	6,843
<b>Total non-current liabilities</b>		<b>20,369</b>	<b>17,842</b>	<b>17,303</b>
<b>Non-current financial debt</b>	(Note 20)	<b>19,437</b>	<b>16,191</b>	<b>14,876</b>
<b>Current liabilities</b>				
Accounts payable		15,383	14,815	18,183
Other creditors and accrued liabilities	(Note 21)	11,908	11,632	12,806
Current borrowings	(Note 20)	6,994	7,722	4,613
Other current financial liabilities	(Note 20)	123	158	60
<b>Total current liabilities</b>		<b>34,408</b>	<b>34,327</b>	<b>35,662</b>
<b>Total liabilities and shareholders' equity</b>		<b>127,753</b>	<b>118,310</b>	<b>113,541</b>

## ► Consolidated statement of cash flow

### TOTAL

(Note 27)

For the year ended December 31,  
(M€)

	2009	2008	2007
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Consolidated net income	8,629	10,953	13,535
Depreciation, depletion and amortization	7,107	6,197	5,946
Non-current liabilities, valuation allowances, and deferred taxes	441	(150)	826
Impact of coverage of pension benefit plans	–	(505)	–
(Gains) losses on disposals of assets	(200)	(257)	(639)
Undistributed affiliates' equity earnings	(378)	(311)	(821)
(Increase) decrease in working capital	(3,316)	2,571	(1,476)
Other changes, net	77	171	315
<b>Cash flow from operating activities</b>	<b>12,360</b>	<b>18,669</b>	<b>17,686</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Intangible assets and property, plant and equipment additions	(11,849)	(11,861)	(10,549)
Acquisitions of subsidiaries, net of cash acquired	(160)	(559)	(20)
Investments in equity affiliates and other securities	(400)	(416)	(351)
Increase in non-current loans	(940)	(804)	(802)
<b>Total expenditures</b>	<b>(13,349)</b>	<b>(13,640)</b>	<b>(11,722)</b>
Proceeds from disposals of intangible assets and property, plant and equipment	138	130	569
Proceeds from disposals of subsidiaries, net of cash sold	–	88	5
Proceeds from disposals of non-current investments	2,525	1,233	527
Repayment of non-current loans	418	1,134	455
<b>Total divestments</b>	<b>3,081</b>	<b>2,585</b>	<b>1,556</b>
<b>Cash flow used in investing activities</b>	<b>(10,268)</b>	<b>(11,055)</b>	<b>(10,166)</b>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>			
Issuance (repayment) of shares:			
– Parent company shareholders	41	262	89
– Treasury shares	22	(1,189)	(1,526)
– Minority shareholders	–	(4)	2
Dividends paid:			
– Parent company shareholders	(5,086)	(4,945)	(4,510)
– Minority shareholders	(189)	(213)	(228)
Net issuance (repayment) of non-current debt	5,522	3,009	3,220
Increase (decrease) in current borrowings	(3,124)	1,437	(2,654)
Increase (decrease) in current financial assets and liabilities	(54)	850	2,265
<b>Cash flow used in financing activities</b>	<b>(2,868)</b>	<b>(793)</b>	<b>(3,342)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(776)</b>	<b>6,821</b>	<b>4,178</b>
Effect of exchange rates	117	(488)	(683)
Cash and cash equivalents at the beginning of the period	12,321	5,988	2,493
<b>Cash and cash equivalents at the end of the period</b>	<b>11,662</b>	<b>12,321</b>	<b>5,988</b>

## ► Consolidated statement of changes in shareholders' equity

### TOTAL

(M€)	Common shares issued		Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares		Shareholders' equity- Group share	Minority interests	Total shareholders' equity
	Number	Amount			Number	Amount			
<b>As of January 1, 2007</b>	<b>2,425,767,953</b>	<b>6,064</b>	<b>41,460</b>	<b>(1,383)</b>	<b>(161,200,707)</b>	<b>(5,820)</b>	<b>40,321</b>	<b>827</b>	<b>41,148</b>
Net income 2007	-	-	13,181	-	-	-	13,181	354	13,535
Other comprehensive income (Note 17)	-	-	117	(3,013)	-	-	(2,896)	(111)	(3,007)
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>13,298</b>	<b>(3,013)</b>	<b>-</b>	<b>-</b>	<b>10,285</b>	<b>243</b>	<b>10,528</b>
Dividend	-	-	(4,510)	-	-	-	(4,510)	(228)	(4,738)
Issuance of common shares (Note 17)	2,769,144	7	82	-	-	-	89	-	89
Purchase of treasury shares	-	-	-	-	(32,387,355)	(1,787)	(1,787)	-	(1,787)
Sale of treasury shares <sup>(a)</sup>	-	-	(77)	-	9,161,830	341	264	-	264
Share-based payments (Note 25)	-	-	196	-	-	-	196	-	196
Other operations with minority interests	-	-	-	-	-	-	-	-	-
Share cancellation (Note 17)	(33,005,000)	(82)	(1,652)	-	33,005,000	1,734	-	-	-
<b>Transactions with shareholders</b>	<b>(30,235,856)</b>	<b>(75)</b>	<b>(5,961)</b>	<b>-</b>	<b>9,779,475</b>	<b>288</b>	<b>(5,748)</b>	<b>(228)</b>	<b>(5,976)</b>
<b>As of December 31, 2007</b>	<b>2,395,532,097</b>	<b>5,989</b>	<b>48,797</b>	<b>(4,396)</b>	<b>(151,421,232)</b>	<b>(5,532)</b>	<b>44,858</b>	<b>842</b>	<b>45,700</b>
Net income 2008	-	-	10,590	-	-	-	10,590	363	10,953
Other comprehensive income (Note 17)	-	-	(258)	(480)	-	-	(738)	(34)	(772)
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>10,332</b>	<b>(480)</b>	<b>-</b>	<b>-</b>	<b>9,852</b>	<b>329</b>	<b>10,181</b>
Dividend	-	-	(4,945)	-	-	-	(4,945)	(213)	(5,158)
Issuance of common shares (Note 17)	6,275,977	16	246	-	-	-	262	-	262
Purchase of treasury shares	-	-	-	-	(27,600,000)	(1,339)	(1,339)	-	(1,339)
Sale of treasury shares <sup>(a)</sup>	-	-	(71)	-	5,939,137	221	150	-	150
Share-based payments (Note 25)	-	-	154	-	-	-	154	-	154
Other operations with minority interests	-	-	-	-	-	-	-	-	-
Share cancellation (Note 17)	(30,000,000)	(75)	(1,566)	-	30,000,000	1,641	-	-	-
<b>Transactions with shareholders</b>	<b>(23,724,023)</b>	<b>(59)</b>	<b>(6,182)</b>	<b>-</b>	<b>8,339,137</b>	<b>523</b>	<b>(5,718)</b>	<b>(213)</b>	<b>(5,931)</b>
<b>As of December 31, 2008</b>	<b>2,371,808,074</b>	<b>5,930</b>	<b>52,947</b>	<b>(4,876)</b>	<b>(143,082,095)</b>	<b>(5,009)</b>	<b>48,992</b>	<b>958</b>	<b>49,950</b>
Net income 2009	-	-	8,447	-	-	-	8,447	182	8,629
Other comprehensive income (Note 17)	-	-	246	(193)	-	-	53	60	113
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>8,693</b>	<b>(193)</b>	<b>-</b>	<b>-</b>	<b>8,500</b>	<b>242</b>	<b>8,742</b>
Dividend	-	-	(5,086)	-	-	-	(5,086)	(189)	(5,275)
Issuance of common shares (Note 17)	1,414,810	3	38	-	-	-	41	-	41
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(a)</sup>	-	-	(143)	-	2,874,905	165	22	-	22
Share-based payments (Note 25)	-	-	106	-	-	-	106	-	106
Other operations with minority interests	-	-	(23)	-	-	-	(23)	(24)	(47)
Share cancellation (Note 17)	(24,800,000)	(62)	(1,160)	-	24,800,000	1,222	-	-	-
<b>Transactions with shareholders</b>	<b>(23,385,190)</b>	<b>(59)</b>	<b>(6,268)</b>	<b>-</b>	<b>27,674,905</b>	<b>1,387</b>	<b>(4,940)</b>	<b>(213)</b>	<b>(5,153)</b>
<b>As of December 31, 2009</b>	<b>2,348,422,884</b>	<b>5,871</b>	<b>55,372</b>	<b>(5,069)</b>	<b>(115,407,190)</b>	<b>(3,622)</b>	<b>52,552</b>	<b>987</b>	<b>53,539</b>

(a) Treasury shares related to the stock option purchase plans and restricted stock grants.

► Consolidated statement of comprehensive income <sup>(a)</sup>

**TOTAL**

For the year ended December 31, (M€)	2009	2008	2007
<b>Consolidated net income</b>	<b>8,629</b>	<b>10,953</b>	<b>13,535</b>
<b>Other comprehensive income</b>			
Currency translation adjustment	(244)	(722)	(2,703)
Available for sale financial assets	38	(254)	111
Cash flow hedge	128	–	–
Share of other comprehensive income of associates, net amount	234	173	(406)
Other	(5)	1	(3)
Tax effect	(38)	30	(6)
<b>Total other comprehensive income (net amount) (note 17)</b>	<b>113</b>	<b>(772)</b>	<b>(3,007)</b>
<b>Comprehensive income</b>	<b>8,742</b>	<b>10,181</b>	<b>10,528</b>
– Group share	8,500	9,852	10,285
– Minority interests	242	329	243

(a) In accordance with revised IAS 1, applicable from January 1, 2009.

## ► Notes to the Consolidated Financial Statements

On February 10, 2010, the Board of Directors established and authorized the publication of the Consolidated Financial Statements of TOTAL S.A. for the year ended December 31, 2009, which will be submitted for approval to the shareholders' meeting to be held on May 21, 2010.

### Introduction

The Consolidated Financial Statements of TOTAL S.A. and its subsidiaries (the Group) have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standard Board) as of December 31, 2009.

The accounting principles applied in the Consolidated Financial Statements as of December 31, 2009 were the same as those that were used as of December 31, 2008 except for amendments and interpretations of IFRS which were mandatory for the periods beginning after January 1, 2009 (and not early adopted). Their adoption has no impact on the Consolidated Financial Statements as of December 31, 2009.

Among these new standards or interpretations, it should be noted that the revised version of IAS 1 "Presentation of financial statements", effective for annual periods beginning on or after January 1, 2009, resulted in the following:

- presentation of the consolidated statement of comprehensive income; and
- information on other comprehensive income presented in Note 17 to the Consolidated Financial Statements.

In addition, the IASB issued in 2009 amendments to standard IFRS 7 "Financial instruments: disclosures" which introduce new disclosure requirements, effective for annual periods beginning on or after January 1, 2009. In particular, financial instruments shall be presented according to the fair value measurement method used (three-level hierarchy described in Note 1 M(v) to the Consolidated Financial Statements).

Lastly, the Group has applied the new definitions and the new method of estimating oil & gas reserves resulting from U.S. Accounting Standards Update No. 2010-03, "Oil and Gas Reserve Estimation and Disclosures", effective for annual reporting periods ended on or after December 31, 2009. The adoption of these new rules had no significant impact on oil & gas reserve estimates and no significant impact on the Consolidated Financial Statements.

The preparation of financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and

reported income and expenses for the period. The management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates relate principally to the application of the successful efforts method for the oil and gas accounting, the valuation of long-lived assets, the provisions for asset retirement obligations and environmental remediation, the pensions and post-retirements benefits and the income tax computation.

Furthermore, where the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis; and
- are complete in all material aspects.

### 1) Accounting policies

Pursuant to the accrual basis of accounting followed by the Group, the financial statements reflect the effects of transactions and other events when they occur. Assets and liabilities such as property, plant and equipment and intangible assets are usually measured at amortized cost. Financial assets and liabilities are usually measured at fair value.

Accounting policies used by the Group are described below:

#### A) Principles of consolidation

Subsidiaries that are directly controlled by the parent company or indirectly controlled by other consolidated subsidiaries are fully consolidated.

Investments in jointly-controlled entities are proportionately consolidated.

Investments in associates, in which the Group has significant influence, are accounted for by the equity method. Significant influence is presumed when the Group holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting rights.



Companies in which ownership interest is less than 20%, but over which the Company is deemed to exercise significant influence, are also accounted for by the equity method.

All significant intercompany balances, transactions and income have been eliminated.

## B) Business combinations

Business combinations are accounted for using the purchase method. This method implies the recognition of the assets, liabilities and contingent liabilities of the companies acquired by the Group at their fair value.

The difference between the acquisition cost of the shares and fair value of the acquired share of the assets, liabilities and contingent liabilities identified on the acquisition date is recorded as goodwill.

If the cost of an acquisition is less than the fair value of net assets of the subsidiary acquired, an additional analysis is performed on the identification and valuation of the identifiable elements of the assets and liabilities. Any residual negative goodwill is recorded as income.

The analysis of goodwill is finalized within one year from the acquisition date.

## C) Foreign currency translation

The financial statements of subsidiaries are prepared in the currency that most clearly reflects their business environment. This is referred to as their functional currency.

### (i) Monetary transactions

Transactions denominated in foreign currencies are translated at the exchange rate on the transaction date. At each balance sheet date, monetary assets and liabilities are translated at the closing rate and the resulting exchange differences are recognized in "Other income" or "Other expenses".

### (ii) Translation of financial statements denominated in foreign currencies

Assets and liabilities of foreign entities are translated into euros on the basis of the exchange rates at the end of the period. The income and cash flow statements are translated using the average exchange rates for the period. Foreign exchange differences resulting from such translations are either recorded in shareholders' equity under "Currency translation adjustments" (for the Group share) or under "Minority interests" (for the minority share) as deemed appropriate.

## D) Sales and revenues from sales

Revenues from sales are recognized when the significant risks and rewards of ownership have been passed to the buyer and the amount can be reasonably measured. Sales figures include excise taxes collected by the Group within the course of its oil distribution operations. Excise taxes are deducted from sales in order to obtain the "Revenues from sales" indicator.

Revenues from sales of crude oil, natural gas and coal are recorded upon transfer of title, according to the terms of the sales contracts.

Revenues from the production of crude oil and natural gas properties, in which the Group has an interest with other producers, are recognized based on actual volumes sold during the period. Any difference between volumes sold and entitlement volumes, based on the Group net working interest, are recognized as "Crude oil and natural gas inventories" or "Accounts receivable, net" or "Accounts payable", as appropriate.

Revenues from gas transport are recognized when services are rendered. These revenues are based on the quantities transported and measured according to procedures defined in each service contract.

Revenues from sales of electricity are recorded upon transfer of title, according to the terms of the related contracts.

Revenues from services are recognized when the services have been rendered.

Shipping revenues and expenses from time-charter activities are recognized on a pro rata basis over a period that commences upon the unloading of the previous voyage and terminates upon the unloading of the current voyage. Shipping revenue recognition starts only when a charter has been agreed to by both the Group and the customer.

Oil and gas sales are inclusive of quantities delivered that represent production royalties and taxes, when paid in cash, and outside the United States and Canada.

Certain transactions within the trading activities (contracts involving quantities that are purchased to third parties then resold to third parties) are shown at their net value in sales.

Exchanges of crude oil and petroleum products within normal trading activities do not generate any income and therefore these flows are shown at their net value in both the statement of income and the balance sheet.

## E) Share-based payments

The Group may grant employees stock options, create employee share purchase plans and offer its employees the opportunity to subscribe to reserved capital increases. These employee benefits are recognized as expenses with a corresponding credit to shareholders' equity.

The expense is equal to the fair value of the instruments granted. The fair value of the options is calculated using the Black-Scholes model at the grant date. The expense is recognized on a straight-line basis between the grant date and vesting date.

For restricted share plans, the expense is calculated using the market price at the grant date after deducting the expected distribution rate during the vesting period.

The cost of employee-reserved capital increases is immediately expensed. A discount reduces the expense in order to account for the nontransferability of the shares awarded to the employees over a period of five years.

## F) Income taxes

Income taxes disclosed in the statement of income include the current tax expenses and the deferred tax expenses.

The Group uses the liability method whereby deferred income taxes are recorded based on the temporary differences between the carrying amounts of assets and liabilities recorded in the balance sheet and their tax bases, and on carry-forwards of unused tax losses and tax credits.

Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date. The tax rates used depend on the timing of reversals of temporary differences, tax losses and other tax credits. The effect of a change in tax rate is recognized either in the Consolidated Statement of Income or in shareholders' equity depending on the item it relates to.

Deferred tax assets are recognized when future recovery is probable.

Asset retirement obligations and finance leases give rise to the recognition of assets and liabilities for accounting purposes as described in paragraph K "Leases" and paragraph Q "Asset retirement obligations" of this Note. Deferred income taxes resulting from temporary differences between the carrying amounts and tax bases of such assets and liabilities are recognized.

Deferred tax liabilities resulting from temporary differences between the carrying amounts of equity-method investments and their tax bases are recognized. The deferred tax calculation is based on the expected future tax effect (dividend distribution rate or tax rate on the gain or loss upon disposal of these investments).

Taxes paid on the Upstream production are included in operating expenses, including those related to historical concessions held by the Group in the Middle East producing countries.

## G) Earnings per share

Earnings per share is calculated by dividing net income (Group share) by the weighted-average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income (Group share) by the fully-diluted weighted-average number of common shares outstanding during the period. Treasury shares held by the parent company, TOTAL S.A., and TOTAL shares held by the Group subsidiaries are deducted from consolidated shareholders' equity. These shares are not considered outstanding

for purposes of this calculation which also takes into account the dilutive effect of stock options, restricted share grants and capital increases with a subscription period closing after the end of the fiscal year.

The weighted-average number of fully-diluted shares is calculated in accordance with the treasury stock method provided for by IAS 33. The proceeds, which would be recovered in the event of an exercise of rights related to dilutive instruments, are presumed to be a share buyback at the average market price over the period. The number of shares thereby obtained leads to a reduction in the total number of shares that would result from the exercise of rights.

## H) Oil and gas exploration and producing properties

The Group applies IFRS 6 "Exploration for and Evaluation of Mineral Resources". Oil and gas exploration and production properties and assets are accounted for in accordance with the successful efforts method.

### (i) Exploration costs

Geological and geophysical costs, including seismic surveys for exploration purposes are expensed as incurred.

Mineral interests are capitalized as intangible assets when acquired. These acquired interests are tested for impairment on a regular basis, property-by-property, based on the results of the exploratory activity and the management's evaluation.

In the event of a discovery, the unproved mineral interests are transferred to proved mineral interests at their net book value as soon as proved reserves are booked.

Exploratory wells are tested for impairment on a well-by-well basis and accounted for as follows:

- Costs of exploratory wells which result in proved reserves are capitalized and then depreciated using the unit-of-production method based on proved developed reserves;
- Costs of dry exploratory wells and wells that have not found proved reserves are charged to expense;
- Costs of exploratory wells are temporarily capitalized until a determination is made as to whether the well has found proved reserves if both of the following conditions are met:
  - The well has found a sufficient quantity of reserves to justify its completion as a producing well, if appropriate, assuming that the required capital expenditures are made;
  - The Group is making sufficient progress assessing the reserves and the economic and operating viability of the project. This progress is evaluated on the basis of indicators such as whether additional exploratory works are under way or firmly planned (wells, seismic or significant studies), whether costs are being incurred for development studies and whether the Group is waiting for governmental or other third-party authorization of a proposed project, or availability of capacity on an existing transport or processing facility.

Costs of exploratory wells not meeting these conditions are charged to expense.

#### (ii) Oil and Gas producing assets

Development costs incurred for the drilling of development wells and for the construction of production facilities are capitalized, together with borrowing costs incurred during the period of construction and the present value of estimated costs of asset retirement obligations. The depletion rate is usually equal to the ratio of oil and gas production for the period to proved developed reserves (unit-of-production method).

With respect to production sharing contracts, this computation is based on the portion of production and reserves assigned to the Group taking into account estimates based on the contractual clauses regarding the reimbursement of exploration and development costs (cost oil) as well as the sharing of hydrocarbon rights (profit oil).

Transportation assets are depreciated using the unit-of-production method based on throughput or by using the straight-line method whichever best reflects the economic life of the asset.

Proved mineral interests are depreciated using the unit-of-production method based on proved reserves.

### I) Goodwill and other intangible assets

Other intangible assets include goodwill, patents, trademarks, and lease rights.

Intangible assets are carried at cost, after deducting any accumulated depreciation and accumulated impairment losses.

Goodwill in a consolidated subsidiary is calculated as the excess of the cost of shares, including transaction expenses, over the fair value of the Group's share of the net assets at the acquisition date. Goodwill is not amortized but is tested for impairment annually or as soon as there is any indication of impairment (see Note 1 paragraph L to the Consolidated Financial Statements "Impairment of long-lived assets").

In equity affiliates, goodwill is included in the investment book value.

Other intangible assets (except goodwill) have a finite useful life and are amortized on a straight-line basis over 10 to 40 years depending on the useful life of the assets.

#### Research and development:

Research costs are charged to expense as incurred.

Development expenses are capitalized when the following can be demonstrated:

- o the technical feasibility of the project and the availability of the adequate resources for the completion of the intangible asset;
- o the ability of the asset to generate probable future economic benefits;

- o the ability to measure reliably the expenditures attributable to the asset; and
- o the feasibility and intention of the Group to complete the intangible asset and use or sell it.

Advertising costs are charged to expense as incurred.

### J) Other property, plant and equipment

Other property, plant and equipment are carried at cost, after deducting any accumulated depreciation and accumulated impairment losses. This cost includes borrowing costs directly attributable to the acquisition or production of a qualifying asset incurred until assets are placed in service. Borrowing costs are capitalized as follows:

- o if the project benefits from a specific funding, the capitalization of borrowing costs is based on the borrowing rate;
- o if the project is financed by all the Group's debt, the capitalization of borrowing costs is based on the weighted average borrowing cost for the period.

Routine maintenance and repairs are charged to expense as incurred. The costs of major turnarounds of refineries and large petrochemical units are capitalized as incurred and depreciated over the period of time between two consecutive major turnarounds.

Other property, plant and equipment are depreciated using the straight-line method over their useful lives, which are as follows:

- |  |               |
|--|---------------|
| o Furniture, office equipment, machinery and tools | 3 – 12 years  |
| o Transportation equipments                        | 5 – 20 years  |
| o Storage tanks and related equipment              | 10 – 15 years |
| o Specialized complex installations and pipelines  | 10 – 30 years |
| o Buildings  | 10 – 50 years |

### K) Leases

A finance lease transfers substantially all the risks and rewards incidental to ownership from the lessor to the lessee. These contracts are capitalized as assets at fair value or, if lower, at the present value of the minimum lease payments according to the contract. A corresponding financial debt is recognized as a financial liability. These assets are depreciated over the corresponding useful life used by the Group.

Leases that are not finance leases as defined above are recorded as operating leases.

Certain arrangements do not take the legal form of a lease but convey the right to use an asset or a group of assets in return for fixed payments. Such arrangements are accounted for as leases and are analyzed to determine whether they should be classified as operating leases or as finance leases.

**L) Impairment of long-lived assets**

The recoverable amounts of intangible assets and property, plant and equipment are tested for impairment as soon as any indication of impairment exists. This test is performed at least annually for goodwill.

The recoverable amount is the higher of the fair value (less costs to sell) or its value in use.

Assets are grouped into cash-generating units (or CGUs) and tested. A cash-generating unit is a homogeneous group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets.

The value in use of a CGU is determined by reference to the discounted expected future cash flows, based upon the management's expectation of future economic and operating conditions. If this value is less than the carrying amount, an impairment loss on property, plant and equipment and mineral interests, or on other intangible assets, is recognized either in "Depreciation, depletion and amortization of property, plant and equipment and mineral interests" or in "Other expense", respectively. This impairment loss is first allocated to reduce the carrying amount of any goodwill.

Impairment losses recognized in prior periods can be reversed up to the original carrying amount, had the impairment loss not been recognized. Impairment losses recognized for goodwill cannot be reversed.

**M) Financial assets and liabilities**

Financial assets and liabilities are financial loans and receivables, investments in non-consolidated companies, publicly traded equity securities, derivatives instruments and current and non-current financial liabilities.

The accounting treatment of these financial assets and liabilities is as follows:

**(i) Loans and receivables**

Financial loans and receivables are recognized at amortized cost. They are tested for impairment, by comparing the carrying amount of the assets to estimates of the discounted future recoverable cash flows. These tests are conducted as soon as there is any evidence that their fair value is less than their carrying amount, and at least annually. Any impairment loss is recorded in the statement of income.

**(ii) Investments in non-consolidated companies and publicly traded equity securities**

These assets are classified as financial assets available for sale and therefore measured at their fair value. For listed securities, this fair value is equal to the market price. For unlisted securities, if the fair value is not reliably determinable, securities are recorded at their historical value. Changes in fair value are recorded in shareholders' equity. If there is any evidence of a significant or long-lasting loss, an impairment loss is recorded in the Consolidated Statement of Income. This impairment is reversed in the statement of income only when the securities are sold.

These investments are presented in the section "Other investments" of the balance sheet.

**(iii) Derivative instruments**

The Group uses derivative instruments to manage its exposure to risks of changes in interest rates, foreign exchange rates and commodity prices. Changes in fair value of derivative instruments are recognized in the statement of income or in shareholders' equity and are recognized in the balance sheet in the accounts corresponding to their nature, according to the risk management strategy described in Note 31 to the Consolidated Financial Statements. The derivative instruments used by the Group are the following:

**o Cash management**

Financial instruments used for cash management purposes are part of a hedging strategy of currency and interest rate risks within global limits set by the Group and are considered to be used for transactions (held for trading). Changes in fair value are systematically recorded in the statement of income. The balance sheet value of those instruments is included in "Current financial assets" or "Other current financial liabilities".

**o Long-term financing**

When an external long-term financing is set up, specifically to finance subsidiaries, and when this financing involves currency and interest rate derivatives, these instruments are qualified as:

1) Fair value hedge of the interest rate risk on the external debt and of the currency risk of the loans to subsidiaries. Changes in fair value of derivatives are recognized in the statement of income as are changes in fair value of financial debts and loans to subsidiaries.

The fair value of those hedging instruments of long-term financing is included in the assets under "Hedging instruments on non-current financial debt" or in the liabilities under "Non-current financial debt" for the non-current portion. The current portion (less than one year) is accounted for in "Current financial assets" or "Other current financial liabilities".

In case of the anticipated termination of derivative instruments accounted for as fair value hedges, the amount paid or received is recognized in the statement of income and:

- If this termination is due to an early cancellation of the hedged items, the adjustment previously recorded as revaluation of those hedged items is also recognized in the statement of income;
- If the hedged items remain in the balance sheet, the adjustment previously recorded as a revaluation of those hedged items is spread over the remaining life of those items.

2) Cash flow hedge of the currency risk of the external debt. Changes in fair value are recorded in equity for the effective portion of the hedging and in the statement of income for the ineffective portion of the hedging. Amounts recorded in equity are transferred to the income statement when the hedged transaction affects profit or loss.

The fair value of those hedging instruments of long-term financing is included in the assets under "Hedging instruments on non-current financial debt" or in the liabilities under "Non-current financial debt" for the non-current portion. The current portion (less than one year) is accounted for in "Current financial assets" or "Other current financial liabilities".

If the hedging instrument expires, is sold or terminated by anticipation, gains or losses previously recognized in equity remain in equity. Amounts are recycled in the income statement when the hedged transaction affects profit or loss.

#### o Foreign subsidiaries' equity hedge

Certain financial instruments hedge against risks related to the equity of foreign subsidiaries whose functional currency is not the euro (mainly the dollar). These instruments qualify as "net investment hedges". Changes in fair value are recorded in shareholders' equity.

The fair value of these instruments is recorded under "Current financial assets" or "Other current financial liabilities".

#### o Financial instruments related to commodity contracts

Financial instruments related to commodity contracts, including crude oil, petroleum products, gas and power purchasing/selling contracts related to the trading activities, together with the commodity contract derivative instruments such as energy contracts and forward freight agreements, are used to adjust the Group's exposure to price fluctuations within global trading limits. These instruments are considered, according to the industry practice, as held for trading. Changes in fair value are recorded in the statement of income. The fair value of these instruments is recorded in "Other current assets" or "Other creditors and accrued liabilities" depending on whether they are assets or liabilities.

Detailed information about derivatives positions is disclosed in Notes 20, 28, 29, 30 and 31 to the Consolidated Financial Statements.

#### (iv) Current and non-current financial liabilities

Current and non-current financial liabilities (excluding derivatives) are recognized at amortized cost, except those for which a hedge accounting can be applied as described in the previous paragraph.

#### (v) Fair value of financial instruments

Fair values are estimated for the majority of the Group's financial instruments, with the exception of publicly traded equity securities and marketable securities for which the market price is used.

Estimated fair values, which are based on principles such as discounting future cash flows to present value, must be weighted by the fact that the value of a financial instrument at a given time may be influenced by the market environment (liquidity especially), and also the fact that subsequent changes in interest rates and exchange rates are not taken into account.

As a consequence, the use of different estimates, methodologies and assumptions could have a material effect on the estimated fair value amounts.

The methods used are as follows:

#### o Financial debts, swaps

The market value of swaps and of bonds that are hedged by those swaps, have been determined on an individual basis by discounting future cash flows with the zero coupon interest rate curves existing at year-end.

#### o Financial instruments related to commodity contracts

The valuation methodology is to mark to market all open positions for both physical and derivative transactions. The valuations are determined on a daily basis using observable market data based on organized and over the counter (OTC) markets. In particular cases when market data are not directly available, the valuations are derived from observable data such as arbitrages, freight or spreads and market corroboration. For valuation of risks which are the result of a calculation, such as options for example, commonly known models are used to compute the fair value.

#### o Other financial instruments

The fair value of the interest rate swaps and of FRA (Forward Rate Agreement) are calculated by discounting future cash flows on the basis of zero coupon interest rate curves existing at year-end after adjustment for interest accrued but unpaid.

Forward exchange contracts and currency swaps are valued on the basis of a comparison of the negotiated forward rates with the rates in effect on the financial markets at year-end for similar maturities.

Exchange options are valued based on the Garman-Kohlhagen model including market quotations at year-end.

#### o Fair value hierarchy

IFRS 7 "Financial instruments: disclosures", amended in 2009, introduces a fair value hierarchy for financial instruments and proposes the following three-level classification :

- level 1: quotations for assets and liabilities (identical to the ones that are being valued) obtained at the valuation date on an active market to which the entity has access;
- level 2: the entry data are observable data but do not correspond to quotations for identical assets or liabilities;
- level 3: the entry data are not observable data. For example: these data come from extrapolation. This level applies when there is no market or observable data and the company has to use its own hypotheses to estimate the data that other market players would have used to determine the fair value of the asset.

Fair value hierarchy is disclosed in Notes 29 and 30 to the Consolidated Financial Statements.



## N) Inventories

Inventories are measured in the Consolidated Financial Statements at the lower of historical cost or market value. Costs for petroleum and petrochemical products are determined according to the FIFO (First-In, First-Out) method and other inventories are measured using the weighted-average cost method.

### ● Downstream (Refining – Marketing)

Petroleum product inventories are mainly comprised of crude oil and refined products. Refined products principally consist of gasoline, kerosene, diesel, fuel oil and heating oil produced by the Group's refineries. The turnover of petroleum products does not exceed two months on average.

Crude oil costs include raw material and receiving costs. Refining costs principally include the crude oil costs, production costs (energy, labor, depreciation of producing assets) and allocation of production overhead (taxes, maintenance, insurance, etc.). Start-up costs and general administrative costs are excluded from the cost price of refined products.

### ● Chemicals

Costs of chemical products inventories consist of raw material costs, direct labor costs and an allocation of production overhead. Start-up costs and general administrative costs are excluded from the cost of inventories of chemicals products.

## O) Treasury shares

Treasury shares of the parent company held by its subsidiaries or itself are deducted from consolidated shareholders' equity. Gains or losses on sales of treasury shares are excluded from the determination of net income and are recognized in shareholders' equity.

## P) Provisions and other non-current liabilities

Provisions and non-current liabilities are comprised of liabilities for which the amount and the timing are uncertain. They arise from environmental risks, legal and tax risks, litigation and other risks.

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. The amount of the liability corresponds to the best possible estimate.

## Q) Asset retirement obligations

Asset retirement obligations, which result from a legal or constructive obligation, are recognized based on a reasonable estimate in the period in which the obligation arises.

The associated asset retirement costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the useful life of this asset.

An entity is required to measure changes in the liability for an asset retirement obligation due to the passage of time (accretion) by applying a risk-free discount rate to the amount of the liability. The increase of the provision due to the passage of time is recognized as "Other financial expense".

## R) Employee benefits

In accordance with the laws and practices of each country, the Group participates in employee benefit plans offering retirement, death and disability, healthcare and special termination benefits. These plans provide benefits based on various factors such as length of service, salaries, and contributions made to the governmental bodies responsible for the payment of benefits.

These plans can be either defined contribution or defined benefit pension plans and may be entirely or partially funded with investments made in various non-Group instruments such as mutual funds, insurance contracts, and other instruments.

For defined contribution plans, expenses correspond to the contributions paid.

Defined benefit obligations are determined according to the Projected Unit Method. Actuarial gains and losses may arise from differences between actuarial valuation and projected commitments (depending on new calculations or assumptions) and between projected and actual return of plan assets.

The Group applies the corridor method to amortize its actuarial gains and losses. This method amortizes the net cumulative actuarial gains and losses that exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of plan assets, over the average expected remaining working lives of the employees participating in the plan.

In case of a change in or creation of a plan, the vested portion of the cost of past services is recorded immediately in the statement of income, and the unvested past service cost is amortized over the vesting period.

The net periodic pension cost is recognized under "Other operating expenses".

## S) Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows prepared in foreign currencies has been translated into euros using the exchange rate on the transaction date or the average exchange rate for the period. Currency translation differences arising from the translation of monetary assets and liabilities denominated in foreign currency into euros using the closing exchange rates are shown in the Consolidated Statement of Cash Flows under "Effect of exchange rates". Therefore, the Consolidated Statement of Cash Flows will not agree with the figures derived from the Consolidated Balance Sheet.

### ● Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and highly liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

Investments with maturity greater than three months and less than twelve months are shown under "Current financial assets".

Changes in current financial assets and liabilities are included in the financing activities section of the Consolidated Statement of Cash Flows.

### ● Non-current financial debt

Changes in non-current financial debt have been presented as the net variation to reflect significant changes mainly related to revolving credit agreements.

### T) Carbon dioxide emission rights

In the absence of a current IFRS standard or interpretation on accounting for emission rights of carbon dioxide, the following principles have been applied:

- emission rights granted free of charge are accounted for at zero carrying amount;
- liabilities resulting from potential differences between available quotas and quotas to be delivered at the end of the compliance period are accounted for as liabilities and measured at fair market value;
- spot market transactions are recognized in income at cost; and
- forward transactions are recognized at their fair market value on the face of the balance sheet. Changes in the fair value of such forward transactions are recognized in income.

### U) Non-current assets held for sale and discontinued operations

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", assets and liabilities of affiliates that are held for sale are presented separately on the face of the balance sheet.

Net income from discontinued operations is presented separately on the face of the statement of income. Therefore, the notes to the Consolidated Financial Statements related to the statement of income only refer to continuing operations.

A discontinued operation is a component of the Group for which cash flows are independent. It represents a major line of business or geographical area of operations which has been disposed of or is currently being held for sale.

### V) Alternative IFRS methods

For measuring and recognizing assets and liabilities, the following choices among alternative methods allowable under IFRS have been made:

- property, plant and equipment, and intangible assets are measured using historical cost model instead of revaluation model;
- actuarial gains and losses on pension and other post-employment benefit obligations are recognized according to the corridor method (see Note 1 paragraph R to the Consolidated Financial Statements);
- jointly-controlled entities are consolidated using the proportionate method, as provided for in IAS 31 "Interests in joint ventures".

### W) New accounting principles not yet in effect

The standards or interpretations published respectively by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) which were not yet in effect at December 31, 2009, were as follows:

#### ● Revised IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements"

In January 2008, the IASB issued revised versions of IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements". These revised standards introduce new provisions regarding the accounting for business combinations. They are effective as of the first annual period starting after July 1, 2009 (i.e. as of January 1, 2010 for the Group). Their application is prospective.

#### ● IFRS 9 "Financial Instruments"

In November 2009, the IASB issued standard IFRS 9 "Financial Instruments" that introduces new requirements for the classification and measurement of financial assets. This standard shall be completed in 2010 with requirements regarding classification and measurement of liabilities, derecognition of financial instruments, impairment and hedge accounting. Under standard IFRS 9, financial assets are measured either at fair value through profit or loss or at amortised cost if certain conditions are met. The standard is applicable for annual periods starting on or after January 1, 2013. The application of the standard as published in 2009 should not have any material effect on the Group's consolidated balance sheet, statement of income and shareholder's equity.

#### ● Revised IAS 24 "Related Party Disclosures"

In November 2009, the IASB issued revised standard IAS 24 "Related Party Disclosures" that clarifies the definition of a related party and reduces the disclosure requirements for entities controlled by a government. The standard is applicable for annual periods starting on or after January 1, 2011. The application of this standard should not have any material impact on information presented in the notes to the Consolidated Financial Statements.



## ● IFRIC 17 “Distributions of Non-cash Assets to Owners”

In November 2008, the IFRIC issued interpretation IFRIC 17 “Distributions of Non-cash Assets to Owners”. The interpretation addresses the accounting of non-cash assets distributed among two entities which are not jointly-controlled. It provides that the dividend payable should be measured at the fair value of the net assets to be distributed and that any difference with the carrying amount of the net assets distributed should be recognised in profit or loss. The interpretation is effective for annual periods starting on or after July 1, 2009 (i.e. starting January 1, 2010 for the Group). The application of IFRIC 17 should not have any material effect on the Group’s consolidated balance sheet, statement of income and shareholder’s equity.

## ● IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”

In November 2009, the IFRIC issued interpretation IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”. The interpretation deals with accounting for debt to equity swaps. It clarifies that equity instruments issued are measured at fair value and that any difference with the carrying amount of the liability is recognised in profit or loss. The interpretation is effective for annual periods starting on or after July 1, 2010 (i.e. starting January 1, 2011 for the Group). The application of IFRIC 19 should not have any material effect on the Group’s consolidated balance sheet, statement of income and shareholder’s equity.

## 2) Main indicators – information by business segment

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.

### Adjustment items

The detail of these adjustment items is presented in Note 4 to the Consolidated Financial Statements.

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 assets 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) The inventory valuation effect

The adjusted results of the Downstream and Chemicals 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 determined by 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) TOTAL’s equity share of adjustments and selected items related to Sanofi-Aventis

### Main indicators

#### (i) Operating income (measure used to evaluate operating performance)

Revenue from sales after deducting cost of goods sold and inventory variations, other operating expenses, exploration expenses and depreciation, depletion, and amortization.

Operating income excludes the amortization of intangible assets other than mineral interests, currency translation adjustments and gains or losses on the disposal of assets.

#### (ii) Net operating income (measure used to evaluate the return on capital employed)

Operating income after taking into account the amortization of intangible assets other than mineral interests, currency translation adjustments, gains or losses on the disposal of assets, as well as all other income and expenses related to capital employed (dividends from non-consolidated companies, equity in income of affiliates, capitalized interest expenses), and after income taxes applicable to the above.

The only income and expense not included in net operating income but included in net income are interest expenses related to net financial debt, after applicable income taxes (net cost of net debt) and minority interests.

#### (iii) Adjusted income

Operating income, net operating income, or net income excluding the effect of adjustment items described above.

#### (iv) Capital employed

Non-current assets and working capital, at replacement cost, net of deferred income taxes and non-current liabilities.

#### (v) ROACE (Return on Average Capital Employed)

Ratio of adjusted net operating income to average capital employed between the beginning and the end of the period.

**(vi) Net debt**

Non-current debt, including current portion, current borrowings, other current financial liabilities less cash and cash equivalents and other current financial assets.

**3) Changes in the Group structure, main acquisitions and divestments****2009**

- o In December 2009, TOTAL signed an agreement with Chesapeake Energy Corporation whereby Total acquired a 25% share in Chesapeake's Barnett shale gas portfolio located in the United States (State of Texas). The acquisition cost of these assets amounted to €1,562 million and it represents the value of mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for €1,449 million and the value of tangible assets that have been recognized on the face of the Consolidated Balance Sheet for €113 million. As no cash payment has occurred in 2009, a corresponding debt has been recognized in the sections "Provisions and other non-current liabilities" and "Other creditors and accrued liabilities" for €818 million and €744 million respectively.
- o During 2009, TOTAL progressively sold 3.99% of Sanofi-Aventis' share capital, thus reducing its interest to 7.39%. Sanofi-Aventis is accounted for by the equity method in TOTAL's Consolidated Financial Statements.

**2008**

- o Pursuant to the tender offer described in the prospectus on May 13, 2008 and renewed by the notices on June 19, July 4 and July 16, 2008, TOTAL acquired 100% of Synenco Energy Inc's Class A ordinary shares. Synenco's main asset is a 60% interest in the Northern Lights project in the Athabasca region of the Canadian province of Alberta.

The acquisition cost, net of cash acquired (€161 million) for all shares amounted to €352 million. This cost essentially represented the value of the company's mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for €221 million.

Synenco Energy Inc. is fully consolidated in TOTAL's Consolidated Financial Statements. Its contribution to the consolidated net income for fiscal year 2008 was not material.

- o In August 2008, TOTAL acquired the Dutch company Goal Petroleum BV. The acquisition cost amounted to €349 million. This cost essentially represented the value of the company's mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for €292 million.

Goal Petroleum BV is fully consolidated in TOTAL's Consolidated Financial Statements. Its contribution to the consolidated net income for fiscal year 2008 was not material.

- o Pursuant to the agreements signed between the partners in November 2008, the Group's participation in the Kashagan field decreased from 18.52% to 16.81%.
- o During 2008, TOTAL progressively sold 1.68% of Sanofi-Aventis' share capital, thus reducing its interest to 11.38%. Sanofi-Aventis is accounted for by the equity method in TOTAL's Consolidated Financial Statements.

**2007**

- o Pursuant to the agreements signed in 2007, the Group's participation in Sincor project in Venezuela decreased from 47% to 30.323%.
- o In December 2007, TOTAL completed the sale of its 70% interest in the Milford Haven Refinery in Wales (UK) to its partner Murco Petroleum Company. This operation will allow TOTAL to concentrate its UK refining operations at the wholly-owned Lindsey Oil Refinery.
- o During the fourth quarter 2007, TOTAL progressively sold 0.4% of Sanofi-Aventis' share capital, thus reducing its interest to 13.06%. Sanofi-Aventis is accounted for by the equity method in TOTAL's Consolidated Financial Statements.

**4) Business segment information**

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. The Group's activities are conducted through three business segments: Upstream, Downstream and Chemicals.

- o the Upstream segment includes the activities of the Exploration & Production division and the Gas & Power division;
- o the Downstream segment includes activities of the Refining & Marketing division and the Trading & Shipping division; and
- o the Chemicals segment includes Base Chemicals and Specialties.

The Corporate segment includes the operating and financial activities of the holding companies (including the investment in Sanofi-Aventis).

The operational profit and assets are broken down by business segment prior to the consolidation and inter-segment adjustments.

Sales prices between business segments approximate market prices.

## A) Information by business segment

## For the year ended December 31, 2009

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	16,072	100,518	14,726	11	-	131,327
Intersegment sales	15,958	3,786	735	156	(20,635)	-
Excise taxes	-	(19,174)	-	-	-	(19,174)
<b>Revenues from sales</b>	<b>32,030</b>	<b>85,130</b>	<b>15,461</b>	<b>167</b>	<b>(20,635)</b>	<b>112,153</b>
Operating expenses	(14,752)	(81,281)	(14,293)	(656)	20,635	(90,347)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,420)	(1,612)	(615)	(35)	-	(6,682)
<b>Operating income</b>	<b>12,858</b>	<b>2,237</b>	<b>553</b>	<b>(524)</b>	<b>-</b>	<b>15,124</b>
Equity in income (loss) of affiliates and other items	846	169	(58)	697	-	1,654
Tax on net operating income	(7,486)	(633)	(92)	326	-	(7,885)
<b>Net operating income</b>	<b>6,218</b>	<b>1,773</b>	<b>403</b>	<b>499</b>	<b>-</b>	<b>8,893</b>
Net cost of net debt						(264)
Minority interests						(182)
<b>Net income</b>						<b>8,447</b>

For the year ended December 31, 2009 (adjustments <sup>(a)</sup>)

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
<b>Revenues from sales</b>						
Operating expenses	(17)	1,558	344	-		1,885
Depreciation, depletion and amortization of tangible assets and mineral interests	(4)	(347)	(40)	-		(391)
<b>Operating income <sup>(b)</sup></b>	<b>(21)</b>	<b>1,211</b>	<b>304</b>	<b>-</b>		<b>1,494</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	(160)	22	(123)	(117)		(378)
Tax on net operating income	17	(413)	(50)	(3)		(449)
<b>Net operating income <sup>(b)</sup></b>	<b>(164)</b>	<b>820</b>	<b>131</b>	<b>(120)</b>		<b>667</b>
Net cost of net debt						-
Minority interests						(4)
<b>Net income</b>						<b>663</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments and selected items related to Sanofi-Aventis.

(b) Of which inventory valuation effect

	Upstream	Downstream	Chemicals	Corporate
on operating income	-	1,816	389	-
on net operating income	-	1,285	254	-

(c) Of which equity share of adjustments and selected items related to Sanofi-Aventis

	-	-	-	(300)
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For the year ended December 31, 2009 (adjusted)						
(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	16,072	100,518	14,726	11	–	131,327
Intersegment sales	15,958	3,786	735	156	(20,635)	–
Excise taxes	–	(19,174)	–	–	–	(19,174)
<b>Revenues from sales</b>	<b>32,030</b>	<b>85,130</b>	<b>15,461</b>	<b>167</b>	<b>(20,635)</b>	<b>112,153</b>
Operating expenses	(14,735)	(82,839)	(14,637)	(656)	20,635	(92,232)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,416)	(1,265)	(575)	(35)	–	(6,291)
<b>Adjusted operating income</b>	<b>12,879</b>	<b>1,026</b>	<b>249</b>	<b>(524)</b>	<b>–</b>	<b>13,630</b>
Equity in income (loss) of affiliates and other items	1,006	147	65	814	–	2,032
Tax on net operating income	(7,503)	(220)	(42)	329	–	(7,436)
<b>Adjusted net operating income</b>	<b>6,382</b>	<b>953</b>	<b>272</b>	<b>619</b>	<b>–</b>	<b>8,226</b>
Net cost of net debt						(264)
Minority interests						(178)
<b>Adjusted net income</b>						<b>7,784</b>

For the year ended December 31, 2009						
(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	9,855	2,771	631	92		13,349
Total divestments	398	133	47	2,503		3,081
Cash flow from operating activities	10,200	1,164	1,082	(86)		12,360
<b>Balance sheet as of December 31, 2009</b>						
Property, plant and equipment, intangible assets, net	43,997	9,588	5,248	271		59,104
Investments in equity affiliates	4,260	2,110	652	4,235		11,257
Loans to equity affiliates and other non-current assets	3,844	1,369	850	547		6,610
Working capital	660	7,624	2,151	58		10,493
Provisions and other non-current liabilities	(15,364)	(2,190)	(1,721)	(1,094)		(20,369)
<b>Capital Employed (balance sheet)</b>	<b>37,397</b>	<b>18,501</b>	<b>7,180</b>	<b>4,017</b>		<b>67,095</b>
Less inventory valuation effect	–	(3,202)	(282)	840		(2,644)
<b>Capital Employed (Business segment information)</b>	<b>37,397</b>	<b>15,299</b>	<b>6,898</b>	<b>4,857</b>		<b>64,451</b>
<b>ROACE as a percentage</b>	<b>18%</b>	<b>7%</b>	<b>4%</b>			<b>13%</b>

**For the year ended December 31, 2008**

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	24,256	135,524	20,150	46	-	179,976
Intersegment sales	25,132	5,574	1,252	120	(32,078)	-
Excise taxes	-	(19,645)	-	-	-	(19,645)
<b>Revenues from sales</b>	<b>49,388</b>	<b>121,453</b>	<b>21,402</b>	<b>166</b>	<b>(32,078)</b>	<b>160,331</b>
Operating expenses	(21,915)	(119,425)	(20,942)	(685)	32,078	(130,889)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,005)	(1,202)	(518)	(30)	-	(5,755)
<b>Operating income</b>	<b>23,468</b>	<b>826</b>	<b>(58)</b>	<b>(549)</b>	<b>-</b>	<b>23,687</b>
Equity in income (loss) of affiliates and other items	1,541	(158)	(34)	590	-	1,939
Tax on net operating income	(14,563)	(143)	76	315	-	(14,315)
<b>Net operating income</b>	<b>10,446</b>	<b>525</b>	<b>(16)</b>	<b>356</b>	<b>-</b>	<b>11,311</b>
Net cost of net debt						(358)
Minority interests						(363)
<b>Net income</b>						<b>10,590</b>

**For the year ended December 31, 2008 (adjustments <sup>(a)</sup>)**

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
<b>Revenues from sales</b>						
Operating expenses	-	(2,776)	(925)	-		(3,701)
Depreciation, depletion and amortization of tangible assets and mineral interest	(171)	-	(6)	-		(177)
<b>Operating income <sup>(b)</sup></b>	<b>(171)</b>	<b>(2,776)</b>	<b>(931)</b>	<b>-</b>		<b>(3,878)</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	(164)	(195)	(82)	(345)		(786)
Tax on net operating income	57	927	329	(2)		1,311
<b>Net operating income <sup>(b)</sup></b>	<b>(278)</b>	<b>(2,044)</b>	<b>(684)</b>	<b>(347)</b>		<b>(3,353)</b>
Net cost of net debt						-
Minority interests						23
<b>Net income</b>						<b>(3,330)</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.

(b) Of which inventory valuation effect

	Upstream	Downstream	Chemicals	Corporate
on operating income	-	(2,776)	(727)	-
on net operating income	-	(1,971)	(504)	-

(c) Of which equity share of adjustments related to Sanofi-Aventis

	-	-	-	(393)
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For the year ended December 31, 2008 (adjusted) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	24,256	135,524	20,150	46	-	179,976
Intersegment sales	25,132	5,574	1,252	120	(32,078)	-
Excise taxes	-	(19,645)	-	-	-	(19,645)
<b>Revenues from sales</b>	<b>49,388</b>	<b>121,453</b>	<b>21,402</b>	<b>166</b>	<b>(32,078)</b>	<b>160,331</b>
Operating expenses	(21,915)	(116,649)	(20,017)	(685)	32,078	(127,188)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,834)	(1,202)	(512)	(30)	-	(5,578)
<b>Adjusted operating income</b>	<b>23,639</b>	<b>3,602</b>	<b>873</b>	<b>(549)</b>	<b>-</b>	<b>27,565</b>
Equity in income (loss) of affiliates and other items	1,705	37	48	935	-	2,725
Tax on net operating income	(14,620)	(1,070)	(253)	317	-	(15,626)
<b>Adjusted net operating income</b>	<b>10,724</b>	<b>2,569</b>	<b>668</b>	<b>703</b>	<b>-</b>	<b>14,664</b>
Net cost of net debt						(358)
Minority interests						(386)
<b>Adjusted net income</b>						<b>13,920</b>

For the year ended December 31, 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	10,017	2,418	1,074	131		13,640
Total divestments	1,130	216	53	1,186		2,585
Cash flow from operating activities	13,765	3,111	920	873		18,669
<b>Balance sheet as of December 31, 2008</b>						
Property, plant and equipment, intangible assets, net	37,090	8,823	5,323	247		51,483
Investments in equity affiliates	3,892	1,958	677	6,134		12,661
Loans to equity affiliates and other non-current assets	3,739	1,170	762	545		6,216
Working capital	570	5,317	2,348	(132)		8,103
Provisions and other non-current liabilities	(12,610)	(2,191)	(1,903)	(1,138)		(17,842)
<b>Capital Employed (balance sheet)</b>	<b>32,681</b>	<b>15,077</b>	<b>7,207</b>	<b>5,656</b>		<b>60,621</b>
Less inventory valuation effect	-	(1,454)	(46)	387		(1,113)
<b>Capital Employed (Business segment information)</b>	<b>32,681</b>	<b>13,623</b>	<b>7,161</b>	<b>6,043</b>		<b>59,508</b>
<b>ROACE as a percentage</b>	<b>36%</b>	<b>20%</b>	<b>9%</b>			<b>26%</b>

**For the year ended December 31, 2007**

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	19,706	119,212	19,805	29	–	<b>158,752</b>
Intersegment sales	21,173	5,125	1,190	181	(27,669)	–
Excise taxes	–	(21,928)	–	–	–	<b>(21,928)</b>
<b>Revenues from sales</b>	<b>40,879</b>	<b>102,409</b>	<b>20,995</b>	<b>210</b>	<b>(27,669)</b>	<b>136,824</b>
Operating expenses	(17,697)	(96,367)	(19,076)	(627)	27,669	<b>(106,098)</b>
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,679)	(1,218)	(495)	(33)	–	<b>(5,425)</b>
<b>Operating income</b>	<b>19,503</b>	<b>4,824</b>	<b>1,424</b>	<b>(450)</b>	–	<b>25,301</b>
Equity in income (loss) of affiliates and other items	1,330	284	(11)	745	–	<b>2,348</b>
Tax on net operating income	(11,996)	(1,482)	(426)	128	–	<b>(13,776)</b>
<b>Net operating income</b>	<b>8,837</b>	<b>3,626</b>	<b>987</b>	<b>423</b>	–	<b>13,873</b>
Net cost of net debt						<b>(338)</b>
Minority interests						<b>(354)</b>
<b>Net income</b>						<b>13,181</b>

**For the year ended December 31, 2007 (adjustments <sup>(a)</sup>)**

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
<b>Revenues from sales</b>						
Operating expenses	(11)	1,580	273	–		<b>1,842</b>
Depreciation, depletion and amortization of tangible assets and mineral interests	–	(43)	(4)	–		<b>(47)</b>
<b>Operating income <sup>(b)</sup></b>	<b>(11)</b>	<b>1,537</b>	<b>269</b>	<b>–</b>		<b>1,795</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	(4)	24	(54)	(225)		<b>(259)</b>
Tax on net operating income	3	(470)	(75)	(2)		<b>(544)</b>
<b>Net operating income <sup>(b)</sup></b>	<b>(12)</b>	<b>1,091</b>	<b>140</b>	<b>(227)</b>		<b>992</b>
Net cost of net debt						–
Minority interests						<b>(14)</b>
<b>Net income</b>						<b>978</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.

(b) Of which inventory valuation effect

	Upstream	Downstream	Chemicals	Corporate
on operating income	–	1,529	301	–
on net operating income	–	1,098	201	–

(c) Of which equity share of adjustments related to Sanofi-Aventis

	–	–	–	(318)
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For the year ended December 31, 2007 (adjusted) (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	19,706	119,212	19,805	29	–	158,752
Intersegment sales	21,173	5,125	1,190	181	(27,669)	–
Excise taxes	–	(21,928)	–	–	–	(21,928)
<b>Revenues from sales</b>	<b>40,879</b>	<b>102,409</b>	<b>20,995</b>	<b>210</b>	<b>(27,669)</b>	<b>136,824</b>
Operating expenses	(17,686)	(97,947)	(19,349)	(627)	27,669	(107,940)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,679)	(1,175)	(491)	(33)	–	(5,378)
<b>Adjusted operating income</b>	<b>19,514</b>	<b>3,287</b>	<b>1,155</b>	<b>(450)</b>	<b>–</b>	<b>23,506</b>
Equity in income (loss) of affiliates and other items	1,334	260	43	970	–	2,607
Tax on net operating income	(11,999)	(1,012)	(351)	130	–	(13,232)
<b>Adjusted net operating income</b>	<b>8,849</b>	<b>2,535</b>	<b>847</b>	<b>650</b>	<b>–</b>	<b>12,881</b>
Net cost of net debt						(338)
Minority interests						(340)
<b>Adjusted net income</b>						<b>12,203</b>

For the year ended December 31, 2007 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	8,882	1,875	911	54		11,722
Total divestments	751	394	83	328		1,556
Cash flow from operating activities	12,692	4,148	1,096	(250)		17,686
<b>Balance sheet as of December 31, 2007</b>						
Property, plant and equipment, intangible assets, net	32,535	8,308	5,061	213		46,117
Investments in equity affiliates	3,021	2,105	728	6,851		12,705
Loans to equity affiliates and other non-current assets	3,748	1,183	456	634		6,021
Working capital	(94)	6,811	2,774	506		9,997
Provisions and other non-current liabilities	(12,147)	(2,018)	(1,697)	(1,441)		(17,303)
<b>Capital Employed (balance sheet)</b>	<b>27,063</b>	<b>16,389</b>	<b>7,322</b>	<b>6,763</b>		<b>57,537</b>
Less inventory valuation effect	–	(4,198)	(424)	1,112		(3,510)
<b>Capital Employed (Business segment information)</b>	<b>27,063</b>	<b>12,191</b>	<b>6,898</b>	<b>7,875</b>		<b>54,027</b>
<b>ROACE as a percentage</b>	<b>34%</b>	<b>21%</b>	<b>12%</b>			<b>24%</b>

**B) Reconciliation between business segment information and the Consolidated Statement of Income**

The table below presents the impact of adjustment items on the Consolidated Statement of Income:

For the year ended December 31, 2009 (M€)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
Sales	131,327	–	131,327
Excise taxes	(19,174)	–	(19,174)
Revenues from sales	112,153	–	112,153
Purchases, net of inventory variation	(73,263)	2,205	(71,058)
Other operating expenses	(18,271)	(320)	(18,591)
Exploration costs	(698)	–	(698)
Depreciation, depletion and amortization of tangible assets and mineral interests	(6,291)	(391)	(6,682)
Other income	131	183	314
Other expense	(315)	(285)	(600)
Financial interest on debt	(530)	–	(530)
Financial income from marketable securities & cash equivalents	132	–	132
Cost of net debt	(398)	–	(398)
Other financial income	643	–	643
Other financial expense	(345)	–	(345)
Equity in income (loss) of affiliates	1,918	(276)	1,642
Income taxes	(7,302)	(449)	(7,751)
<b>Consolidated net income</b>	<b>7,962</b>	<b>667</b>	<b>8,629</b>
Group share	7,784	663	8,447
Minority interests	178	4	182

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments and selected items related to Sanofi-Aventis.

For the year ended December 31, 2008 (M€)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
Sales	179,976	–	179,976
Excise taxes	(19,645)	–	(19,645)
Revenues from sales	160,331	–	160,331
Purchases, net of inventory variation	(107,521)	(3,503)	(111,024)
Other operating expenses	(18,903)	(198)	(19,101)
Exploration costs	(764)	–	(764)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,578)	(177)	(5,755)
Other income	153	216	369
Other expense	(147)	(407)	(554)
Financial interest on debt	(1,000)	–	(1,000)
Financial income from marketable securities & cash equivalents	473	–	473
Cost of net debt	(527)	–	(527)
Other financial income	728	–	728
Other financial expense	(325)	–	(325)
Equity in income (loss) of affiliates	2,316	(595)	1,721
Income taxes	(15,457)	1,311	(14,146)
<b>Consolidated net income</b>	<b>14,306</b>	<b>(3,353)</b>	<b>10,953</b>
Group share	13,920	(3,330)	10,590
Minority interests	386	(23)	363

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.

For the year ended December 31, 2007 (M€)	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
Sales	158,752	–	158,752
Excise taxes	(21,928)	–	(21,928)
Revenues from sales	136,824	–	136,824
Purchases, net of inventory variation	(89,688)	1,881	(87,807)
Other operating expenses	(17,375)	(39)	(17,414)
Exploration costs	(877)	–	(877)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,378)	(47)	(5,425)
Other income	384	290	674
Other expense	(225)	(245)	(470)
Financial interest on debt	(1,783)	–	(1,783)
Financial income from marketable securities & cash equivalents	1,244	–	1,244
Cost of net debt	(539)	–	(539)
Other financial income	643	–	643
Other financial expense	(274)	–	(274)
Equity in income (loss) of affiliates	2,079	(304)	1,775
Income taxes	(13,031)	(544)	(13,575)
<b>Consolidated net income</b>	<b>12,543</b>	<b>992</b>	<b>13,535</b>
Group share	12,203	978	13,181
Minority interests	340	14	354

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.

### C) Adjustment items by business segment

The adjustment items for income as per Note 2 to the Consolidated Financial Statements are detailed as follows:

#### Adjustments to operating income

For the year ended December 31, 2009 (M€)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	–	1,816	389	–	2,205
Restructuring charges	–	–	–	–	–
Asset impairment charges	(4)	(347)	(40)	–	(391)
Other items	(17)	(258)	(45)	–	(320)
<b>Total</b>	<b>(21)</b>	<b>1,211</b>	<b>304</b>	<b>–</b>	<b>1,494</b>

#### Adjustments to net income, Group share

For the year ended December 31, 2009 (M€)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	–	1,279	254	–	1,533
TOTAL's equity share of adjustments and selected items related to Sanofi-Aventis	–	–	–	(300)	(300)
Restructuring charges	–	(27)	(102)	–	(129)
Asset impairment charges	(52)	(253)	(28)	–	(333)
Gains (losses) on disposals of assets	–	–	–	179	179
Other items	(112)	(182)	7	–	(287)
<b>Total</b>	<b>(164)</b>	<b>817</b>	<b>131</b>	<b>(121)</b>	<b>663</b>

#### Adjustments to operating income

For the year ended December 31, 2008 (M€)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	–	(2,776)	(727)	–	(3,503)
Restructuring charges	–	–	–	–	–
Asset impairment charges	(171)	–	(6)	–	(177)
Other items	–	–	(198)	–	(198)
<b>Total</b>	<b>(171)</b>	<b>(2,776)</b>	<b>(931)</b>	<b>–</b>	<b>(3,878)</b>

**Adjustments to net income, Group share**

For the year ended December 31, 2008

(M€)

	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	(1,949)	(503)	-	(2,452)
TOTAL's equity share of adjustments related to Sanofi-Aventis	-	-	-	(393)	(393)
Restructuring charges	-	(47)	(22)	-	(69)
Asset impairment charges	(172)	(26)	(7)	-	(205)
Gains (losses) on disposals of assets	130	-	-	84	214
Other items	(236)	-	(151)	(38)	(425)
<b>Total</b>	<b>(278)</b>	<b>(2,022)</b>	<b>(683)</b>	<b>(347)</b>	<b>(3,330)</b>

**Adjustments to operating income**

For the year ended December 31, 2007

(M€)

	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	1,529	301	-	1,830
Restructuring charges	-	-	-	-	-
Asset impairment charges	-	(43)	(4)	-	(47)
Other items	(11)	51	(28)	-	12
<b>Total</b>	<b>(11)</b>	<b>1,537</b>	<b>269</b>	<b>-</b>	<b>1,795</b>

**Adjustments to net income, Group share**

For the year ended December 31, 2007

(M€)

	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	1,084	201	-	1,285
TOTAL's equity share of special items recorded by Sanofi-Aventis	-	-	-	75	75
TOTAL's equity share of adjustments related to Sanofi-Aventis	-	-	-	(318)	(318)
Restructuring charges	-	(20)	(15)	-	(35)
Asset impairment charges	(93)	(61)	(8)	-	(162)
Gains (losses) on disposals of assets	89	101	-	116	306
Other items	(8)	(27)	(38)	(100)	(173)
<b>Total</b>	<b>(12)</b>	<b>1,077</b>	<b>140</b>	<b>(227)</b>	<b>978</b>

**D) Additional information on impairments**

In the Upstream, Downstream and Chemicals segments, impairments of assets have been recognized for the year ended December 31, 2009, with an impact of €413 million in operating income and €382 million in net income, Group share. These impairments have been disclosed as adjustments to operating income for €391 million and as adjustments to net income, Group share for €333 million. These items are identified in paragraph 4C above as adjustment items with the heading "Asset impairment charges".

The impairment losses impact certain Cash Generating Units (CGU) for which there were indications of impairment, due mainly to changes in the operating conditions or the economic environment of their specific businesses.

The principles applied are the following:

- o the recoverable amount of CGUs has been based on their value in use, as defined in Note 1 paragraph L to the Consolidated Financial Statements "Impairment of long-lived assets";

- o future cash flows have been determined with the assumptions in the long-term plan of the Group. These assumptions (including future prices of products, supply and demand for products, future production volumes) represent the best estimate by management of the Group of all economic conditions during the remaining life of assets;
- o future cash flows are based on the long-term plan and are prepared over a period consistent with the life of the assets within the CGU. They include specific risks attached to CGU assets and are discounted using a 8% after tax discount rate. This rate is a weighted-average capital cost estimated from historical market data.

These assumptions have been applied consistently for the years ending in 2007, 2008 and 2009.

The CGUs of the Upstream segment affected by these impairments are oil fields and associates accounted for by the equity method.

The CGUs of the Downstream segment are affiliates or groups of affiliates (or industrial assets) organized mostly by country for the refining activities and by relevant geographical area for the marketing activities. The year 2009 was marked by the deterioration

of the economic environment, and especially by the decline in refining margins that have resulted in changes in the operating conditions of assets in some business units of the Downstream segment. These factors have triggered the recognition of impairments of assets impacting the operating income for €347 millions and the net income for €253 million. Given the deteriorated economic environment, sensitivity analysis using a lower refining margin have been performed by the Group and have not led to additional impairment.

The CGUs of the Chemicals segment are worldwide business units, including activities or products with common strategic, commercial and industrial characteristics.

For the year ended December 31, 2008, impairments of assets have been recognized in the Upstream, Downstream and Chemicals

segments with an impact of €216 million in operating income and €244 million in net income, Group share. These impairments have been disclosed as adjustments to operating income for €177 million and adjustments to net income, Group share for €205 million.

For the year ended December 31, 2007, impairments of assets have been recognized in the Upstream, Downstream and Chemicals segments with an impact of €47 million in operating income and €162 million in net income, Group share.

For the year ended December 31, 2009, no reversal of impairment has been recognized. For the year ended December 31, 2008, reversals of impairment losses have been recognized in the Upstream segment with an impact of €41 million in operating income and €29 million in net income, Group share. No reversal of impairment losses has been recognized in 2007.

## 5) Information by geographical area

(M€)	France	Rest of Europe	North America	Africa	Rest of World	Total
<b>For the year ended December 31, 2009</b>						
Non-Group sales	32,437	60,140	9,515	9,808	19,427	131,327
Property, plant and equipment, intangible assets, net	6,973	15,218	8,112	17,312	11,489	59,104
Capital expenditures	1,189	2,502	1,739	4,651	3,268	13,349
<b>For the year ended December 31, 2008</b>						
Non-Group sales	43,616	82,761	14,002	12,482	27,115	179,976
Property, plant and equipment, intangible assets, net	7,260	13,485	5,182	15,460	10,096	51,483
Capital expenditures	1,997	2,962	1,255	4,500	2,926	13,640
<b>For the year ended December 31, 2007</b>						
Non-Group sales	37,949	73,757	12,404	10,401	24,241	158,752
Property, plant and equipment, intangible assets, net	6,437	14,554	4,444	11,872	8,810	46,117
Capital expenditures	1,627	2,538	740	3,745	3,072	11,722

## 6) Operating expenses

For the year ended December 31, (M€)	2009	2008	2007
Purchases, net of inventory variation <sup>(a)</sup>	(71,058)	(111,024)	(87,807)
Exploration costs	(698)	(764)	(877)
Other operating expenses <sup>(b)</sup>	(18,591)	(19,101)	(17,414)
of which non-current operating liabilities (allowances) reversals	515	459	781
of which current operating liabilities (allowances) reversals	(43)	(29)	(42)
<b>Operating expenses</b>	<b>(90,347)</b>	<b>(130,889)</b>	<b>(106,098)</b>

(a) Includes royalties paid on oil and gas production in the Upstream segment (see in particular the taxes paid to Middle East oil producing countries for the Group's concessions as detailed in Note 33 to the Consolidated Financial Statements "Other information").

(b) Principally composed of production and administrative costs (see in particular the payroll costs as detailed in Note 26 to the Consolidated Financial Statements "Payroll and staff").

## 7) Other income and other expense

For the year ended December 31,  
(M€)

	2009	2008	2007
Gains (losses) on disposal of assets	200	257	639
Foreign exchange gains	-	112	35
Other	114	-	-
<b>Other income</b>	<b>314</b>	<b>369</b>	<b>674</b>
Foreign exchange losses	(32)	-	-
Amortization of other intangible assets (excl. mineral interests)	(142)	(162)	(178)
Other	(426)	(392)	(292)
<b>Other expense</b>	<b>(600)</b>	<b>(554)</b>	<b>(470)</b>

### Other income

In 2009, gains and losses on disposal of assets are mainly related to the disposal of shares of Sanofi-Aventis.

In 2008, gains and losses on disposal of assets were mainly related to sales of non-current assets in the Upstream segment, as well as the disposal of shares of Sanofi-Aventis.

In 2007, gains and losses on disposal of assets were mainly related to sales of non-current assets in the Upstream and Downstream segments, as well as the disposal of shares of Sanofi-Aventis.

### Other expense

In 2009, the heading "Other" is mainly comprised of €190 million of restructuring charges in the Downstream and Chemicals segments.

In 2008, the heading "Other" was mainly comprised of:

- €107 million of restructuring charges in the Upstream, Downstream and Chemicals segments; and
- €48 million of changes in provisions related to various antitrust investigations as described in Note 32 to the Consolidated Financial Statements "Other risks and contingent liabilities".

In 2007, the heading "Other" was mainly comprised of:

- €51 million of restructuring charges in the Downstream and Chemicals segments; and
- €100 million of changes in provisions related to various antitrust investigations as described in Note 32 to the Consolidated Financial Statements "Other risks and contingent liabilities".

## 8) Other financial income and expense

As of December 31,  
(M€)

	2009	2008	2007
Dividend income on non-consolidated subsidiaries	210	238	218
Capitalized financial expenses	117	271	322
Other	316	219	103
<b>Other financial income</b>	<b>643</b>	<b>728</b>	<b>643</b>
Accretion of asset retirement obligations	(283)	(229)	(189)
Other	(62)	(96)	(85)
<b>Other financial expense</b>	<b>(345)</b>	<b>(325)</b>	<b>(274)</b>

## 9) Income taxes

Since 1966, the Group has been taxed in accordance with the consolidated income tax treatment approved on a renewable basis by the French Ministry of Economy, Industry and Employment. The approval for the consolidated income tax treatment covers the period 2008-2010.

No deferred tax is recognized for the temporary differences between the carrying amounts and tax bases of investments in foreign subsidiaries which are considered to be permanent investments.

Undistributed earnings from foreign subsidiaries considered to be reinvested indefinitely amounted to €22,292 million as of December 31, 2009. The determination of the tax effect relating to such reinvested income is not practicable.

In addition, no deferred tax is recognized on unremitted earnings (approximately €17,968 million) of the Group's French subsidiaries since the remittance of such earnings would be tax exempt for the subsidiaries in which the Company owns 95% or more of the outstanding shares.

Income taxes are detailed as follows:

For the year ended December 31, (M€)	2009	2008	2007
Current income taxes	(7,213)	(14,117)	(12,141)
Deferred income taxes	(538)	(29)	(1,434)
<b>Total income taxes</b>	<b>(7,751)</b>	<b>(14,146)</b>	<b>(13,575)</b>

Before netting deferred tax assets and liabilities by fiscal entity, the components of deferred tax balances as of December 31, 2009, 2008 and 2007 are as follows:

As of December 31, (M€)	2009	2008	2007
Net operating losses and tax carry forwards	1,114	1,031	560
Employee benefits	517	519	760
Other temporary non-deductible provisions	2,184	2,075	2,341
<b>Gross deferred tax assets</b>	<b>3,815</b>	<b>3,625</b>	<b>3,661</b>
Valuation allowance	(484)	(475)	(449)
<b>Net deferred tax assets</b>	<b>3,331</b>	<b>3,150</b>	<b>3,212</b>
Excess tax over book depreciation	(9,791)	(8,836)	(9,254)
Other temporary tax deductions	(1,179)	(1,171)	(1,209)
<b>Gross deferred tax liability</b>	<b>(10,970)</b>	<b>(10,007)</b>	<b>(10,463)</b>
<b>Net deferred tax liability</b>	<b>(7,639)</b>	<b>(6,857)</b>	<b>(7,251)</b>

After netting deferred tax assets and liabilities by fiscal entity, deferred taxes are presented on the balance sheet as follows:

As of December 31, (M€)	2009	2008	2007
Deferred tax assets, non-current (note 14)	1,164	1,010	797
Deferred tax assets, current (note 16)	214	206	112
Deferred tax liabilities, non-current	(8,948)	(7,973)	(7,933)
Deferred tax liabilities, current	(69)	(100)	(227)
<b>Net amount</b>	<b>(7,639)</b>	<b>(6,857)</b>	<b>(7,251)</b>

The net deferred tax variation in the balance sheet is analyzed as follows:

As of December 31, (M€)	2009	2008	2007
<b>Opening balance</b>	<b>(6,857)</b>	<b>(7,251)</b>	<b>(6,369)</b>
Deferred tax on income	(538)	(29)	(1,434)
Deferred tax on shareholders' equity (a)	(38)	30	(6)
Changes in scope of consolidation	(1)	(1)	158
Currency translation adjustment	(205)	394	400
<b>Closing balance</b>	<b>(7,639)</b>	<b>(6,857)</b>	<b>(7,251)</b>

(a) This amount includes mainly current income taxes and deferred taxes for changes in fair value of listed securities classified as financial assets available for sale as well as deferred taxes related to the cash flow hedge (see Note 17 to the Consolidated Financial Statements).



**Reconciliation between provision for income taxes and pre-tax income:**

<b>For the year ended December 31,</b> (M€)	<b>2009</b>	2008	2007
Consolidated net income	<b>8,629</b>	10,953	13,535
Provision for income taxes	<b>7,751</b>	14,146	13,575
<b>Pre-tax income</b>	<b>16,380</b>	<b>25,099</b>	<b>27,110</b>
French statutory tax rate	<b>34.43%</b>	34.43%	34.43%
<b>Theoretical tax charge</b>	<b>(5,640)</b>	<b>(8,642)</b>	<b>(9,334)</b>
Difference between French and foreign income tax rates	<b>(3,214)</b>	(6,326)	(5,118)
Tax effect of equity in income (loss) of affiliates	<b>565</b>	593	611
Permanent differences	<b>597</b>	315	122
Adjustments on prior years income taxes	<b>(47)</b>	12	75
Adjustments on deferred tax related to changes in tax rates	<b>(1)</b>	(31)	(16)
Changes in valuation allowance of deferred tax assets	<b>(6)</b>	(63)	80
Other	<b>(5)</b>	(4)	5
<b>Net provision for income taxes</b>	<b>(7,751)</b>	<b>(14,146)</b>	<b>(13,575)</b>

The French statutory tax rate includes the standard corporate tax rate (33.33%) and additional applicable taxes that bring the overall tax rate to 34.43% in 2009 (identical to 2008 and 2007).

Permanent differences are mainly due to impairment of goodwill and to dividends from non-consolidated companies as well as the specific taxation rules applicable to certain activities and within the consolidated income tax treatment.

**Net operating losses and tax credit carryforwards**

Deferred tax assets related to net operating losses and tax carryforwards were available in various tax jurisdictions, expiring in the following years:

<b>As of December 31,</b> (M€)	<b>2009</b>		2008		2007	
	<b>Basis</b>	<b>Tax</b>	Basis	Tax	Basis	Tax
2008	-	-	-	-	290	141
2009	-	-	233	115	222	109
2010	<b>258</b>	<b>126</b>	167	79	129	59
2011	<b>170</b>	<b>83</b>	93	42	33	13
2012 <sup>(a)</sup>	<b>121</b>	<b>52</b>	61	19	68	22
2013 <sup>(b)</sup>	<b>133</b>	<b>43</b>	1,765	587	-	-
2014 and after	<b>1,804</b>	<b>599</b>	-	-	-	-
Unlimited	<b>661</b>	<b>211</b>	560	189	641	216
<b>Total</b>	<b>3,147</b>	<b>1,114</b>	<b>2,879</b>	<b>1,031</b>	<b>1,383</b>	<b>560</b>

(a) Net operating losses and tax credit carryforwards in 2012 and after for 2007

(b) Net operating losses and tax credit carryforwards in 2013 and after for 2008

## 10) Intangible assets

As of December 31, 2009 (M€)	Cost	Amortization and impairment	Net
Goodwill	1,776	(614)	1,162
Proved and unproved mineral interests	8,204	(2,421)	5,783
Other intangible assets	2,712	(2,143)	569
<b>Total intangible assets</b>	<b>12,692</b>	<b>(5,178)</b>	<b>7,514</b>

As of December 31, 2008 (M€)	Cost	Amortization and impairment	Net
Goodwill	1,690	(616)	1,074
Proved and unproved mineral interests	6,010	(2,268)	3,742
Other intangible assets	2,519	(1,994)	525
<b>Total intangible assets</b>	<b>10,219</b>	<b>(4,878)</b>	<b>5,341</b>

As of December 31, 2007 (M€)	Cost	Amortization and impairment	Net
Goodwill	1,684	(617)	1,067
Proved and unproved mineral interests	5,327	(2,310)	3,017
Other intangible assets	2,452	(1,886)	566
<b>Total intangible assets</b>	<b>9,463</b>	<b>(4,813)</b>	<b>4,650</b>

Changes in net intangible assets are analyzed in the following table:

(M€)	Net amount as of January 1,	Acquisitions	Disposals	Amortization and impairment	Currency translation adjustment	Other	Net amount as of December 31,
<b>2009</b>	<b>5,341</b>	<b>629</b>	<b>(64)</b>	<b>(345)</b>	<b>2</b>	<b>1,951</b>	<b>7,514</b>
2008	4,650	404	(3)	(259)	(93)	642	5,341
2007	4,705	472	(160)	(274)	(208)	115	4,650

In 2009, the heading "Other" mainly includes Chesapeake's Barnett shale mineral interests for €1,449 million (see Note 3 to the Consolidated Financial Statements).

In 2008, the heading "Other" mainly included the impact of "proved and unproved mineral interests" from Synenco Energy Inc. for €221 million and from Goal Petroleum B.V. for €292 million.

A summary of changes in the carrying amount of goodwill by business segment for the year ended December 31, 2009 is as follows:

(M€)	Net goodwill as of January 1, 2009	Increases	Impairments	Other	Net goodwill as of December 31, 2009
<b>Upstream</b>	78	–	–	–	78
<b>Downstream</b>	130	70	–	2	202
<b>Chemicals</b>	841	11	–	5	857
<b>Corporate</b>	25	–	–	–	25
<b>Total</b>	<b>1,074</b>	<b>81</b>	<b>–</b>	<b>7</b>	<b>1,162</b>

## 11) Property, plant and equipment

As of December 31, 2009 (M€)	Cost	Depreciation and impairment	Net
<b>Upstream properties</b>			
Proved properties	71,082	(44,718)	26,364
Unproved properties	182	(1)	181
Work in progress	10,351	(51)	10,300
<b>Subtotal</b>	<b>81,615</b>	<b>(44,770)</b>	<b>36,845</b>
<b>Other property, plant and equipment</b>			
Land	1,458	(435)	1,023
Machinery, plant and equipment (including transportation equipment)	22,927	(15,900)	7,027
Buildings	6,142	(3,707)	2,435
Work in progress	2,774	(155)	2,619
Other	6,506	(4,865)	1,641
<b>Subtotal</b>	<b>39,807</b>	<b>(25,062)</b>	<b>14,745</b>
<b>Total property, plant and equipment</b>	<b>121,422</b>	<b>(69,832)</b>	<b>51,590</b>

As of December 31, 2008 (M€)	Cost	Depreciation and impairment	Net
<b>Upstream properties</b>			
Proved properties	61,727	(39,315)	22,412
Unproved properties	106	(1)	105
Work in progress	9,586	–	9,586
<b>Subtotal</b>	<b>71,419</b>	<b>(39,316)</b>	<b>32,103</b>
<b>Other property, plant and equipment</b>			
Land	1,446	(429)	1,017
Machinery, plant and equipment (including transportation equipment)	21,734	(14,857)	6,877
Buildings	5,739	(3,441)	2,298
Work in progress	2,226	(10)	2,216
Other	6,258	(4,627)	1,631
<b>Subtotal</b>	<b>37,403</b>	<b>(23,364)</b>	<b>14,039</b>
<b>Total property, plant and equipment</b>	<b>108,822</b>	<b>(62,680)</b>	<b>46,142</b>

As of December 31, 2007 (M€)	Cost	Depreciation and impairment	Net
<b>Upstream properties</b>			
Proved properties	60,124	(38,735)	21,389
Unproved properties	48	(1)	47
Work in progress	7,010	–	7,010
<b>Subtotal</b>	<b>67,182</b>	<b>(38,736)</b>	<b>28,446</b>
<b>Other property, plant and equipment</b>			
Land	1,460	(417)	1,043
Machinery, plant and equipment (including transportation equipment)	20,575	(14,117)	6,458
Buildings	5,505	(3,430)	2,075
Work in progress	1,832	(4)	1,828
Other	6,291	(4,674)	1,617
<b>Subtotal</b>	<b>35,663</b>	<b>(22,642)</b>	<b>13,021</b>
<b>Total property, plant and equipment</b>	<b>102,845</b>	<b>(61,378)</b>	<b>41,467</b>

Changes in net property, plant and equipment are analyzed in the following table:

(M€)	Net amount as of January 1,	Acquisitions	Disposals	Depreciation and impairment	Currency translation adjustment	Other	Net amount as of December 31,
2009	46,142	11,212	(65)	(6,765)	397	669	51,590
2008	41,467	11,442	(102)	(5,941)	(1,151)	427	46,142
2007	40,576	10,241	(729)	(5,674)	(2,347)	(600)	41,467

In 2009, the heading "Other" mainly includes changes in net property, plant and equipment related to asset retirement obligations and Chesapeake's Barnett shale tangible assets for €113 million (see Note 3 to the Consolidated Financial Statements).

In 2008, the heading "Other" mainly included changes in net property, plant and equipment related to asset retirement obligations.

In 2007, the heading "Disposals" mainly included the impact of conversion of the Sincor project and the disposal of the Group's interest in the Milford Haven refinery. The heading "Other" mainly included the impact of conversion of the Sincor project and changes in net property, plant and equipment related to asset retirement obligations.

Property, plant and equipment presented above include the following amounts for facilities and equipment under finance leases that have been capitalized:

<b>As of December 31, 2009</b> (M€)	<b>Cost</b>	<b>Depreciation and impairment</b>	<b>Net</b>
Machinery, plant and equipment	548	(343)	205
Buildings	60	(30)	30
Other	-	-	-
<b>Total</b>	<b>608</b>	<b>(373)</b>	<b>235</b>

<b>As of December 31, 2008</b> (M€)	<b>Cost</b>	<b>Depreciation and impairment</b>	<b>Net</b>
Machinery, plant and equipment	558	(316)	242
Buildings	35	(28)	7
Other	-	-	-
<b>Total</b>	<b>593</b>	<b>(344)</b>	<b>249</b>

<b>As of December 31, 2007</b> (M€)	<b>Cost</b>	<b>Depreciation and impairment</b>	<b>Net</b>
Machinery, plant and equipment	503	(265)	238
Buildings	35	(29)	6
Other	-	-	-
<b>Total</b>	<b>538</b>	<b>(294)</b>	<b>244</b>

## 12) Equity affiliates: investments and loans

Equity value (M€)	As of December 31,					
	2009	2008	2007	2009	2008	2007
	% owned			equity value		
NLNG	15.00%	15.00%	15.00%	1,136	1,135	1,062
PetroCedeño – EM <sup>(a)</sup>	30.32%	30.32%	30.32%	874	760	534
CEPSA (Upstream share)	48.83%	48.83%	48.83%	385	403	246
Angola LNG Ltd. <sup>(a)</sup>	13.60%	13.60%	13.60%	490	326	155
Qatargas	10.00%	10.00%	10.00%	83	251	172
Société du Terminal Méthanier de Fos Cavaou	28.79%	30.30%	30.30%	124	114	92
SCP Limited	10.00%	10.00%	10.00%	89	96	91
Dolphin Energy Ltd (Del) Abu Dhabi	24.50%	24.50%	24.50%	118	85	37
Qatar Liquefied Gas Company Limited II (Train B)	16.70%	16.70%	16.70%	143	82	86
Moattama Gas Transportation Cy	31.24%	31.24%	31.24%	51	65	53
Ocensa	15.20%	15.20%	15.20%	85	60	57
Gasoducto Gasandes Argentina	56.50%	56.50%	56.50%	46	58	74
Gaz transport & Technigaz <sup>(a)</sup>	30.00%	30.00%	30.00%	26	53	46
Laffan Refinery	10.00%	10.00%	10.00%	60	53	39
Shtokman Development AG <sup>(b)</sup>	25.00%	25.00%	–	162	35	–
Other	–	–	–	388	315	277
<b>Total Upstream</b>				<b>4,260</b>	<b>3,891</b>	<b>3,021</b>
CEPSA (Downstream share)	48.83%	48.83%	48.83%	1,927	1,810	1,932
Saudi Aramco Total Refining & Petrochemicals <sup>(b)</sup>	37.50%	37.50%	–	60	75	–
Wepec	22.41%	22.41%	22.41%	–	–	70
Other	–	–	–	123	73	103
<b>Total Downstream</b>				<b>2,110</b>	<b>1,958</b>	<b>2,105</b>
CEPSA (Chemicals share)	48.83%	48.83%	48.83%	396	424	524
Qatar Petrochemical Company Ltd	20.00%	20.00%	20.00%	205	192	150
Other	–	–	–	51	61	54
<b>Total Chemicals</b>				<b>652</b>	<b>677</b>	<b>728</b>
Sanofi-Aventis	7.39%	11.38%	13.06%	4,235	6,137	6,851
Other	–	–	–	–	–	–
<b>Total Corporate</b>				<b>4,235</b>	<b>6,137</b>	<b>6,851</b>
<b>Total investments</b>				<b>11,257</b>	<b>12,663</b>	<b>12,705</b>
Loans				2,367	2,005	2,575
<b>Total investments and loans</b>				<b>13,624</b>	<b>14,668</b>	<b>15,280</b>

(a) Investment accounted for by the equity method as from 2007.

(b) Investment accounted for by the equity method as from 2008.

As of December 31,

Equity in income (loss) (M€)	2009	2008	2007	2009	2008	2007
	% owned			Equity in income (loss)		
NLNG	15.00%	15.00%	15.00%	227	554	477
PetroCedeño – EM <sup>(a)</sup>	30.32%	30.32%	30.32%	166	193	–
CEPSA (Upstream share)	48.83%	48.83%	48.83%	23	50	88
Angola LNG Ltd. <sup>(a)</sup>	13.60%	13.60%	13.60%	9	10	7
Qatargas	10.00%	10.00%	10.00%	114	126	74
Société du Terminal Méthanier de Fos Cavaou	28.79%	30.30%	30.30%	–	(5)	(2)
SCP Limited	10.00%	10.00%	10.00%	6	4	1
Dolphin Energy Ltd (Del) Abu Dhabi	24.50%	24.50%	24.50%	94	83	5
Qatar Liquefied Gas Company Limited II (Train B)	16.70%	16.70%	16.70%	8	(11)	(5)
Moattama Gas Transportation Cy	31.24%	31.24%	31.24%	75	81	67
Ocensa	15.20%	15.20%	15.20%	36	–	–
Gasoducto Gasandes Argentina	56.50%	56.50%	56.50%	(6)	(10)	(22)
Gaz transport & Technigaz <sup>(a)</sup>	30.00%	30.00%	30.00%	20	51	45
Laffan Refinery	10.00%	10.00%	10.00%	(4)	2	–
Shtokman Development AG <sup>(b)</sup>	25.00%	25.00%	–	4	–	–
Other	–	–	–	87	50	6
<b>Total Upstream</b>				<b>859</b>	<b>1,178</b>	<b>741</b>
CEPSA (Downstream share)	48.83%	48.83%	48.83%	149	76	253
Saudi Aramco Total Refining & Petrochemicals <sup>(b)</sup>	37.50%	37.50%	–	(12)	–	–
Wepec	22.41%	22.41%	22.41%	–	(110)	14
Other	–	–	–	81	(13)	(1)
<b>Total Downstream</b>				<b>218</b>	<b>(47)</b>	<b>266</b>
CEPSA (Chemicals share)	48.83%	48.83%	48.83%	10	10	24
Qatar Petrochemical Company Ltd	20.00%	20.00%	20.00%	74	66	55
Other	–	–	–	(5)	(1)	1
<b>Total Chemicals</b>				<b>79</b>	<b>75</b>	<b>80</b>
Sanofi-Aventis	7.39%	11.38%	13.06%	486	515	688
Other	–	–	–	–	–	–
<b>Total Corporate</b>				<b>486</b>	<b>515</b>	<b>688</b>
<b>Total investments</b>				<b>1,642</b>	<b>1,721</b>	<b>1,775</b>

(a) Investment accounted for by the equity method as from 2007.

(b) Investment accounted for by the equity method as from 2008.

The market value of the Group's share in CEPSA amounted to €2,845 million as of December 31, 2009 for an equity value of €2,708 million.

The market value of the Group's share in Sanofi-Aventis amounted to €5,324 million as of December 31, 2009.

In Group share, the main financial items of the equity affiliates are as follows :

As of December 31, (M€)	2009	2008
Assets	22,681	23,173
Shareholders' equity	11,257	12,663
Liabilities	11,424	10,510
<b>For the year ended December 31, (M€)</b>	<b>2009</b>	<b>2008</b>
Revenues from sales	14,434	19,982
Pre-tax income	2,168	2,412
Income tax	(526)	(691)
<b>Net income</b>	<b>1,642</b>	<b>1,721</b>

**13) Other investments**

<b>As of December 31, 2009</b> (M€)	<b>Carrying amount</b>	<b>Unrealized gain (loss)</b>	<b>Balance sheet value</b>
Areva <sup>(a)</sup>	69	58	127
Arkema	15	47	62
Chicago Mercantile Exchange Group <sup>(b)</sup>	1	9	10
Olympia Energy Fund – energy investment fund <sup>(c)</sup>	35	(2)	33
Other publicly traded equity securities	–	–	–
<b>Total publicly traded equity securities <sup>(d)</sup></b>	<b>120</b>	<b>112</b>	<b>232</b>
BBPP	72	–	72
BTC Limited	144	–	144
Other equity securities	714	–	714
<b>Total other equity securities <sup>(d)</sup></b>	<b>930</b>	<b>–</b>	<b>930</b>
<b>Other investments</b>	<b>1,050</b>	<b>112</b>	<b>1,162</b>

<b>As of December 31, 2008</b> (M€)	<b>Carrying amount</b>	<b>Unrealized gain (loss)</b>	<b>Balance sheet value</b>
Areva <sup>(a)</sup>	69	59	128
Arkema	16	15	31
Chicago Mercantile Exchange Group <sup>(b)</sup>	1	5	6
Olympia Energy Fund – energy investment fund <sup>(c)</sup>	36	(5)	31
Other publicly traded equity securities	–	–	–
<b>Total publicly traded equity securities <sup>(d)</sup></b>	<b>122</b>	<b>74</b>	<b>196</b>
BBPP	75	–	75
BTC Limited	161	–	161
Other equity securities	733	–	733
<b>Total other equity securities <sup>(d)</sup></b>	<b>969</b>	<b>–</b>	<b>969</b>
<b>Other investments</b>	<b>1,091</b>	<b>74</b>	<b>1,165</b>

<b>As of December 31, 2007</b> (M€)	<b>Carrying amount</b>	<b>Unrealized gain (loss)</b>	<b>Balance sheet value</b>
Areva <sup>(a)</sup>	69	216	285
Arkema	16	97	113
Nymex Holdings Inc	1	15	16
Other publicly traded equity securities	–	–	–
<b>Total publicly traded equity securities <sup>(d)</sup></b>	<b>86</b>	<b>328</b>	<b>414</b>
BBPP	71	–	71
BTC Limited	161	–	161
Other equity securities	645	–	645
<b>Total other equity securities <sup>(d)</sup></b>	<b>877</b>	<b>–</b>	<b>877</b>
<b>Other investments</b>	<b>963</b>	<b>328</b>	<b>1,291</b>

(a) Unrealized gain based on the investment certificate.

(b) The Nymex Holdings Inc. securities have been traded during the acquisition process running from June 11 to August 22, 2008 through which Chicago Mercantile Exchange Group acquired all the Nymex Holdings Inc. securities.

(c) Securities acquired in 2008.

(d) Including cumulative impairments of €599 million in 2009, €608 million in 2008 and €632 million in 2007.

These investments are classified as “Financial assets available for sale” (see Note 1 paragraph M(ii) to the Consolidated Financial Statements).



## 14) Other non-current assets

As of December 31, 2009 (M€)	Gross value	Valuation allowance	Net value
Deferred income tax assets	1,164	–	1,164
Loans and advances <sup>(a)</sup>	1,871	(587)	1,284
Other	633	–	633
<b>Total</b>	<b>3,668</b>	<b>(587)</b>	<b>3,081</b>

As of December 31, 2008 (M€)	Gross value	Valuation allowance	Net value
Deferred income tax assets	1,010	–	1,010
Loans and advances <sup>(a)</sup>	1,932	(529)	1,403
Other	631	–	631
<b>Total</b>	<b>3,573</b>	<b>(529)</b>	<b>3,044</b>

As of December 31, 2007 (M€)	Gross value	Valuation allowance	Net value
Deferred income tax assets	797	–	797
Loans and advances <sup>(a)</sup>	1,378	(527)	851
Other	507	–	507
<b>Total</b>	<b>2,682</b>	<b>(527)</b>	<b>2,155</b>

(a) Excluding loans to equity affiliates.

Changes in the valuation allowance on loans and advances are detailed as follows:

For the year ended December 31, (M€)	Valuation allowance as of January 1,	Increases	Decreases	Currency translation adjustment and other variations	Valuation allowance as of December 31,
2009	(529)	(19)	29	(68)	(587)
2008	(527)	(33)	52	(21)	(529)
2007	(488)	(13)	6	(32)	(527)

## 15) Inventories

As of December 31, 2009 (M€)	Gross value	Valuation allowance	Net value
Crude oil and natural gas	4,581	–	4,581
Refined products	6,647	(18)	6,629
Chemicals products	1,234	(113)	1,121
Other inventories	1,822	(286)	1,536
<b>Total</b>	<b>14,284</b>	<b>(417)</b>	<b>13,867</b>

As of December 31, 2008 (M€)	Gross value	Valuation allowance	Net value
Crude oil and natural gas	2,772	(326)	2,446
Refined products	4,954	(416)	4,538
Chemicals products	1,419	(105)	1,314
Other inventories	1,591	(268)	1,323
<b>Total</b>	<b>10,736</b>	<b>(1,115)</b>	<b>9,621</b>

As of December 31, 2007 (M€)	Gross value	Valuation allowance	Net value
Crude oil and natural gas	4,746	–	4,746
Refined products	6,874	(11)	6,863
Chemicals products	1,188	(91)	1,097
Other inventories	1,368	(223)	1,145
<b>Total</b>	<b>14,176</b>	<b>(325)</b>	<b>13,851</b>

Changes in the valuation allowance on inventories are as follows:

For the year ended December 31, (M€)	Valuation allowance as of January 1,	Increase (net)	Currency translation adjustment and other variations	Valuation allowance as of December 31,
<b>2009</b>	<b>(1,115)</b>	<b>700</b>	<b>(2)</b>	<b>(417)</b>
2008	(325)	(740)	(50)	(1,115)
2007	(440)	124	(9)	(325)

## 16) Accounts receivable and other current assets

As of December 31, 2009 (M€)	Gross value	Valuation allowance	Net value
<b>Accounts receivable</b>	<b>16,187</b>	<b>(468)</b>	<b>15,719</b>
Recoverable taxes	2,156	–	2,156
Other operating receivables	5,214	(69)	5,145
Deferred income tax	214	–	214
Prepaid expenses	638	–	638
Other current assets	45	–	45
<b>Other current assets</b>	<b>8,267</b>	<b>(69)</b>	<b>8,198</b>

As of December 31, 2008 (M€)	Gross value	Valuation allowance	Net value
<b>Accounts receivable</b>	<b>15,747</b>	<b>(460)</b>	<b>15,287</b>
Recoverable taxes	2,510	–	2,510
Other operating receivables	6,227	(19)	6,208
Deferred income tax	206	–	206
Prepaid expenses	650	–	650
Other current assets	68	–	68
<b>Other current assets</b>	<b>9,661</b>	<b>(19)</b>	<b>9,642</b>

As of December 31, 2007 (M€)	Gross value	Valuation allowance	Net value
<b>Accounts receivable</b>	<b>19,611</b>	<b>(482)</b>	<b>19,129</b>
Recoverable taxes	2,735	–	2,735
Other operating receivables	4,457	(27)	4,430
Deferred income tax	112	–	112
Prepaid expenses	687	–	687
Other current assets	42	–	42
<b>Other current assets</b>	<b>8,033</b>	<b>(27)</b>	<b>8,006</b>

Changes in the valuation allowance on “Accounts receivable” and “Other current assets” are as follows:

(M€)	Valuation allowance as of January 1,	Increase (net)	Currency translation adjustments and other variations	Valuation allowance as of December 31,
<b>Accounts receivable</b>				
<b>2009</b>	<b>(460)</b>	<b>(17)</b>	<b>9</b>	<b>(468)</b>
2008	(482)	9	13	(460)
2007	(489)	(25)	32	(482)
<b>Other current assets</b>				
<b>2009</b>	<b>(19)</b>	<b>(14)</b>	<b>(36)</b>	<b>(69)</b>
2008	(27)	7	1	(19)
2007	(39)	(4)	16	(27)

As of December 31, 2009, the net portion of the overdue receivables included in "Accounts receivable" and "Other current assets" is €3,610 million, of which €2,116 million has expired for less than 90 days, €486 million has expired between 90 days and 6 months, €246 million has expired between 6 and 12 months and €762 million has expired for more than 12 months.

As of December 31, 2008, the net portion of the overdue receivables included in "Accounts receivable" and "Other current assets" was €3,744 million, of which €2,420 million had expired for less than 90 days, €729 million had expired between 90 days and 6 months, €54 million had expired between 6 and 12 months and €541 million had expired for more than 12 months.

## 17) Shareholders' equity

### Number of TOTAL shares

The Company's common shares, par value €2.50, as of December 31, 2009 are the only category of shares. Shares may be held in either bearer or registered form.

Double voting rights are granted to holders of shares that are fully-paid and held in the name of the same shareholder for at least two years, with due consideration for the total portion of the share capital represented. Double voting rights are also assigned to restricted shares in the event of an increase in share capital by incorporation of reserves, profits or premiums based on shares already held that are entitled to double voting rights.

Pursuant to the Company's bylaws (*Statuts*), no shareholder may cast a vote at a shareholders' meeting, either by himself or through an agent, representing more than 10% of the total voting rights for the Company's shares. This limit applies to the aggregated amount of voting rights held directly, indirectly or through voting proxies. However, in the case of double voting rights, this limit may be extended to 20%.

These restrictions no longer apply if any individual or entity, acting alone or in concert, acquires at least two-thirds of the total share capital of the Company, directly or indirectly, following a public tender offer for all of the Company's shares.

The authorized share capital amounts to 3,381,921,458 shares as of December 31, 2009 compared to 3,413,204,025 as of December 31, 2008 and 4,042,585,605 as of December 31, 2007.

<b>As of January 1, 2007</b>		<b>2,425,767,953</b>
Shares issued in connection with:	Exercise of TOTAL share subscription options	2,453,832
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	315,312
Cancellation of shares <sup>(a)</sup>		(33,005,000)
<b>As of January 1, 2008</b>		<b>2,395,532,097</b>
Shares issued in connection with:	Capital increase reserved for employees	4,870,386
	Exercise of TOTAL share subscription options	1,178,167
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	227,424
Cancellation of shares <sup>(b)</sup>		(30,000,000)
<b>As of January 1, 2009</b>		<b>2,371,808,074</b>
Shares issued in connection with:	Exercise of TOTAL share subscription options	934,780
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	480,030
Cancellation of shares <sup>(c)</sup>		(24,800,000)
<b>As of December 31, 2009 <sup>(d)</sup></b>		<b>2,348,422,884</b>

(a) Decided by the Board of Directors on January 10, 2007.

(b) Decided by the Board of Directors on July 31, 2008.

(c) Decided by the Board of Directors on July 30, 2009.

(d) Including 115,407,190 treasury shares deducted from consolidated shareholders' equity.

The variation of both weighted-average number of shares and weighted-average number of diluted shares respectively used in the calculation of earnings per share and fully-diluted earnings per share is detailed as follows:

	2009	2008	2007
<b>Number of shares as of January 1,</b>	<b>2,371,808,074</b>	<b>2,395,532,097</b>	<b>2,425,767,953</b>
Number of shares issued during the year (pro rated)			
Exercise of TOTAL share subscription options	221,393	742,588	1,020,190
Exercise of TOTAL share purchase options	93,827	2,426,827	4,141,186
Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	393,623	86,162	163,074
TOTAL restricted shares	1,164,389	1,112,393	1,114,796
Capital increase reserved for employees	-	3,246,924	-
TOTAL shares held by TOTAL S.A. or by its subsidiaries and deducted from shareholders' equity	(143,082,095)	(168,290,440)	(176,912,968)
<b>Weighted-average number of shares</b>	<b>2,230,599,211</b>	<b>2,234,856,551</b>	<b>2,255,294,231</b>
<i>Dilutive effect</i>			
TOTAL share subscription and purchase options	1,711,961	6,784,200	13,698,928
TOTAL restricted shares	4,920,599	4,172,944	4,387,761
Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	60,428	460,935	655,955
Capital increase reserved for employees	-	383,912	348,109
<b>Weighted-average number of diluted shares</b>	<b>2,237,292,199</b>	<b>2,246,658,542</b>	<b>2,274,384,984</b>

### Capital increase reserved for Group employees

At the shareholders' meeting held on May 11, 2007, the shareholders delegated to the Board of Directors the authority to increase the share capital of the Company in one or more transactions and within a maximum period of 26 months from the date of the meeting, by an amount not exceeding 1.5% of the share capital outstanding on the date of the meeting of the Board of Directors at which a decision to proceed with an issuance is made reserving subscriptions for such issuance to the Group employees participating in a company savings plan. It is being specified that the amount of any such capital increase reserved for Group employees was counted against the aggregate maximum nominal amount of share capital increases authorized by the shareholders' meeting held on May 11, 2007 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with preferential subscription rights (€4 billion in nominal value).

Pursuant to this delegation of authorization, the Board of Directors, during its November 6, 2007 meeting, implemented a first capital increase reserved for employees within the limit of 12 million shares, par value €2.50, at a price of €44.40 per share, with dividend rights as of the January 1, 2007. The subscription period ran from March 10, 2008, to March 28, 2008. 4,870,386 shares were subscribed by employees pursuant to the capital increase.

### Share cancellation

Pursuant to the authorization granted by the shareholders' meeting held on May 11, 2007 authorizing reduction of capital by cancellation of shares held by the Company within the limit of 10% of the outstanding capital every 24 months, the Board of Directors decided on July 30, 2009 to cancel 24,800,000 shares acquired in 2008 at an average price of €49.28 per share.

### Treasury shares (TOTAL shares held by TOTAL S.A.)

As of December 31, 2009, TOTAL S.A. held 15,075,922 of its own shares, representing 0,64% of its share capital, detailed as follows:

- 6,017,499 shares allocated to covering TOTAL share purchase option plans for Group employees and executive officers;
- 5,799,400 shares allocated to TOTAL restricted shares plans for Group employees; and
- 3,259,023 shares intended to be allocated to new TOTAL share purchase option plans or to new restricted shares plans.

These shares are deducted from the consolidated shareholders' equity.

As of December 31, 2008, TOTAL S.A. held 42,750,827 of its own shares, representing 1.80% of its share capital, detailed as follows:

- 12,627,522 shares allocated to covering TOTAL share purchase option plans for Group employees;
- 5,323,305 shares allocated to TOTAL restricted shares plans for Group employees; and
- 24,800,000 shares purchased for cancellation between January and October 2008 pursuant to the authorization granted by the shareholders' meetings held on May 11, 2007 and May 16, 2008. The Board of Directors on July 30, 2009 decided to cancel these 24,800,000 shares acquired at an average price of €49.28 per share.

These shares were deducted from the consolidated shareholders' equity.

As of December 31, 2007, TOTAL S.A. held 51,089,964 of its own shares, representing 2.13% of its share capital, detailed as follows:

- o 16,343,349 shares allocated to covering TOTAL share purchase option plans for Group employees;
- o 4,746,615 shares allocated to TOTAL restricted share plans for Group employees; and
- o 30,000,000 shares purchased for cancellation between February and December 2007 pursuant to the authorization granted by the shareholders' meetings held on May 12, 2006 and May 11, 2007. The Board of Directors on July 31, 2008 decided to cancel these 30,000,000 shares acquired at an average price of €54.69 per share.

These shares were deducted from the consolidated shareholders' equity.

### TOTAL shares held by Group subsidiaries

As of December 31, 2009, 2008 and 2007, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.27% of its share capital as of December 31, 2009, 4.23% of its share capital as of December 31, 2008 and 4.19% of its share capital as of December 31, 2007 detailed as follows:

- o 2,023,672 shares held by a consolidated subsidiary, Total Nucléaire, 100% indirectly controlled by TOTAL S.A.; and
- o 98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval).

These shares are deducted from the consolidated shareholders' equity.

### Dividend

TOTAL S.A. paid on May 22, 2009 the balance of the dividend of €1.14 per share for the 2008 fiscal year (the ex-dividend date was

May 19, 2009). In addition, TOTAL S.A. paid on November 18, 2009 an interim dividend of €1.14 per share for the fiscal year 2009 (the ex-dividend date was November 13, 2009).

A resolution will be submitted at the shareholders' meeting on May 21, 2010 to pay a dividend of €2.28 per share for the 2009 fiscal year, i.e. a balance of €1.14 per share to be distributed after deducting the interim dividend of €1.14 already paid.

### Paid-in surplus

In accordance with French law, the paid-in surplus corresponds to share premiums of the parent company which can be capitalized or used to offset losses if the legal reserve has reached its minimum required level. The amount of the paid-in surplus may also be distributed subject to taxation unless the unrestricted reserves of the parent company are distributed prior to this item.

As of December 31, 2009, paid-in surplus amounted to €27,171 million (€28,284 million as of December 31, 2008 and €29,598 million as of December 31, 2007).

### Reserves

Under French law, 5% of net income must be transferred to the legal reserve until the legal reserve reaches 10% of the nominal value of the share capital. This reserve cannot be distributed to the shareholders other than upon liquidation but can be used to offset losses.

If wholly distributed, the unrestricted reserves of the parent company would be taxed for an approximate amount of €514 million as of December 31, 2009.

### Other comprehensive income

Detail of other comprehensive income showing items reclassified from equity to net income is presented in the table below:

For the year ended December 31, (M€)	2009	2008	2007
<b>Currency translation adjustment</b>	<b>(244)</b>	<b>(722)</b>	<b>(2,703)</b>
- Unrealized gain/(loss) of the period	(243)	(722)	(2,703)
- Less gain/(loss) included in net income	1	-	-
<b>Available for sale financial assets</b>	<b>38</b>	<b>(254)</b>	<b>111</b>
- Unrealized gain/(loss) of the period	38	(254)	111
- Less gain/(loss) included in net income	-	-	-
<b>Cash flow hedge</b>	<b>128</b>	<b>-</b>	<b>-</b>
- Unrealized gain/(loss) of the period	349	-	-
- Less gain/(loss) included in net income	221	-	-
<b>Share of other comprehensive income of equity affiliates, net amount</b>	<b>234</b>	<b>173</b>	<b>(406)</b>
<b>Other</b>	<b>(5)</b>	<b>1</b>	<b>(3)</b>
- Unrealized gain/(loss) of the period	(5)	1	(3)
- Less gain/(loss) included in net income	-	-	-
<b>Tax effect</b>	<b>(38)</b>	<b>30</b>	<b>(6)</b>
<b>Total other comprehensive income, net amount</b>	<b>113</b>	<b>(772)</b>	<b>(3,007)</b>

Tax effects relating to each component of other comprehensive income are as follows:

For the year ended December 31, (M€)	2009			2008			2007		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Currency translation adjustment	(244)		(244)	(722)		(722)	(2,703)		(2,703)
Available for sale financial assets	38	4	42	(254)	30	(224)	111	(6)	105
Cash flow hedge	128	(42)	86	-		-	-		-
Share of other comprehensive income of equity affiliates, net amount	234		234	173		173	(406)		(406)
Other	(5)		(5)	1		1	(3)		(3)
<b>Total other comprehensive income</b>	<b>151</b>	<b>(38)</b>	<b>113</b>	<b>(802)</b>	<b>30</b>	<b>(772)</b>	<b>(3,001)</b>	<b>(6)</b>	<b>(3,007)</b>

## 18) Employee benefits obligations

Liabilities for employee benefits obligations consist of the following:

As of December 31, (M€)	2009	2008	2007
Pension benefits liabilities	1,236	1,187	1,721
Other benefits liabilities	592	608	611
Restructuring reserves (early retirement plans)	212	216	195
<b>Total</b>	<b>2,040</b>	<b>2,011</b>	<b>2,527</b>

The Group's main defined benefit pension plans are located in France, in the United Kingdom, in the United States, in Belgium and in Germany. Their main characteristics are the following:

- o The benefits are usually based on the final salary and seniority;
- o They are usually funded (pension fund or insurer); and
- o They are closed to new employees who benefit from defined contribution pension plans.

The pension benefits include also termination indemnities and early retirement benefits.

The other benefits are the employer contribution to post-employment medical care.

The fair value of the defined benefit obligation and plan assets in the Consolidated Financial Statements is detailed as follows:

As of December 31, (M€)	Pension benefits			Other benefits		
	2009	2008	2007	2009	2008	2007
<b>Change in benefit obligation</b>						
– Benefit obligation at beginning of year	7,405	8,129	8,742	544	583	648
– Service cost	134	143	160	10	14	12
– Interest cost	428	416	396	30	24	28
– Curtailments	(5)	(3)	(9)	(1)	–	–
– Settlements	(3)	(5)	(20)	–	(4)	–
– Special termination benefits	–	–	–	–	–	–
– Plan participants' contributions	10	12	10	–	–	–
– Benefits paid	(484)	(463)	(448)	(33)	(37)	(40)
– Plan amendments	118	12	(70)	(2)	(12)	(2)
– Actuarial losses (gains)	446	(248)	(384)	–	(27)	(38)
– Foreign currency translation and other	120	(588)	(248)	(1)	3	(25)
<b>Benefit obligation at year-end</b>	<b>8,169</b>	<b>7,405</b>	<b>8,129</b>	<b>547</b>	<b>544</b>	<b>583</b>
<b>Change in fair value of plan assets</b>						
– Fair value of plan assets at beginning of year	(5,764)	(6,604)	(6,401)	–	–	–
– Expected return on plan assets	(343)	(402)	(387)	–	–	–
– Actuarial losses (gains)	(317)	1,099	140	–	–	–
– Settlements	2	2	8	–	–	–
– Plan participants' contributions	(10)	(12)	(10)	–	–	–
– Employer contributions <sup>(a)</sup>	(126)	(855)	(556)	–	–	–
– Benefits paid	396	375	349	–	–	–
– Foreign currency translation and other	(124)	633	253	–	–	–
<b>Fair value of plan assets at year-end</b>	<b>(6,286)</b>	<b>(5,764)</b>	<b>(6,604)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Unfunded status</b>	<b>1,883</b>	<b>1,641</b>	<b>1,525</b>	<b>547</b>	<b>544</b>	<b>583</b>
– Unrecognized prior service cost	(153)	(48)	(49)	15	21	18
– Unrecognized actuarial (losses) gains	(1,045)	(953)	(160)	30	43	10
– Asset ceiling	9	5	5	–	–	–
<b>Net recognized amount</b>	<b>694</b>	<b>645</b>	<b>1,321</b>	<b>592</b>	<b>608</b>	<b>611</b>
– Pension benefits and other benefits liabilities	1,236	1,187	1,721	592	608	611
– Other non-current assets	(542)	(542)	(400)	–	–	–

(a) In 2008, the Group covered certain employee pension benefit plans through insurance companies for an amount of €757 million.

As of December 31, 2009, the fair value of pension benefits and other pension benefits which are entirely or partially funded amounted to €7,206 million and the present value of the unfunded benefits amounted to €1,510 million (against €6,515 million and €1,434 million respectively as of December 31, 2008 and €7,175 million and €1,537 million respectively as of December 31, 2007).

The experience actuarial gains (losses) related to the defined benefit obligation and the fair value of plan assets are as follows:

For the year ended December 31, (M€)	2009	2008	2007	2009	2008	2007
Experience actuarial gains (losses) related to the defined benefit obligation				108	(12)	(80)
Experience actuarial gains (losses) related to the fair value of plan assets				317	(1,099)	(140)

As of December 31, (M€)	2009	2008	2007	2006	2005
<b>Pension benefits</b>					
Benefit obligation	8,169	7,405	8,129	8,742	9,647
Fair value of plan assets	(6,286)	(5,764)	(6,604)	(6,401)	(6,274)
<b>Unfunded status</b>	<b>1,883</b>	<b>1,641</b>	<b>1,525</b>	<b>2,341</b>	<b>3,373</b>
<b>Other benefits</b>					
Benefits obligation	547	544	583	648	774
Fair value of plan assets	–	–	–	–	–
<b>Unfunded status</b>	<b>547</b>	<b>544</b>	<b>583</b>	<b>648</b>	<b>774</b>



The Group expects to contribute €152 million to its pension plans in 2010.

Estimated future payments (M€)	Pension benefits	Other benefits
2010	489	35
2011	468	36
2012	481	36
2013	472	36
2014	474	37
2015-2019	2,508	195

Asset allocation As of December 31,	Pension benefits		
	2009	2008	2007
Equity securities	31%	25%	36%
Debt securities	62%	56%	56%
Monetary	3%	16%	4%
Real estate	4%	3%	4%

The Group's assumptions of expected returns on assets are built up by asset class and by country based on long-term bond yields and risk premiums.

The discount rate retained corresponds to the rate of prime corporate bonds according to a benchmark per country of different market data on the closing date.

Assumptions used to determine benefits obligations As of December 31,	Pension benefits			Other benefits		
	2009	2008	2007	2009	2008	2007
Discount rate (weighted average for all regions)	5.41%	5.93%	5.50%	5.60%	6.00%	5.50%
<i>Of which Euro zone</i>	5.12%	5.72%	5.15%	5.18%	5.74%	5.14%
<i>Of which United States</i>	6.00%	6.23%	6.00%	5.99%	6.21%	5.98%
<i>Of which United Kingdom</i>	5.50%	6.00%	5.75%	-	6.00%	5.75%
Average expected rate of salary increase	4.50%	4.56%	4.29%	-	-	-
Expected rate of healthcare inflation						
- initial rate	-	-	-	4.91%	4.88%	5.16%
- ultimate rate	-	-	-	3.79%	3.64%	3.64%

Assumptions used to determine the net periodic benefit cost (income) For the year ended December 31,	Pension benefits			Other benefits		
	2009	2008	2007	2009	2008	2007
Discount rate (weighted average for all regions)	5.93%	5.50%	4.69%	6.00%	5.50%	4.89%
<i>Of which Euro zone</i>	5.72%	5.15%	4.23%	5.74%	5.14%	4.30%
<i>Of which United States</i>	6.23%	6.00%	5.50%	6.21%	5.98%	5.49%
<i>Of which United Kingdom</i>	6.00%	5.75%	5.00%	6.00%	5.75%	5.00%
Average expected rate of salary increase	4.56%	4.29%	4.14%	-	-	-
Expected return on plan assets	6.14%	6.60%	6.26%	-	-	-
Expected rate of healthcare inflation						
- initial rate	-	-	-	4.88%	5.16%	5.57%
- ultimate rate	-	-	-	3.64%	3.64%	3.65%

A 0.5% increase or decrease in discount rates – all other things being equal—would have the following approximate impact:

(M€)	0.5% increase	0.5% decrease
Benefit obligation as of December 31, 2009	(452)	500
2010 net periodic benefit cost (income)	(21)	29

A 0.5% increase or decrease in expected return on plan assets rate—all other things being equal—would have an impact of €29 million on 2010 net periodic benefit cost (income).

The components of the net periodic benefit cost (income) in 2009, 2008 and 2007 are:

For the year ended December 31, (M€)	Pension benefits			Other benefits		
	2009	2008	2007	2009	2008	2007
Service cost	134	143	160	10	14	12
Interest cost	428	416	396	30	24	28
Expected return on plan assets	(343)	(402)	(387)	-	-	-
Amortization of prior service cost	13	34	31	(7)	(10)	(5)
Amortization of actuarial losses (gains)	50	22	17	(6)	(2)	(1)
Asset ceiling	4	1	-	-	-	-
Curtailements	(4)	(3)	(8)	(1)	-	-
Settlements	(1)	(2)	(12)	-	(3)	(1)
Special termination benefits	-	-	-	-	-	-
<b>Net periodic benefit cost (income)</b>	<b>281</b>	<b>209</b>	<b>197</b>	<b>26</b>	<b>23</b>	<b>33</b>

A positive or negative change of one-percentage-point in the healthcare inflation rate would have the following approximate impact:

(M€)	1% point increase	1% point decrease
Benefit obligation as of December 31, 2009	60	(47)
2009 net periodic benefit cost (income)	7	(3)

## 19) Provisions and other non-current liabilities

As of December 31, (M€)	2009	2008	2007
Litigations and accrued penalty claims	423	546	601
Provisions for environmental contingencies	623	558	552
Asset retirement obligations	5,469	4,500	4,206
Other non-current provisions	1,331	1,804	1,188
Other non-current liabilities	1,535	450	296
<b>Total</b>	<b>9,381</b>	<b>7,858</b>	<b>6,843</b>

In 2009, litigation reserves mainly include a provision covering risks concerning antitrust investigations related to Arkema amounting to €43 million as of December 31, 2009. Other risks and commitments that give rise to contingent liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2009, other non-current provisions mainly include :

- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for €40 million as of December 31, 2009;
- Provisions related to restructuring activities in the Downstream and Chemicals segments for €130 million as of December 31, 2009; and
- The contingency reserve related to the Buncefield depot explosion (civil liability) for €295 million as of December 31, 2009.

In 2009, other non-current liabilities mainly include debts (whose maturity is more than one year) related to fixed assets acquisitions. This heading is mainly composed of a €818 million debt related to Chesapeake acquisition (see Note 3 to the Consolidated Financial Statements).

In 2008, litigation reserves mainly included a provision covering risks concerning antitrust investigations related to Arkema amounting to €85 million as of December 31, 2008. Other risks and commitments that give rise to contingent liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2008, other non-current provisions mainly included the contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for €256 million as of December 31, 2008.

In 2007, litigation reserves mainly included a provision covering risks concerning antitrust investigations related to Arkema amounting to €138 million as of December 31, 2007. Other risks and commitments that give rise to contingent liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2007, other non-current provisions mainly included:

- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for €134 million as of December 31, 2007; and
- Provisions related to restructuring activities in the Chemicals segment for €49 million as of December 31, 2007.

## Changes in provisions and other non-current liabilities

(M€)	As of January 1,	Allowances	Reversals	Currency translation adjustment	Other	As of December 31,
<b>2009</b>	<b>7,858</b>	<b>1,254</b>	<b>(1,413)</b>	<b>202</b>	<b>1,480</b>	<b>9,381</b>
2008	6,843	1,424	(864)	(460)	915	7,858
2007	6,467	747	(927)	(303)	859	6,843

### ● Allowances

In 2009, allowances of the period (€1,254 million) mainly include:

- Asset retirement obligations for €283 million (accretion);
- Environmental contingencies for €147 million in the Downstream and Chemicals segments;
- The contingency reserve related to the Buncefield depot explosion (civil liability) for €223 million; and
- Provisions related to restructuring of activities for €121 million.

In 2008, allowances of the period (€1,424 million) mainly included:

- Asset retirement obligations for €229 million (accretion);
- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for €140 million;
- Environmental contingencies for €89 million;
- An allowance of €48 million for litigation reserves in connection with antitrust investigations, as described in Note 32 to the Consolidated Financial Statements "Other risks and contingent liabilities"; and
- Provisions related to restructuring of activities for €27 million.

In 2007, allowances of the period (€747 million) mainly included:

- Provisions for asset retirement obligations for €189 million (accretion);
- An allowance of €100 million for litigation reserves in connection with antitrust investigations, as described in Note 32 to the Consolidated Financial Statements "Other risks and contingent liabilities";
- Environmental contingencies in the Chemicals segment for €23 million; and
- Provisions related to restructuring of activities for €15 million.

### ● Reversals

In 2009, reversals of the period (€1,413 million) mainly relate to the following incurred expenses:

- Provisions for asset retirement obligations for €191 million;

- €52 million for litigation reserves in connection with antitrust investigations;
- Environmental contingencies written back for €86 million;
- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for €216 million;
- The contingency reserve related to the Buncefield depot explosion (civil liability), written back for €375 million; and
- Provisions for restructuring and social plans written back for €28 million.

In 2008, reversals of the period (€864 million) were mainly related to the following incurred expenses:

- Provisions for asset retirement obligations for €280 million;
- €163 million for litigation reserves in connection with antitrust investigations;
- Environmental contingencies written back for €96 million;
- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for €18 million; and
- Provisions for restructuring and social plans written back for €10 million.

In 2007, reversals of the period (€927 million) were mainly related to the following incurred expenses:

- Provisions for asset retirement obligations for €209 million;
- Environmental contingencies in the Chemicals segment written back for €52 million;
- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for €42 million; and
- Provisions for restructuring and social plans written back for €37 million.

## Changes in the asset retirement obligation

(M€)	As of January 1,	Accretion	Revision in estimates	New obligations	Spending on existing obligations	Currency translation adjustment	Other	As of December 31,
<b>2009</b>	<b>4,500</b>	<b>283</b>	<b>447</b>	<b>179</b>	<b>(191)</b>	<b>232</b>	<b>19</b>	<b>5,469</b>
2008	4,206	229	563	188	(280)	(414)	8	4,500
2007	3,893	189	203	371	(209)	(206)	(35)	4,206

## 20) Financial debt and related financial instruments

## A) Non-current financial debt and related financial instruments

As of December 31, 2009

(M€)

(Assets) / Liabilities	Secured	Unsecured	Total
Non-current financial debt	312	19,125	19,437
<i>of which hedging instruments of non-current financial debt (liabilities)</i>	–	241	241
Hedging instruments of non-current financial debt (assets) <sup>(a)</sup>	–	(1,025)	(1,025)
<b>Non-current financial debt – net of hedging instruments</b>	<b>312</b>	<b>18,100</b>	<b>18,412</b>
Bonds, net of hedging instruments	–	17,584	17,584
Bank and other, floating rate	60	379	439
Bank and other, fixed rate	50	79	129
Financial lease obligations	202	58	260
<b>Non-current financial debt – net of hedging instruments</b>	<b>312</b>	<b>18,100</b>	<b>18,412</b>

(a) See the description of these hedging instruments in Notes 1 paragraph M(iii) "Long-term financing", 28 and 29 to the Consolidated Financial Statements.

As of December 31, 2008

(M€)

(Assets) / Liabilities	Secured	Unsecured	Total
Non-current financial debt	895	15,296	16,191
<i>of which hedging instruments of non-current financial debt (liabilities)</i>	–	440	440
Hedging instruments of non-current financial debt (assets) <sup>(a)</sup>	–	(892)	(892)
<b>Non-current financial debt – net of hedging instruments</b>	<b>895</b>	<b>14,404</b>	<b>15,299</b>
Bonds, net of hedging instruments	–	13,667	13,667
Bank and other, floating rate	553	665	1,218
Bank and other, fixed rate	140	6	146
Financial lease obligations	202	66	268
<b>Non-current financial debt – net of hedging instruments</b>	<b>895</b>	<b>14,404</b>	<b>15,299</b>

(a) See the description of these hedging instruments in Notes 1 paragraph M(iii) "Long-term financing", 28 and 29 to the Consolidated Financial Statements.

As of December 31, 2007

(M€)

(Assets) / Liabilities	Secured	Unsecured	Total
Non-current financial debt	772	14,104	14,876
<i>of which hedging instruments of non-current financial debt (liabilities)</i>	–	369	369
Hedging instruments of non-current financial debt (assets) <sup>(a)</sup>	–	(460)	(460)
<b>Non-current financial debt – net of hedging instruments</b>	<b>772</b>	<b>13,644</b>	<b>14,416</b>
Bonds, net of hedging instruments	–	11,650	11,650
Bank and other, floating rate	453	1,781	2,234
Bank and other, fixed rate	2	213	215
Financial lease obligations	317	–	317
<b>Non-current financial debt – net of hedging instruments</b>	<b>772</b>	<b>13,644</b>	<b>14,416</b>

(a) See the description of these hedging instruments in Notes 1 paragraph M(iii) "Long-term financing", 28 and 29 to the Consolidated Financial Statements.

Fair value of bonds, as of December 31, 2009, after taking into account currency and interest rates swaps, is detailed as follows:

(M€)	Year of issue	Fair value after hedging as of December 31, 2009	Fair value after hedging as of December 31, 2008	Fair value after hedging as of December 31, 2007	Currency	Maturity	Initial rate before hedging instruments
<b>Parent company</b>							
	Bond 1996	-	-	324	FRF	2008	6.750%
	Bond 1997	-	124	118	FRF	2009	6.200%
	Bond 1998	-	-	26	FRF	2008	Pibor 3 months + 0.380%
	Bond 1998	-	119	113	FRF	2009	5.125%
	Bond 1998	116	121	114	FRF	2013	5.000%
	Bond 2000	61	63	60	EUR	2010	5.650%
	Current portion (less than one year)	(61)	(243)	(349)			
	<b>Total parent company</b>	<b>116</b>	<b>184</b>	<b>406</b>			
<b>Elf Aquitaine SA</b>							
	Bond 1999	-	1,003	998	EUR	2009	4.500%
	Current portion (less than one year)	-	(1,003)	-			
	<b>Total Elf Aquitaine SA</b>	<b>-</b>	<b>-</b>	<b>998</b>			
<b>TOTAL CAPITAL (a)</b>							
	Bond 2002	14	14	14	USD	2012	5.890%
	Bond 2003	-	-	39	AUD	2008	5.000%
	Bond 2003	-	-	41	AUD	2008	5.000%
	Bond 2003	-	-	44	CAD	2008	4.250%
	Bond 2003	-	-	148	CHF	2008	2.010%
	Bond 2003	-	-	98	CHF	2008	2.010%
	Bond 2003	-	-	360	EUR	2008	3.500%
	Bond 2003	-	-	72	EUR	2008	3.500%
	Bond 2003	-	-	113	EUR	2008	3.500%
	Bond 2003	-	-	170	USD	2008	3.250%
	Bond 2003	-	52	49	AUD	2009	6.250%
	Bond 2003	-	154	145	CHF	2009	2.385%
	Bond 2003	160	166	157	CHF	2010	2.385%
	Bond 2003	21	22	20	USD	2013	4.500%
	Bond 2003-2004	-	395	373	USD	2009	3.500%
	Bond 2004	-	-	34	USD	2008	3.250%
	Bond 2004	-	-	34	USD	2008	3.250%
	Bond 2004	-	-	68	USD	2008	3.250%
	Bond 2004	-	57	54	AUD	2009	6.000%
	Bond 2004	-	28	26	AUD	2009	6.000%
	Bond 2004	53	55	52	CAD	2010	4.000%
	Bond 2004	113	117	110	CHF	2010	2.385%
	Bond 2004	438	454	429	EUR	2010	3.750%
	Bond 2004	322	334	316	GBP	2010	4.875%
	Bond 2004	128	132	125	GBP	2010	4.875%
	Bond 2004	185	191	181	GBP	2010	4.875%
	Bond 2004	53	55	52	AUD	2011	5.750%
	Bond 2004	107	111	105	CAD	2011	4.875%
	Bond 2004	203	216	204	USD	2011	4.125%
	Bond 2004	69	72	68	USD	2011	4.125%
	Bond 2004	116	120	114	CHF	2012	2.375%
	Bond 2004	47	49	46	NZD	2014	6.750%
	Bond 2005	-	36	34	USD	2009	3.500%
	Bond 2005	53	55	52	AUD	2011	5.750%
	Bond 2005	56	58	55	CAD	2011	4.000%
	Bond 2005	112	116	109	CHF	2011	1.625%
	Bond 2005	226	226	226	CHF	2011	1.625%
	Bond 2005	144	144	136	USD	2011	4.125%
	Bond 2005	63	63	63	AUD	2012	5.750%
	Bond 2005	180	187	177	CHF	2012	2.135%
	Bond 2005	65	65	65	CHF	2012	2.135%

(M€)	Year of issue	Fair value after hedging as of December 31, 2009	Fair value after hedging as of December 31, 2008	Fair value after hedging as of December 31, 2007	Currency	Maturity	Initial rate before hedging instruments
<b>TOTAL CAPITAL (continued)</b>							
Bond	2005	97	98	97	CHF	2012	2.375%
Bond	2005	363	376	356	EUR	2012	3.250%
Bond	2005	292	287	286	GBP	2012	4.625%
Bond	2005	57	57	57	NZD	2012	6.500%
Bond	2006	75	75	75	GBP	2010	4.875%
Bond	2006	50	50	50	EUR	2010	3.750%
Bond	2006	50	50	50	EUR	2010	3.750%
Bond	2006	100	102	100	EUR	2010	3.750%
Bond	2006	42	42	42	EUR	2011	EURIBOR 3 months +0.040%
Bond	2006	300	300	300	EUR	2011	3.875%
Bond	2006	150	150	150	EUR	2011	3.875%
Bond	2006	300	300	300	EUR	2011	3.875%
Bond	2006	120	120	120	USD	2011	5.000%
Bond	2006	300	300	300	EUR	2011	3.875%
Bond	2006	472	473	474	USD	2011	5.000%
Bond	2006	62	62	62	AUD	2012	5.625%
Bond	2006	72	72	72	CAD	2012	4.125%
Bond	2006	100	100	100	EUR	2012	3.250%
Bond	2006	74	74	74	GBP	2012	4.625%
Bond	2006	100	100	100	EUR	2012	3.250%
Bond	2006	125	125	126	CHF	2013	2.510%
Bond	2006	127	127	127	CHF	2014	2.635%
Bond	2006	130	130	130	CHF	2016	2.385%
Bond	2006	65	65	65	CHF	2016	2.385%
Bond	2006	64	64	64	CHF	2016	2.385%
Bond	2006	63	64	64	CHF	2016	2.385%
Bond	2006	129	129	129	CHF	2018	3.135%
Bond	2007	60	60	60	CHF	2010	2.385%
Bond	2007	74	74	74	GBP	2010	4.875%
Bond	2007	77	77	77	USD	2011	5.000%
Bond	2007	370	370	371	USD	2012	5.000%
Bond	2007	222	222	222	USD	2012	5.000%
Bond	2007	61	61	61	AUD	2012	6.500%
Bond	2007	72	72	72	CAD	2012	4.125%
Bond	2007	71	71	71	GBP	2012	4.625%
Bond	2007	300	300	301	EUR	2013	4.125%
Bond	2007	73	74	73	GBP	2013	5.500%
Bond	2007	306	306	305	GBP	2013	5.500%
Bond	2007	72	73	74	GBP	2013	5.500%
Bond	2007	248	248	248	CHF	2014	2.635%
Bond	2007	31	31	31	JPY	2014	1.505%
Bond	2007	61	61	61	CHF	2014	2.635%
Bond	2007	49	49	49	JPY	2014	1.723%
Bond	2007	121	121	122	CHF	2015	3.125%
Bond	2007	300	300	302	EUR	2017	4.700%
Bond	2007	76	76	76	CHF	2018	3.135%
Bond	2007	60	60	60	CHF	2018	3.135%
Bond	2008	63	63	-	GBP	2010	4.875%
Bond	2008	66	66	-	GBP	2010	4.875%
Bond	2008	92	92	-	AUD	2011	7.500%
Bond	2008	100	100	-	EUR	2011	3.875%
Bond	2008	150	151	-	EUR	2011	3.875%
Bond	2008	50	50	-	EUR	2011	3.875%
Bond	2008	50	50	-	EUR	2011	3.875%
Bond	2008	60	60	-	JPY	2011	EURIBOR 6 months + 0.018%
Bond	2008	102	102	-	USD	2011	3.750%
Bond	2008	62	62	-	CHF	2012	2.135%
Bond	2008	124	124	-	CHF	2012	3.635%
Bond	2008	46	46	-	CHF	2012	2.385%
Bond	2008	92	92	-	CHF	2012	2.385%

(M€)	Year of issue	Fair value after hedging as of December 31, 2009	Fair value after hedging as of December 31, 2008	Fair value after hedging as of December 31, 2007	Currency	Maturity	Initial rate before hedging instruments
<b>TOTAL CAPITAL (continued)</b>							
Bond	2008	64	64	–	CHF	2012	2.385%
Bond	2008	50	50	–	EUR	2012	3.250%
Bond	2008	63	63	–	GBP	2012	4.625%
Bond	2008	63	63	–	GBP	2012	4.625%
Bond	2008	63	64	–	GBP	2012	4.625%
Bond	2008	62	62	–	NOK	2012	6.000%
Bond	2008	69	69	–	USD	2012	5.000%
Bond	2008	60	60	–	AUD	2013	7.500%
Bond	2008	61	61	–	AUD	2013	7.500%
Bond	2008	127	128	–	CHF	2013	3.135%
Bond	2008	62	63	–	CHF	2013	3.135%
Bond	2008	200	200	–	EUR	2013	4.125%
Bond	2008	100	100	–	EUR	2013	4.125%
Bond	2008	1,000	1,002	–	EUR	2013	4.750%
Bond	2008	63	63	–	GBP	2013	5.500%
Bond	2008	149	149	–	JPY	2013	EURIBOR 6 months + 0.008%
Bond	2008	191	194	–	USD	2013	4.000%
Bond	2008	61	61	–	CHF	2015	3.135%
Bond	2008	62	62	–	CHF	2015	3.135%
Bond	2008	61	62	–	CHF	2015	3.135%
Bond	2008	62	62	–	CHF	2018	3.135%
Bond	2009	56	–	–	AUD	2013	5.500%
Bond	2009	54	–	–	AUD	2013	5.500%
Bond	2009	236	–	–	CHF	2013	2.500%
Bond	2009	77	–	–	USD	2013	4.000%
Bond	2009	131	–	–	CHF	2014	2.625%
Bond	2009	998	–	–	EUR	2014	3.500%
Bond	2009	150	–	–	EUR	2014	3.500%
Bond	2009	40	–	–	HKD	2014	3.240%
Bond	2009	96	–	–	AUD	2015	6.000%
Bond	2009	550	–	–	EUR	2015	3.625%
Bond	2009	684	–	–	USD	2015	3.125%
Bond	2009	208	–	–	USD	2015	3.125%
Bond	2009	99	–	–	CHF	2016	2.385%
Bond	2009	115	–	–	GBP	2017	4.250%
Bond	2009	225	–	–	GBP	2017	4.250%
Bond	2009	448	–	–	EUR	2019	4.875%
Bond	2009	602	–	–	EUR	2019	4.875%
Bond	2009	69	–	–	HKD	2019	4.180%
Bond	2009	347	–	–	USD	2021	4.250%
Bond	2009	806	–	–	EUR	2024	5.125%
Current portion (less than one year)		(1,937)	(722)	(1,222)			
<b>Total TOTAL CAPITAL (a)</b>		<b>17,315</b>	<b>13,380</b>	<b>10,136</b>			
<b>Other consolidated subsidiaries</b>		<b>153</b>	<b>103</b>	<b>110</b>			
<b>Total</b>		<b>17,584</b>	<b>13,667</b>	<b>11,650</b>			

(a) TOTAL CAPITAL is a wholly-owned indirect subsidiary of TOTAL S.A. (with the exception of one share held by each member of its Board of Directors). It acts as a financing vehicle for the Group. Its debt securities are fully and unconditionally guaranteed by TOTAL S.A. as to payment of principal, premium, if any, interest and any other amounts due.



### ● Loan repayment schedule (excluding current portion)

As of December 31, 2009 (M€)	Non-current financial debt	of which hedging instruments of non-current financial debt (liabilities)	Hedging instruments of non-current financial debt (assets)	Non-current financial debt - net of hedging instruments	%
2011	3,857	42	(199)	3,658	20%
2012	3,468	48	(191)	3,277	18%
2013	3,781	95	(236)	3,545	19%
2014	2,199	6	(90)	2,109	11%
2015 and beyond	6,132	50	(309)	5,823	32%
<b>Total</b>	<b>19,437</b>	<b>241</b>	<b>(1,025)</b>	<b>18,412</b>	<b>100%</b>

As of December 31, 2008 (M€)	Non-current financial debt	of which hedging instruments of non-current financial debt (liabilities)	Hedging instruments of non-current financial debt (assets)	Non-current financial debt - net of hedging instruments	%
2010	3,160	170	(168)	2,992	20%
2011	3,803	24	(145)	3,658	24%
2012	3,503	115	(179)	3,324	22%
2013	3,430	127	(198)	3,232	21%
2014 and beyond	2,295	4	(202)	2,093	13%
<b>Total</b>	<b>16,191</b>	<b>440</b>	<b>(892)</b>	<b>15,299</b>	<b>100%</b>

As of December 31, 2007 (M€)	Non-current financial debt	of which hedging instruments of non-current financial debt (liabilities)	Hedging instruments of non-current financial debt (assets)	Non-current financial debt - net of hedging instruments	%
2009	2,137	6	(114)	2,023	14%
2010	2,767	16	(207)	2,560	18%
2011	3,419	123	(65)	3,354	23%
2012	3,517	90	(30)	3,487	24%
2013 and beyond	3,036	134	(44)	2,992	21%
<b>Total</b>	<b>14,876</b>	<b>369</b>	<b>(460)</b>	<b>14,416</b>	<b>100%</b>

### ● Analysis by currency and interest rate

These analyses take into account interest rate and foreign currency swaps to hedge non-current financial debt.

As of December 31, (M€)	2009	%	2008	%	2007	%
U.S. Dollar	3,962	21%	3,990	26%	4,700	33%
Euro	14,110	77%	10,685	70%	8,067	56%
Other currencies	340	2%	624	4%	1,649	11%
<b>Total</b>	<b>18,412</b>	<b>100%</b>	<b>15,299</b>	<b>100%</b>	<b>14,416</b>	<b>100%</b>

As of December 31, (M€)	2009	%	2008	%	2007	%
Fixed rate	2,064	11%	633	4%	893	6%
Floating rate	16,348	89%	14,666	96%	13,523	94%
<b>Total</b>	<b>18,412</b>	<b>100%</b>	<b>15,299</b>	<b>100%</b>	<b>14,416</b>	<b>100%</b>

**B) Current financial assets and liabilities**

Current borrowings consist mainly of commercial papers or treasury bills or draws on bank loans. These instruments bear interest at rates that are close to market rates.

As of December 31, (M€)	2009	2008	2007
<b>(Assets) / Liabilities</b>			
Current financial debt	4,761	5,586	2,530
Current portion of non-current financial debt	2,233	2,136	2,083
<b>Current borrowings</b>	<b>6,994</b>	<b>7,722</b>	<b>4,613</b>
Current portion of hedging instruments of debt (liabilities)	97	12	1
Other current financial instruments (liabilities)	26	146	59
<b>Other current financial liabilities (note 28)</b>	<b>123</b>	<b>158</b>	<b>60</b>
Current deposits beyond three months	(55)	(1)	(850)
Current portion of hedging instruments of debt (assets)	(197)	(100)	(388)
Other current financial instruments (assets)	(59)	(86)	(26)
<b>Current financial assets (note 28)</b>	<b>(311)</b>	<b>(187)</b>	<b>(1,264)</b>
<b>Current borrowings and related financial assets and liabilities, net</b>	<b>6,806</b>	<b>7,693</b>	<b>3,409</b>

**C) Net-debt-to-equity ratio**

For its internal and external communication needs, the Group calculates a debt ratio by dividing its net financial debt by equity. Shareholders' equity as of December 31, 2009 is calculated after distribution of a dividend of €2.28 per share of which €1.14 per share was paid on November 19, 2009.

The net-debt-to-equity ratio is calculated as follows:

As of December 31, (M€)	2009	2008	2007
<b>(Assets) / Liabilities</b>			
Current borrowings	6,994	7,722	4,613
Other current financial liabilities	123	158	60
Current financial assets	(311)	(187)	(1,264)
Non-current financial debt	19,437	16,191	14,876
Hedging instruments on non-current financial debt	(1,025)	(892)	(460)
Cash and cash equivalents	(11,662)	(12,321)	(5,988)
<b>Net financial debt</b>	<b>13,556</b>	<b>10,671</b>	<b>11,837</b>
Shareholders' equity – Group share	52,552	48,992	44,858
Estimated dividend payable	(2,546)	(2,540)	(2,397)
Minority interest	987	958	842
<b>Total shareholder's equity</b>	<b>50,993</b>	<b>47,410</b>	<b>43,303</b>
<b>Net-debt-to-equity ratio</b>	<b>26.6%</b>	<b>22.5%</b>	<b>27.3%</b>

**21) Other creditors and accrued liabilities**

As of December 31, (M€)	2009	2008	2007
Accruals and deferred income	223	151	137
Payable to States (including taxes and duties)	6,024	6,256	7,860
Payroll	955	928	909
Other operating liabilities	4,706	4,297	3,900
<b>Total</b>	<b>11,908</b>	<b>11,632</b>	<b>12,806</b>

As of December 31, 2009, the heading "Other operating liabilities" mainly includes €744 million related to Chesapeake acquisition (see Note 3 to the Consolidated Financial Statements).

## 22) Lease contracts

The Group leases real estate, retail stations, ships, and other equipments (see Note 11 to the Consolidated Financial Statements).

The future minimum lease payments on operating and finance leases to which the Group is committed are shown as follows:

For the year ended December 31, 2009		
(M€)	Operating leases	Finance leases
2010	523	42
2011	377	43
2012	299	42
2013	243	41
2014	203	39
2015 and beyond	894	128
<b>Total minimum payments</b>	<b>2,539</b>	<b>335</b>
Less financial expenses	–	(53)
<b>Nominal value of contracts</b>	<b>–</b>	<b>282</b>
Less current portion of finance lease contracts	–	(22)
<b>Outstanding liability of finance lease contracts</b>	<b>–</b>	<b>260</b>
For the year ended December 31, 2008		
(M€)	Operating leases	Finance leases
2009	429	47
2010	306	42
2011	243	42
2012	208	42
2013	166	40
2014 and beyond	675	148
<b>Total minimum payments</b>	<b>2,027</b>	<b>361</b>
Less financial expenses	–	(70)
<b>Nominal value of contracts</b>	<b>–</b>	<b>291</b>
Less current portion of finance lease contracts	–	(23)
<b>Outstanding liability of finance lease contracts</b>	<b>–</b>	<b>268</b>
For the year ended December 31, 2007		
(M€)	Operating leases	Finance leases
2008	427	50
2009	352	47
2010	291	46
2011	210	46
2012	149	47
2013 and beyond	492	154
<b>Total minimum payments</b>	<b>1,921</b>	<b>390</b>
Less financial expenses	–	(47)
<b>Nominal value of contracts</b>	<b>–</b>	<b>343</b>
Less current portion of finance lease contracts	–	(26)
<b>Outstanding liability of finance lease contracts</b>	<b>–</b>	<b>317</b>

Net rental expense incurred under operating leases for the year ended December 31, 2009 is €613 million (against €426 million in 2008 and €383 million in 2007).

## 23) Commitments and contingencies

## Maturity and installments

As of December 31, 2009 (M€)	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Non-current debt obligations net of hedging instruments (Note 20)	18,152	–	12,443	5,709
Current portion of non-current debt obligations net of hedging instruments (Note 20)	2,111	2,111	–	–
Finance lease obligations (Note 22)	282	22	146	114
Asset retirement obligations (Note 19)	5,469	235	972	4,262
<b>Contractual obligations recorded in the balance sheet</b>	<b>26,014</b>	<b>2,368</b>	<b>13,561</b>	<b>10,085</b>
Operating lease obligations (Note 22)	2,539	523	1,122	894
Purchase obligations	49,808	4,542	9,919	35,347
<b>Contractual obligations not recorded in the balance sheet</b>	<b>52,347</b>	<b>5,065</b>	<b>11,041</b>	<b>36,241</b>
<b>Total of contractual obligations</b>	<b>78,361</b>	<b>7,433</b>	<b>24,602</b>	<b>46,326</b>
Guarantees given for excise taxes	1,765	1,617	69	79
Guarantees given against borrowings	2,882	1,383	709	790
Indemnities related to sales of businesses	36	–	1	35
Guarantees of current liabilities	203	160	38	5
Guarantees to customers / suppliers	2,770	1,917	70	783
Letters of credit	1,499	1,485	2	12
Other operating commitments	765	582	103	80
<b>Total of other commitments given</b>	<b>9,920</b>	<b>7,144</b>	<b>992</b>	<b>1,784</b>
Mortgages and liens received	330	5	106	219
Other commitments received	5,637	3,187	481	1,969
<b>Total of commitments received</b>	<b>5,967</b>	<b>3,192</b>	<b>587</b>	<b>2,188</b>

As of December 31, 2008 (M€)	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Non-current debt obligations net of hedging instruments (Note 20)	15,031	–	13,064	1,967
Current portion of non-current debt obligations net of hedging instruments (Note 20)	2,025	2,025	–	–
Finance lease obligations (Note 22)	291	23	142	126
Asset retirement obligations (Note 19)	4,500	154	653	3,693
<b>Contractual obligations recorded in the balance sheet</b>	<b>21,847</b>	<b>2,202</b>	<b>13,859</b>	<b>5,786</b>
Operating lease obligations (Note 22)	2,027	429	923	675
Purchase obligations	60,226	4,420	13,127	42,679
<b>Contractual obligations not recorded in the balance sheet</b>	<b>62,253</b>	<b>4,849</b>	<b>14,050</b>	<b>43,354</b>
<b>Total of contractual obligations</b>	<b>84,100</b>	<b>7,051</b>	<b>27,909</b>	<b>49,140</b>
Guarantees given for excise taxes	1,720	1,590	58	72
Guarantees given against borrowings	2,870	1,119	519	1,232
Indemnities related to sales of businesses	39	3	1	35
Guarantees of current liabilities	315	119	164	32
Guarantees to customers / suppliers	2,866	68	148	2,650
Letters of credit	1,080	1,024	17	39
Other operating commitments	648	246	132	270
<b>Total of other commitments given</b>	<b>9,538</b>	<b>4,169</b>	<b>1,039</b>	<b>4,330</b>
Mortgages and liens received	321	72	110	139
Other commitments received	4,218	2,440	234	1,544
<b>Total of commitments received</b>	<b>4,539</b>	<b>2,512</b>	<b>344</b>	<b>1,683</b>

As of December 31, 2007 (M€)	Maturity and installments			
	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
Non-current debt obligations net of hedging instruments (Note 20)	14,099	–	11,251	2,848
Current portion of non-current debt obligations net of hedging instruments (Note 20)	1,669	1,669	–	–
Finance lease obligations (Note 22)	343	26	173	144
Asset retirement obligations (Note 19)	4,206	189	503	3,514
<b>Contractual obligations recorded in the balance sheet</b>	<b>20,317</b>	<b>1,884</b>	<b>11,927</b>	<b>6,506</b>
Operating lease obligations (Note 22)	1,921	427	1,002	492
Purchase obligations	61,794	3,210	15,419	43,165
<b>Contractual obligations not recorded in the balance sheet</b>	<b>63,715</b>	<b>3,637</b>	<b>16,421</b>	<b>43,657</b>
<b>Total of contractual obligations</b>	<b>84,032</b>	<b>5,521</b>	<b>28,348</b>	<b>50,163</b>
Guarantees given for excise taxes	1,796	590	58	1,148
Guarantees given against borrowings	781	9	624	148
Indemnities related to sales of businesses	40	–	3	37
Guarantees of current liabilities	97	16	48	33
Guarantees to customers / suppliers	1,197	23	6	1,168
Letters of credit	1,677	1,677	–	–
Other operating commitments	1,280	207	151	922
<b>Total of other commitments given</b>	<b>6,868</b>	<b>2,522</b>	<b>890</b>	<b>3,456</b>
Mortgages and liens received	353	7	69	277
Other commitments received	3,887	2,781	377	729
<b>Total of commitments received</b>	<b>4,240</b>	<b>2,788</b>	<b>446</b>	<b>1,006</b>

## A) Contractual obligations

### ● Debt obligations

“Non-current debt obligations” are included in the items “Non-current financial debt” and “Hedging instruments of non-current financial debt” of the Consolidated Balance Sheet. It includes the non-current portion of swaps hedging bonds, and excludes non-current finance lease obligations of €260 million.

The current portion of non-current debt is included in the items “Current borrowings”, “Current financial assets” and “Other current financial liabilities” of the Consolidated Balance Sheet. It includes the current portion of swaps hedging bonds, and excludes the current portion of finance lease obligations of €22 million.

The information regarding contractual obligations linked to indebtedness is presented in Note 20 to the Consolidated Financial Statements.

### ● Lease contracts

The information regarding operating and finance leases is presented in Note 22 to the Consolidated Financial Statements.

### ● Asset retirement obligations

This item represents the discounted present value of Upstream asset retirement obligations, primarily asset removal costs at the completion date. The information regarding contractual obligations linked to asset retirement obligations is presented in Notes 1Q and 19 to the Consolidated Financial Statements.

### ● Purchase obligations

Purchase obligations are obligations under contractual agreements to purchase goods or services, including capital projects. These obligations are enforceable and legally binding on the company and specify all significant terms, including the amount and the timing of the payments. These obligations mainly include: hydrocarbon unconditional purchase contracts (except where an active, highly-liquid market exists and when the hydrocarbons are expected to be re-sold shortly after purchase), reservation of transport capacities in pipelines, unconditional exploration works and development works in the Upstream segment, and contracts for capital investment projects in the Downstream segment.

## B) Other commitments given

### ● Guarantees given for excise taxes

They consist of guarantees given to other oil and gas companies in order to comply with French tax authorities' requirements for oil and gas imports in France. A payment would be triggered by a failure of the guaranteed party with respect to the French tax authorities. The default of the guaranteed parties is however considered to be highly remote by the Group.

### ● Guarantees given against borrowings

The Group guarantees bank debt and finance lease obligations of certain non-consolidated subsidiaries and equity affiliates. Maturity dates vary, and guarantees will terminate on payment and/or cancellation of the obligation. A payment would be triggered by failure of the guaranteed party to fulfill its obligation covered by the guarantee, and no assets are held as collateral for these guarantees. As of December 31, 2009, the maturities of these guarantees are up to 2023.

## ● Indemnities related to sales of businesses

In the ordinary course of business, the Group executes contracts involving standard indemnities in oil industry and indemnities specific to transactions such as sales of businesses. These indemnities might include claims against any of the following: environmental, tax and shareholder matters, intellectual property rights, governmental regulations and employment-related matters, dealer, supplier, and other commercial contractual relationships. Performance under these indemnities would generally be triggered by a breach of terms of the contract or by a third party claim. The Group regularly evaluates the probability of having to incur costs associated with these indemnities.

The guarantees related to antitrust investigations granted as part of the agreement relating to the spin-off of Arkema are described in Note 32 to the Consolidated Financial Statements.

## ● Other guarantees given

### ► Non-consolidated subsidiaries

The Group also guarantees the current liabilities of certain non-consolidated subsidiaries. Performance under these guarantees would be triggered by a financial default of the entity.

## ● Operating agreements

As part of normal ongoing business operations and consistent with generally and accepted recognized industry practices, the Group enters into numerous agreements with other parties. These commitments are often entered into for commercial purposes, for regulatory purposes or for other operating agreements.

## 24) Related parties

The main transactions and balances with related parties (principally non-consolidated subsidiaries and equity affiliates) are detailed as follows:

<b>As of December 31,</b> (M€)	<b>2009</b>	2008	2007
<b>Balance sheet</b>			
<i>Receivables</i>			
Debtors and other debtors	293	244	277
Loans (excl. loans to equity affiliates)	438	354	378
<i>Payables</i>			
Creditors and other creditors	386	136	460
Debts	42	50	28
<b>For the year ended December 31,</b> (M€)	<b>2009</b>	2008	2007
<b>Statement of income</b>			
Sales	2,183	3,082	2,635
Purchases	2,958	4,061	3,274
Financial expense	1	–	–
Financial income	68	114	29

## Compensation for the administration and management bodies

The aggregate amount paid directly or indirectly by the French and foreign affiliates of the Company as compensation to the executive officers of TOTAL (the members of the Management Committee and the Treasury) and to the members of the Board of Directors who are employees of the Group, is detailed as follows:

<b>For the year ended December 31,</b> (M€)	<b>2009</b>	2008	2007
Number of people	27	30	30
Direct or indirect compensation	19.4	20.4	19.9
Share-based payments expense (IFRS 2) <sup>(a)</sup>	11.2	16.6	18.4
Pension expenses <sup>(b)</sup>	10.6	11.9	12.2

(a) Share-based payments expense computed for the executive officers and the members of the Board of Directors who are employees of the Group as described in Note 25 paragraph E to the Consolidated Financial Statements and based on the principles of IFRS 2 "Share-based payments" described in Note 1 paragraph E to the Consolidated Financial Statements.

(b) The benefits provided for executive officers and certain members of the Board of Directors, employees and former employees of the Group, include severance to be paid on retirement, supplementary pension schemes and insurance plans, which represent €96.6 million provisioned as of December 31, 2009, against €98.0 million as of December 31, 2008 and €102.9 million as of December 31, 2007.

## 25) Share-based payments

## A) TOTAL share subscription option plans

	Plan 2003	Plan 2004	Plan 2005	Plan 2006	Plan 2007	Plan 2008	Plan 2009	Total	Weighted Average Exercise Price
Date of the shareholders' meeting	05/17/2001	05/14/2004	05/14/2004	05/14/2004	05/11/2007	05/11/2007	05/11/2007		
Date of the award <sup>(a)</sup>	07/16/2003	07/20/2004	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009		
Exercise price until May 23, 2006 included <sup>(b)</sup>	33.30	39.85	49.73						
Exercise price since May 24, 2006 <sup>(b)</sup>	32.84	39.30	49.04	50.60	60.10	42.90	39.90		
Expiry date	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017		
<b>Number of options <sup>(c)</sup></b>									
<b>Existing options as of January 1, 2007</b>	<b>10,608,590</b>	<b>13,430,372</b>	<b>6,275,757</b>	<b>5,726,160</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,040,879</b>	<b>40.89</b>
Granted	-	-	-	-	5,937,230	-	-	5,937,230	60.10
Cancelled	(22,138)	(20,093)	(11,524)	(13,180)	(17,125)	-	-	(84,060)	44.94
Exercised	(2,218,074)	(213,043)	(20,795)	(1,920)	-	-	-	(2,453,832)	33.55
<b>Existing options as of January 1, 2008</b>	<b>8,368,378</b>	<b>13,197,236</b>	<b>6,243,438</b>	<b>5,711,060</b>	<b>5,920,105</b>	<b>-</b>	<b>-</b>	<b>39,440,217</b>	<b>44.23</b>
Granted	-	-	-	-	-	4,449,810	-	4,449,810	42.90
Cancelled	(25,184)	(118,140)	(34,032)	(53,304)	(34,660)	(6,000)	-	(271,320)	44.88
Exercised	(841,846)	(311,919)	(17,702)	(6,700)	-	-	-	(1,178,167)	34.89
<b>Existing options as of January 1, 2009</b>	<b>7,501,348</b>	<b>12,767,177</b>	<b>6,191,704</b>	<b>5,651,056</b>	<b>5,885,445</b>	<b>4,443,810</b>	<b>-</b>	<b>42,440,540</b>	<b>44.35</b>
Granted	-	-	-	-	-	-	4,387,620	4,387,620	39.90
Cancelled	(8,020)	(18,387)	(6,264)	(5,370)	(13,780)	(2,180)	(10,610)	(64,611)	45.04
Exercised	(681,699)	(253,081)	-	-	-	-	-	(934,780)	34.59
<b>Existing options as of December 31, 2009</b>	<b>6,811,629</b>	<b>12,495,709</b>	<b>6,185,440</b>	<b>5,645,686</b>	<b>5,871,665</b>	<b>4,441,630</b>	<b>4,377,010</b>	<b>45,828,769</b>	<b>44.12</b>

(a) The grant date corresponds to the date of the Board of Directors meeting that awarded the options, except for the options awarded by the Board of Directors at their meeting of September 9, 2008, and granted on October 9, 2008.

(b) Exercise price in euro. The exercise prices of TOTAL subscription shares of the plans in force at that date were multiplied by 0.25 to take into account the four-for-one stock split on May 18, 2006. Moreover, following the spin-off of Arkema, the exercise prices of TOTAL subscription shares of these plans were multiplied by an adjustment factor equal to 0.986147 with effect as of May 24, 2006.

(c) The number of options awarded, outstanding, cancelled or exercised before May 23, 2006 included, was multiplied by four to reflect the four-for-one stock split approved by the shareholders' meeting on May 12, 2006.



The options, subject to a continued employment condition, are exercisable only after a 2-year period from the date of the Board meeting awarding the options and must be exercised within eight years from this date. Underlying shares may not be sold for four years from the date of grant. For the options of the 2007, 2008 and 2009 Plans, beneficiaries working for a non-French subsidiary as of the grant date are authorized to transfer the shares issued upon exercise of options starting after a 2-year period from the grant date.

The continued employment condition states that the termination of the employment contract will result in the employee losing the right to exercise the options.

For the 2009 Plan, the Board of Directors decided that for each beneficiary other than the CEO of more than 25,000 stock options, one third of the options in excess of this number finally awarded following the 2-year vesting period will be subject to a performance condition. This condition is based on the average of the Return On Equity (ROE) of the Group. The average ROE is calculated based on the consolidated accounts published by TOTAL for fiscal years 2009 and 2010. The acquisition rate:

- is equal to zero if the average ROE is less than or equal to 7%;
- varies on straight-line basis between 0% and 100% if the average ROE is greater than 7% and less than 18%; and
- is equal to 100% if the average ROE is greater than or equal to 18%.

Furthermore, the Board of Directors decided that the number of options awarded to the CEO is subject to two performance conditions:

- For 50% of the options granted, the performance condition states that the number of options finally granted is based on the average ROE of the Group. The average ROE is calculated based on the

consolidated accounts published by TOTAL for fiscal years 2009 and 2010. The acquisition rates equal to zero if the average ROE is less than or equal to 7%; varies on a straight-line basis between 0% and 100% if the average ROE is greater than 7% and less than 18%; and is equal to 100% if the average ROE is greater than or equal to 18%.

- For the other 50% of the options granted, the performance condition states that the number of options finally granted is based on the average of the Return On Average Capital Employed (ROACE) of the Group. The average ROACE is calculated based on the consolidated accounts published by TOTAL for fiscal years 2009 and 2010. The acquisition rate is equal to zero if the average ROACE is less than or equal to 6%; varies on a straight-line basis between 0% and 100% if the average ROACE is greater than 6% and less than 15%; and is equal to 100% if the average ROACE is greater than or equal to 15%.

For the 2007 and 2008 Plans, the Board of Directors decided that for each beneficiary of more than 25,000 stock options, one third of the options in excess of this number finally awarded following the 2-year vesting period will be subject to a performance condition. This condition states that the number of subscription options finally granted is based on the ROE of the Group. The ROE is calculated based on the consolidated accounts published by TOTAL for the fiscal year preceding the final grant. The acquisition rate:

- is equal to zero if the ROE is less than or equal to 10%;
- varies on a straight-line basis between 0% and 80% if the ROE is greater than 10% and less than 18%;
- varies on a straight-line basis between 80% and 100% if the ROE is greater than or equal to 18% and less than 30%; and
- is equal to 100% if the ROE is greater than or equal to 30%.

For the 2007 Plan, the acquisition rate of the options, linked to the performance condition, amounted to 100%.

**B) TOTAL share purchase option plans**

	1999 Plan <sup>(a)</sup>	2000 Plan <sup>(b)</sup>	2001 Plan <sup>(c)</sup>	2002 Plan <sup>(d)</sup>	Total	Weighted Average Exercise Price
Date of the shareholders' meeting	05/21/1997	05/21/1997	05/17/2001	05/17/2001		
Date of the award <sup>(e)</sup>	06/15/1999	07/11/2000	07/10/2001	07/09/2002		
Exercise price until May 23, 2006 included <sup>(f)</sup>	28.25	40.68	42.05	39.58		
Exercise price since May 24, 2006 <sup>(f)</sup>	27.86	40.11	41.47	39.03		
Expiry date	06/15/2007	07/11/2008	07/10/2009	07/09/2010		
<b>Number of options <sup>(g)</sup></b>						
<b>Existing options as of January 1, 2007</b>	<b>1,370,424</b>	<b>4,928,505</b>	<b>6,861,285</b>	<b>9,280,716</b>	<b>22,440,930</b>	<b>39.33</b>
Granted	-	-	-	-	-	-
Cancelled	(138,023)	(3,452)	(7,316)	(7,104)	(155,895)	29.28
Exercised	(1,232,401)	(1,782,865)	(1,703,711)	(2,210,429)	(6,929,406)	37.92
<b>Existing options as of January 1, 2008</b>	<b>-</b>	<b>3,142,188</b>	<b>5,150,258</b>	<b>7,063,183</b>	<b>15,355,629</b>	<b>40.07</b>
Granted	-	-	-	-	-	-
Cancelled	-	(480,475)	(3,652)	(13,392)	(497,519)	40.09
Exercised	-	(2,661,713)	(455,180)	(598,934)	(3,715,827)	40.10
<b>Existing options as of January 1, 2009</b>	<b>-</b>	<b>-</b>	<b>4,691,426</b>	<b>6,450,857</b>	<b>11,142,283</b>	<b>40.06</b>
Granted	-	-	-	-	-	-
Cancelled	-	-	(4,650,446)	(7,920)	(4,658,366)	41.47
Exercised	-	-	(40,980)	(507,676)	(548,656)	39.21
<b>Existing options as of December 31, 2009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,935,261</b>	<b>5,935,261</b>	<b>39.03</b>

(a) The options, subject to a continued employment condition, were exercisable only after a 5-year period from the date of the Board meeting awarding the options and had to be exercised within eight years from the grant date. This plan expired on June 15, 2007.

(b) The options, subject to a continued employment condition, were exercisable only after a 4-year period from the date of the Board meeting awarding the options and had to be exercised within eight years from the grant date. The shares arising from the exercise of options may not be sold for five years from the grant date. This plan expired on July 11, 2008.

(c) The options, subject to a continued employment condition, were exercisable only after a 3.5-year period from the date of the Board meeting awarding the options and had to be exercised within eight years from the grant date. The shares arising from the exercise of options may not be sold for four years from the grant date. This plan expired on July 10, 2009.

(d) The options, subject to a continued employment condition, are exercisable only after a 2-year period from the date of the Board meeting awarding the options and must be exercised within eight years from the grant date. Underlying shares may not be sold for four years from the grant date.

(e) The date of award is the date of the Board of Directors meeting that awarded the options.

(f) Exercise price in euro. The exercise prices of TOTAL share purchase options of the plans at that date were multiplied by 0.25 to take into account the four-for-one stock split on May 18, 2006. Moreover, following the spin-off of Arkema, the exercise prices of TOTAL share purchase options of these plans were multiplied by an adjustment factor equal to 0.986147 with effect as of May 24, 2006.

(g) The number of options awarded, outstanding, cancelled or exercised before May 23, 2006 included, was multiplied by four to reflect the four-for-one stock split approved by the shareholders' meeting on May 12, 2006.

**C) Exchange guarantee granted to the holders of Elf Aquitaine share subscription options**

Pursuant to the public exchange offer for Elf Aquitaine shares which was made in 1999, the Group made a commitment to guarantee the holders of Elf Aquitaine share subscription options, at the end of the period referred to in Article 163 bis C of the French Tax Code (CGI), and until the end of the period for the exercise of the options, the possibility to exchange their future Elf Aquitaine shares for TOTAL shares, on the basis of the exchange ratio of the offer (nineteen TOTAL shares for thirteen Elf Aquitaine shares).

In order to take into account the spin-off of S.D.A. (Société de Développement Arkema) by Elf Aquitaine, the spin-off of Arkema by TOTAL S.A. and the four-for-one TOTAL stock split, the Board of Directors of TOTAL S.A., in accordance with the terms of the share exchange undertaking, approved on March 14, 2006 to adjust the exchange ratio described above (see pages 24 and 25 of the "Prospectus for the purpose of listing Arkema shares on Euronext Paris in connection with the allocation of Arkema shares to TOTAL

S.A. shareholders"). Following the approval by Elf Aquitaine shareholders' meeting on May 10, 2006 of the spin-off of S.D.A. by Elf Aquitaine, the approval by TOTAL S.A. shareholders' meeting on May 12, 2006 of the spin-off of Arkema by TOTAL S.A. and the four-for-one TOTAL stock split, the exchange ratio was adjusted to six TOTAL shares for one Elf Aquitaine share on May 22, 2006.

During 2009, 75,699 options were exercised and 80,005 Elf Aquitaine shares were exchanged based on the exchange ratio of six TOTAL shares for one Elf Aquitaine share as adjusted on May 22, 2006.

As of December 31, 2009, this exchange guarantee is not in effect and all Elf Aquitaine subscription plans have expired. Therefore, no Elf Aquitaine shares are covered by the exchange guarantee.

Elf Aquitaine subscription plan <sup>(a)</sup>	1999 Plan n°1	1999 Plan n°2	Total	Weighted-average exercise price <sup>(b)</sup>
Exercise price until May 23, 2006 included <sup>(b)</sup>	115.60	171.60		
Exercise price since May 24, 2006 <sup>(b)</sup>	114.76	170.36		
Expiration date	03/30/2009	09/12/2009		
Outstanding position as of January 1, 2009	90,342	6,044	96,386	118.25
Outstanding Elf Aquitaine shares covered by the exchange guarantee as of January 1, 2009	5,295	–	5,295	
Number of options exercised in 2009	69,655	6,044	75,699	119.20
Number of shares exchanged in 2009	73,961	6,044	80,005	
Outstanding position as of December 31, 2009	–	–	–	
Total of Elf Aquitaine shares, either outstanding or to be created, covered by the exchange guarantee for TOTAL shares as of December 31, 2009	–	–	–	
<b>TOTAL shares likely to be created within the scope of the application of the exchange guarantee as of December 31, 2009</b>	–	–	–	

(a) Adjustments of the number of options approved by the Board of Directors of Elf Aquitaine on March 10, 2006 in application of articles 174-9, 174-12 and 174-13 of the decree No. 67-236 of March 23, 1967 in force on March 10, 2006 and during Elf Aquitaine shareholders' meeting on May 10, 2006, as part of the spin-off of SDA. These adjustments have been made on May 22, 2006 with effect as of May 24, 2006.

(b) Exercise price in euro. To take into account the spin-off of S.D.A., the exercise prices of Elf Aquitaine share subscription options were multiplied by an adjustment factor equal to 0.992769 with effect on May 24, 2006.

## D) TOTAL restricted share grants

	2005 Plan <sup>(a)</sup>	2006 Plan	2007 Plan	2008 Plan	2009 Plan	Total
Date of the shareholders' meeting	05/17/2005	05/17/2005	05/17/2005	05/16/2008	05/16/2008	
Date of the award <sup>(b)</sup>	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	
Date of the final award (end of the vesting period)	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	
Transfer authorized as from	07/20/2009	07/19/2010	07/18/2011	10/10/2012	09/16/2013	
<b>Number of restricted shares</b>						
<b>Outstanding as of January 1, 2007</b>	<b>2,267,096</b>	<b>2,272,296</b>	–	–	–	<b>4,539,392</b>
Notified	–	–	2,366,365	–	–	2,366,365
Cancelled	(38,088)	(6,212)	(2,020)	–	–	(46,320)
Finally granted <sup>(c)</sup>	(2,229,008)	(2,128)	(1,288)	–	–	(2,232,424)
<b>Outstanding as of January 1, 2008</b>	–	<b>2,263,956</b>	<b>2,363,057</b>	–	–	<b>4,627,013</b>
Notified	–	–	–	2,791,968	–	2,791,968
Cancelled <sup>(d)</sup>	2,840	(43,822)	(29,504)	(19,220)	–	(89,706)
Finally granted <sup>(c) (d)</sup>	(2,840)	(2,220,134)	(336)	–	–	(2,223,310)
<b>Outstanding as of January 1, 2009</b>	–	–	<b>2,333,217</b>	<b>2,772,748</b>	–	<b>5,105,965</b>
Notified	–	–	–	–	2,972,018	2,972,018
Cancelled	1,928	2,922	(12,418)	(9,672)	(5,982)	(23,222)
Finally granted <sup>(c) (d)</sup>	(1,928)	(2,922)	(2,320,799)	(600)	–	(2,326,249)
<b>Outstanding as of December 31, 2009</b>	–	–	–	<b>2,762,476</b>	<b>2,966,036</b>	<b>5,728,512</b>

(a) The number of restricted shares was multiplied by four on May 18, 2006, to take into account the four-for-one stock split approved by the shareholders' meeting.

(b) The grant date corresponds to the date of the Board of Directors meeting that awarded the options, except for the options awarded by the Board of Directors at their meeting of September 9, 2008, and granted on October 9, 2008.

(c) Restricted shares finally granted following the death of their beneficiaries (2005, 2006 and 2007 Plans for fiscal year 2007, 2007 Plan for fiscal year 2008, 2008 Plan for fiscal year 2009).

(d) For the 2005 Plan and 2006 Plan: final restricted share grants for which entitlement right had been cancelled erroneously.

The grant of restricted shares, which are bought back by the Company on the market, becomes final after a 2-year vesting period (acquisition of the right to restricted shares). The final grant of these shares is subject to a continued employment condition and a performance condition. Moreover, the transfer of the restricted shares, that were definitely granted, will not be permitted between the date of final grant and the end of a two-year mandatory holding period.

The continued employment condition states that the termination of the employment contract during the vesting period will also terminate the grantee's right to a restricted share grant.

For the 2009 Plan, the performance condition approved by the Board of Directors states that the half of the number of restricted shares finally granted above 100 shares is based on the average ROE of the Group. The average ROE is calculated based on the consolidated accounts published by TOTAL for fiscal years 2009 and 2010. The acquisition rate:

- is equal to zero if the average ROE is less than or equal to 7%;
- varies on a straight-line basis between 0% and 100% if the average ROE is greater than 7% and less than 18%; and
- is equal to 100% if the average ROE is greater than or equal to 18%.

For the 2007 and 2008 Plans, the performance condition approved by the Board of Directors states that the number of restricted shares finally granted is based on the ROE of the Group. The ROE is calculated based on the consolidated accounts published by TOTAL for the fiscal year preceding the final grant. This acquisition rate:

- is equal to zero if the ROE is less than or equal to 10%;
- varies on a straight-line basis between 0% and 80% if the ROE is greater than 10% and less than 18%;

The fair value of the options granted in 2009, 2008 and 2007 has been measured according to the Black-Scholes method and based on the following assumptions:

For the year ended December 31,	2009	2008	2007
Risk free interest rate (%) <sup>(a)</sup>	2.9	4.3	4.9
Expected dividends (%) <sup>(b)</sup>	4.8	8.4	3.9
Expected volatility (%) <sup>(c)</sup>	31.0	32.7	25.3
Vesting period (years)	2	2	2
Exercise period (years)	8	8	8
Fair value of the granted options (€ per option)	8.4	5.0	13.9

(a) Zero coupon Euro swap rate at 6 years.

(b) The expected dividends are based on the price of TOTAL share derivatives traded on the markets.

(c) The expected volatility is based on the implied volatility of TOTAL share options and of share indices options traded on the markets.

- varies on a straight-line basis between 80% and 100% if the ROE is greater than or equal to 18% and less than 30%; and
- is equal to 100% if the ROE is more than or equal to 30%.

For the 2005, 2006 and 2007 Plans, the acquisition rate of the granted shares, linked to the performance condition, amounted to 100%.

## E) Share-based payment expense

Share-based payment expense before tax for the year 2009 amounts to €106 million and can be broken down as follows:

- €38 million for TOTAL share subscription plans; and
- €68 million for TOTAL restricted shares plans.

Share-based payment expense before tax for the year 2008 amounted to €154 million and can be broken down as follows:

- €61 million for TOTAL share subscription plans;
- €105 million for TOTAL restricted shares plans; and
- €(12) million for the adjustment to the expense booked in 2007 related to TOTAL capital increase reserved for employees (see Note 17 to the Consolidated Financial Statements).

Share-based payment expense before tax for the year 2007 amounted to €196 million and can be broken down as follows:

- €65 million for TOTAL share subscription plans;
- €109 million for TOTAL restricted shares plans; and
- €22 million for TOTAL capital increase reserved for employees (see Note 17 to the Consolidated Financial Statements).

The cost of capital increases reserved for employees is reduced to take into account the nontransferability of the shares that could be subscribed by the employees over a period of five years. The valuation method of nontransferability of the shares is based on a strategy cost in two steps consisting, first, in a five years forward sale of the nontransferable shares, and second, in purchasing the same number of shares in cash with a loan financing reimbursable "in fine". During the year 2007, the main assumptions used for the valuation of the cost of capital increase reserved for employees were the following:

For the year ended December 31,	2007
Date of the Board of Directors meeting that decided the issue	November 6, 2007
Subscription price (€)	44.4
Share price at the date of the Board meeting (€)	54.6
Number of shares (in millions) <sup>(a)</sup>	10.6
Risk free interest rate (%) <sup>(b)</sup>	4.1
Employees loan financing rate (%) <sup>(c)</sup>	7.5
Non transferability cost (% of the share price at the date of the Board meeting)	14.9
Expense amount (€ per share)	2.1

(a) The estimated expense as of December 31, 2007 was based on a subscription of the capital increase reserved for employees for 10.6 million shares. The subscription was opened from March 10 to 28, 2008 included, leading to the creation of 4,870,386 TOTAL shares in 2008 (see Note 17 to the Consolidated Financial Statements).

(b) The risk-free interest rate is based on the French Treasury bonds rate for the appropriate maturity.

(c) The employees loan financing rate is based on a 5 year consumer's credit rate.

## 26) Payroll and staff

For the year ended December 31, (M€)	2009	2008	2007
<b>Personnel expenses <sup>(a)</sup></b>			
Wages and salaries (including social charges)	6,177	6,014	6,058
<b>Group employees <sup>(a)</sup></b>			
<b>France</b>			
o Management	10,906	10,688	10,517
o Other	25,501	26,413	26,779
<b>International</b>			
o Management	15,243	14,709	14,225
o Other	44,737	45,149	44,921
<b>Total</b>	<b>96,387</b>	<b>96,959</b>	<b>96,442</b>

(a) Number of employees and personnel expenses of fully consolidated subsidiaries.

## 27) Statement of cash flows

### A) Cash flow from operating activities

The following table gives additional information on cash paid or received in the cash flow from operating activities:

For the year ended December 31, (M€)	2009	2008	2007
Interests paid	(678)	(958)	(1,680)
Interests received	148	505	1,277
Income tax paid	(6,202)	(10,631)	(9,687)
Dividends received	1,456	1,590	1,109

Changes in working capital are detailed as follows:

For the year ended December 31, (M€)	2009	2008	2007
Inventories	(4,217)	4,020	(2,706)
Accounts receivable	(344)	3,222	(2,963)
Other current assets	1,505	(982)	(1,341)
Accounts payable	571	(3,056)	4,508
Other creditors and accrued liabilities	(831)	(633)	1,026
<b>Net amount</b>	<b>(3,316)</b>	<b>2,571</b>	<b>(1,476)</b>

**B) Cash flow used in financing activities**

Changes in non-current financial debt are detailed in the following table under a net value due to the high number of multiple drawings:

<b>For the year ended December 31,</b> (M€)	<b>2009</b>	2008	2007
Issuance of non-current debt	<b>6,309</b>	5,513	3,313
Repayment of non-current debt	<b>(787)</b>	(2,504)	(93)
<b>Net amount</b>	<b>5,522</b>	<b>3,009</b>	<b>3,220</b>

**C) Cash and cash equivalents**

Cash and cash equivalents are detailed as follows:

<b>For the year ended December 31,</b> (M€)	<b>2009</b>	2008	2007
Cash	<b>2,448</b>	1,836	1,930
Cash equivalents	<b>9,214</b>	10,485	4,058
<b>Total</b>	<b>11,662</b>	<b>12,321</b>	<b>5,988</b>

Cash equivalents are mainly composed of deposits less than three months deposited in government institutions or deposit banks selected in accordance with strict criteria.

## 28) Financial assets and liabilities analysis per instruments class and strategy

The financial assets and liabilities disclosed on the face of the balance sheet are detailed as follows:

As of December 31, 2009 (M€)	Financial instruments related to financing and trading activities							Other financial instruments	Total	Fair value
	Amortized cost	Fair value					Net investment hedge and other			
		Available for sale <sup>(a)</sup>	Held for trading	Financial debt <sup>(b)</sup>	Hedging of financial debt	Cash flow hedge				
<b>Assets/(Liabilities)</b>										
Equity affiliates: loans	2,367								2,367	2,367
Other investments		1,162							1,162	1,162
Hedging instruments of non-current financial debt					889	136			1,025	1,025
Other non-current assets	1,284								1,284	1,284
Accounts receivable, net							15,719		15,719	15,719
Other operating receivables			1,029				4,116		5,145	5,145
Current financial assets	55		53		197		6		311	311
Cash and cash equivalents							11,662		11,662	11,662
<b>Total financial assets</b>	<b>3,706</b>	<b>1,162</b>	<b>1,082</b>	<b>-</b>	<b>1,086</b>	<b>136</b>	<b>6</b>	<b>31,497</b>	<b>38,675</b>	<b>38,675</b>
<b>Total non-financial assets</b>									<b>89,078</b>	
<b>Total assets</b>									<b>127,753</b>	
Non-current financial debt	(389)		(18,807)	(241)					(19,437)	(19,437)
Accounts payable							(15,383)		(15,383)	(15,383)
Other operating liabilities			(923)				(3,783)		(4,706)	(4,706)
Current borrowings	(4,849)		(2,145)						(6,994)	(6,994)
Other current financial liabilities			(25)	(97)		(1)			(123)	(123)
<b>Total financial liabilities</b>	<b>(5,238)</b>		<b>(948)</b>	<b>(20,952)</b>	<b>(338)</b>	<b>-</b>	<b>(1)</b>	<b>(19,166)</b>	<b>(46,643)</b>	<b>(46,643)</b>
<b>Total non-financial liabilities</b>									<b>(81,110)</b>	
<b>Total liabilities</b>									<b>(127,753)</b>	

(a) Financial assets available for sale are measured at their fair value except for unlisted securities (see Note 1 paragraph M(ii) and Note 13 to the Consolidated Financial Statements).

(b) The financial debt is adjusted to the hedged risks value (currency and interest rate) as part of hedge accounting (see Note 1 paragraph M(iii) to the Consolidated Financial Statements).



As of December 31, 2008 (M€)	Financial instruments related to financing and trading activities						Other financial instruments	Total	Fair value
	Amortized cost	Fair value				Net investment hedge and other			
		Available for sale <sup>(a)</sup>	Held for trading	Financial debt <sup>(b)</sup>	Hedging of financial debt				
<b>Assets/(Liabilities)</b>									
Equity affiliates: loans	2,005							2,005	2,005
Other investments		1,165						1,165	1,165
Hedging instruments of non-current financial debt					892			892	892
Other non-current assets	1,403							1,403	1,403
Accounts receivable, net							15,287	15,287	15,287
Other operating receivables			1,664				4,544	6,208	6,208
Current financial assets	1		86		100			187	187
Cash and cash equivalents							12,321	12,321	12,321
<b>Total financial assets</b>	<b>3,409</b>	<b>1,165</b>	<b>1,750</b>	<b>-</b>	<b>992</b>	<b>-</b>	<b>-</b>	<b>32,152</b>	<b>39,468</b>
<b>Total non-financial assets</b>								<b>78,842</b>	
<b>Total assets</b>								<b>118,310</b>	
Non-current financial debt	(414)			(15,337)	(440)			(16,191)	(16,191)
Accounts payable							(14,815)	(14,815)	(14,815)
Other operating liabilities			(1,033)				(3,264)	(4,297)	(4,297)
Current borrowings	(5,721)			(2,001)				(7,722)	(7,722)
Other current financial liabilities			(146)		(12)			(158)	(158)
<b>Total financial liabilities</b>	<b>(6,135)</b>		<b>(1,179)</b>	<b>(17,338)</b>	<b>(452)</b>	<b>-</b>	<b>-</b>	<b>(18,079)</b>	<b>(43,183)</b>
<b>Total non-financial liabilities</b>								<b>(75,127)</b>	
<b>Total liabilities</b>								<b>(118,310)</b>	

(a) Financial assets available for sale are measured at their fair value except for unlisted securities (see Note 1 paragraph M(ii) and Note 13 to the Consolidated Financial Statements).

(b) The financial debt is adjusted to the hedged risks value (currency and interest rate) as part of hedge accounting (see Note 1 paragraph M(iii) to the Consolidated Financial Statements).

As of December 31, 2007 (M€)	Financial instruments related to financing and trading activities						Other financial instruments	Total	Fair value
	Amortized cost	Fair value				Net investment hedge and other			
		Available for sale <sup>(a)</sup>	Held for trading	Financial debt <sup>(b)</sup>	Hedging of financial debt				
<b>Assets/(Liabilities)</b>									
Equity affiliates: loans	2,575						2,575	2,575	
Other investments		1,291					1,291	1,291	
Hedging instruments of non-current financial debt					460		460	460	
Other non-current assets	851						851	851	
Accounts receivable, net			464				18,665	19,129	
Other operating receivables			519				3,911	4,430	
Current financial assets	850		12		388	14	1,264	1,264	
Cash and cash equivalents							5,988	5,988	
<b>Total financial assets</b>	<b>4,276</b>	<b>1,291</b>	<b>995</b>	<b>-</b>	<b>848</b>	<b>14</b>	<b>28,564</b>	<b>35,988</b>	
<b>Total non-financial assets</b>								<b>77,553</b>	
<b>Total assets</b>								<b>113,541</b>	
Non-current financial debt	(532)			(13,975)	(369)		(14,876)	(14,876)	
Accounts payable			(243)				(17,940)	(18,183)	
Other operating liabilities			(490)				(3,410)	(3,900)	
Current borrowings	(2,655)			(1,958)			(4,613)	(4,613)	
Other current financial liabilities			(59)		(1)		(60)	(60)	
<b>Total financial liabilities</b>	<b>(3,187)</b>		<b>(792)</b>	<b>(15,933)</b>	<b>(370)</b>		<b>(21,350)</b>	<b>(41,632)</b>	
<b>Total non-financial liabilities</b>								<b>(71,909)</b>	
<b>Total liabilities</b>								<b>(113,541)</b>	

(a) Financial assets available for sale are measured at their fair value except for unlisted securities (see Note 1 paragraph M(ii) and Note 13 to the Consolidated Financial Statements).

(b) The financial debt is adjusted to the hedged risks value (currency and interest rate) as part of hedge accounting (see Note 1 paragraph M(iii) to the Consolidated Financial Statements).

## 29) Fair value of financial instruments (excluding commodity contracts)

### A) Impact on the statement of income per nature of financial instruments

#### ● Operating assets and liabilities

The impact on the statement of income is detailed as follows:

For the year ended December 31, (M€)	2009	2008	2007
Assets available for sale (investments):			
– dividend income on non-consolidated subsidiaries	210	238	218
– gains (losses) on disposal of assets	6	15	170
– other	(18)	(15)	(63)
Loans and receivables	41	100	(2)
<b>Impact on net operating income</b>	<b>239</b>	<b>338</b>	<b>323</b>

The impact in the statement of income mainly includes:

- Dividends and gains or losses on disposal of other investments classified as “Other investments”;
- Financial gains and depreciation on loans related to equity affiliates, non-consolidated companies and on receivables reported in “Loans and receivables”.

## ● Assets and liabilities from financing activities

The impact on the statement of income of financing assets and liabilities is detailed as follows:

For the year ended December 31, (M€)	2009	2008	2007
Loans and receivables	158	547	1,135
Financing liabilities and associated hedging instruments	(563)	(996)	(1,721)
Fair value hedge (ineffective portion)	33	(4)	(26)
Assets and liabilities held for trading	(26)	(74)	73
<b>Impact on the cost of net debt</b>	<b>(398)</b>	<b>(527)</b>	<b>(539)</b>

The impact on the statement of income mainly includes:

- Financial income on cash, cash equivalents, and current financial assets (notably current deposits beyond three months) classified as “Loans and receivables”;
- Financial expense of long term subsidiaries financing, associated hedging instruments (excluding ineffective portion of the hedge detailed below) and financial expense of short term financing classified as “Financing liabilities and associated hedging instruments”;
- Ineffective portion of bond hedging; and
- Financial income, financial expense and fair value of derivative instruments used for cash management purposes classified as “Assets and liabilities held for trading”.

Financial derivative instruments used for cash management purposes (interest rate and foreign exchange) are considered to be held for trading. Based on practical documentation issues, the Group did not elect to set up hedge accounting for such instruments. The impact on income of the derivatives is offset by the impact of loans and current liabilities they are related to. Therefore these transactions taken as a whole do not have a significant impact on the Consolidated Financial Statements.

## B) Impact of the hedging strategies

### ● Fair value hedge

The impact on the statement of income of the bond hedging instruments which is recorded in the item “Financial interest on debt” in the Consolidated Statement of Income is detailed as follows:

For the year ended December 31, (M€)	2009	2008	2007
Revaluation at market value of bonds	(183)	(66)	137
Swap hedging of bonds	216	62	(163)
<b>Ineffective portion of the fair value hedge</b>	<b>33</b>	<b>(4)</b>	<b>(26)</b>

The ineffective portion is not representative of the Group's performance considering the Group's objective to hold swaps to maturity. The current portion of the swaps valuation is not subject to active management.

### ● Net investment hedge

These instruments are recorded directly in shareholders' equity under “Currency translation adjustments”. The variations of the period are detailed in the table below:

For the year ended December 31, (M€)	As of January 1,	Variations	Disposals	As of December 31,
<b>2009</b>	<b>124</b>	<b>(99)</b>	<b>–</b>	<b>25</b>
2008	29	95	–	124
2007	(188)	217	–	29

As of December 31, 2009, the fair value of the open instruments amounts to €5 million compared to zero in 2008 and €14 million in 2007.

## ● Cash flow hedge

The impact on the statement of income and on equity of the bond hedging instruments qualified as cash flow hedges is detailed as follows:

For the year ended December 31, (M€)	2009	2008	2007
Profit (Loss) recorded in equity during the period	128	–	–
Recycled amount from equity to the income statement during the period	221	–	–

As of December 31, 2009, the ineffective portion of these financial instruments is equal to zero.

## C) Maturity of derivative instruments

The maturity of the notional amounts of derivative instruments, excluding the commodity contracts, is detailed in the following table:

As of December 31, 2009 (M€) Assets/(Liabilities)	Fair value	Notional value <sup>(a)</sup>						2015 and after
		Total	2010	2011	2012	2013	2014	
<b>Fair value hedge</b>								
Swaps hedging fixed-rates bonds (liabilities)	(241)	4,615						
Swaps hedging fixed-rates bonds (assets)	889	11,076						
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>648</b>	<b>15,691</b>	–	3,345	2,914	3,450	1,884	4,098
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(97)	912						
Swaps hedging fixed-rates bonds (current portion) (assets)	197	1,084						
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>100</b>	<b>1,996</b>	1,996					
<b>Cash flow hedge</b>								
Swaps hedging fixed-rates bonds (liabilities)								
Swaps hedging fixed-rates bonds (assets)	136	1,837			295			1,542
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>136</b>	<b>1,837</b>			<b>295</b>			<b>1,542</b>
Swaps hedging fixed-rates bonds (current portion) (assets)								
Swaps hedging fixed-rates bonds (current portion) (liabilities)								
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>								
<b>Net investment hedge</b>								
Currency swaps and forward exchange contracts (assets)	6	701						
Currency swaps and forward exchange contracts (liabilities)	(1)	224						
<b>Total swaps hedging net investments</b>	<b>5</b>	<b>925</b>	925					
<b>Held for trading</b>								
Other interest rate swaps (assets)		1,459						
Other interest rate swaps (liabilities)	(1)	10,865						
<b>Total other interest rate swaps (assets and liabilities)</b>	<b>(1)</b>	<b>12,324</b>	12,208	114				2
Currency swaps and forward exchange contracts (assets)	53	4,017						
Currency swaps and forward exchange contracts (liabilities)	(24)	3,456						
<b>Total currency swaps and forward exchange contracts (assets and liabilities)</b>	<b>29</b>	<b>7,473</b>	7,224		52	50	47	100

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.

As of December 31, 2008 (M€) Assets/(Liabilities)	Fair value	Notional value <sup>(a)</sup>						
		Total	2009	2010	2011	2012	2013	2014 and after
<b>Fair value hedge</b>								
Swaps hedging fixed-rates bonds (liabilities)	(440)	9,309						
Swaps hedging fixed-rates bonds (assets)	892	4,195						
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>452</b>	<b>13,504</b>		2,048	3,373	3,233	3,032	1,818
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(12)	92						
Swaps hedging fixed-rates bonds (current portion) (assets)	100	1,871						
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>88</b>	<b>1,963</b>	1,963					
<b>Net investment hedge</b>								
<b>Currency swaps and forward exchange contracts (liabilities)</b>	<b>-</b>	<b>1,347</b>	1,347					
<b>Held for trading</b>								
Other interest rate swaps (assets)	-	2,853						
Other interest rate swaps (liabilities)	(4)	5,712						
<b>Total other interest rate swaps (assets and liabilities)</b>	<b>(4)</b>	<b>8,565</b>	8,559	4				2
Currency swaps and forward exchange contracts (assets)	86	5,458						
Currency swaps and forward exchange contracts (liabilities)	(142)	2,167						
<b>Total currency swaps and forward exchange contracts (assets and liabilities)</b>	<b>(56)</b>	<b>7,625</b>	6,595	483	114	67	76	290

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.

As of December 31, 2007 (M€) Assets/(Liabilities)	Fair value	Notional value <sup>(a)</sup>						
		Total	2008	2009	2010	2011	2012	2013 and after
<b>Fair value hedge</b>								
Swaps hedging fixed-rates bonds (liabilities)	(369)	7,506						
Swaps hedging fixed-rates bonds (assets)	460	3,982						
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>91</b>	<b>11,488</b>		1,910	1,836	2,725	2,437	2,580
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(1)	306						
Swaps hedging fixed-rates bonds (current portion) (assets)	388	1,265						
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>387</b>	<b>1,571</b>	1,571					
<b>Net investment hedge</b>								
<b>Currency swaps and forward exchange contracts (assets)</b>	<b>14</b>	<b>695</b>	695					
<b>Held for trading</b>								
Other interest rate swaps (assets)	1	8,249						
Other interest rate swaps (liabilities)	-	3,815						
<b>Total other interest rate swaps (assets and liabilities)</b>	<b>1</b>	<b>12,064</b>	12,058	-	4	-	-	2
Currency swaps and forward exchange contracts (assets)	11	2,594						
Currency swaps and forward exchange contracts (liabilities)	(59)	3,687						
<b>Total currency swaps and forward exchange contracts (assets and liabilities)</b>	<b>(48)</b>	<b>6,281</b>	6,207	42	2	6	8	16

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.

**D) Fair value hierarchy**

The fair value hierarchy for financial instruments excluding commodity contracts is as follows:

As of December 31, 2009 (M€)	Quoted prices in active markets for identical assets (level 1)	Prices based on observable data (level 2)	Prices based on non observable data (level 3)	Total
Fair value hedge instruments	–	748	–	748
Cash flow hedge instruments	–	136	–	136
Net investment hedge instruments	–	5	–	5
Assets and liabilities held for trading	–	28	–	28
Assets available for sale	232	–	–	232
<b>Total</b>	<b>232</b>	<b>917</b>	<b>–</b>	<b>1,149</b>

The description of each fair value level is presented in Note 1 paragraph M(v) to the Consolidated Financial Statements.

**30) Financial instruments related to commodity contracts**

Financial instruments related to oil, gas and power activities as well as related currency derivatives are recorded at fair value under “Other current assets” or “Other creditors and accrued liabilities” depending on whether they are assets or liabilities.

As of December 31, 2009 (M€) Assets/(Liabilities)	Carrying amount	Fair value <sup>(b)</sup>
<b>Crude oil, petroleum products and freight rates activities</b>		
Petroleum products and crude oil swaps	(29)	(29)
Freight rate swaps	–	–
Forwards <sup>(a)</sup>	(9)	(9)
Options	21	21
Futures	(17)	(17)
Options on futures	6	6
<b>Total crude oil, petroleum products and freight rates</b>	<b>(28)</b>	<b>(28)</b>
<b>Gas &amp; Power activities</b>		
Swaps	52	52
Forwards <sup>(a)</sup>	78	78
Options	4	4
Futures	–	–
<b>Total Gas &amp; Power</b>	<b>134</b>	<b>134</b>
<b>Total</b>	<b>106</b>	<b>106</b>
<b>Total of fair value non recognized in the balance sheet</b>		<b>–</b>

(a) Forwards: contracts resulting in physical delivery are accounted for as derivative commodity contracts and included in the amounts shown.

(b) From 2008, when the fair value of derivatives listed on an organized exchange market (futures, options on futures and swaps) is offset with the margin call received or paid on the face of the balance sheet, this fair value is set to zero.

## As of December 31, 2008

(M€)

Assets/(Liabilities)	Carrying amount	Fair value <sup>(b)</sup>
<b>Crude oil, petroleum products and freight rates activities</b>		
Petroleum products and crude oil swaps	141	141
Freight rate swaps	8	8
Forwards <sup>(a)</sup>	(120)	(120)
Options	–	–
Futures	17	17
Options on futures	(7)	(7)
<b>Total crude oil, petroleum products and freight rates</b>	<b>39</b>	<b>39</b>
<b>Gas &amp; Power activities</b>		
Swaps	(48)	(48)
Forwards <sup>(a)</sup>	659	659
Options	–	–
Futures	(19)	(19)
<b>Total Gas &amp; Power</b>	<b>592</b>	<b>592</b>
<b>Total</b>	<b>631</b>	<b>631</b>
<b>Total of fair value non recognized in the balance sheet</b>		<b>–</b>

(a) Forwards: contracts resulting in physical delivery are accounted for as derivative commodity contracts and included in the amounts shown.

(b) From 2008, when the fair value of derivatives listed on an organized exchange market (futures, options on futures and swaps) is offset with the margin call received or paid on the face of the balance sheet, this fair value is set to zero.

## As of December 31, 2007

(M€)

Assets/(Liabilities)	Carrying amount	Fair value <sup>(b)</sup>
<b>Crude oil, petroleum products and freight rates activities</b>		
Petroleum products and crude oil swaps	(149)	(149)
Freight rate swaps	(3)	(3)
Forwards <sup>(a)</sup>	(4)	(4)
Options	272	272
Futures	(97)	(97)
Options on futures	(1)	(1)
<b>Total crude oil, petroleum products and freight rates</b>	<b>18</b>	<b>18</b>
<b>Gas &amp; Power activities</b>		
Swaps	4	4
Forwards <sup>(a)</sup>	213	213
Options	–	–
Futures	15	15
<b>Total Gas &amp; Power</b>	<b>232</b>	<b>232</b>
<b>Total</b>	<b>250</b>	<b>250</b>
<b>Total of fair value non recognized in the balance sheet</b>		<b>–</b>

(a) Forwards: contracts resulting in physical delivery are accounted for as derivative commodity contracts and included in the amounts shown.

(b) From 2008, when the fair value of derivatives listed on an organized exchange market (futures, options on futures and swaps) is offset with the margin call received or paid on the face of the balance sheet, this fair value is set to zero.



Most commitments on crude oil and refined products have a short term maturity (less than one year). The maturity of most Gas & Power energy derivatives is less than three years forward.

The changes in fair value of financial instruments related to commodity contracts are detailed as follows:

For the year ended December 31, (M€)	Fair value as of January 1,	Impact on income	Settled contracts	Other	Fair value as of December 31,
<b>Crude oil, petroleum products and freight rates activities</b>					
<b>2009</b>	<b>39</b>	<b>1,713</b>	<b>(1,779)</b>	<b>(1)</b>	<b>(28)</b>
2008	18	1,734	(1,715)	2	39
2007	102	1,381	(1,460)	(5)	18
<b>Gas &amp; Power activities</b>					
<b>2009</b>	<b>592</b>	<b>327</b>	<b>(824)</b>	<b>39</b>	<b>134</b>
2008	232	787	(310)	(117)	592
2007	(79)	489	(163)	(15)	232

The fair value hierarchy for financial instruments related to commodity contracts is as follows:

As of December 31, 2009 (M€)	Quoted prices in active markets for identical assets (level 1)	Prices based on observable data (level 2)	Prices based on non observable data (level 3)	Total
Crude oil, petroleum products and freight rates activities	(45)	17	–	(28)
Gas & Power activities	140	(6)	–	134
<b>Total</b>	<b>95</b>	<b>11</b>	<b>–</b>	<b>106</b>

The description of each fair value level is presented in Note 1 paragraph M(v) to the Consolidated Financial Statements.

## 31) Market risks

### Oil and gas market related risks

Due to the nature of its business, the Group has significant oil and gas trading activities as part of its day-to-day operations in order to optimize revenues from its oil and gas production and to obtain favorable pricing to supply its refineries.

In its international oil trading business, the Group follows a policy of not selling its future production. However, in connection with this trading business, the Group, like most other oil companies, uses energy derivative instruments to adjust its exposure to price fluctuations of crude oil, refined products, natural gas and electricity. The Group also uses freight rate derivative contracts in its shipping business to adjust its exposure to freight-rate fluctuations. To hedge against this risk, the Group uses various instruments such as futures, forwards, swaps and options on organized markets or over-the-counter markets. The list of the

different derivatives held by the Group in these markets is detailed in Note 30 to the Consolidated Financial Statements.

The Trading & Shipping division measures its market risk exposure, *i.e.* potential loss in fair values, on its crude oil, refined products and freight rates trading activities using a value-at-risk technique. This technique is based on an historical model and makes an assessment of the market risk arising from possible future changes in market values over a 24-hour period. The calculation of the range of potential changes in fair values takes into account a snapshot of the end-of-day exposures and the set of historical price movements for the last 400 business days for all instruments and maturities in the global trading activities. Options are systematically reevaluated using appropriate models.

The potential movement in fair values corresponds to a 97.5% value-at-risk type confidence level. This means that the Group's portfolio result is likely to exceed the value-at-risk loss measure once over 40 business days if the portfolio exposures were left unchanged.

### Trading & Shipping : value-at-risk with a 97.5% probability

As of December 31, (M€)	High	Low	Average	Year end
<b>2009</b>	<b>18.8</b>	<b>5.8</b>	<b>10.2</b>	<b>7.6</b>
2008	13.5	2.8	6.9	11.8
2007	11.6	3.3	6.7	5.4

As part of its gas and power trading activity, the Group also uses derivative instruments such as futures, forwards, swaps and options in both organized and over-the-counter markets. In general, the transactions are settled at maturity date through physical delivery. The Gas & Power division measures its market risk exposure, *i.e.* potential loss in fair values, on its trading business using a value-at-risk technique. This technique is based on an

historical model and makes an assessment of the market risk arising from possible future changes in market values over a one-day period. The calculation of the range of potential changes in fair values takes into account a snapshot of the end-of-day exposures and the set of historical price movements for the past two years for all instruments and maturities in the global trading business.

### Gas & Power trading : value-at-risk with a 97.5% probability

As of December 31, (M€)	High	Low	Average	Year end
2009	9.8	1.9	5.0	4.8
2008	16.3	1.3	5.0	1.4
2007 <sup>(a)</sup>	18.2	3.2	7.9	4.3

(a) Data takes into account historical price movements over one year.

The Group has implemented strict policies and procedures to manage and monitor these market risks. These are based on the splitting of supervisory functions from operational functions and on an integrated information system that enables real-time monitoring of trading activities.

Limits on trading positions are approved by the Group's Executive Committee and are monitored daily. To increase flexibility and encourage liquidity, hedging operations are performed with numerous independent operators, including other oil companies, major energy producers or consumers and financial institutions. The Group has established counterparty limits and monitors outstanding amounts with each counterparty on an ongoing basis.

### Financial markets related risks

As part of its financing and cash management activities, the Group uses derivative instruments to manage its exposure to changes in interest rates and foreign exchange rates. These instruments are principally interest rate and currency swaps. The Group may also use, on a less frequent basis, futures, caps, floors and options contracts. These operations and their accounting treatment are detailed in Notes 1 paragraph M, 20, 28 and 29 to the Consolidated Financial Statements.

Risks relative to cash management operations and to interest rate and foreign exchange financial instruments are managed according to rules set by the Group's senior management, which provide for regular pooling of available cash balances, open positions and management of the financial instruments by the Treasury Department. Excess cash of the Group is deposited mainly in government institutions or deposit banks through deposits, reverse repurchase agreements and purchase of commercial paper. Liquidity positions and the management of financial instruments are centralized by the Treasury Department, where they are managed by a team specialized in foreign exchange and interest rate market transactions.

The Cash Monitoring-Management Unit within the Treasury Department monitors limits and positions per bank on a daily basis and reports results. This unit also prepares marked-to-market valuations and, when necessary, performs sensitivity analysis.

### Counterparty risk

The Group has established standards for market transactions under which bank counterparties must be approved in advance, based on an assessment of the counterparty's financial soundness (multi-criteria analysis including a review of market prices and of the *Credit Default Swap* (CDS), its ratings with Standard & Poor's and Moody's, which must be of high quality, and its overall financial condition).

An overall authorized credit limit is set for each bank and is allotted among the subsidiaries and the Group's central treasury entities according to their needs.

To reduce the market values risk on its commitments, in particular for swaps set as part of bonds issuance, the Treasury Department also developed a system of margin call that is gradually implemented with significant counterparties.

### Currency exposure

The Group seeks to minimize the currency exposure of each entity to its functional currency (primarily the euro, the dollar, the pound sterling and the Norwegian krone).

For currency exposure generated by commercial activity, the hedging of revenues and costs in foreign currencies is typically performed using currency operations on the spot market and, in some cases, on the forward market. The Group rarely hedges future cash flows, although it may use options to do so.

With respect to currency exposure linked to non-current assets booked in a currency other than the euro, the Group has a policy of reducing the related currency exposure by financing these assets in the same currency.

Net short-term currency exposure is periodically monitored against limits set by the Group's senior management.

The non-current debt described in Note 20 to the Consolidated Financial Statements is generally raised by the corporate treasury

entities either directly in dollars or euros, or in other currencies which are then exchanged for dollars or euros through swaps issues to appropriately match general corporate needs. The proceeds from these debt issuances are loaned to affiliates whose accounts are kept in dollars or in euros. Thus, the net sensitivity of these positions to currency exposure is not significant.

The Group's short-term currency swaps, the notional value of which appears in Note 29 to the Consolidated Financial Statements, are used to attempt to optimize the centralized cash management of the Group. Thus, the sensitivity to currency fluctuations which may be induced is likewise considered negligible.

### Short-term interest rate exposure and cash

Cash balances, which are primarily composed of euros and dollars, are managed according to the guidelines established by the

### Sensitivity analysis on interest rate and foreign exchange risk

The tables below present the potential impact of an increase or decrease of 10 basis points on the interest rate yield curves for each of the currencies on the fair value of the current financial instruments as of December 31, 2009, 2008 and 2007.

Assets/(Liabilities) (M€)	Carrying amount	Estimated fair value	Change in fair value due to a change in interest rate by	
			+ 10 basis points	- 10 basis points
<b>As of December 31, 2009</b>				
Bonds (non-current portion, before swaps)	(18,368)	(18,368)	75	(75)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(241)	(241)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	1,025	1,025		
Total swaps hedging fixed-rates bonds (assets and liabilities)	784	784	(57)	57
Current portion of non-current debt after swap (excluding capital lease obligations)	(2,111)	(2,111)	3	(3)
Other interest rates swaps	(1)	(1)	1	(1)
Currency swaps and forward exchange contracts	34	34	-	-
<b>As of December 31, 2008</b>				
Bonds (non-current portion, before swaps)	(14,119)	(14,119)	47	(43)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(440)	(440)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	892	892		
Total swaps hedging fixed-rates bonds (assets and liabilities)	452	452	(44)	44
Current portion of non-current debt after swap (excluding capital lease obligations)	(2,025)	(2,025)	3	(3)
Other interest rates swaps	(4)	(4)	1	(1)
Currency swaps and forward exchange contracts	(56)	(56)	-	-
<b>As of December 31, 2007</b>				
Bonds (non-current portion, before swaps)	(11,741)	(11,741)	37	(37)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(369)	(369)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	460	460		
Total swaps hedging fixed-rates bonds (assets and liabilities)	91	91	(39)	38
Current portion of non-current debt after swap (excluding capital lease obligations)	(1,669)	(1,669)	(1)	1
Other interest rates swaps	1	1	-	-
Currency swaps and forward exchange contracts	(34)	(34)	-	-

Group's senior management (maintain an adequate level of liquidity, optimize revenue from investments considering existing interest rate yield curves, and minimize the cost of borrowing) over a less than twelve-month horizon and on the basis of a daily interest rate benchmark, primarily through short-term interest rate swaps and short-term currency swaps, without modifying currency exposure.

### Interest rate risk on non-current debt

The Group's policy consists of incurring non-current debt primarily at a floating rate, or, if the opportunity arises at the time of an issuance, at a fixed rate. Debt is incurred in dollars or in euros according to general corporate needs. Long-term interest rate and currency swaps may be used to hedge bonds at their issuance in order to create a variable or fixed rate synthetic debt. In order to partially modify the interest rate structure of the long-term debt, TOTAL may also enter into long-term interest rate swaps.

The impact of changes in interest rates on the cost of net debt before tax is as follows:

For the year ended December 31, (M€)	2009	2008	2007
Cost of net debt	(398)	(527)	(539)
Interest rate translation of:			
+ 10 basis points	(11)	(11)	(12)
- 10 basis points	11	11	12
+ 100 basis points	(108)	(113)	(116)
- 100 basis points	108	113	116

As a result of the policy for the management of currency exposure previously described, the Group's sensitivity to currency exposure is primarily influenced by the net equity of the subsidiaries whose functional currency is the dollar and, to a lesser extent, the pound sterling and the Norwegian krone.

This sensitivity is reflected in the historical evolution of the currency translation adjustment recorded in the statement of changes in shareholders' equity which, in the course of the last three fiscal years, is essentially related to the fluctuation of dollar and pound sterling and is set forth in the table below:

	Euro / Dollar exchange rates	Euro / Pound sterling exchange rates
As of December 31, 2009	1.44	0.89
As of December 31, 2008	1.39	0.95
As of December 31, 2007	1.47	0.73

As of December 31, 2009 (M€)	Total	Euro	Dollar	Pound sterling	Other currencies and equity affiliates
Shareholders' equity at historical exchange rate	57,621	27,717	18,671	5,201	6,032
Currency translation adjustment before net investment hedge	(5,074)		(3,027)	(1,465)	(582)
Net investment hedge – open instruments	5		6	(1)	
Shareholders' equity at exchange rate as of December 31, 2009	52,552	27,717	15,650	3,735	5,450

As of December 31, 2008 (M€)	Total	Euro	Dollar	Pound sterling	Other currencies and equity affiliates
Shareholders' equity at historical exchange rate	53,868	25,084	15,429	5,587	7,768
Currency translation adjustment before net investment hedge	(4,876)		(2,191)	(1,769)	(916)
Net investment hedge – open instruments	–	–	–	–	–
Shareholders' equity at exchange rate as of December 31, 2008	48,992	25,084	13,238	3,818	6,852

As of December 31, 2007 (M€)	Total	Euro	Dollar	Pound sterling	Other currencies and equity affiliates
Shareholders' equity at historical exchange rate	49,254	22,214	12,954	5,477	8,609
Currency translation adjustment before net investment hedge	(4,410)		(3,501)	(289)	(620)
Net investment hedge – open instruments	14		14	–	–
Shareholders' equity at exchange rate as of December 31, 2007	44,858	22,214	9,467	5,188	7,989

As a result of this policy, the impact of currency exchange rate fluctuations on consolidated income, as illustrated in Note 7 to the Consolidated Financial Statements, has not been significant over the last three years despite the considerable fluctuation of the dollar (loss of €32 million in 2009, gain of €112 million in 2008, gain of €35 million in 2007).

### Stock market risk

The Group holds interests in a number of publicly-traded companies (see Notes 12 and 13 to the Consolidated Financial Statements). The market value of these holdings fluctuates due to

various factors, including stock market trends, valuations of the sectors in which the companies operate, and the economic and financial condition of each individual company.

### Liquidity risk

TOTAL S.A. has confirmed lines of credit granted by international banks, which are calculated to allow it to manage its short-term liquidity needs as required.

As of December 31, 2009, these lines of credit amounted to \$9,322 million, of which \$9,289 million were unused. The agreements for

the lines of credit granted to TOTAL S.A. do not contain conditions related to the Company's financial ratios, to its financial ratings from specialized agencies, or to the occurrence of events that could have a material adverse effect on its financial position. As of December 31, 2009, the aggregate amount of the principal confirmed lines of credit granted by international banks to Group

companies, including TOTAL S.A., was \$10,084 million of which \$10,051 million were unused. The lines of credit granted to Group companies other than TOTAL S.A. are not intended to finance the Group's general needs; they are intended to finance either the general needs of the borrowing subsidiary or a specific project.

The following tables show the maturity of the financial assets and liabilities of the Group as of December 31, 2009, 2008 and 2007 (see Note 20 to the Consolidated Financial Statements).

**As of December 31, 2009**

(M€)

<b>Assets/(Liabilities)</b>	<b>Less than one year</b>	<b>Between 1 year and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Non-current financial debt (notional value excluding interests)		(12,589)	(5,823)	<b>(18,412)</b>
Current borrowings	(6,994)			<b>(6,994)</b>
Other current financial liabilities	(123)			<b>(123)</b>
Current financial assets	311			<b>311</b>
Cash and cash equivalents	11,662			<b>11,662</b>
<b>Net amount before financial expense</b>	<b>4,856</b>	<b>(12,589)</b>	<b>(5,823)</b>	<b>(13,556)</b>
Financial expense on non-current financial debt	(768)	(2,007)	(1,112)	<b>(3,887)</b>
Interest differential on swaps	447	342	(55)	<b>734</b>
<b>Net amount</b>	<b>4,535</b>	<b>(14,254)</b>	<b>(6,990)</b>	<b>(16,709)</b>

**As of December 31, 2008**

(M€)

<b>Assets/(Liabilities)</b>	<b>Less than one year</b>	<b>Between 1 year and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Non-current financial debt (notional value excluding interests)		(13,206)	(2,093)	<b>(15,299)</b>
Current borrowings	(7,722)			<b>(7,722)</b>
Other current financial liabilities	(158)			<b>(158)</b>
Current financial assets	187			<b>187</b>
Cash and cash equivalents	12,321			<b>12,321</b>
<b>Net amount before financial expense</b>	<b>4,628</b>	<b>(13,206)</b>	<b>(2,093)</b>	<b>(10,671)</b>
Financial expense on non-current financial debt	(554)	(1,431)	(174)	<b>(2,159)</b>
Interest differential on swaps	118	410	(7)	<b>521</b>
<b>Net amount</b>	<b>4,192</b>	<b>(14,227)</b>	<b>(2,274)</b>	<b>(12,309)</b>

**As of December 31, 2007**

(M€)

<b>Assets/(Liabilities)</b>	<b>Less than one year</b>	<b>Between 1 year and 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Non-current financial debt (notional value excluding interests)		(11,424)	(2,992)	<b>(14,416)</b>
Current borrowings	(4,613)			<b>(4,613)</b>
Other current financial liabilities	(60)			<b>(60)</b>
Current financial assets	1,264			<b>1,264</b>
Cash and cash equivalents	5,988			<b>5,988</b>
<b>Net amount before financial expense</b>	<b>2,579</b>	<b>(11,424)</b>	<b>(2,992)</b>	<b>(11,837)</b>
Financial expense on non-current financial debt	(532)	(1,309)	(226)	<b>(2,067)</b>
Interest differential on swaps	(29)	(80)	(44)	<b>(153)</b>
<b>Net amount</b>	<b>2,018</b>	<b>(12,813)</b>	<b>(3,262)</b>	<b>(14,057)</b>

In addition, the Group guarantees bank debt and finance lease obligations of certain non-consolidated companies and equity affiliates. A payment would be triggered by failure of the guaranteed party to fulfill its obligation covered by the guarantee, and no assets are held as collateral for these guarantees. Maturity dates and amounts are set forth in Note 23 to the Consolidated Financial Statements ("Guarantees given against borrowings").

The Group also guarantees the current liabilities of certain non-consolidated companies. Performance under these guarantees would be triggered by a financial default of these entities. Maturity dates and amounts are set forth in Note 23 to the Consolidated Financial Statements ("Guarantees of current liabilities").

The following table sets forth financial assets and liabilities related to operating activities as of December 31, 2009, 2008 and 2007 (see Note 28 to the Consolidated Financial Statements).

<b>As of December 31</b> (M€)	<b>2009</b>	2008	2007
<b>Assets/(Liabilities)</b>			
Accounts payable	<b>(15,383)</b>	(14,815)	(18,183)
Other operating liabilities	<b>(4,706)</b>	(4,297)	(3,900)
<i>including financial instruments related to commodity contracts</i>	<b>(923)</b>	(1,033)	(733)
Accounts receivable, net	<b>15,719</b>	15,287	19,129
Other operating receivables	<b>5,145</b>	6,208	4,430
<i>including financial instruments related to commodity contracts</i>	<b>1,029</b>	1,664	983
<b>Total</b>	<b>775</b>	<b>2,383</b>	<b>1,476</b>

These financial assets and liabilities mainly have a maturity date below one year.

### ► Credit risk

Credit risk is defined as the risk of the counterparty to a contract failing to perform or pay the amounts due.

The Group is exposed to credit risks in its operating and financing activities. The Group's maximum exposure to credit risk is partially related to financial assets recorded on its balance sheet, including energy derivative instruments that have a positive market value.

The following table presents the Group's maximum credit risk exposure:

<b>As of December 31,</b> (M€)	<b>2009</b>	2008	2007
<b>Assets/(Liabilities)</b>			
Loans to equity affiliates (Note 12)	<b>2,367</b>	2,005	2,575
Loans and advances (Note 14)	<b>1,284</b>	1,403	851
Hedging instruments of non-current financial debt (Note 20)	<b>1,025</b>	892	460
Accounts receivable (Note 16)	<b>15,719</b>	15,287	19,129
Other operating receivables (Note 16)	<b>5,145</b>	6,208	4,430
Current financial assets (Note 20)	<b>311</b>	187	1,264
Cash and cash equivalents (Note 27)	<b>11,662</b>	12,321	5,988
<b>Total</b>	<b>37,513</b>	<b>38,303</b>	<b>34,697</b>

The valuation allowance on loans and advances and on accounts receivable and other operating receivables is detailed respectively in Notes 14 and 16 to the Consolidated Financial Statements.

As part of its credit risk management related to operating and financing activities, the Group has developed margin call contracts with certain counterparties. As of December 31, 2009, the net amount paid or received as part of these margin calls was €693 million.

Credit risk is managed by the Group's business segments as follows:

### ► Upstream Segment

#### ○ Exploration & Production

Risks arising under contracts with government authorities or other oil companies or under long-term supply contracts necessary for the development of projects are evaluated during the project approval process. The long-term aspect of these contracts and the high-quality of the other parties lead to a low level of credit risk.

Risks related to commercial operations, other than those described above (which are, in practice, directly monitored by subsidiaries), are subject to procedures for establishing and reviewing credit.

Customer receivables are subject to provisions on a case-by-case basis, based on prior history and management's assessment of the facts and circumstances.

#### ○ Gas & Power

The Gas & Power division deals with counterparties in the energy, industrial and financial sectors throughout the world, primarily in Europe and North America. Financial institutions providing credit risk coverage are highly rated international bank and insurance groups.

Potential counterparties are subject to credit assessment and approval before concluding transactions and are thereafter subject to regular review, including re-appraisal and approval of the limits previously granted.

The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial



standing and business risks, together with the review of any relevant third party and market information, such as data published by rating agencies. On this basis, credit limits are defined for each potential counterparty and, where appropriate, transactions are subject to specific authorizations.

Credit exposure, which is essentially an economic exposure or an expected future physical exposure, is permanently monitored and subject to sensitivity measures.

Credit risk is mitigated by the systematic use of industry standard contractual frameworks that permit netting, enable requiring added security in case of adverse change in the counterparty risk, and allow for termination of the contract upon occurrence of certain events of default.

### ► Downstream Segment

#### ○ Refining & Marketing

Internal procedures for the Refining & Marketing division include rules on credit risk that describe the basis of internal control in this domain, including the separation of authority between commercial and financial operations. Credit policies are defined at the local level, complemented by the implementation of procedures to monitor customer risk (credit committees at the subsidiary level, the creation of credit limits for corporate customers, portfolio guarantees, etc.).

Each entity also implements monitoring of its outstanding receivables. Risks related to credit may be mitigated or limited by requiring security or guarantees.

Bad debts are provisioned on a case-by-case basis at a rate determined by management based on an assessment of the facts and circumstances.

#### ○ Trading & Shipping

Trading & Shipping deals with commercial counterparties and financial institutions located throughout the world. Counterparties to physical and derivative transactions are primarily entities involved in the oil and gas industry or in the trading of energy commodities, or financial institutions. Credit risk coverage is concluded with financial institutions, international banks and insurance groups selected in accordance with strict criteria.

The Trading & Shipping division has a strict policy of internal delegation of authority governing establishment of country and counterparty credit limits and approval of specific transactions. Credit exposures contracted under these limits and approvals are monitored on a daily basis.

Potential counterparties are subject to credit assessment and approval prior to any transaction being concluded and all active counterparties are subject to regular reviews, including re-appraisal and approval of granted limits. The creditworthiness of counterparties is assessed based on an analysis of quantitative and qualitative data regarding financial standing and business risks, together with the review of any relevant third party and

market information, such as ratings published by Standard & Poor's, Moody's Investors Service and other agencies.

Contractual arrangements are structured so as to maximize the risk mitigation benefits of netting between transactions wherever possible and additional protective terms providing for the provision of security in the event of financial deterioration and the termination of transactions on the occurrence of defined default events are used to the greatest permitted extent.

Credit risks in excess of approved levels are secured by means of letters of credit and other guarantees, cash deposits and insurance arrangements. In respect of derivative transactions, risks are secured by margin call contracts wherever possible.

### ► Chemicals Segment

Credit risk in the Chemicals segment is primarily related to commercial receivables. Each division implements procedures for managing and provisioning credit risk that differ based on the size of the subsidiary and the market in which it operates. The principal elements of these procedures are:

- implementation of credit limits with different authorization procedures for possible credit overruns;
- use of insurance policies or specific guarantees (letters of credit);
- regular monitoring and assessment of overdue accounts (aging balance), including collection procedures; and
- provisioning of bad debts on a customer-by-customer basis, according to payment delays and local payment practices.

## 32) Other risks and contingent liabilities

TOTAL is not currently aware of any event, litigation, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Group.

### Antitrust investigations

- 1) Following investigations into certain commercial practices in the chemicals industry in the United States, some subsidiaries of the Arkema<sup>1</sup> group have been involved in criminal investigations, closed as of today, and civil liability lawsuits in the United States for violations of antitrust laws. TOTAL S.A. has been named in certain of these suits as the parent company.

In Europe, the European Commission commenced investigations in 2000, 2003 and 2004 into alleged anti-competitive practices involving certain products sold by Arkema. In January 2005, under one of these investigations, the European Commission fined Arkema €13.5 million and jointly fined Arkema and Elf Aquitaine €45 million. The appeal from Arkema and Elf Aquitaine before the Court of First Instance of the European Union has been rejected on September 30, 2009. A recourse before the Court of Justice of the European Communities has been filed.

1. Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A. Arkema became an independent company after being spun-off from TOTAL S.A. in May 2006.



The Commission notified Arkema, TOTAL S.A. and Elf Aquitaine of complaints concerning two other product lines in January and August 2005, respectively. Arkema has cooperated with the authorities in these procedures and investigations. In May 2006, the European Commission fined Arkema €78.7 million and €219.1 million, as a result of, respectively, each of these two proceedings. Elf Aquitaine was held jointly and severally liable for, respectively, €65.1 million and €181.35 million of these fines while TOTAL S.A. was held jointly and severally liable, respectively, for €42 million and €140.4 million. TOTAL S.A., Arkema and Elf Aquitaine have appealed these decisions to the Court of First Instance of the European Union.

Arkema and Elf Aquitaine received a statement of objections from the European Commission in August 2007 concerning alleged anti-competitive practices related to another line of chemical products. As a result, in June 2008, Arkema and Elf Aquitaine have been jointly and severally fined in an amount of €22.7 million and individually in an amount of €20.43 million for Arkema and €15.89 million for Elf Aquitaine. The companies concerned appealed this decision to the relevant European court.

Arkema and Elf Aquitaine received a statement of objections from the European Commission in March 2009 concerning alleged anti-competitive practices related to another line of chemical products. The decision has been rendered by the Commission in November 2009. The companies have been jointly and severally fined in an amount of €11 million and individually in an amount of €9.92 million for Arkema and €7.71 million for Elf Aquitaine. The concerned companies will appeal this decision to the relevant European court.

No facts have been alleged that would implicate TOTAL S.A. or Elf Aquitaine in the practices questioned in these proceedings, and the fines received are based solely on their status as parent companies.

Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema, as well as TOTAL S.A. and Elf Aquitaine.

- 2) As part of the agreement relating to the spin-off of Arkema, TOTAL S.A. or certain other Group companies agreed to grant Arkema guarantees for certain risks related to antitrust proceedings arising from events prior to the spin-off.

These guarantees cover, for a period of ten years that began in 2006, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings.

The guarantee covering the risks related to anticompetition violations in Europe applies to amounts above a €176.5 million threshold.

If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the

voting rights of Arkema, or if Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, these guarantees will become void.

On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by these guarantees.

- 3) The Group has recorded provisions amounting to €43 million in its consolidated financial statements as of December 31, 2009 to cover the risks mentioned above.
- 4) Moreover, as a result of investigations started by the European Commission in October 2002 concerning certain Refining & Marketing subsidiaries of the Group, Total Nederland N.V. and TOTAL S.A. received a statement of objections in October 2004. These proceedings resulted, in September 2006, in Total Nederland N.V. being fined €20.25 million and in TOTAL S.A. as its parent company being held jointly responsible for €13.5 million of this amount, although no facts implicating TOTAL S.A. in the practices under investigation were alleged. TOTAL S.A. and Total Nederland N.V. have appealed this decision to the Court of First Instance of the European Union.

In addition, in May 2007, Total France and TOTAL S.A. received a statement of objections regarding alleged antitrust practices concerning another product line of the Refining & Marketing division. These proceedings resulted, in October 2008, in Total France being fined €128.2 million and in TOTAL S.A., as its parent company, being held jointly responsible although no facts implicating TOTAL S.A. in the practices under investigation were alleged. TOTAL S.A. and Total Raffinage Marketing (the new corporate name of Total France) have appealed this decision to the Court of First Instance of the European Union.

Furthermore, in July 2009, the French antitrust Authority sent to TotalGaz and Total Raffinage Marketing a statement of objections regarding alleged antitrust practices concerning another product line of the Refining & Marketing division.

- 5) Given the discretionary powers granted to antitrust Authorities for determining fines, it is not currently possible to determine with certainty the ultimate outcome of these investigations and proceedings. TOTAL S.A. and Elf Aquitaine are contesting their liability and the method of determining these fines. Although it is not possible to predict the outcome of these proceedings, the Group believes that they will not have a material adverse effect on its financial condition or results.

## Buncefield

On December 11, 2005, several explosions, followed by a major fire, occurred at an oil storage depot at Buncefield, north of London. This depot is operated by Hertfordshire Oil Storage Limited (HOSL), a company in which the British subsidiary of TOTAL holds 60% and another oil group holds 40%.

The explosion caused minor injuries to a number of people and caused property damage to the depot and the buildings and homes located nearby. The official Independent Investigation Board has

indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report was released on December 11, 2008. The civil procedure for claims, which had not yet been settled, took place between October and December 2008. The Court's decision of March 20, 2009, declared the British subsidiary of TOTAL responsible for the accident and solely liable for indemnifying the victims. TOTAL's British subsidiary has appealed this decision. The appeal trial took place in January 2010 and a decision is expected during the first-half 2010.

With respect to civil liability the provision recorded in the Group's consolidated financial statements as of December 31, 2009 amounts to € 295 million after payments already completed.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The residual amount to be received from insurers amounts to € 211 million as of December 31, 2009.

The Group believes that, based on the information currently available, on a reasonable estimate of its liability and on provisions recognized, this accident should not have a significant impact on the Group's financial situation or consolidated results.

On December 1, 2008, the Health and Safety Executive (HSE) and the Environment Agency (EA) issued a Notice of prosecution against five companies, including the British subsidiary of TOTAL. In November 2009, the British subsidiary of TOTAL, pleaded guilty to charges brought by the prosecution and intends to raise, into this framework, a number of elements likely to mitigate the impact of the charges brought against it.

## Erika

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding that TOTAL S.A. was negligent in its vetting procedure for vessel selection. TOTAL S.A. was fined € 375,000. The court also ordered compensation to be paid to the victims of pollution from the Erika up to an aggregate amount of €192 million, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

TOTAL believes that the finding of negligence and the related conviction for marine pollution are without substance as a matter of fact and as a matter of law. TOTAL also considers that this verdict is contrary to the intended aim of enhancing maritime transport safety.

TOTAL has appealed the verdict of January 16, 2008. In the meantime, it has nevertheless proposed to pay third parties who so request definitive compensation as determined by the court. To date, forty-one third parties have received compensation payments, representing an aggregate amount of €171.5 million.

The appeal was heard end of 2009 by the Court of Appeal in Paris. The decision of the Court is expected during the first-half 2010.

TOTAL S.A. believes that, based on a reasonable estimate of its liability, the case will not have a material impact on the Group's financial situation or consolidated results.

## 33) Other information

### A) Research and development costs

Research and development costs incurred by the Group in 2009 amounted to €650 million (€612 million in 2008 and €594 million in 2007), corresponding to 0.5% of the sales.

The staff dedicated in 2009 to these research and development activities are estimated at 4,016 people (4,285 in 2008 and 4,216 in 2007).

### B) Taxes paid to Middle East oil-producing countries for the portion which TOTAL held historically as concessions

Taxes paid for the portion that TOTAL held historically as concessions (Abu Dhabi offshore and onshore, Dubai offshore, Oman and Abu Al Bu Khoosh) included in operating expenses amounted to €1,871 million in 2009 (€3,301 million in 2008 and €2,505 million in 2007).

### C) Carbon dioxide emission rights

The principles governing the accounting for emission rights are presented in Note 1 paragraph T to the Consolidated Financial Statements.

As of December 31, 2009, the Group sites' position for emission rights is balanced between delivered/acquired emission rights and emissions for the year 2009.

## 34) Post-closing events

### A) Devaluation of the Bolivar

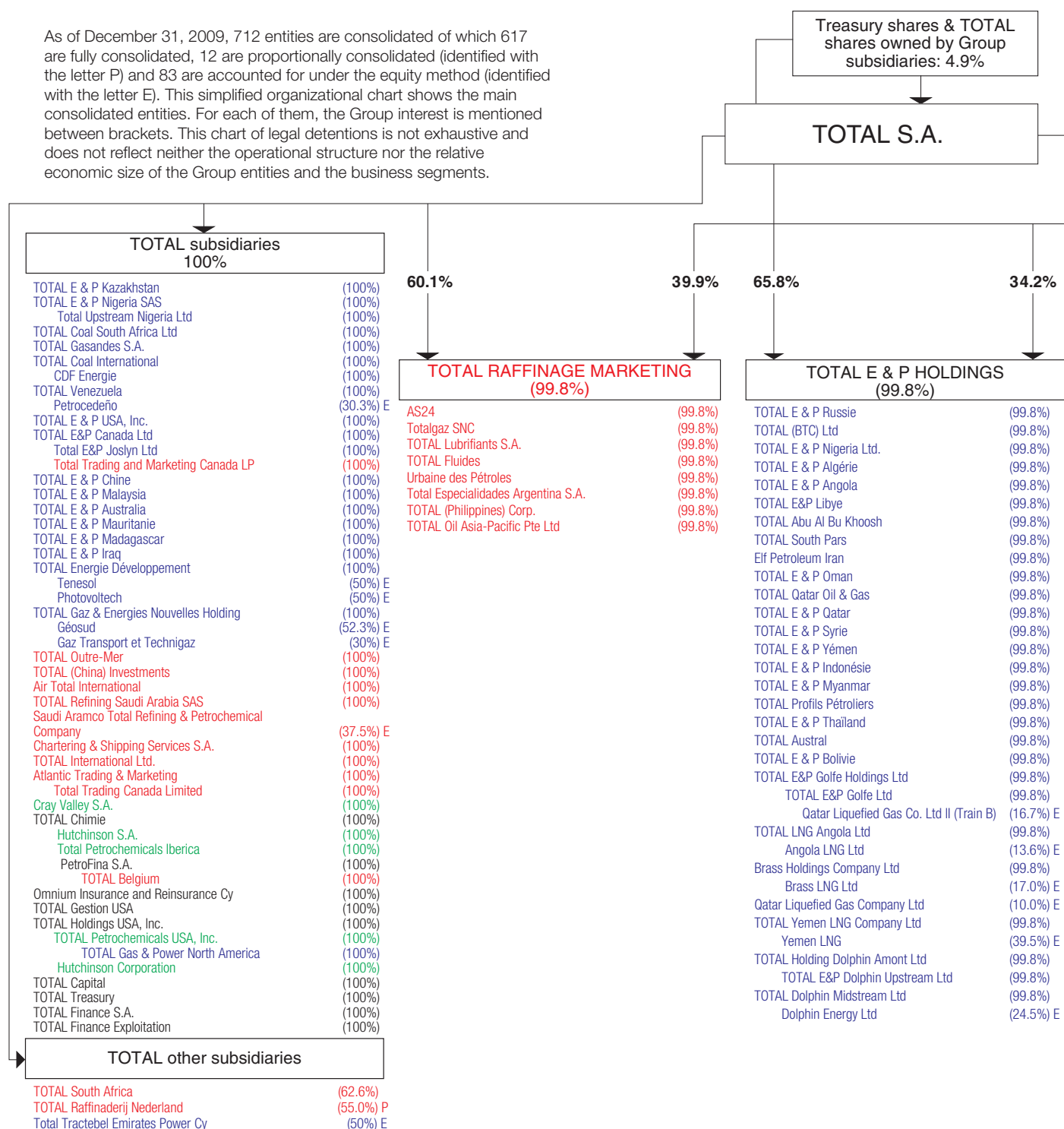
In January 2010, the President of Venezuela announced a devaluation of the Bolivar and the establishment of a dual exchange rate. Subsidiaries of the Group in this country operate mostly in the Upstream segment and are dollar functional currency entities. In this context, the devaluation of the Bolivar should not have any material effect on the Group's consolidated balance sheet, statement of income and shareholders' equity.

### B) Creation of TotalErg

On January 27, 2010, TOTAL and ERG signed an agreement to create a joint venture in the Italian marketing and refining business. The shareholder pact calls for joint governance as well as operating independence for the new entity. TOTAL and ERG will hold equity stakes of, respectively, 49% and 51%. Created through the merger of TOTAL Italia and ERG Petroli, the joint venture will be called "TotalErg" and will operate under both the TOTAL and ERG brands. TotalErg will become one of the largest marketing operators in Italy, with a retail market share of nearly 13% and over 3,400 service stations. The joint venture will also be active in the refining business, with a total capacity of around 8% of national demand. The transaction will be submitted to competition authorities for approval. Until then, TOTAL Italia and ERG Petroli will remain as separate, competing entities.

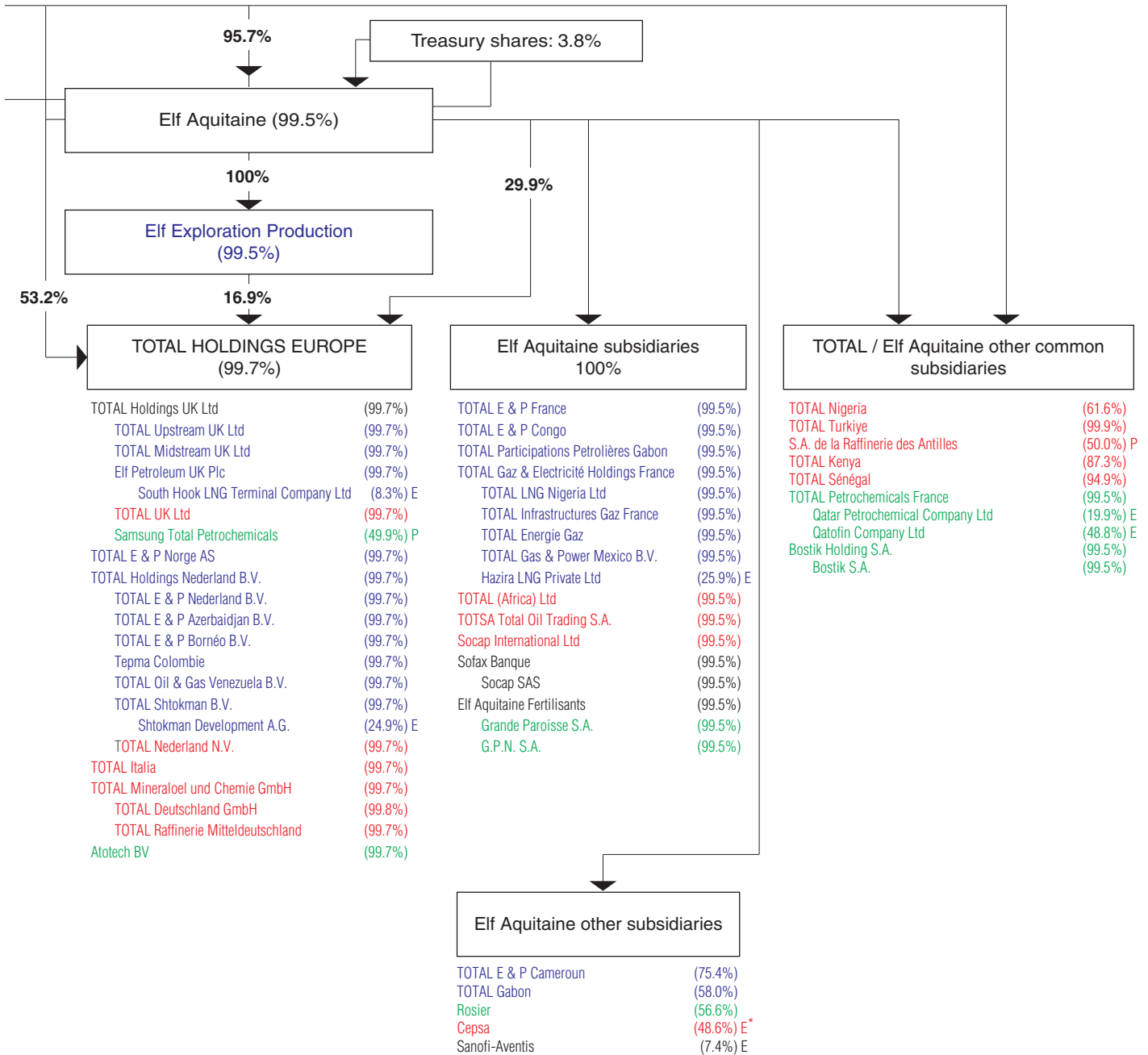
## 35) Consolidation Scope

As of December 31, 2009, 712 entities are consolidated of which 617 are fully consolidated, 12 are proportionally consolidated (identified with the letter P) and 83 are accounted for under the equity method (identified with the letter E). This simplified organizational chart shows the main consolidated entities. For each of them, the Group interest is mentioned between brackets. This chart of legal detentions is not exhaustive and does not reflect neither the operational structure nor the relative economic size of the Group entities and the business segments.



The business segments are identified with the following colors:

- Upstream
- Downstream
- Chemicals
- Holding





**SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED)**

<b>OIL AND GAS INFORMATION PURSUANT TO FASB ACCOUNTING STANDARDS CODIFICATION 932</b>	<b>p. 264</b>
New rules	p. 264
Preparation of reserves estimates	p. 264
Proved developed reserves	p. 265
Proved undeveloped reserves	p. 265
Estimated proved reserves of oil, bitumen and gas reserves	p. 265
Results of operations for oil and gas producing activities	p. 273
Costs incurred in oil and gas property acquisition, exploration and development activities	p. 275
Capitalized cost related to oil and gas producing activities	p. 276
Standardized measure of discounted future net cash flows (excluding transportation)	p. 277
Changes in the standardized measure of discounted future net cash flows	p. 279
<b>OTHER INFORMATION</b>	<b>p. 280</b>
Net gas production, production prices and production costs	p. 280

## ▶ Oil and gas information pursuant to FASB Accounting Standards Codification 932

### ■ New rules

The amendments to Securities and Exchange Commission (SEC) Rule 4-10 of Regulation S-X set forth in the “Modernization of Oil and Gas Reporting” release (SEC Release n° 33-8995) and the Financial Accounting Standard Board (FASB) Accounting Standards Update regarding Extractive Activities – Oil and Gas (ASC 932) change a number of reserves estimation and disclosure requirements. In terms of reserves estimation, the main changes are: the use of an average price instead of a single year-end price; the use of new reliable technologies to assess proved reserves; and the inclusion, under certain conditions, of non traditional sources as oil and gas producing activities. The revised rules form the basis of the 2009 year-end estimation of proved reserves and their application resulted in an immaterial increase in TOTAL’s proved reserves. In particular, positive revisions were made possible in 2009 on a limited number of proved properties due to the integration of reliable technologies such as seismic and wireline pressure data in the proved reserves evaluation workflow. These revisions represent less than 2% of the Group’s proved reserves portfolio. Bitumen was included in 2008 and 2007 in the crude oil reserves and is disclosed separately for 2009 pursuant to the SEC requirements, as amended.

### ■ Preparation of reserves estimates

The estimation of reserves is an ongoing process which is done within affiliates by experienced geoscientists, engineers and economists under the supervision of each affiliate’s General Management. Persons involved in reserves evaluation are trained to follow SEC-compliant internal guidelines and policies regarding criteria that must be met before reserves can be considered as proved.

The technical validation process involves a Reservoir Committee that is responsible for approving proved reserves changes above a certain threshold and technical evaluations of reserves associated with any investment decision that requires approval from the Exploration & Production Executive Committee. The Chairman of the Reservoir Committee and its members are appointed by the President of Exploration & Production and represent expertise in

reservoir engineering, production geology, production geophysics, drilling, and pre-development projects.

An internal control process related to reserves estimation is well established within TOTAL and involves the following elements:

- A central Reserve Entity whose responsibility is: to consolidate, document and archive the Group’s reserves ; to ensure coherency of evaluations worldwide; to maintain the Corporate Reserves Guidelines Standards in line with SEC guidelines and policies; to deliver training on reserves evaluation and classification; and to conduct periodically in-depth technical review of reserves for each affiliate .
- An annual review of reserves conducted by an internal group of specialists selected for their expertise in geosciences and engineering or their knowledge of the affiliate. All members of this group chaired by the Geoscience Reserve Manager and composed of at least three Reservoir Committee members are knowledgeable in the SEC guidelines for proved reserves evaluation. Their responsibility is to provide an independent review of reserves changes proposed by affiliates and ensure that reserves are estimated using appropriate standards and procedures.
- At the end of the annual review carried out by the Geoscience Division, a SEC Reserves Committee chaired by the Exploration & Production Finance Senior Vice President and comprised of the Geoscience, Strategy and Legal Senior Vice Presidents, or their representatives, as well as the Chairman of the Reservoir Committee and the Geoscience Reserves Manager, approves the SEC reserve booking proposals as regards to criteria that are not depending upon reservoir and geoscience techniques. The results of the annual review and the proposals for including revisions or additions of SEC Proved Reserves are presented to the Exploration & Production Executive Committee for approval before final validation by the Group Executive Management.

The reserves evaluation and control process is audited periodically by the Group internal auditors who verify the effectiveness of the reserves evaluation process and control procedures.

The Geosciences Reserves Manager (GRM) is the technical person responsible for preparing the reserves estimates for the Group. The GRM supervises the Reserve Entity, chairs the annual review of reserves, and is a member of the Reservoir Committee and the SEC Reserves Committee. The GRM has a solid background in the fields of reservoir engineering and geosciences, a strong experience of reserve evaluation, audit and control processes and a good knowledge in economics and finance.



## Proved developed reserves

At year-end 2009, proved developed reserves of oil and gas were 5,835 Mboe and represented 56% of proved reserves. At the end of 2008, proved developed reserves were 5,243 Mboe and represented 50% of proved reserves. Over the past three years, the level of proved developed reserves has remained above 5.2 Bboe and over 50% of proved reserves, illustrating TOTAL's ability to consistently transfer proved undeveloped reserves into developed status.

## Proved undeveloped reserves

As of December 31, 2009, TOTAL's combined proved undeveloped reserves of oil and gas were 4,648 Mboe as compared to 5,215 Mboe at the end of 2008. The reduction of proved undeveloped reserves reflects primarily the progress made in converting proved undeveloped reserves into proved developed reserves in particular with the successful production start up of large projects in Nigeria, Angola, United States, Qatar and Yemen. The reduction of proved undeveloped reserves associated with the transfer into developed reserves has been partially offset by the addition of undeveloped reserves mainly in Canada and Argentina.

More than 60% of the proved undeveloped reserves are associated with producing fields and are located for the most part in Canada, Nigeria, Yemen, UAE, Venezuela and Norway. These reserves are expected to be developed over time as part of initial field development plans or additional development phases. The timing to bring these proved reserves into production will depend upon several factors including reservoir performance, surface facilities or plant capacity constraints and contractual limitations on production level.

The remaining proved undeveloped reserves correspond to undeveloped fields or assets for which a development has been sanctioned or is in progress. These proved undeveloped reserves are located primarily in Kazakhstan, Angola and Nigeria. For some of the major developments we anticipate it may take more than five

years from the time of recording proved reserves to the start of production due to the complexity and the size of the projects.

Development costs for the year 2009 were €8.1 billion. A large part of the investments was allocated to major development projects in Kazakhstan, Angola, Nigeria, United States, Qatar and Yemen and contributed to convert proved undeveloped reserves into proved developed reserves.

Information shown in the following tables is presented in accordance with the FASB's ASC 932 and the requirements of the SEC Regulation S-K (Items 1200 to 1208).

The tables provided below are presented by the following geographic areas: Europe, Africa, the Americas, Middle East and Asia (including CIS). Certain previously reported amounts for 2008 and 2007 have been reclassified to conform to the current year presentation.

## Estimated proved reserves of oil, bitumen and gas reserves

The following tables present, for oil, bitumen and gas reserves, an estimate of the Group's oil and gas quantities by geographic areas as of December 31, 2009, 2008 and 2007. Quantities shown concern proved developed and undeveloped reserves together with changes in quantities for 2009, 2008 and 2007.

The definitions used for proved, proved developed and proved undeveloped oil and gas reserves are in accordance with the revised Rule 4-10 of SEC Regulation S-X.

All references in the following tables to reserves or production are to the Group's entire share of such reserves or production. TOTAL's worldwide proved reserves include the proved reserves of its consolidated subsidiaries as well as its proportionate share of the proved reserves of equity affiliates and of two companies accounted for by the cost method.

● Changes in oil, bitumen and gas reserves

(in millions of barrels of oil equivalent)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>Proved developed and undeveloped reserves</b>						
<b>Balance as of December 31, 2006</b>	<b>1,903</b>	<b>3,430</b>	<b>1,823</b>	<b>532</b>	<b>1,288</b>	<b>8,976</b>
Revisions of previous estimates	196	280	(531)	(23)	(16)	(94)
Extensions, discoveries and other	50	93	2	1	51	197
Acquisitions of reserves in place	–	–	–	–	–	–
Sales of reserves in place	(3)	(2)	(465)	–	–	(470)
Production for the year	(246)	(285)	(92)	(36)	(99)	(758)
<b>Balance as of December 31, 2007</b>	<b>1,900</b>	<b>3,516</b>	<b>737</b>	<b>474</b>	<b>1,224</b>	<b>7,851</b>
Revisions of previous estimates	41	374	50	106	144	715
Extensions, discoveries and other	82	110	–	–	19	211
Acquisitions of reserves in place	17	–	–	–	–	17
Sales of reserves in place	–	(74)	–	–	(46)	(120)
Production for the year	(225)	(280)	(55)	(50)	(99)	(709)
<b>Balance as of December 31, 2008</b>	<b>1,815</b>	<b>3,646</b>	<b>732</b>	<b>530</b>	<b>1,242</b>	<b>7,965</b>
Revisions of previous estimates	46	76	14	(7)	25	154
Extensions, discoveries and other	18	53	284	76	–	431
Acquisitions of reserves in place	12	–	130	–	–	142
Sales of reserves in place	(2)	(43)	(14)	–	–	(59)
Production for the year	(224)	(266)	(56)	(55)	(101)	(702)
<b>Balance as of December 31, 2009</b>	<b>1,665</b>	<b>3,466</b>	<b>1,090</b>	<b>544</b>	<b>1,166</b>	<b>7,931</b>
<b>Minority interest in proved developed and undeveloped reserves as of</b>						
December 31, 2007	30	135	–	–	–	165
December 31, 2008	27	100	–	–	–	127
<b>December 31, 2009</b>	<b>26</b>	<b>98</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>124</b>

Proved developed and undeveloped reserves	Equity & non-consolidated affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>Balance as of December 31, 2006</b>	<b>–</b>	<b>60</b>	<b>–</b>	<b>2,084</b>	<b>–</b>	<b>2,144</b>
Revisions of previous estimates	–	(3)	554	(3)	–	548
Extensions, discoveries and other	–	30	–	–	–	30
Acquisitions of reserves in place	–	–	–	–	–	–
Sales of reserves in place	–	(9)	–	–	–	(9)
Production for the year	–	(9)	–	(106)	–	(115)
<b>Balance as of December 31, 2007</b>	<b>–</b>	<b>69</b>	<b>554</b>	<b>1,975</b>	<b>–</b>	<b>2,598</b>
Revisions of previous estimates	–	22	–	(2)	–	20
Extensions, discoveries and other	–	14	–	3	–	17
Acquisitions of reserves in place	–	–	6	–	–	6
Sales of reserves in place	–	–	–	–	–	–
Production for the year	–	(7)	(33)	(108)	–	(148)
<b>Balance as of December 31, 2008</b>	<b>–</b>	<b>98</b>	<b>527</b>	<b>1,868</b>	<b>–</b>	<b>2,493</b>
Revisions of previous estimates	–	10	(7)	51	–	54
Extensions, discoveries and other	–	–	–	136	–	136
Acquisitions of reserves in place	–	–	–	–	–	–
Sales of reserves in place	–	–	–	–	–	–
Production for the year	–	(8)	(18)	(105)	–	(131)
<b>Balance as of December 31, 2009</b>	<b>–</b>	<b>100</b>	<b>502</b>	<b>1,950</b>	<b>–</b>	<b>2,552</b>

**Consolidated subsidiaries and equity & non-consolidated affiliates**

(in millions of barrels of oil equivalent)

**As of December 31, 2007**

	Europe	Africa	Americas	Middle East	Asia	Total
<b>Proved developed and undeveloped reserves</b>	<b>1,900</b>	<b>3,585</b>	<b>1,291</b>	<b>2,449</b>	<b>1,224</b>	<b>10,449</b>
Consolidated subsidiaries	1,900	3,516	737	474	1,224	7,851
Equity and non-consolidated affiliates	–	69	554	1,975	–	2,598
<b>Proved developed reserves</b>	<b>1,229</b>	<b>1,917</b>	<b>508</b>	<b>1,242</b>	<b>487</b>	<b>5,383</b>
Consolidated subsidiaries	1,229	1,884	360	452	487	4,412
Equity and non-consolidated affiliates	–	33	148	790	–	971
<b>Proved undeveloped reserves</b>	<b>671</b>	<b>1,668</b>	<b>783</b>	<b>1,207</b>	<b>737</b>	<b>5,066</b>
Consolidated subsidiaries	671	1,632	377	22	737	3,439
Equity and non-consolidated affiliates	–	36	406	1,185	–	1,627

**As of December 31, 2008**

<b>Proved developed and undeveloped reserves</b>	<b>1,815</b>	<b>3,744</b>	<b>1,259</b>	<b>2,398</b>	<b>1,242</b>	<b>10,458</b>
Consolidated subsidiaries	1,815	3,646	732	530	1,242	7,965
Equity and non-consolidated affiliates	–	98	527	1,868	–	2,493
<b>Proved developed reserves</b>	<b>1,252</b>	<b>1,801</b>	<b>515</b>	<b>1,194</b>	<b>481</b>	<b>5,243</b>
Consolidated subsidiaries	1,252	1,754	381	504	481	4,372
Equity and non-consolidated affiliates	–	47	134	690	–	871
<b>Proved undeveloped reserves</b>	<b>563</b>	<b>1,943</b>	<b>744</b>	<b>1,204</b>	<b>761</b>	<b>5,215</b>
Consolidated subsidiaries	563	1,892	351	26	761	3,593
Equity and non-consolidated affiliates	–	51	393	1,178	–	1,622

**As of December 31, 2009**

<b>Proved developed and undeveloped reserves</b>	<b>1,665</b>	<b>3,566</b>	<b>1,592</b>	<b>2,494</b>	<b>1,166</b>	<b>10,483</b>
Consolidated subsidiaries	1,665	3,466	1,090	544	1,166	7,931
Equity and non-consolidated affiliates	–	100	502	1,950	–	2,552
<b>Proved developed reserves</b>	<b>1,096</b>	<b>1,775</b>	<b>631</b>	<b>1,918</b>	<b>415</b>	<b>5,835</b>
Consolidated subsidiaries	1,096	1,745	503	482	415	4,241
Equity and non-consolidated affiliates	–	30	128	1,436	–	1,594
<b>Proved undeveloped reserves</b>	<b>569</b>	<b>1,791</b>	<b>961</b>	<b>576</b>	<b>751</b>	<b>4,648</b>
Consolidated subsidiaries	569	1,721	587	62	751	3,690
Equity and non-consolidated affiliates	–	70	374	514	–	958

## ● Changes in oil reserves

The oil reserves include crude oil, natural gas liquids (condensates, LPG) and bitumen reserves as of December 31, 2007 and 2008 and only crude oil and natural gas liquids reserves as of December 31, 2009.

Bitumen reserves as of December 31, 2009 are shown separately.

(in millions of barrels)	Consolidated subsidiaries					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>Proved developed and undeveloped reserves</b>						
<b>Balance as of December 31, 2006</b>	<b>893</b>	<b>2,502</b>	<b>1,345</b>	<b>237</b>	<b>539</b>	<b>5,516</b>
Revisions of previous estimates	108	149	(549)	(5)	(1)	(298)
Extensions, discoveries and other	4	90	2	1	6	103
Acquisitions of reserves in place	-	-	-	-	-	-
Sales of reserves in place	(3)	(2)	(465)	-	-	(470)
Production for the year	(122)	(241)	(48)	(30)	(14)	(455)
<b>Balance as of December 31, 2007</b>	<b>880</b>	<b>2,498</b>	<b>285</b>	<b>203</b>	<b>530</b>	<b>4,396</b>
Revisions of previous estimates	15	297	(17)	54	64	413
Extensions, discoveries and other	12	107	-	-	3	122
Acquisitions of reserves in place	2	-	-	-	-	2
Sales of reserves in place	-	(74)	-	-	(43)	(117)
Production for the year	(111)	(231)	(16)	(32)	(16)	(406)
<b>Balance as of December 31, 2008</b>	<b>798</b>	<b>2,597</b>	<b>252</b>	<b>225</b>	<b>538</b>	<b>4,410</b>
Revisions of previous estimates	34	92	(170)	(4)	51	3
Extensions, discoveries and other	8	38	22	1	-	69
Acquisitions of reserves in place	1	-	-	-	-	1
Sales of reserves in place	-	(44)	(1)	-	-	(45)
Production for the year	(108)	(223)	(15)	(34)	(17)	(397)
<b>Balance as of December 31, 2009</b>	<b>733</b>	<b>2,460</b>	<b>88</b>	<b>188</b>	<b>572</b>	<b>4,041</b>
<b>Minority interest in proved developed and undeveloped reserves as of</b>						
December 31, 2007	15	116	-	-	-	131
December 31, 2008	12	89	-	-	-	101
<b>December 31, 2009</b>	<b>12</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>

Proved developed and undeveloped reserves	Equity affiliates & non-consolidated affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>Balance as of December 31, 2006</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>899</b>	<b>-</b>	<b>955</b>
Revisions of previous estimates	-	(3)	533	(5)	-	525
Extensions, discoveries and other	-	7	-	-	-	7
Acquisitions of reserves in place	-	-	-	-	-	-
Sales of reserves in place	-	(9)	-	-	-	(9)
Production for the year	-	(8)	-	(88)	-	(96)
<b>Balance as of December 31, 2007</b>	<b>-</b>	<b>43</b>	<b>533</b>	<b>806</b>	<b>-</b>	<b>1,382</b>
Revisions of previous estimates	-	22	1	(2)	-	21
Extensions, discoveries and other	-	-	-	3	-	3
Acquisitions of reserves in place	-	-	6	-	-	6
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	(7)	(32)	(88)	-	(127)
<b>Balance as of December 31, 2008</b>	<b>-</b>	<b>58</b>	<b>508</b>	<b>719</b>	<b>-</b>	<b>1,285</b>
Revisions of previous estimates	-	(14)	(5)	(15)	-	(34)
Extensions, discoveries and other	-	-	-	136	-	136
Acquisitions of reserves in place	-	-	-	-	-	-
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	(7)	(18)	(79)	-	(104)
<b>Balance as of December 31, 2009</b>	<b>-</b>	<b>37</b>	<b>485</b>	<b>761</b>	<b>-</b>	<b>1,283</b>

Oil and gas information pursuant to FASB Accounting Standards  
Codification 932

APPENDIX 2  
**SUPPLEMENTAL OIL AND GAS  
INFORMATION (UNAUDITED)**

(in millions of barrels)

**As of December 31, 2007**

	Europe	Africa	Americas	Middle East	Asia	Total
<b>Proved developed and undeveloped reserves</b>	<b>880</b>	<b>2,541</b>	<b>818</b>	<b>1,009</b>	<b>530</b>	<b>5,778</b>
Consolidated subsidiaries	880	2,498	285	203	530	4,396
Equity and non-consolidated affiliates	–	43	533	806	–	1,382
<b>Proved developed reserves</b>	<b>560</b>	<b>1,419</b>	<b>213</b>	<b>744</b>	<b>59</b>	<b>2,995</b>
Consolidated subsidiaries	560	1,389	70	182	59	2,260
Equity and non-consolidated affiliates	–	30	143	562	–	735
<b>Proved undeveloped reserves</b>	<b>320</b>	<b>1,122</b>	<b>605</b>	<b>265</b>	<b>471</b>	<b>2,783</b>
Consolidated subsidiaries	320	1,109	215	21	471	2,136
Equity and non-consolidated affiliates	–	13	390	244	–	647

**As of December 31, 2008**

<b>Proved developed and undeveloped reserves</b>	<b>798</b>	<b>2,655</b>	<b>760</b>	<b>944</b>	<b>538</b>	<b>5,695</b>
Consolidated subsidiaries	798	2,597	252	225	538	4,410
Equity and non-consolidated affiliates	–	58	508	719	–	1,285
<b>Proved developed reserves</b>	<b>516</b>	<b>1,357</b>	<b>183</b>	<b>681</b>	<b>65</b>	<b>2,802</b>
Consolidated subsidiaries	516	1,313	56	201	65	2,151
Equity and non-consolidated affiliates	–	44	127	480	–	651
<b>Proved undeveloped reserves</b>	<b>282</b>	<b>1,298</b>	<b>577</b>	<b>263</b>	<b>473</b>	<b>2,893</b>
Consolidated subsidiaries	282	1,284	196	24	473	2,259
Equity and non-consolidated affiliates	–	14	381	239	–	634

**As of December 31, 2009**

<b>Proved developed and undeveloped reserves</b>	<b>733</b>	<b>2,497</b>	<b>573</b>	<b>949</b>	<b>572</b>	<b>5,324</b>
Consolidated subsidiaries	733	2,460	88	188	572	4,041
Equity and non-consolidated affiliates	–	37	485	761	–	1,283
<b>Proved developed reserves</b>	<b>457</b>	<b>1,331</b>	<b>187</b>	<b>728</b>	<b>65</b>	<b>2,768</b>
Consolidated subsidiaries	457	1,303	66	174	65	2,065
Equity and non-consolidated affiliates	–	28	121	554	–	703
<b>Proved undeveloped reserves</b>	<b>276</b>	<b>1,166</b>	<b>386</b>	<b>221</b>	<b>507</b>	<b>2,556</b>
Consolidated subsidiaries	276	1,157	22	14	507	1,976
Equity and non-consolidated affiliates	–	9	364	207	–	580

## ● Changes in bitumen reserves

Bitumen reserves as of December 31, 2007 and 2008 are included in oil reserves presented in the table "Changes in oil reserves" on pages 268 and 269.

(in millions of barrels)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>Proved developed and undeveloped reserves</b>						
<b>Balance as of December 31, 2008</b>	-	-	-	-	-	-
Revisions of previous estimates	-	-	176	-	-	176
Extensions, discoveries and other	-	-	192	-	-	192
Acquisitions of reserves in place	-	-	-	-	-	-
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	-	(3)	-	-	(3)
<b>Balance as of December 31, 2009</b>	-	-	365	-	-	365
<b>Proved developed reserves as of</b>						
<b>December 31, 2009</b>	-	-	19	-	-	19
<b>Proved undeveloped reserves as of</b>						
<b>December 31, 2009</b>	-	-	346	-	-	346

There are no bitumen reserves for equity and non-consolidated affiliates.

There are no minority interests for bitumen reserves.

## ● Changes in gas reserves

## Consolidated subsidiaries

(in billions of cubic feet)

Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<b>Balance as of December 31, 2006</b>	<b>5,452</b>	<b>4,787</b>	<b>2,711</b>	<b>1,769</b>	<b>4,347</b>	<b>19,066</b>
Revisions of previous estimates	487	805	88	(163)	(79)	1,138
Extensions, discoveries and other	265	12	3	—	263	543
Acquisitions of reserves in place	—	—	—	—	—	—
Sales of reserves in place	—	(1)	—	—	—	(1)
Production for the year	(673)	(232)	(238)	(34)	(486)	(1,663)
<b>Balance as of December 31, 2007</b>	<b>5,531</b>	<b>5,371</b>	<b>2,564</b>	<b>1,572</b>	<b>4,045</b>	<b>19,083</b>
Revisions of previous estimates	145	381	366	300	458	1,650
Extensions, discoveries and other	377	17	—	—	90	484
Acquisitions of reserves in place	76	—	—	—	—	76
Sales of reserves in place	—	—	—	—	(15)	(15)
Production for the year	(622)	(240)	(216)	(103)	(480)	(1,661)
<b>Balance as of December 31, 2008</b>	<b>5,507</b>	<b>5,529</b>	<b>2,714</b>	<b>1,769</b>	<b>4,098</b>	<b>19,617</b>
Revisions of previous estimates	73	(127)	25	(18)	(165)	(212)
Extensions, discoveries and other	55	61	382	399	—	897
Acquisitions of reserves in place	58	—	752	—	—	810
Sales of reserves in place	(13)	—	(64)	—	—	(77)
Production for the year	(633)	(217)	(212)	(122)	(467)	(1,651)
<b>Balance as of December 31, 2009</b>	<b>5,047</b>	<b>5,246</b>	<b>3,597</b>	<b>2,028</b>	<b>3,466</b>	<b>19,384</b>
<b>Minority interest in proved developed and undeveloped reserves as of</b>						
December 31, 2007	80	111	—	—	—	191
December 31, 2008	75	64	—	—	—	139
<b>December 31, 2009</b>	<b>73</b>	<b>60</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>133</b>

## Equity affiliates &amp; non-consolidated affiliates

Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<b>Balance as of December 31, 2006</b>	<b>—</b>	<b>20</b>	<b>—</b>	<b>6,453</b>	<b>—</b>	<b>6,473</b>
Revisions of previous estimates	—	—	125	30	—	155
Extensions, discoveries and other	—	126	—	—	—	126
Acquisitions of reserves in place	—	—	—	—	—	—
Sales of reserves in place	—	(4)	—	—	—	(4)
Production for the year	—	(2)	—	(101)	—	(103)
<b>Balance as of December 31, 2007</b>	<b>—</b>	<b>140</b>	<b>125</b>	<b>6,382</b>	<b>—</b>	<b>6,647</b>
Revisions of previous estimates	—	—	(13)	—	—	(13)
Extensions, discoveries and other	—	76	—	—	—	76
Acquisitions of reserves in place	—	—	—	—	—	—
Sales of reserves in place	—	—	—	—	—	—
Production for the year	—	(1)	(2)	(106)	—	(109)
<b>Balance as of December 31, 2008</b>	<b>—</b>	<b>215</b>	<b>110</b>	<b>6,276</b>	<b>—</b>	<b>6,601</b>
Revisions of previous estimates	—	127	(13)	363	—	477
Extensions, discoveries and other	—	—	—	—	—	—
Acquisitions of reserves in place	—	—	—	—	—	—
Sales of reserves in place	—	—	—	—	—	—
Production for the year	—	(1)	(2)	(141)	—	(144)
<b>Balance as of December 31, 2009</b>	<b>—</b>	<b>341</b>	<b>95</b>	<b>6,498</b>	<b>—</b>	<b>6,934</b>



## Consolidated subsidiaries and equity &amp; non-consolidated affiliates

(in billions of cubic feet)

## As of December 31, 2007

	Europe	Africa	Americas	Middle East	Asia	Total
<b>Proved developed and undeveloped reserves</b>	<b>5,531</b>	<b>5,511</b>	<b>2,689</b>	<b>7,954</b>	<b>4,045</b>	<b>25,730</b>
Consolidated subsidiaries	5,531	5,371	2,564	1,572	4,045	19,083
Equity and non-consolidated affiliates	–	140	125	6,382	–	6,647
<b>Proved developed reserves</b>	<b>3,602</b>	<b>2,574</b>	<b>1,647</b>	<b>2,797</b>	<b>2,487</b>	<b>13,107</b>
Consolidated subsidiaries	3,602	2,560	1,619	1,572	2,487	11,840
Equity and non-consolidated affiliates	–	14	28	1,225	–	1,267
<b>Proved undeveloped reserves</b>	<b>1,929</b>	<b>2,937</b>	<b>1,042</b>	<b>5,157</b>	<b>1,558</b>	<b>12,623</b>
Consolidated subsidiaries	1,929	2,811	945	–	1,558	7,243
Equity and non-consolidated affiliates	–	126	97	5,157	–	5,380

## As of December 31, 2008

<b>Proved developed and undeveloped reserves</b>	<b>5,507</b>	<b>5,744</b>	<b>2,824</b>	<b>8,045</b>	<b>4,098</b>	<b>26,218</b>
Consolidated subsidiaries	5,507	5,529	2,714	1,769	4,098	19,617
Equity and non-consolidated affiliates	–	215	110	6,276	–	6,601
<b>Proved developed reserves</b>	<b>3,989</b>	<b>2,292</b>	<b>1,849</b>	<b>2,893</b>	<b>2,440</b>	<b>13,463</b>
Consolidated subsidiaries	3,989	2,280	1,807	1,766	2,440	12,282
Equity and non-consolidated affiliates	–	12	42	1,127	–	1,181
<b>Proved undeveloped reserves</b>	<b>1,518</b>	<b>3,452</b>	<b>975</b>	<b>5,152</b>	<b>1,658</b>	<b>12,755</b>
Consolidated subsidiaries	1,518	3,249	907	3	1,658	7,335
Equity and non-consolidated affiliates	–	203	68	5,149	–	5,420

## As of December 31, 2009

<b>Proved developed and undeveloped reserves</b>	<b>5,047</b>	<b>5,587</b>	<b>3,692</b>	<b>8,526</b>	<b>3,466</b>	<b>26,318</b>
Consolidated subsidiaries	5,047	5,246	3,597	2,028	3,466	19,384
Equity and non-consolidated affiliates	–	341	95	6,498	–	6,934
<b>Proved developed reserves</b>	<b>3,463</b>	<b>2,272</b>	<b>2,388</b>	<b>6,606</b>	<b>2,059</b>	<b>16,788</b>
Consolidated subsidiaries	3,463	2,261	2,343	1,773	2,059	11,899
Equity and non-consolidated affiliates	–	11	45	4,833	–	4,889
<b>Proved undeveloped reserves</b>	<b>1,584</b>	<b>3,315</b>	<b>1,304</b>	<b>1,920</b>	<b>1,407</b>	<b>9,530</b>
Consolidated subsidiaries	1,584	2,985	1,254	255	1,407	7,485
Equity and non-consolidated affiliates	–	330	50	1,665	–	2,045

## Results of operations for oil and gas producing activities

The following tables do not include revenues and expenses related to oil and gas transportation activities and LNG liquefaction and transportation activities.

		Consolidated subsidiaries					
(in million euros)		Europe	Africa	Americas	Middle East	Asia	Total
<b>Year ended December 31, 2007</b>							
Revenues	<i>Non-Group sales</i>	3,715	2,497	1,869	1,180	2,150	11,411
	<i>Group sales</i>	5,484	9,724	417	321	558	16,504
<b>Total Revenues</b>		<b>9,199</b>	<b>12,221</b>	<b>2,286</b>	<b>1,501</b>	<b>2,708</b>	<b>27,915</b>
Production costs		(1,102)	(906)	(248)	(192)	(240)	(2,688)
Exploration expenses		(113)	(480)	(145)	(9)	(129)	(876)
Depreciation, depletion and amortization and valuation allowances		(1,287)	(932)	(379)	(318)	(395)	(3,311)
Other expenses <sup>(a)</sup>		(244)	(1,238)	(544)	(273)	(50)	(2,349)
<b>Pre-tax income from producing activities</b>		<b>6,453</b>	<b>8,665</b>	<b>970</b>	<b>709</b>	<b>1,894</b>	<b>18,691</b>
Income tax		(4,180)	(5,772)	(576)	(421)	(934)	(11,883)
<b>Results of oil and gas producing activities</b>		<b>2,273</b>	<b>2,893</b>	<b>394</b>	<b>288</b>	<b>960</b>	<b>6,808</b>
<b>Year ended December 31, 2008</b>							
Revenues	<i>Non-Group sales</i>	4,521	2,930	707	1,558	2,819	12,535
	<i>Group sales</i>	6,310	11,425	360	409	626	19,130
<b>Total Revenues</b>		<b>10,831</b>	<b>14,355</b>	<b>1,067</b>	<b>1,967</b>	<b>3,445</b>	<b>31,665</b>
Production costs		(1,280)	(1,055)	(213)	(249)	(263)	(3,060)
Exploration expenses		(185)	(209)	(130)	(4)	(236)	(764)
Depreciation, depletion and amortization and valuation allowances		(1,266)	(1,195)	(318)	(364)	(471)	(3,614)
Other expenses <sup>(a)</sup>		(260)	(1,214)	(225)	(357)	(60)	(2,116)
<b>Pre-tax income from producing activities</b>		<b>7,840</b>	<b>10,682</b>	<b>181</b>	<b>993</b>	<b>2,415</b>	<b>22,111</b>
Income tax		(5,376)	(7,160)	(109)	(481)	(1,212)	(14,338)
<b>Results of oil and gas producing activities</b>		<b>2,464</b>	<b>3,522</b>	<b>72</b>	<b>512</b>	<b>1,203</b>	<b>7,773</b>
<b>Year ended December 31, 2009</b>							
Revenues	<i>Non-Group sales</i>	2,499	1,994	583	859	1,926	7,861
	<i>Group sales</i>	4,728	7,423	310	556	597	13,614
<b>Total Revenues</b>		<b>7,227</b>	<b>9,417</b>	<b>893</b>	<b>1,415</b>	<b>2,523</b>	<b>21,475</b>
Production costs		(1,155)	(1,122)	(193)	(204)	(243)	(2,917)
Exploration expenses		(160)	(265)	(121)	(81)	(70)	(697)
Depreciation, depletion and amortization and valuation allowances		(1,489)	(1,471)	(262)	(314)	(613)	(4,149)
Other expenses <sup>(a)</sup>		(261)	(895)	(181)	(170)	(56)	(1,563)
<b>Pre-tax income from producing activities</b>		<b>4,162</b>	<b>5,664</b>	<b>136</b>	<b>646</b>	<b>1,541</b>	<b>12,149</b>
Income tax		(2,948)	(3,427)	(103)	(309)	(747)	(7,534)
<b>Results of oil and gas producing activities</b>		<b>1,214</b>	<b>2,237</b>	<b>33</b>	<b>337</b>	<b>794</b>	<b>4,615</b>

(a) Including production taxes and IAS 37 accretion expense (169 M€ in 2007, 223 M€ in 2008 and 271 M€ in 2009).

(in million euros)	Group's share of results of oil and gas producing activities	Equity affiliates					Total
		Europe	Africa	Americas	Middle East	Asia	
Year ended December 31, 2007		-	95	-	179	-	274
Year ended December 31, 2008		-	49	245	287	-	581
<b>Year ended December 31, 2009</b>							
Revenues	<i>Non-Group sales</i>	-	203	528	231	-	962
	<i>Group sales</i>	-	-	-	3,382	-	3,382
<b>Total Revenues</b>		-	<b>203</b>	<b>528</b>	<b>3,613</b>	-	<b>4,344</b>
Production costs		-	(31)	(41)	(271)	-	(343)
Exploration expenses		-	-	(17)	-	-	(17)
Depreciation, depletion and amortization and valuation allowances		-	(42)	(73)	(247)	-	(362)
Other expenses		-	(9)	(205)	(2,800)	-	(3,014)
<b>Pre-tax income from producing activities</b>		-	<b>121</b>	<b>192</b>	<b>295</b>	-	<b>608</b>
Income tax		-	(93)	(74)	(101)	-	(268)
<b>Results of oil and gas producing activities</b>		-	<b>28</b>	<b>118</b>	<b>194</b>	-	<b>340</b>

**Costs incurred in oil and gas property acquisition, exploration and development activities**

The following tables do not include costs incurred related to oil and gas transportation and LNG liquefaction and transportation activities.

**Consolidated subsidiaries**

(in million euros)

<b>Year ended December 31, 2007</b>	<b>Europe</b>	<b>Africa</b>	<b>Americas</b>	<b>Middle East</b>	<b>Asia</b>	<b>Total</b>
Proved property acquisition	–	50	–	7	4	<b>61</b>
Unproved property acquisition	–	265	9	10	18	<b>302</b>
Exploration costs	230	586	126	9	244	<b>1,195</b>
Development costs <sup>(a)</sup>	1,762	2,853	615	320	1,275	<b>6,825</b>
<b>Total cost incurred</b>	<b>1,992</b>	<b>3,754</b>	<b>750</b>	<b>346</b>	<b>1,541</b>	<b>8,383</b>
<b>Year ended December 31, 2008</b>						
Proved property acquisition	269	78	–	8	18	<b>373</b>
Unproved property acquisition	24	143	22	5	3	<b>197</b>
Exploration costs	228	493	155	11	312	<b>1,199</b>
Development costs <sup>(a)</sup>	2,035	3,121	408	281	1,596	<b>7,441</b>
<b>Total cost incurred</b>	<b>2,556</b>	<b>3,835</b>	<b>585</b>	<b>305</b>	<b>1,929</b>	<b>9,210</b>
<b>Year ended December 31, 2009</b>						
Proved property acquisition	71	45	1,551	105	–	<b>1,772</b>
Unproved property acquisition	26	8	403	–	21	<b>458</b>
Exploration costs	284	475	222	87	123	<b>1,191</b>
Development costs <sup>(a)</sup>	1,658	3,288	618	250	1,852	<b>7,666</b>
<b>Total cost incurred</b>	<b>2,039</b>	<b>3,816</b>	<b>2,794</b>	<b>442</b>	<b>1,996</b>	<b>11,087</b>

**Equity affiliates**

<b>Group's share of costs of property acquisition, exploration and development</b>	<b>Europe</b>	<b>Africa</b>	<b>Americas</b>	<b>Middle East</b>	<b>Asia</b>	<b>Total</b>
Year ended December 31, 2007	–	48	–	599	–	<b>647</b>
Year ended December 31, 2008	–	360	85	527	–	<b>972</b>
<b>Year ended December 31, 2009</b>						
Proved property acquisition	–	–	–	–	–	<b>–</b>
Unproved property acquisition	–	–	–	–	–	<b>–</b>
Exploration costs	–	–	22	3	–	<b>25</b>
Development costs <sup>(a)</sup>	–	28	93	293	23	<b>437</b>
<b>Total cost incurred</b>	<b>–</b>	<b>28</b>	<b>115</b>	<b>296</b>	<b>23</b>	<b>462</b>

(a) Including asset retirement costs capitalized during the year and any gains or losses recognized upon settlement of asset retirement obligation during the year.

## Capitalized cost related to oil and gas producing activities

The following tables do not include capitalized cost related to oil and gas transportation and LNG liquefaction and transportation activities.

(in million euros)	Consolidated subsidiaries					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2007</b>						
Proved properties	29,263	20,035	4,032	4,266	6,951	<b>64,547</b>
Unproved properties	215	993	153	12	395	<b>1,768</b>
<b>Total capitalized costs</b>	<b>29,478</b>	<b>21,028</b>	<b>4,185</b>	<b>4,278</b>	<b>7,346</b>	<b>66,315</b>
Accumulated depreciation, depletion and amortization	(21,092)	(10,484)	(1,683)	(2,861)	(2,005)	<b>(38,125)</b>
<b>Net capitalized costs</b>	<b>8,386</b>	<b>10,544</b>	<b>2,502</b>	<b>1,417</b>	<b>5,341</b>	<b>28,190</b>
<b>As of December 31, 2008</b>						
Proved properties	26,030	25,136	4,508	4,824	8,836	<b>69,334</b>
Unproved properties	132	1,145	204	25	410	<b>1,916</b>
<b>Total capitalized costs</b>	<b>26,162</b>	<b>26,281</b>	<b>4,712</b>	<b>4,849</b>	<b>9,246</b>	<b>71,250</b>
Accumulated depreciation, depletion and amortization	(18,382)	(12,339)	(2,051)	(3,420)	(2,598)	<b>(38,790)</b>
<b>Net capitalized costs</b>	<b>7,780</b>	<b>13,942</b>	<b>2,661</b>	<b>1,429</b>	<b>6,648</b>	<b>32,460</b>
<b>As of December 31, 2009</b>						
Proved properties	30,613	27,557	7,123	5,148	10,102	<b>80,543</b>
Unproved properties	337	1,138	839	30	555	<b>2,899</b>
<b>Total capitalized costs</b>	<b>30,950</b>	<b>28,695</b>	<b>7,962</b>	<b>5,178</b>	<b>10,657</b>	<b>83,442</b>
Accumulated depreciation, depletion and amortization	(21,870)	(13,510)	(2,214)	(3,325)	(3,085)	<b>(44,004)</b>
<b>Net capitalized costs</b>	<b>9,080</b>	<b>15,185</b>	<b>5,748</b>	<b>1,853</b>	<b>7,572</b>	<b>39,438</b>
	Equity affiliates					
<b>Group's share of net capitalized costs <sup>(a)</sup></b>	Europe	Africa	Americas	Middle East	Asia	Total
As of December 31, 2007	–	233	–	403	–	636
As of December 31, 2008	–	403	288	638	–	1,329
<b>As of December 31, 2009</b>						
Proved properties	–	610	726	2,404	–	<b>3,740</b>
Unproved properties	–	–	135	–	62	<b>197</b>
<b>Total capitalized costs</b>	<b>–</b>	<b>610</b>	<b>861</b>	<b>2,404</b>	<b>62</b>	<b>3,937</b>
Accumulated depreciation, depletion and amortization	–	(387)	(171)	(1,723)	–	<b>(2,281)</b>
<b>Net capitalized costs</b>	<b>–</b>	<b>223</b>	<b>690</b>	<b>681</b>	<b>62</b>	<b>1,656</b>

(a) Capitalized costs previously reported for equity affiliates have been restated to be consistent with the methods used for consolidated subsidiaries

## Standardized measure of discounted future net cash flows (excluding transportation)

The standardized measure of discounted future net cash flows relating to proved oil, bitumen and gas reserve quantities was developed as follows:

- Estimates of proved reserves and the corresponding production profiles are based on existing technical and economic conditions;
- The estimated future cash flows are determined based on prices used in estimating the Group's proved oil and gas reserves;
- The future cash flows incorporate estimated production costs (including production taxes), future development costs and asset retirement costs. All cost estimates are based on year-end technical and economic conditions;
- Future income taxes are computed by applying the year-end statutory tax rate to future net cash flows after consideration of permanent differences and future income tax credits; and
- Future net cash flows are discounted at a standard discount rate of 10 percent.

These principles applied are those required by ASC 932 and do not reflect the expectations of real revenues from these reserves, nor their present value; hence, they do not constitute criteria for investment decisions. An estimate of the fair value of reserves should also take into account, among other things, the recovery of reserves not presently classified as proved, anticipated future changes in prices and costs and a discount factor more representative of the time value of money and the risks inherent in reserves estimates.

## Consolidated subsidiaries

(in million euros)

## As of December 31, 2007

	Europe	Africa	Americas	Middle East	Asia	Total
Future cash inflows	87,540	157,199	15,000	13,377	46,758	319,874
Future production costs	(12,897)	(23,109)	(6,702)	(3,342)	(5,519)	(51,569)
Future development costs	(10,764)	(19,012)	(2,157)	(693)	(7,541)	(40,167)
Future income taxes	(43,851)	(75,557)	(1,475)	(3,460)	(11,436)	(135,779)
<b>Future net cash flows, after income taxes</b>	<b>20,028</b>	<b>39,521</b>	<b>4,666</b>	<b>5,882</b>	<b>22,262</b>	<b>92,359</b>
Discount at 10%	(8,070)	(17,474)	(2,087)	(2,673)	(13,591)	(43,895)
<b>Standardized measure of discounted future net cash flows</b>	<b>11,958</b>	<b>22,047</b>	<b>2,579</b>	<b>3,209</b>	<b>8,671</b>	<b>48,464</b>

## As of December 31, 2008

Future cash inflows	42,749	67,761	7,963	7,047	19,745	145,265
Future production costs	(8,593)	(15,372)	(4,040)	(1,942)	(5,224)	(35,171)
Future development costs	(10,423)	(21,594)	(1,863)	(733)	(7,497)	(42,110)
Future income taxes	(15,651)	(14,571)	(367)	(1,577)	(2,545)	(34,711)
<b>Future net cash flows, after income taxes</b>	<b>8,082</b>	<b>16,224</b>	<b>1,693</b>	<b>2,795</b>	<b>4,479</b>	<b>33,273</b>
Discount at 10%	(3,645)	(8,144)	(715)	(1,333)	(3,450)	(17,287)
<b>Standardized measure of discounted future net cash flows</b>	<b>4,437</b>	<b>8,080</b>	<b>978</b>	<b>1,462</b>	<b>1,029</b>	<b>15,986</b>

## As of December 31, 2009

Future cash inflows	50,580	107,679	18,804	9,013	32,004	218,080
Future production costs	(11,373)	(23,253)	(8,286)	(2,831)	(6,996)	(52,739)
Future development costs	(12,795)	(21,375)	(5,728)	(698)	(6,572)	(47,168)
Future income taxes	(17,126)	(36,286)	(1,293)	(2,041)	(5,325)	(62,071)
<b>Future net cash flows, after income taxes</b>	<b>9,286</b>	<b>26,765</b>	<b>3,497</b>	<b>3,443</b>	<b>13,111</b>	<b>56,102</b>
Discount at 10%	(3,939)	(13,882)	(2,696)	(1,558)	(8,225)	(30,300)
<b>Standardized measure of discounted future net cash flows</b>	<b>5,347</b>	<b>12,883</b>	<b>801</b>	<b>1,885</b>	<b>4,886</b>	<b>25,802</b>

## Minority interests in future net cash flows as of

December 31, 2007	407	654	-	-	-	1,061
December 31, 2008	217	(50)	-	-	-	167
<b>December 31, 2009</b>	<b>212</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272</b>

## Equity affiliates

Group's share of future net cash flows as of	Europe	Africa	Americas	Middle East	Asia	Total
December 31, 2007	-	526	2,998	6,554	-	10,078
December 31, 2008	-	418	608	4,275	-	5,301

## As of December 31, 2009

Future cash inflows	-	1,432	16,750	48,486	-	66,668
Future production costs	-	(624)	(6,993)	(30,739)	-	(38,356)
Future development costs	-	(26)	(1,924)	(3,891)	-	(5,841)
Future income taxes	-	(245)	(3,650)	(1,843)	-	(5,738)
<b>Future net cash flows, after income taxes</b>	<b>-</b>	<b>537</b>	<b>4,183</b>	<b>12,013</b>	<b>-</b>	<b>16,733</b>
Discount at 10%	-	(239)	(2,816)	(6,383)	-	(9,438)
<b>Standardized measure of discounted future net cash flows</b>	<b>-</b>	<b>298</b>	<b>1,367</b>	<b>5,630</b>	<b>-</b>	<b>7,295</b>



**Changes in the standardized measure of discounted future net cash flows**

(in million euros)

<b>Consolidated subsidiaries</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Beginning of year</b>	<b>15,986</b>	<b>48,464</b>	<b>35,048</b>
Sales and transfers, net of production costs	(17,266)	(26,109)	(19,095)
Net change in sales and transfer prices and in production costs and other expenses	35,738	(81,358)	56,678
Extensions, discoveries and improved recovery	(267)	556	2,895
Changes in estimated future development costs	(4,847)	(2,227)	(6,491)
Previously estimated development costs incurred during the year	7,552	6,960	6,581
Revisions of previous quantity estimates	164	2,693	(6,521)
Accretion of discount	1,599	4,846	3,505
Net change in income taxes	(12,455)	63,611	(22,585)
Purchases of reserves in place	230	50	–
Sales of reserves in place	(632)	(1,500)	(1,551)
<b>End of year</b>	<b>25,802</b>	<b>15,986</b>	<b>48,464</b>

**Equity affiliates**

<b>Beginning of year</b>	<b>5,301</b>
Sales and transfers, net of production costs	(987)
Net change in sales and transfer prices and in production costs and other expenses	2,789
Extensions, discoveries and improved recovery	407
Changes in estimated future development costs	(88)
Previously estimated development costs incurred during the year	854
Revisions of previous quantity estimates	(790)
Accretion of discount	530
Net change in income taxes	(721)
Purchases of reserves in place	–
Sales of reserves in place	–
<b>End of year</b>	<b>7,295</b>

## ► Other information

### ■ Net gas production, production prices and production costs

Year ended December 31, 2009	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>Natural gas production available for sale (Mcf/d) <sup>(a)</sup></b>	1,643	480	545	297	1,224	<b>4,189</b>
<b>Production prices <sup>(b)</sup></b>						
Oil (€/b)	40.76	40.77	36.22	39.94	37.66	<b>40.38</b>
Bitumen (€/b)	–	–	23.17	–	–	<b>23.17</b>
Natural gas (€/kcf)	4.81	1.33	1.56	0.72	4.47	<b>3.70</b>
<b>Production costs per unit of production (€/boe) <sup>(c)</sup></b>						
Total liquids and natural gas	5.16	4.22	3.43	3.69	2.42	<b>4.16</b>
Bitumen	–	–	25.45	–	–	<b>25.45</b>

(a) The reported volumes are different from those shown in the reserves table due to gas consumed in operations.

(b) The volumes used for calculation of the average sales prices are the ones sold from the Group's own production.

(c) The volumes of liquids used for this computation are shown in the proved reserves tables of this report. The reported volumes for natural gas are different from those shown in the reserves table due to gas consumed in operations.

Chapter 11 (Appendix 3, TOTAL S.A.) was set by the Board of Directors on February 10, 2010, and has not been updated with subsequent events.

<b>STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS</b>	p. 282
<b>STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS</b>	p. 284
<b>FINANCIAL STATEMENTS OF TOTAL S.A. AS PARENT COMPANY</b>	p. 286
Statement of Income	p. 286
Balance Sheet	p. 287
Statement of Cash Flow	p. 288
Statement of Changes in Shareholders' Equity	p. 289
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	p. 290
1) Accounting policies	p. 290
2) Property, plant and equipment	p. 291
3) Subsidiaries and affiliates: investments and loans	p. 291
4) Other non-current assets	p. 292
5) Accounts receivable	p. 292
6) Shareholders' equity	p. 293
7) Contingency reserves	p. 294
8) Employee benefits obligations	p. 295
9) Loans	p. 296
10) Liabilities	p. 296
11) Translation adjustment	p. 296
12) Sales	p. 296
13) Net operating expenses	p. 296
14) Operating depreciation, amortization and allowances	p. 297
15) Financial expenses and income	p. 297
16) Dividends	p. 297
17) Other financial income and expenses	p. 297
18) Non-recurring income	p. 297
19) Basis of taxation	p. 297
20) Risk management and financial instruments	p. 298
21) Commitments	p. 298
22) Average number of employees	p. 298
23) Share subscription and share purchase option plans, restricted share grants	p. 299
24) Other	p. 303
<b>OTHER FINANCIAL INFORMATION CONCERNING THE PARENT COMPANY</b>	p. 304
Subsidiaries and affiliates	p. 304
Investment portfolio	p. 305
Five-year financial data	p. 307
Allocation of 2009 income	p. 307
Statement of changes in share capital for the past five years	p. 308
<b>SOCIAL AND ENVIRONMENTAL INFORMATION</b>	p. 309
Social	p. 309
Environment	p. 312
<b>CONSOLIDATED FINANCIAL INFORMATION FOR THE LAST FIVE YEARS</b>	p. 314
Summary consolidated balance sheet for the last five years	p. 314
Summary consolidated statement of income for the last five years	p. 314

## ▶ Statutory auditors' report on regulated agreements and commitments

*This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and construed in accordance with French law and the relevant professional auditing standards applicable in France.*

Year ended December 31, 2009

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby present to you our report on the regulated agreements and commitments.

In accordance with Article L.225-40 of the French Commercial Law ("*Code de commerce*"), we have been advised of agreements and commitments referring to Article L.225-38 of the French Commercial Law ("*Code de commerce*") which have been previously authorized by your Board of Directors.

We are not required to ascertain whether any other agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments indicated to us. We are not required to comment as to whether they are beneficial or appropriate. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Law, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

We performed the procedures we considered necessary in accordance with professional guidance issued by the French national auditing body ("*Compagnie Nationale des Commissaires aux Comptes*"), relating to this engagement. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

### ■ Agreements and commitments entered into by the Company in 2009 which were already subject to a statutory auditor's report presented to the Shareholders' meeting held on May 15, 2009 and approved

The following agreements were allowed by the Board of Directors held on February 11, 2009 and approved by the Shareholders' meeting held on May 15, 2009.

#### a) Agreements concerning the pension plan for the Chairman and the Chief Executive Officer:

##### ● Directors affected by the agreement or commitment:

Mr Thierry Desmarest, Chairman

Mr Christophe de Margerie, Chief Executive Officer

##### ● Purpose of the agreement or commitment:

The Chairman and the Chief Executive Officer are entitled to a retirement benefit calculated pursuant to the same formula used for all employees of TOTAL S.A.

##### ● Terms and conditions of the agreement or commitment:

- Retirement benefit:

The Chairman and the Chief Executive Officer are also entitled to retirement benefits equal to those available to eligible members of the Group under the French National Collective Bargaining Agreement for the Petroleum. This benefit amounts to 25% of the annual compensation (including fixed and variable portions) of the twelve-month period preceding the retirement of the Chairman and the Chief Executive Officer.

The payment of this benefit is subject to performance conditions. These performance conditions are deemed to be met if at least two of the three following criteria are satisfied:

- The average ROE (return on equity) over the three years immediately preceding the year in which the officer retires is at least 12%;
- The average ROACE (return on average capital employed) over the three years immediately preceding the year in which the officer retires is at least 10%;

- The Company's oil and gas production growth over the three years immediately preceding the year in which the officer retires is greater than or equal to the average production growth of the four following companies: ExxonMobil, Shell, BP, and Chevron.
- Supplementary pension plan:

This supplementary pension is applicable to the Chairman and the Chief Executive Officer and employees of the Group whose annual compensation is greater than the annual social security threshold multiplied by eight. There are no French legal or collective bargaining provisions that apply to remuneration above this social security ceiling.

This supplementary pension plan is financed and managed by TOTAL S.A. to award a pension that is based on the period of employment (up to a limit of 20 years) and the portion of annual gross compensation (including fixed and variable portions) exceeding by eight times the annual social security threshold. This pension is indexed to the French Association for Complementary Pensions Schemes (ARRCO) index.

As of December 31, 2009, the Group's supplementary pension obligations related to the Chairman are the equivalent of an annual pension of 26.29% of the Chairman's 2009 compensation.

For the Chief Executive Officer, the Group's pension obligations are, as of December 31, 2009, the equivalent of an annual pension of 18.72% of his 2009 compensation.

## **b) Agreement in case of termination of the Chief Executive Officer's employment or in case his term of office is not renewed**

### **● Director affected by the agreement or commitment:**

Mr Christophe de Margerie, Chief Executive Officer.

### **● Purpose of the agreement or commitment:**

If the Chief Executive Officer's employment is terminated or if his term of office is not renewed, he is eligible for severance benefits.

### **● Terms and conditions of the agreement or commitment:**

This severance benefit is equal to two times an individual's annual pay.

The calculation will be based on the gross compensation (including both fixed and variable) paid in the twelve-month period preceding the termination or the no renewal of the Chief Executive Officer's term.

The severance benefits that may be paid upon a change of control or a change of strategy of the Company are cancelled in the case of gross negligence or willful misconduct or if the Chief Executive Officer leaves the Company of his own volition, accepts new responsibilities within the Group, or may claim full retirement benefits within a short time period.

The payment of this severance benefit is subject to performance conditions. These performance conditions are deemed to be met if at least two of the three following criteria are satisfied:

- The average ROE (return on equity) over the three years immediately preceding the year in which the officer retires is at least 12%;
- The average ROACE (return on average capital employed) over the three years immediately preceding the year in which the officer retires is at least 10%;
- The Company's oil and gas production growth over the three years immediately preceding the year in which the officer retires is greater than or equal to the average production growth of the four following companies: ExxonMobil, Shell, BP, and Chevron.

## **Agreements and commitments entered into by the Company in 2009**

In accordance with Article L.225-42-1 of the French Commercial Law ("*Code de commerce*"), the commitments regarding the retirement benefit, the supplementary pension plan and, under certain conditions, the severance benefit if Mr Christophe de Margerie's contract is terminated or if his term of office is not renewed, have been confirmed by the Board of Directors held on May 15, 2009 which has renewed the contract of Mr Christophe de Margerie as Chief Executive Officer following its renewal as Board member by the Shareholders' meeting held on May 15, 2009, according to the terms and conditions approved by the Board of Directors held on February 11, 2009 and described above.

Paris, La Défense March 31, 2010

The statutory auditors

*French original signed by*

KPMG Audit  
A department of KPMG S.A

Jay Nirsimloo

ERNST & YOUNG AUDIT

Pascal Macioce

## ▶ Statutory auditors' report on the annual financial statements

*This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.*

*The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.*

*This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Year ended December 31, 2009

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's meeting, we hereby report to you, for the year ended December 31, 2009, on:

- the audit of the accompanying annual financial statements of TOTAL S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2009 and of the results of its operations for the year then ended in accordance with French accounting principles.

### II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Law ("*Code de commerce*") relating to the justification of our assessments, we bring to your attention the following matter:

We assessed the approaches used by your company to value investments in subsidiaries and affiliates as described in Note 1 to the financial statements, based on the information available to date and performed tests to verify the application of those methods. Within the framework of our assessments, we verified the reasonable nature of those estimates.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III. Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Law ("*Code de commerce*") relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris-La Défense, March 31, 2010

The Statutory Auditors

*French original signed by*

KPMG Audit  
A department of KPMG S.A.

Jay Nirsimloo

ERNST & YOUNG AUDIT

Pascal Macioce



## ► Financial statements of TOTAL S.A. as parent company

### ■ Statement of Income

<b>For the year ended December 31,</b> (K€)	<b>2009</b>	2008	2007
Sales (Note 12)	<b>8,222,687</b>	11,867,602	9,604,753
Net operating expenses (Note 13)	<b>(6,758,269)</b>	(8,691,677)	(7,273,461)
Operating depreciation, amortization and allowances (Note 14)	<b>(129,113)</b>	(76,675)	(75,954)
<b>Operating income</b>	<b>1,335,305</b>	<b>3,099,250</b>	<b>2,255,338</b>
Financial expenses and income (Note 15)	<b>(449,419)</b>	(1,438,676)	(1,473,411)
Dividends (Note 16)	<b>5,777,717</b>	7,161,752	6,749,061
Net depletion	<b>(236,234)</b>	(372,254)	(1,114,696)
Other financial expenses and income (Note 17)	<b>2,328</b>	128,859	243,024
<b>Financial income</b>	<b>5,094,392</b>	<b>5,479,681</b>	<b>4,403,978</b>
<b>Current income</b>	<b>6,429,697</b>	<b>8,578,931</b>	<b>6,659,316</b>
Gains (Losses) on sales of marketable securities and loans	<b>639,371</b>	(70,207)	691,737
Gains (Losses) on sales of fixed assets	–	(24)	58
Non-recurring items	<b>(13,802)</b>	(19,234)	5,648
<b>Non-recurring income (Note 18)</b>	<b>625,569</b>	<b>(89,465)</b>	<b>697,443</b>
Employee profit-sharing plan	<b>(36,973)</b>	(44,502)	(45,701)
Taxes	<b>(1,384,612)</b>	(2,437,355)	(1,532,133)
<b>Net income</b>	<b>5,633,681</b>	<b>6,007,609</b>	<b>5,778,925</b>

## Balance Sheet

As of December 31, (K€)	2009	2008	2007
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	775,519	322,360	282,442
Depreciation, depletion and amortization	(208,540)	(178,718)	(155,370)
<b>Intangible assets, net</b>	<b>566,979</b>	<b>143,642</b>	<b>127,072</b>
Property, plant and equipment (Note 2)	511,070	483,888	431,873
Depreciation, depletion and amortization	(327,094)	(308,656)	(269,702)
<b>Property, plant and equipment, net</b>	<b>183,976</b>	<b>175,232</b>	<b>162,171</b>
Subsidiaries and affiliates: investments and loans (Note 3)	78,874,175	77,479,879	76,809,154
Depreciation, depletion and amortization	(545,634)	(545,925)	(535,460)
Other non-current assets (Note 4)	59,547	1,297,618	1,701,054
<b>Investments and other non-current assets, net</b>	<b>78,388,088</b>	<b>78,231,572</b>	<b>77,974,748</b>
<b>Total non-current assets</b>	<b>79,139,043</b>	<b>78,550,446</b>	<b>78,263,991</b>
<b>Current assets</b>			
Inventories	2,293	2,931	2,701
Accounts receivable (Note 5)	2,062,978	1,778,280	1,808,898
Marketable securities	596,076	760,779	864,989
Cash / cash equivalents and short-term deposits	225,209	426,877	534,405
<b>Total current assets</b>	<b>2,886,556</b>	<b>2,968,867</b>	<b>3,210,993</b>
Prepaid expenses	3,532	8,763	7,082
Translation adjustment (Note 11)	212,588	110,047	300,679
<b>Total assets</b>	<b>82,241,719</b>	<b>81,638,123</b>	<b>81,782,745</b>
<b>LIABILITIES</b>			
<b>Shareholders' equity (Note 6)</b>			
Share capital	5,871,057	5,929,520	5,988,830
Paid-in surplus	27,170,640	28,283,676	29,597,987
Reserves (Note 6B)	3,975,314	3,977,370	3,976,490
Retained earnings	4,114,277	3,416,997	2,496,875
Net income	5,633,681	6,007,609	5,778,925
Interim dividends	(2,660,016)	(2,655,125)	(2,348,019)
<b>Total Shareholders' equity</b>	<b>44,104,953</b>	<b>44,960,047</b>	<b>45,491,088</b>
Contingency reserves (Notes 7 & 8)	3,199,872	2,926,271	2,541,983
<b>Debts</b>			
Long-term loans (Note 9)	14,614,076	10,935,544	7,281,800
Short-term loans (Note 9)	18,651,431	21,364,571	24,966,195
Liabilities (Note 10)	1,671,306	1,450,432	1,501,634
<b>Total debts</b>	<b>34,936,813</b>	<b>33,750,547</b>	<b>33,749,629</b>
Prepaid expenses	—	1,159	—
Translation adjustment (Note 11)	81	99	45
<b>Total liabilities and Shareholders' equity</b>	<b>82,241,719</b>	<b>81,638,123</b>	<b>81,782,745</b>

## Statement of Cash Flow

For the year ended December 31,  
(M€)

	2009	2008	2007
<b>Cash flow from operating activities</b>			
Net income	5,634	6,008	5,779
Depreciation, depletion and amortization	89	63	60
Accrued expenses of investments	-	2	132
Other provisions	274	384	980
<b>Funds generated from operations</b>	<b>5,997</b>	<b>6,457</b>	<b>6,951</b>
(Gains) Losses on disposal of assets	(639)	26	(692)
Decrease (Increase) in working capital	(299)	(35)	(273)
Other, net	31	82	44
<b>Cash flow from operating activities</b>	<b>5,090</b>	<b>6,530</b>	<b>6,030</b>
<b>Cash flow used in investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(538)	(92)	(53)
Purchase of investments and long-term loans	(1,401)	(1,276)	(2,070)
<b>Total expenditures</b>	<b>(1,939)</b>	<b>(1,368)</b>	<b>(2,123)</b>
Proceeds from disposal of marketable securities and loans	955	885	1,427
<b>Total divestitures</b>	<b>955</b>	<b>885</b>	<b>1,427</b>
<b>Cash flow used in investing activities</b>	<b>(984)</b>	<b>(483)</b>	<b>(696)</b>
<b>Cash flow used in financing activities</b>			
Capital increase	32	257	82
Share buybacks	-	(1,222)	(1,641)
Balance of cash dividends paid	(2,655)	(2,511)	(2,362)
Cash interim dividends paid	(2,660)	(2,655)	(2,348)
Repayment of long-term debt	(245)	(407)	(133)
Increase (Decrease) in short-term borrowings and bank overdrafts	1,220	384	1,206
<b>Cash flow used in financing activities</b>	<b>(4,308)</b>	<b>(6,154)</b>	<b>(5,196)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>(202)</b>	<b>(107)</b>	<b>138</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>427</b>	<b>534</b>	<b>396</b>
<b>Cash and cash equivalents at year-end</b>	<b>225</b>	<b>427</b>	<b>534</b>

## Statement of Changes in Shareholders' Equity

(M€)	Common shares issued			Retained earnings	Revaluation reserve	Total
	Number	Amount	Issue premium			
<b>As of January 1, 2007</b>	<b>2,425,767,953</b>	<b>6,064</b>	<b>31,156</b>	<b>8,798</b>	<b>38</b>	<b>46,056</b>
Balance of cash dividends paid <sup>(a)</sup>				(2,362)		(2,362)
2007 net income				5,778		5,778
Cash interim dividends paid for 2007 <sup>(b)</sup>				(2,348)		(2,348)
Capital decrease	(33,005,000)	(82)	(1,651)			(1,733)
Exercise of Elf Aquitaine share subscription options covered by the exchange guarantee	315,312	1	17			18
Issuance of common shares	2,453,832	6	76			82
Changes in revaluation differences						
<b>As of December 31, 2007</b>	<b>2,395,532,097</b>	<b>5,989</b>	<b>29,598</b>	<b>9,866</b>	<b>38</b>	<b>45,491</b>
Balance of cash dividends paid <sup>(c)</sup>				(2,511)		(2,511)
2008 net income				6,008		6,008
Cash interim dividends paid for 2008 <sup>(d)</sup>				(2,655)		(2,655)
Issuance of shares reserved for employees	4,870,386	12	204			216
Capital decrease	(30,000,000)	(75)	(1,566)			(1,641)
Exercise of Elf Aquitaine share subscription options covered by the exchange guarantee	227,424	1	9			10
Issuance of common shares	1,178,167	3	38			41
Changes in revaluation differences					1	1
<b>As of December 31, 2008</b>	<b>2,371,808,074</b>	<b>5,930</b>	<b>28,283</b>	<b>10,708</b>	<b>39</b>	<b>44,960</b>
Balance of cash dividends paid <sup>(e)</sup>				(2,655)		(2,655)
2009 net income				5,634		5,634
Cash interim dividends paid for 2009 <sup>(f)</sup>				(2,660)		(2,660)
Capital decrease	(24,800,000)	(62)	(1,160)			(1,222)
Exercise of Elf Aquitaine share subscription options covered by the exchange guarantee	480,030	1	17			18
Issuance of common shares	934,780	2	30			32
Changes in revaluation differences					(2)	(2)
<b>As of December 31, 2009</b>	<b>2,348,422,884</b>	<b>5,871</b>	<b>27,170</b>	<b>11,027</b>	<b>37</b>	<b>44,105</b>

(a) Balance of the 2006 dividend paid in 2007: €2,362 million (€1.00 per share).

(b) Interim dividend paid in 2007: €2,348 million (€1.00 per share).

(c) Balance of the 2007 dividend paid in 2008: €2,511 million (€1.07 per share).

(d) Interim dividend paid in 2008: €2,655 million (€1.14 per share).

(e) Balance of the 2008 dividend paid in 2009: €2,655 million (€1.14 per share).

(f) Interim dividend paid in 2009: €2,660 million (€1.14 per share).

## ► Notes to the financial statements

### 1) Accounting policies

The 2009 financial statements have been prepared in accordance with French Generally Accepted Accounting Principles ("French GAAP").

#### Property, plant and equipment

Property, plant and equipment are carried at cost with the exception of assets that were acquired before 1976 for which the basis has been revalued pursuant to French regulations. They are depreciated by the straight-line method over their estimated useful life, as follows:

Buildings	20 – 30 years
Furniture and fixtures	5 – 10 years
Transportation equipment	2 – 5 years
Office equipment and furniture	5 – 10 years
Computer equipment	3 – 5 years

#### Investments and loans to consolidated subsidiaries and equity affiliates

Investments in consolidated subsidiaries and equity affiliates are accounted for at the acquisition cost, or the appraised value for investments affected by the 1976 legal revaluation.

Loans to consolidated subsidiaries and equity affiliates are stated at their nominal value.

In the Upstream segment, in the absence of a development decision, allowances are recorded against investments and loans for an amount corresponding to the exploration costs incurred. When the existence of proved reserves is established, the value of the investments and loans is limited to the subsidiary expected pay-back evaluated at year-end.

For other segments, allowances for impairment in value are calculated by reference to the Company's equity in the underlying net assets, the fair value and usefulness of the investment.

#### Inventories

Inventories are valued at either the historical cost or the market value, whichever is lower. Cost for crude oil and refined product inventories is determined according to the First-In, First-Out (FIFO) method.

#### Receivables and payables

Receivables and payables are stated at nominal value. Allowances for doubtful debts are recorded when the actual value is inferior to the book value.

#### Foreign currency transactions

Receivables and payables denominated in foreign currencies are translated into euros at the year-end exchange rate. Translation differences for non-hedged items are recorded under "Translation adjustment" on the assets or liabilities side of the balance sheet. Unrealized exchange losses are recorded as provisions.

Translation differences related to other foreign receivables and payables are recorded in the statement of income and offset by unrealized gains or losses from off-balance sheet hedging.

#### Financial instruments

The Company mainly uses financial instruments for hedging purposes, in order to manage its exposure to changes in interest rates and foreign exchange rates.

The Company enters into interest rate and foreign currency swap agreements. The difference between interest to be paid and interest to be received or premiums and discounts on these swaps is recognized as interest expense or interest income on a prorated basis, over the life of the hedged item.

The Company may also use futures, caps, floors, and options. Under hedge accounting, changes in the market value of such contracts are recognized as interest expense or interest income in the same period as the gains and losses on the item being hedged. For option contracts, premiums paid are amortized over the duration of the option.

A provision is recorded for any unrealized losses related to operations that do not comply with the criteria required for hedge accounting.

## 2) Property, plant and equipment

As of December 31, (M€)	2009			2008
	Cost	Depreciation, depletion and amortization	Net	Net
Land	34	-	34	34
Buildings	92	(42)	50	54
Other	385	(285)	100	87
<b>Total (a)</b>	<b>511</b>	<b>(327)</b>	<b>184</b>	<b>175</b>

(a) As of December 31, 2008, aggregate cost and accumulated depreciation and provision amounted respectively to €484 million and €309 million.

## 3) Subsidiaries and affiliates: investments and loans

### A) Changes in investments and loans

As of December 31, (M€)	Gross amount at beginning of year	2009					Gross amount at year-end
		Increases		Decreases			
		Monetary	Non monetary	Monetary	Non monetary	Translation adjustment	
Investments	72,454	622	29	(52)	(4)	-	<b>73,049</b>
Receivables (a)	5,026	1,172	100	(239)	(130)	(104)	<b>5,825</b>
<b>Total</b>	<b>77,480</b>	<b>1,794</b>	<b>129</b>	<b>(291)</b>	<b>(134)</b>	<b>(104)</b>	<b>78,874</b>
Analysis by segment							
Upstream	2,406	811	12	(67)	(51)	-	<b>3,111</b>
Downstream	3,327	12	99	-	(81)	-	<b>3,357</b>
Chemicals	13,383	-	-	(18)	-	1	<b>13,366</b>
Financial activities	58,364	971	18	(206)	(2)	(105)	<b>59,040</b>
<b>Total</b>	<b>77,480</b>	<b>1,794</b>	<b>129</b>	<b>(291)</b>	<b>(134)</b>	<b>(104)</b>	<b>78,874</b>

(a) Changes in receivables mainly result from flows of funds with Total Finance and Total Treasury.

### B) Allowances for investments and loans

As of December 31, (M€)	2009			2008
	Cost	Valuation allowance	Net	Net
Investments	73,049	(437)	72,612	72,026
Receivables (a) (b)	5,825	(109)	5,716	4,908
<b>Total (c)</b>	<b>78,874</b>	<b>(546)</b>	<b>78,328</b>	<b>76,934</b>
Analysis by segment				
Upstream	3,111	(299)	2,812	2,133
Downstream	3,357	(116)	3,241	3,211
Chemicals	13,366	(88)	13,278	13,279
Financial activities	59,040	(43)	58,997	58,311
<b>Total</b>	<b>78,874</b>	<b>(546)</b>	<b>78,328</b>	<b>76,934</b>

(a) As of December 31, 2009, the gross amount included €5,240 million related to affiliates.

(b) As of December 31, 2009, the net amount was split into €1,621 million due in 12 months or less and €4,095 million due in 12 months or more.

(c) As of December 31, 2008, aggregate cost and valuation allowance amounted to €77,480 million and €546 million, respectively.

## 4) Other non-current assets

## A) Changes in other non-current assets

As of December 31, (M€)	Gross amount at beginning of year	2009					Gross amount at year-end
		Increases		Decreases		Translation adjustment	
		Monetary	Non monetary	Monetary	Non monetary		
Investment portfolio <sup>(a)</sup>	1,226	-	-	-	(1,222)	-	4
Other non-current assets	57	4	-	(21)	-	-	40
Deposits and guarantees	14	2	-	-	-	-	16
<b>Total</b>	<b>1,297</b>	<b>6</b>	<b>-</b>	<b>(21)</b>	<b>(1,222)</b>	<b>-</b>	<b>60</b>

(a) Non-monetary decreases correspond to TOTAL shares cancelled in 2009.

## B) Allowances for non-current assets

As of December 31, (M€)	2009			2008
	Cost	Valuation allowance	Net	Net
Investment portfolio	4	-	4	1,226
Other non-current assets <sup>(a)</sup>	40	-	40	57
Deposits and guarantees	16	-	16	14
<b>Total <sup>(b)</sup></b>	<b>60</b>	<b>-</b>	<b>60</b>	<b>1,297</b>

(a) As of December 31, 2009, net amount is due in 12 months or more.

(b) As of December 31, 2008, aggregate cost and net amounts were equivalent.

## 5) Accounts receivable

As of December 31, (M€)	2009			2008
	Cost	Valuation allowance	Net	Net
Accounts and notes receivable	945	-	945	698
Other operating receivables	1,118	-	1,118	1,080
<b>Total <sup>(a) (b)</sup></b>	<b>2,063</b>	<b>-</b>	<b>2,063</b>	<b>1,778</b>

(a) Including €1,073 million related to affiliates as of December 31, 2009.

(b) Due in 12 months or less.



## 6) Shareholders' equity

### A) Common shares

Share capital transactions are detailed as follows:

		Historical data
<b>As of January 1, 2007</b>		<b>2,425,767,953</b>
Shares issued in connection with:	Exercise of TOTAL share subscription options	2,453,832
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	315,312
Shares cancelled <sup>(a)</sup>		(33,005,000)
<b>As of January 1, 2008</b>		<b>2,395,532,097</b>
Shares issued in connection with:	Capital increase reserved for employees	4,870,386
	Exercise of TOTAL share subscription options	1,178,167
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	227,424
Shares cancelled <sup>(b)</sup>		(30,000,000)
<b>As of January 1, 2009</b>		<b>2,371,808,074</b>
Shares issued in connection with:	Exercise of TOTAL share subscription options	934,780
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	480,030
Shares cancelled <sup>(c)</sup>		(24,800,000)
<b>As of December 31, 2009 <sup>(d)</sup></b>		<b>2,348,422,884</b>

(a) Approved by the Board of Directors on January 10, 2007.

(b) Approved by the Board of Directors on July 31, 2008.

(c) Approved by the Board of Directors on July 30, 2009.

(d) Including 115,407,190 treasury shares and shares held by subsidiaries deducted from consolidated shareholders' equity.

#### ● Capital increase reserved for Company employees

At the shareholders' meeting held on May 11, 2007, the shareholders delegated to the Board of Directors the authority to increase the share capital of the Company in one or more transactions and within a maximum period of 26 months from the date of the meeting, by an amount not exceeding 1.5% of the share capital outstanding on the date of the meeting of the Board of Directors at which a decision to proceed with an issuance is made reserving subscriptions for such issuance to the Group employees participating in a company savings plan. It is being specified that the amount of any such capital increase reserved for Group employees was counted against the aggregate maximum nominal amount of share capital increases authorized by the shareholders' meeting held on May 11, 2007 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with preferential subscription rights (€4 billion in nominal value).

Pursuant to this delegation of authorization, the Board of Directors, during its November 6, 2007 meeting, implemented a first capital increase reserved for employees within the limit of 12 million shares, par value €2.50, at a price of €44.40 per share, with dividend rights as of the January 1, 2007. The subscription period ran from March 10, 2008, to March 28, 2008. 4,870,386 shares were subscribed by employees pursuant to the capital increase.

#### ● Share cancellation

Pursuant to the authorization granted by the shareholders' meeting held on May 11, 2007 authorizing reduction of capital by cancellation of shares held by the Company within the limit of 10% of the outstanding capital every 24 months, the Board of Directors decided on July 30, 2009 to cancel 24,800,000 shares acquired in 2008 at an average price of €49.28 per share.

#### ● Treasury shares (TOTAL shares held by the parent company TOTAL S.A.)

As of December 31, 2009, TOTAL S.A. held 15,075,922 of its own shares, representing 0,64% of its share capital, detailed as follows:

- 6,017,499 shares allocated to covering TOTAL share purchase option plans for Group employees and executive officers;
- 5,799,400 shares allocated to TOTAL restricted shares plans for Group employees; and
- 3,259,023 shares intended to be allocated to new TOTAL share purchase option plans or to new restricted shares plans.

These shares are deducted from the consolidated shareholders' equity.

As of December 31, 2008, TOTAL S.A. held 42,750,827 of its own shares, representing 1.80% of its share capital, detailed as follows:

- 12,627,522 shares allocated to covering TOTAL share purchase option plans for Group employees;
- 5,323,305 shares allocated to TOTAL restricted shares plans for Group employees; and
- 24,800,000 shares purchased for cancellation between January and October 2008 pursuant to the authorization granted by the shareholders' meetings held on May 11, 2007 and May 16, 2008. The Board of Directors on July 30, 2009 decided to cancel these 24,800,000 shares acquired at an average price of €49.28 per share.

These shares were deducted from the consolidated shareholders' equity.

As of December 31, 2007, TOTAL S.A. held 51,089,964 of its own shares, representing 2.13% of its share capital, detailed as follows:

- 16,343,349 shares allocated to covering TOTAL share purchase option plans for Group employees;
- 4,746,615 shares allocated to TOTAL restricted share plans for Group employees; and

- 30,000,000 shares purchased for cancellation between February and December 2007 pursuant to the authorization granted by the shareholders' meetings held on May 12, 2006 and May 11, 2007. The Board of Directors on July 31, 2008 decided to cancel these 30,000,000 shares acquired at an average price of €54.69 per share.

These shares were deducted from the consolidated shareholders' equity.

### ● TOTAL shares held by Group subsidiaries

As of December 31, 2009, 2008 and 2007, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.27% of its share capital as of December 31, 2009, 4.23% of its share capital as of December 31, 2008 and 4.19% of its share capital as of December 31, 2007 detailed as follows:

- 2,023,672 shares held by a consolidated subsidiary, Total Nucléaire, 100% indirectly controlled by TOTAL S.A.; and
- 98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval).

These shares are deducted from the consolidated shareholders' equity.

## B) Reserves

As of December 31, (M€)	2009	2008	2007
Revaluation reserves	37	39	38
Legal reserves	740	740	740
Untaxed reserves	2,808	2,808	2,808
General reserves	390	390	390
<b>Total</b>	<b>3,975</b>	<b>3,977</b>	<b>3,976</b>

## 7) Contingency reserves

As of December 31, (M€)	Gross amount at beginning of year	2009			Gross amount at year-end
		Increases	Decreases		
			Used	Unused	
Reserves for financial risks	2,764	405	(1)	167 <sup>(c)</sup>	3,001 <sup>(a)</sup>
Reserves for operating risks (including notes 8) and compensation expense	138	183 <sup>(c)</sup>	(122)	–	199 <sup>(b)</sup>
Reserves for non-recurring items	24	–	(24)	–	–
<b>Total</b>	<b>2,926</b>	<b>588</b>	<b>(147)</b>	<b>(167)</b>	<b>3,200</b>

(a) Reserves for financial risks are mainly composed of a guarantee granted to an upstream financing subsidiary for €2,719 million and a reserve of €213 million for foreign exchange risk.

(b) Reserves for operating risks are composed of €137 million for retirement benefits, pension plans and special termination plans, €8 million for long-service awards and €54 million for restricted share grant. The calculation is based on the value of the shares bought to cover such plan and prorated basis based on the 2-year vesting period following which grant of these restricted shares becomes final, subject to a performance condition (Note 23).

(c) The outstanding €125 million reserve for financial risks as of December 31, 2008 was transferred to cover operating risk during the 2009 fiscal year.

## 8) Employee benefits obligations

TOTAL S.A. enters into employee benefit and pension plans, pre-retirement and special termination benefits. Expenses for defined contribution and multi-employers plans correspond to the contributions paid.

Provisions as of December 31, are as follows:

(M€)	2009	2008
Pension benefits and other benefits	137	131
Restructuring reserves	-	-
<b>Provisions as of December 31,</b>	<b>137</b>	<b>131</b>

For defined benefit plans, commitments are determined using a prospective methodology called "projected unit credit method". The commitment actuarial value depends on various factors such as the length of service, life expectancy, employee turnover rate, salaries revalorization and actualization assumptions.

The actuarial assumptions used as of December 31, are the following:

	2009	2008
Discount rate	4.96%	5.75%
Average expected rate of salary increase	4.14%	4.14%
Average expected rate of return on plan assets for N+1	5.95%	6.27%
Average residual life expectancy of operations	10-20 years	10-20 years

Commitments not covered through insurance companies are accrued for in TOTAL S.A. accounts.

Actuarial gains and losses resulting from changes in actuarial assumptions are amortized using the straight-line method over the estimated remaining length of service of employees involved.

The reconciliation between the total commitment for pension plans not covered through insurance companies and the provision booked is as follows:

(M€)	2009	2008
Actuarial liability as of December 31,	210	188
Actuarial gains and losses to be amortized	(73)	(57)
<b>Provision for pension benefits and other benefits as of December 31,</b>	<b>137</b>	<b>131</b>

The total commitment for pension plans covered through insurance companies amounts to:

(M€)	2009	2008
Actuarial liability as of December 31,	270	269
Plan assets	(174)	(188)
<b>Net commitment as of December 31,</b>	<b>96</b>	<b>81</b>

## 9) Loans

(M€)	2009	Due date as of December 31, 2009			2008
		Within one year	1 to 5 years	Beyond 5 years	
<b>Debenture loans</b>					
6.20% Bonds 1997-2009 (FRF 900 million) <sup>(a)</sup>	-	-	-	-	124
5.125% Bonds 1998-2009 (FRF 1,000 million) <sup>(a)</sup>	-	-	-	-	119
5% Bonds 1998-2013 (FRF 1,000 million) <sup>(a)</sup>	116	-	116	-	120
5.65% Bonds 2000-2010 (EUR 100 million) <sup>(a)</sup>	61	61	-	-	63
Accrued interest	1	1	-	-	5
<b>Total debenture loans</b>	<b>178</b>	<b>62</b>	<b>116</b>	<b>-</b>	<b>431</b>
Other loans <sup>(b)</sup>	15,047	549	14,498	-	12,669
Current accounts <sup>(c)</sup>	18,041	18,041	-	-	19,200
<b>Total</b>	<b>33,266</b>	<b>18,652</b>	<b>14,614</b>	<b>-</b>	<b>32,300</b>

(a) Through the use of issue swaps, each debenture loan becomes equivalent to a dollar floating rate debt.

(b) Including €15,042 million related to affiliates.

(c) Including €18,041 million related to affiliates.

## 10) Liabilities

As of December 31, (M€)	2009	2008
Accounts payable	744 <sup>(a)</sup>	637
Other	927	814
<b>Total <sup>(c)</sup></b>	<b>1,671 <sup>(b)</sup></b>	<b>1,451</b>

(a) Excluding invoices not yet received (€404 million) and invoices from suppliers of foreign branches (€301 million), the outstanding liability amounts to €39 million, including €18 million non-Group, and has the following payment schedule: €12 million due as of December 31, 2009, and €27 million due on January 31, 2010, at the latest.

(b) Including €222 million in 2009 related to affiliates.

(c) Due in 12 months or less.

## 11) Translation adjustment

The application of the foreign currency translation method outlined in Note 1 resulted in a net translation adjustment of €213 million as of December 31, 2009, mainly due to dollar-denominated loans.

## 12) Sales

(M€)	France	Rest of Europe	North America	Africa	Middle East & Rest of world	Total
<b>For the year ended 2009</b>	<b>326</b>	<b>250</b>	<b>110</b>	<b>824</b>	<b>6,713</b>	<b>8,223</b>
Hydrocarbon and oil products	-	138	-	-	6,108	6,246
Technical support fees	326	112	110	824	605	1,977
<b>For the year ended 2008</b>	<b>305</b>	<b>355</b>	<b>40</b>	<b>807</b>	<b>10,361</b>	<b>11,868</b>
Hydrocarbon and oil products	-	192	-	-	9,779	9,971
Technical support fees	305	163	40	807	582	1,897

## 13) Net operating expenses

(M€)	2009	2008
Purchase cost of goods sold	(4,255)	(6,411)
Other purchases and external expenses	(1,280)	(1,306)
Taxes	(35)	(32)
Personnel expenses	(1,188)	(943)
<b>Total</b>	<b>(6,758)</b>	<b>(8,692)</b>

## 14) Operating depreciation, amortization and allowances

(M€)	2009	2008
<b>Depreciation, valuation allowances and amortization on</b>		
Property, plant and equipment and intangible assets	(68)	(63)
Employee benefits	(183)	(22)
<b>Subtotal 1</b>	<b>(251)</b>	<b>(85)</b>
<b>Reversals</b>		
Employee benefits	122	8
<b>Subtotal 2</b>	<b>122</b>	<b>8</b>
<b>Total (1+ 2)</b>	<b>(129)</b>	<b>(77)</b>

## 15) Financial expenses and income

(M€)	2009	2008
<b>Financial expenses <sup>(a)</sup></b>		
Interest expenses and other	(472)	(1,528)
Depreciation on investments and loans to subsidiaries and affiliates	-	-
<b>Subtotal 1</b>	<b>(472)</b>	<b>(1,528)</b>
<b>Financial income <sup>(b)</sup></b>		
Net gain on sales of marketable securities and interest on loans to subsidiaries and affiliates	3	36
Interest on short-term deposits and other	20	53
<b>Subtotal 2</b>	<b>23</b>	<b>89</b>
<b>Total (1+ 2)</b>	<b>(449)</b>	<b>(1,439)</b>
(a) Including, related to affiliates:	424	1,324
(b) Including, related to affiliates:	20	62

## 16) Dividends

(M€)	2009	2008
Upstream	1,779	1,448
Downstream	299	526
Chemicals	4	1,017
Financial activities	3,696	4,171
<b>Total</b>	<b>5,778</b>	<b>7,162</b>

## 17) Other financial income and expenses

Net income of €2 million is composed entirely of foreign exchange income.

## 18) Non-recurring income

Non-recurring income is a gain of €626 million primarily composed of an income on disposal of assets for €639 million, including Total Dolphin Midstream Ltd for €388 million, Gaz Transport et Technigaz for €279 million and others for €(28) million.

## 19) Basis of taxation

Pursuant to the provisions of the French Tax Code (Article 209 *quinquies*) and in accordance with a tax agreement from the French Tax Authorities, the parent company files a worldwide tax return.

This regime provides that the basis for income tax computation of the parent company applies to French or foreign companies in which the Group owns, under certain conditions; direct or indirect shareholdings over 10% in the Exploration & Production segment and over 50% for other segments. It allows the parent company to offset, within certain limits and conditions, the taxable income of profitable companies against the losses of other entities.

This tax agreement covers the 2008-2010 period.

Moreover, TOTAL S.A. has elected for the 95%-owned French subsidiaries tax regime provided for by Articles 223 A and following of the French Tax Code ("*Régime de l'intégration fiscale*").

In accordance with the integration agreement signed between TOTAL S.A. and its consolidated subsidiaries, the deficits realized by the consolidated company during the period of integration are definitively acquired by the parent company.

## 20) Risk management and financial instruments

TOTAL S.A. uses various financial instruments to manage its exposure to changes in interest rates and foreign exchange rates.

For currency exposure generated by commercial activity, the hedging of revenues and costs in foreign currencies is typically performed using currency operations on the spot market and, in some cases, on the forward market. The Group rarely hedges future cash flows, although it may use options to do so.

With respect to currency exposure linked to non-current assets booked in a currency other than the euro, the Group has a policy of

reducing the related currency exposure by financing these assets in the same currency.

In terms of interest rates, most of the long-term debt is brought back to a variable rate through the use of issue swaps (long-term interest rate and foreign currency swaps). Day-to-day treasury management operates on the basis of the daily rates, for instance by using short-term interest rate swaps.

An independent department monitors the status of the financial instruments, especially through marked-to-market valuations and sensitivity estimations. Counterparty risk is strictly monitored.

More detailed information on the risk management policy can be found in Chapter 4 of this Registration Document.

## 21) Commitments

As of December 31, (M€)	2009	2008
<b>Commitments given</b>		
Guarantees on custom duties	1,021	1,021
Bank guarantees	4,689	4,985
Guarantees given on other commitments	4,115	2,282
Guarantees related to confirmed lines of credit	500	4,322
Short term financing plan <sup>(a)</sup>	16,669	17,022
Bond issue plan <sup>(a)</sup>	25,207	20,443
<b>Total commitments given</b>	<b>52,201</b>	<b>50,075</b>
<b>Commitments received</b>		
Guarantees related to confirmed lines of credit	5,419	5,467
Guarantees on confirmed authorized bank overdrafts	5,627	-
Other commitments received	1,130	-
<b>Total commitments received</b>	<b>12,176</b>	<b>5,467</b>

(a) TOTAL S.A. guarantees the short-term financing plan and the bond issue incurred by Total Capital. On the overall plan amount of €41,876 million, €19,647 million were incurred as of December 31, 2009 and €13,893 million as of December 31, 2008.

## Portfolio of financial derivative instruments

The off-balance sheet commitments related to financial derivative instruments are set forth below.

As of December 31, (M€)	2009	2008
<b>Issue swaps</b>		
Notional amount, accrued coupon interest <sup>(a)</sup>	177	426
Fair value, accrued coupon interest <sup>(b)</sup>	92	133
<b>Forward contract of currencies</b>		
Notional amount <sup>(a)</sup>	919	1,367
Fair value <sup>(b)</sup>	4	7

(a) These amounts set the level of notional commitment without being representative of a potential loss or gain.

(b) This value was determined by estimating future cash flows on a borrowing-by-borrowing basis and discounting these future cash flows using the zero coupon interest rate curves at year-end and taking into account a spread that corresponds to the average risk classification of the Company.

## 22) Average number of employees

As of December 31,	2009	2008
Executives	4,748	4,520
Supervisors	1,431	1,408
Technical and administrative staff	416	383
<b>Total</b>	<b>6,595</b>	<b>6,311</b>

## 23) Share subscription and share purchase option plans, restricted share grants

## TOTAL share subscription option plans

	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	Total	Weighted- average exercise price
<b>Date of the Shareholders' Meeting</b>	05/17/2001	05/14/2004	05/14/2004	05/14/2004	05/11/2007	05/11/2007	05/11/2007		
<b>Date of grant <sup>(a)</sup></b>	07/16/2003	07/20/2004	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009		
<b>Exercise price until May 23, 2006 (in euros) <sup>(b)</sup></b>	33.30	39.85	49.73	-	-	-	-		
<b>Exercise price since May 24, 2006 (in euros) <sup>(b)</sup></b>	32.84	39.30	49.04	50.60	60.10	42.90	39.90		
<b>Expiration date</b>	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017		
<b>Number of options <sup>(c)</sup></b>									
<b>Outstanding as of January 1, 2007</b>	10,608,590	13,430,372	6,275,757	5,726,160	-	-	-	36,040,879	40.89
Notified	-	-	-	-	5,937,230	-	-	5,937,230	60.10
Cancelled	(22,138)	(20,093)	(11,524)	(13,180)	(17,125)	-	-	(84,060)	44.94
Exercised	(2,218,074)	(213,043)	(20,795)	(1,920)	-	-	-	(2,453,832)	33.55
<b>Outstanding as of January 1, 2008</b>	8,368,378	13,197,236	6,243,438	5,711,060	5,920,105	-	-	39,440,217	44.23
Notified	-	-	-	-	-	4,449,810	-	4,449,810	42.90
Cancelled	(25,184)	(118,140)	(34,032)	(53,304)	(34,660)	(6,000)	-	(271,320)	44.88
Exercised	(841,846)	(311,919)	(17,702)	(6,700)	-	-	-	(1,178,167)	34.89
<b>Outstanding as of January 1, 2009</b>	7,501,348	12,767,177	6,191,704	5,651,056	5,885,445	4,443,810	-	42,440,540	44.35
Notified	-	-	-	-	-	-	4 387 620	4 387 620	39.90
Cancelled	(8,020)	(18,387)	(6,264)	(5,370)	(13,780)	(2,180)	(10,610)	(64,611)	45.04
Exercised	(681,699)	(253,081)	-	-	-	-	-	(934,780)	34.59
<b>Outstanding as of December 31, 2009</b>	6,811,629	12,495,709	6,185,440	5,645,686	5,871,665	4,441,630	4,377,010	45,828,769	44.12

(a) The date of the award is the date of the Board meeting awarding the share subscription options, except for the award of October 9, 2008, approved by the Board on September 9, 2008.

(b) Exercise price in euros. The exercise prices of TOTAL subscription shares of the plans in force at that date were multiplied by 0.25 to take into account the four-for-one stock split on May 18, 2006. Moreover, following the spin-off of Arkema, the exercise prices of TOTAL subscription shares of these plans were multiplied by an adjustment factor equal to 0.986147 with effect as of May 24, 2006.

(c) The number of options awarded, outstanding, cancelled or exercised before May 23, 2006 included, was multiplied by four to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.

Options are exercisable, subject to a continued employment condition, after a 2-year vesting period from the date of the Board meeting awarding the options and expire eight years after this date. The underlying shares may not be transferred during the 4-year period from the date of the Board meeting awarding the options. For the 2007, 2008 and 2009 Plans, the four-year transfer restriction period does not apply to employees of non-French subsidiaries as of the date of the grant, who may transfer the underlying shares after a two-year period from the date of the grant.

The continued employment condition states that the termination of the employment contract will also terminate the grantee's right to a restricted share grant.

For the 2009 plan, the Board of Directors required that for each beneficiary other than the CEO of more than 25,000 options, one third of the options granted in excess of this number will be finally

awarded subject to a performance condition. This condition is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010.

The acquisition rate:

- is equal to zero if the ROE is less than or equal to 7%;
- varies on a straight-line basis between 0% and 100% if the ROE is more than 7% and less than 18%; and
- is equal to 100% if the ROE is more than or equal to 18%.

In addition, the Board of Directors required that, for the Chief Executive Officer, the number of share subscription options finally granted will be subject to two performance conditions.



- For 50% of the share subscription options granted, the performance condition states that the number of options finally granted is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate is equal to zero if the average ROE is less than or equal to 7%, varies on a straight-line basis between 0% and 100% if the average ROE is more than 7% and less than 18%, and is equal to 100% if the average ROE is more than or equal to 18%.
- For 50% of the share subscription options granted, the performance condition states that the number of options finally granted is related to the average ROACE (*Return On Average Capital Employed*) of the Group as published by TOTAL. The average ROACE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate is equal to zero if the ROACE is less than or equal to 6%, varies on a straight-line basis between 0% and 100% if the ROACE is more than 6% and less than 15%, and is equal to 100% if the ROACE is more than or equal to 15%.

For the 2007 and 2008 plans, the Board of Directors required that for each beneficiary of more than 25,000 options, one third of the options granted in excess of this number will be finally awarded subject to a performance condition. This performance condition states that the number of shares finally granted is based on the ROE of the Group. The ROE is calculated on the consolidated accounts published by TOTAL and related to the fiscal year preceding the final grant.

The acquisition rate:

- is equal to zero if the ROE is less than or equal to 10%;
- varies on a straight-line basis between 0% and 80% if the ROE is more than 10% or less than 18%;
- varies on a straight-line basis between 80% and 100% if the ROE is more than or equal to 18% or less than 30%; and
- is equal to 100% if the ROE is more than or equal to 30%.

For the 2007 plan, the options acquisition rate, related to the performance condition, was 100%.

## TOTAL share purchase option plans

	1999 Plan <sup>(a)</sup>	2000 Plan <sup>(b)</sup>	2001 Plan <sup>(c)</sup>	2002 Plan <sup>(d)</sup>	Total	Weighted-average exercise price
<b>Date of the Shareholders' Meeting</b>	05/21/1997	05/21/1997	05/17/2001	05/17/2001		
<b>Date of grant <sup>(e)</sup></b>	06/15/1999	07/11/2000	07/10/2001	07/09/2002		
<b>Exercise price until May 23, 2006 included <sup>(f)</sup></b>	28.25	40.68	42.05	39.58		
<b>Exercise price from May 24, 2006 included <sup>(f)</sup></b>	27.86	40.11	41.47	39.03		
<b>Expiration date</b>	06/15/2007	07/11/2008	07/10/2009	07/09/2010		
<b>Number of options <sup>(g)</sup></b>						
<b>Outstanding as of January 1, 2007</b>	1,370,424	4,928,505	6,861,285	9,280,716	22,440,930	39.33
Notified	–	–	–	–	–	–
Cancelled	(138,023)	(3,452)	(7,316)	(7,104)	(155,895)	29.28
Exercised	(1,232,401)	(1,782,865)	(1,703,711)	(2,210,429)	(6,929,406)	37.92
<b>Outstanding as of January 1, 2008</b>	–	3,142,188	5,150,258	7,063,183	15,355,629	40.07
Notified	–	–	–	–	–	–
Cancelled	–	(480,475)	(3,652)	(13,392)	(497,519)	40.09
Exercised	–	(2,661,713)	(455,180)	(598,934)	(3,715,827)	40.10
<b>Outstanding as of January 1, 2009</b>	–	–	4,691,426	6,450,857	11,142,283	40.06
Notified	–	–	–	–	–	–
Cancelled	–	–	(4,650,446)	(7,920)	(4,658,366)	41.47
Exercised	–	–	(40,980)	(507,676)	(548,656)	39.21
<b>Outstanding as of December 31, 2009</b>	–	–	–	5,935,261	5,935,261	39.03

(a) Options were exercisable, subject to a continued employment condition, and expired eight years after this date. The underlying shares may not be transferred during the 5-year period from the date of the Board meeting awarding the options. This plan expired on June 15, 2007.

(b) Options were exercisable, subject to a continued employment condition, after a 4-year vesting period from the date of the Board meeting awarding the options and expired eight years after this date. The underlying shares may not be transferred during the 5-year period from the date of the award. This plan expired on July 11, 2008.

(c) Options were exercisable, subject to a continued employment condition, after a 3.5-year vesting period from the date of the Board meeting awarding the options and expired eight years after this date. The underlying shares may not be transferred during the 4-year period from the date of the award. This plan expired on July 10, 2009.

(d) Options are exercisable, subject to a continued employment condition, after a 2-year vesting period from the date of the Board meeting awarding the options and expire eight years after this date. The underlying shares may not be transferred during the 4-year period from the date of the award.

(e) The date of the award is the date of the Board meeting awarding the options.

(f) Exercise price in euros. The exercise prices of TOTAL share purchase options of the plans at that date were multiplied by 0.25 to take into account the four-for-one stock split on May 18, 2006. Moreover, following the spin-off of Arkema, the exercise prices of TOTAL share purchase options of these plans were multiplied by an adjustment factor equal to 0.986147 with effect as of May 24, 2006.

(g) The number of options awarded, outstanding, cancelled or exercised before May 23, 2006 included, was multiplied by four to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.

## Exchange guarantee granted to the holders of Elf Aquitaine share subscription options

Pursuant to the public exchange offer for Elf Aquitaine shares which was made in 1999, the Group made a commitment to guarantee the holders of Elf Aquitaine share subscription options, at the end of the period referred to in Article 163 bis C of the French Tax Code (CGI), and until the end of the period for the exercise of the options, the possibility to exchange their future Elf Aquitaine shares for TOTAL shares, on the basis of the exchange ratio of the offer (nineteen TOTAL shares for thirteen Elf Aquitaine shares).

In order to take into account the spin-off of S.D.A. (Société de Développement Arkema) by Elf Aquitaine, the spin-off of Arkema by TOTAL S.A. and the four-for-one TOTAL stock split, the Board of Directors of TOTAL S.A., in accordance with the terms of the share exchange undertaking, approved on March 14, 2006 to adjust the

exchange ratio described above (see pages 24 and 25 of the "Prospectus for the purpose of listing Arkema shares on Euronext Paris in connection with the allocation of Arkema shares to TOTAL S.A. shareholders"). Following the approval by Elf Aquitaine Shareholders' Meeting on May 10, 2006 of the spin-off of S.D.A. by Elf Aquitaine, the approval by TOTAL S.A. Shareholders' Meeting on May 12, 2006 of the spin-off of Arkema by TOTAL S.A. and the four-for-one TOTAL stock split, the exchange ratio was adjusted to six TOTAL shares for one Elf Aquitaine share on May 22, 2006. In 2009, 75,699 options were exercised and 80,005 Elf Aquitaine shares were exchanged based on the exchange ratio of six TOTAL shares for one Elf Aquitaine share pursuant as adjusted on May 22, 2006.

As of December 31, 2009, the exchange guarantee is no longer in effect and Elf Aquitaine share subscription option plans have expired. Therefore, no Elf Aquitaine shares are covered by the exchange guarantee as of December 31, 2009.

Elf Aquitaine subscription plan <sup>(a)</sup>	1999 Plan n°1	1999 Plan n°2	Total	Weighted-average exercise price <sup>(b)</sup>
<b>Exercise price until May 23, 2006 included <sup>(b)</sup></b>	<b>115.60</b>	<b>171.60</b>		
<b>Exercise price since May 24, 2006 <sup>(b)</sup></b>	<b>114.76</b>	<b>170.36</b>		
<b>Expiration date</b>	<b>03/30/2009</b>	<b>09/12/2009</b>		
Outstanding options as of January 1, 2009	90,342	6,044	<b>96,386</b>	118.25
Outstanding Elf Aquitaine shares covered by the exchange guarantee as of December 31, 2008	5,295	–	<b>5,295</b>	
<b>Options exercised in 2009</b>	<b>69,655</b>	<b>6,044</b>	<b>75,699</b>	<b>119.20</b>
<b>Shares exchanged in 2009</b>	<b>73,961</b>	<b>6,044</b>	<b>80,005</b>	
Outstanding options as of December 31, 2009	–	–	–	
Outstanding Elf Aquitaine shares covered by the exchange guarantee as of December 31, 2009	–	–	–	
<b>Total of Elf Aquitaine shares, either outstanding or to be created, covered by the exchange guarantee for TOTAL shares as of December 31, 2009</b>	<b>–</b>	<b>–</b>	<b>–</b>	

(a) Adjustments approved by the Board of Elf Aquitaine on March 10, 2006, pursuant to Articles 174-9, 174-12 and 174-13 of Decree No. 67-236 dated March 23, 1967, in effect at the time of this meeting as well as at the time of the Shareholders' Meeting of Elf Aquitaine on May 10, 2006, related to the spin-off of S.D.A. These adjustments have been made on May 22, 2006 with an effective date of May 24, 2006.

(b) Exercise price in euros. To take into account the spin-off of S.D.A., the exercise prices of Elf Aquitaine share subscription options were multiplied by an adjustment factor equal to 0.992769 with effect on May 24, 2006.

## TOTAL restricted share grants

	2005 Plan <sup>(a)</sup>	2006 Plan	2007 Plan	2008 Plan	2009 Plan	Total
<b>Date of the Shareholders' Meeting</b>	05/17/2005	05/17/2005	05/17/2005	05/16/2008	05/16/2008	
<b>Date of grant <sup>(b)</sup></b>	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	
<b>Date of the final grant (end of vesting period)</b>	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	
<b>Transfer possible from</b>	07/20/2009	07/19/2010	07/18/2011	10/10/2012	09/16/2013	
<b>Number of restricted shares</b>						
<b>Outstanding as of January 1, 2007</b>	<b>2,267,096</b>	<b>2,272,296</b>				<b>4,539,392</b>
Notified	–	–	2,366,365			<b>2,366,365</b>
Cancelled	(38 088)	(6 212)	(2 020)			<b>(46,320)</b>
Finally granted <sup>(c)</sup>	(2,229,008)	(2 128)	(1 288)			<b>(2,232,424)</b>
<b>Outstanding as of January 1, 2008</b>	<b>–</b>	<b>2,263,956</b>	<b>2,363,057</b>			<b>4,627,013</b>
Notified	–	–	–	2,791,968		<b>2,791,968</b>
Cancelled <sup>(d)</sup>	2 840	(43,822)	(29 504)	(19 220)		<b>(89,706)</b>
Finally granted <sup>(c) (d)</sup>	(2,840)	(2,220,134)	(336)	–		<b>(2,223,310)</b>
<b>Outstanding as of January 1, 2009</b>	<b>–</b>	<b>–</b>	<b>2,333,217</b>	<b>2,772,748</b>		<b>5,105,965</b>
Notified	–	–	–	–	2,972,018	<b>2,972,018</b>
Cancelled	1 928	2 922	(12 418)	(9 672)	(5 982)	<b>(23,222)</b>
Finally granted <sup>(c) (d)</sup>	(1,928)	(2,922)	(2,320,799)	(600)	–	<b>(2,326,249)</b>
<b>Outstanding as of December 31, 2009</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,762,476</b>	<b>2,966,036</b>	<b>5,728,512</b>

(a) The number of restricted shares granted has been multiplied by four to take into account the four-for-one stock split on May 18, 2006.

(b) The date of the award is the date of the Board meeting awarding the grant of restricted share, except for the award of October 9, 2008, approved by the Board on its meeting on September 9, 2008.

(c) Finally granted following the death of the beneficiaries or restricted shares (2005, 2006 and 2007 plans for fiscal year 2007, 2007 plan for fiscal year 2008 and 2008 plan for fiscal year 2009).

(d) For the 2005 and 2006 plans, final restricted share grants for which entitlement right had been cancelled erroneously.

The shares granted, previously bought back by the Company on the market, are finally granted to their beneficiaries after a 2-year vesting period from the date of the grant. This final grant is subject to continued employment and performance conditions. Moreover, the transfer of the restricted shares finally granted will not be permitted until the end of a 2-year mandatory holding period from the date of the final grant.

The continued employment condition states that the termination of the employment contract during the vesting period also terminates the grantee's right to a restricted share grant.

For the 2009 plan, the Board of Directors required that, for each beneficiary of more than 100 shares, half of the shares in excess of this number will be finally granted subject to a performance condition. This condition is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010.

The acquisition rate:

- is equal to zero if the ROE is less than or equal to 7%;

- varies on a straight-line basis between 0% and 100% if the ROE is more than 7% and less than 18%; and
- is equal to 100% if the ROE is more than or equal to 18%.

For the 2007 and 2008 plans, the Board of Directors required that, for each beneficiary, the shares will be finally granted subject to a performance condition. This performance condition states that the number of restricted shares finally granted is based on the ROE of the Group. The ROE is calculated on the consolidated accounts published by TOTAL and related to the fiscal year preceding the final grant.

The acquisition rate:

- is equal to zero if the ROE is less than or equal to 10%;
- varies on a straight-line basis between 0% and 80% if the ROE is more than 10% or less than 18%;
- varies on a straight-line basis between 80% and 100% if the ROE is more than or equal to 18% or less than 30%; and
- is equal to 100% if the ROE is more than or equal to 30%.

For the 2005, 2006 and 2007 plans, the acquisition rates of the shares granted, related to the performance conditions, were 100%.

## 24) Other

### Compensation for the administration and management bodies

The aggregate amount paid directly or indirectly by the French and foreign affiliates of the Company as compensation to the executive officers of TOTAL (the members of the Management Committee and the Treasury) and to the members of the Board of Directors who are employees of the Group, is detailed as follows:

<b>For the year ended December 31,</b> (M€)	<b>2009</b>	2008	2007
Number of people	<b>27</b>	30	30
Direct or indirect compensation	<b>19.4</b>	20.4	19.9
Share-based payments (restricted shares)	<b>1.3</b>	2.2	2.3
Pension expenses <sup>(a)</sup>	<b>10.6</b>	11.9	12.2

(a) The benefits provided for executive officers and certain members of the Board of Directors, employees and former employees of the Group, include severance to be paid on retirement, supplementary pension schemes and insurance plans, which represent €96.6 million provisioned as of December 31, 2009, (compared to €98 million as of December 31, 2008 and €102.9 million as of December 31, 2007).

The compensation allocated to members of the Board of Directors for directors' fees amounted to €0.97 million in 2009 (compared to €0.83 million in 2008 and €0.82 million in 2007).

### Sinking of the Erika

Following the judgment announced by the Paris Criminal Court on January 16, 2008, TOTAL S.A. has decided to appeal the verdict and to pay the court-ordered compensation to the victims of pollution who are willing to accept it in a full and final settlement.

The appeal proceedings were heard by the Court of Appeals of Paris in late 2009. Decision of the Court of Appeals of Paris is expected to be handed down in the first half of 2010.

TOTAL S.A. considers, based on a reasonable estimation of amounts at their expense in this case, that it should have no significant impact on the financial position or the results of TOTAL S.A.

## ► Other financial information concerning the parent company

### Subsidiaries and affiliates

As of December 31, 2009 (M€)	% of share capital owned by the company	Share capital	Other shareholders' equity	Book value of investments		Loans & advances	Sales	Net income	Dividends paid	Commitments & contingencies
				gross	net					
<b>Subsidiaries</b>										
Cray Valley S.A.	100.0	70	23	69	69	-	363	(2)	-	-
Elf Aquitaine	95.7	2,251	19,334	45,339	45,339	-	-	4,012	2,455	-
Omnium Insurance Reinsur. Cie	100.0	28	394	114	114	-	278	72	82	-
Total China Investment Ltd	100.0	111	(18)	117	60	-	191	16	-	-
Total Chimie	100.0	930	12,255	13,117	13,117	-	-	851	750	-
Total E&P Canada	100.0	529	(253)	565	565	-	191	(14)	-	1,322
Total E&P Holdings	65.8	6	2,776	1,118	1,118	-	-	2,035	1,747	-
Total Énergie Développement	100.0	46	-	62	51	-	4	(6)	-	-
Total Gasandes S.A.	100.0	4	(17)	80	-	25	-	(2)	-	7
Total Gaz & Énergies Nouvelles Hld	100.0	330	48	330	330	-	-	48	-	-
Total Gestion U.S.A.	100.0	3,969	-	3,969	3,969	-	-	-	-	-
Total Holdings Europe	53.2	65	10,236	4,446	4,446	-	-	3,048	104	-
Total Outre Mer	100.0	77	129	95	95	-	2,166	120	76	-
Total Raffinage Marketing	59.6	624	443	2,632	2,632	-	22,731	(670)	-	1,000
Total Refining Saudi Arabia S.A.S.	100.0	80	(6)	80	80	99	-	(6)	-	-
Other	-	-	-	921	632	5,701 <sup>(a)</sup>	-	-	564	45,757
<b>Total</b>				<b>73,054</b>	<b>72,617</b>	<b>5,825</b>			<b>5,778</b>	<b>48,086<sup>(b)</sup></b>

(a) Including Total Finance for €3,235 million and Total Treasury for €1,314 million.

(b) Including €41,876 million concerning Total Capital for debenture loan emission program and short-term financing.

## Other financial information concerning the parent company

APPENDIX 3  
TOTAL S.A.

## Investment portfolio

As of December 31, 2009	Par value (€)	Number of shares outstanding	Number of shares held by the Company	Percentage of capital owned by TOTAL S.A.	Gross value (K€)
Investments Companies					
Bostik Holdings SA	2.50	133,978,760	766,291	0.57	6,044
Bostik S.A.	15.24	5,321,361	512,696	9.63	49,595
Cray Valley S.A.	15.24	4,593,167	4,593,167	100.00	69,315
Daja 69 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 73 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 74 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 75 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 76 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 77 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 78 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 79 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 81 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 87 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 88 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 89 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 90 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 91 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 92 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 93 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 94 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 95 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 96 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 97 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 98 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 99 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 100 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 101 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 102 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 103 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 104 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 105 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 106 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 107 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 108 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 109 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 110 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 111 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 112 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 113 S.A.S.	10.00	5,000	5,000	100.00	50
Daja 114 S.A.S.	10.00	5,000	5,000	100.00	50
Elf Aquitaine	8.00	281,343,859	269,239,270	95.70	45,338,892
Eurotradia International	22.47	133,500	14,836	11.11	3,859
Gie Fost	15.24	100,030	99,830	99.60	1,519
Le Monde Entreprises	1,676.94	2,420	140	5.79	384
Le Monde S.A.	1.00	96,800,842	37,158	0.04	81
Raffinerie de Strasbourg	15.24	420,000	70,000	16.67	1,505
Societe Financiere Auteuil	16.00	500,000	499,994	100.00	28,268
Sté Languedocienne Micron Couleurs	15.25	35,000	34,988	99.97	20,641
Septentrion Participations	16.00	698,273	698,273	100.00	55,238
Sté Pipe Line Sud-Européen	7.60	1,500,000	95,808	6.39	3,120
Total Activités Maritimes	1.60	1,523,360	1,523,356	100.00	26,810
Total Capital	10.00	30,000	29,994	99.98	300
Total Chimie	15.50	60,016,646	60,016,640	100.00	13,116,545
Total Coopération Technique Mexique	8.00	5,000	5,000	100.00	50
Total E&P Activités Pétrolières	16.00	50,000	49,995	99.99	1,410
Total E&P Amborip VI	10.00	5,000	5,000	100.00	50
Total E&P Arafura Sea	10.00	5,000	5,000	100.00	50

As of December 31, 2009 (continued)	Par value (€)	Number of shares outstanding	Number of shares held by the Company	Percentage of capital owned by TOTAL S.A.	Gross value (K€)
Total E&P Egypte	10.00	5,000	5,000	100.00	50
Total E&P Guyane Française	10.00	5,000	5,000	100.00	50
Total E&P Holdings Chile	10.00	44,000	44,000	100.00	440
Total E&P Holdings	2.00	2,955,229	1,945,303	65.83	1,117,902
Total E&P Junin	10.00	5,000	5,000	100.00	50
Total E&P North-East Aru	10.00	5,000	5,000	100.00	50
Total Énergie Développement	16.00	2,892,500	2,892,500	100.00	62,154
Total Énergie Solaire Concentrée	10.00	5,000	5,000	100.00	50
Total G&P Ventures	16.00	2,500	2,500	100.00	194
Total Gaz Énergies Nouvelles Holding	10.00	32,978,838	32,978,838	100.00	329,788
Total Gestion U.S.A.	10.00	396,936,608	396,936,600	100.00	3,969,366
Total Holding Allemagne	10.00	5,764,000	5,764,000	100.00	57,640
Total Holdings Europe	0.05	1,302,415,903	692,415,903	53.16	4,445,631
Total Lubrifiants	30.50	888,056	35,056	3.95	15,794
Total Outre Mer	430.00	180,000	179,995	100.00	95,349
Total Petrochemicals France	3.33	60,289,910	766,291	1.27	18,959
Total Raffinage Marketing	7.50	83,163,738	49,600,004	59.64	2,632,060
Total Refining Saudi Arabia S.A.S.	10.00	8,004,000	8,004,000	100.00	80,040
Total Services Kazakhstan	10.00	5,000	5,000	100.00	50
Total Sustainable Developments	10.00	5,000	5,000	100.00	50
Total Treasury	15.25	15,000	15,000	100.00	257
Trois Vallées S.A. HLM	15.00	1,300,977	11,700	0.90	178
Vigéo	100.00	177,061	1,300	0.73	130
<b>Total 1</b>					<b>71,551,758</b>
Investments in French companies whose gross value is between €15,240 and €45,730					
<b>Gross value</b>					<b>860</b>
Investments in French companies whose gross value is less than €15,240					
<b>Gross value</b>					<b>8</b>
Investments in real estate companies whose shares are not publicly traded					
<b>Gross value</b>					<b>0</b>
Investments in foreign companies whose shares are not publicly traded					
<b>Gross value</b>					<b>1,501,236</b>
<b>Total 2</b>					<b>1,502,104</b>
<b>Total 1 + 2</b>					<b>73,053,862</b>
<b>Marketable securities</b>					
Investment Company, Shares					596,076
<b>Total 3</b>					<b>596,076</b>
<b>Total (1 + 2 + 3)</b>					<b>73,649,938</b>



## Five-year financial data

Share capital at year-end (K€)	2009	2008	2007	2006	2005
Share capital	5,871,057	5,929,520	5,988,830	6,064,420	6,151,163
Number of common shares outstanding <sup>(a)</sup>	2,348,422,884	2,371,808,074	2,395,532,097	2,425,767,953	615,116,296
Number of future shares to issue:					
- share subscription options <sup>(a)</sup>	45,828,769	42,965,666	39,440,217	36,044,355	7,675,549
- Elf Aquitaine options and shares covered by the exchange guarantee <sup>(a)</sup>	–	610,086	841,776	1,158,900	361,742
<b>Operations and income for the year (K€)</b>					
Net commercial sales	6,246,165	9,970,955	7,904,504	8,549,605	7,009,551
Employee profit sharing	35,000	42,000	38,000	30,000	25,000
Net income	5,633,681	6,007,609	5,778,925	5,252,106	4,142,954
Retained earnings before appropriation	4,114,277	3,416,997	2,496,875	1,671,091	1,458,996
Income available for appropriation	9,747,958	9,424,606	8,275,800	6,923,197	5,601,950
Dividends (including interim dividends)	5,354,404	5,407,722	4,983,591	4,503,181	4,005,394
Retained earnings	4,393,554	4,016,884	3,292,209	2,420,016	1,596,556
<b>Earnings per share (€)</b>					
Income after tax, before depreciation, amortization and provisions <sup>(a) (b)</sup>	2.68	2.87	3.06	2.38	7.29
Net income <sup>(a) (b)</sup>	2.52	2.67	2.54	2.27	7.02
Net dividend per share <sup>(a)</sup>	2.28	2.28	2.07	1.87	6.48
<b>Employees (K€)</b>					
Average number of employees during the year <sup>(c)</sup>	6,595	6,311	6,027	5,731	5,459
Total payroll for the year	881,515	666,686	605,374	561,524	511,775
Social security and other staff benefits	312,973	282,040	258,875	245,755	236,352

(a) On May 18, 2006, the share par value was divided by four.

(b) Earnings per share are calculated based on the fully-diluted weighted-average number of common shares outstanding during the year, excluding treasury shares and shares held by subsidiaries.

(c) Including employees in end-of-career holiday or early retirement (5 individuals in 2005—Exemption from activity: 6 individuals in 2006, 29 individuals in 2007, 50 individuals in 2008 and 74 individuals in 2009).

## Allocation of 2009 income

(€)	
Income of the year	5,633,680,966.51
Retained earnings before appropriation	4,114,277,451.17
<b>Total available for allocation</b>	<b>9,747,958,417.68</b>
Interim dividends	
– paid in 2009	2,660,015,536.68
– to be paid in 2010 (maximal amount)	17,186,551.08
Balance of dividends to be paid in 2010	2,677,202,087.76
2009 dividends	5,354,404,175.52
Retained earnings	4,393,554,242.16
<b>Total allocated</b>	<b>9,747,958,417.68</b>

## Statement of changes in share capital for the past five years

For the year ended (K€)		Cash contributions		Successive amounts of nominal capital	Cumulative number of shares
		Par value	Issue/conversion premium		
<b>2005</b>	<b>Changes in capital</b>				
	Options covered by the exchange guarantee	10,435	178,175	6,360,586	636,058,607
	Exercise of share subscription options	1,333	16,488	6,361,919	636,191,864
	Capital decrease	(210,756)	(3,647,054)	6,151,163	615,116,296
<b>2006</b>	<b>Changes in capital</b>				
	Exercise of share subscription options	453	5,582	6,151,616	615,161,601
	Options covered by the exchange guarantee	315	6,601	6,151,931	615,193,065
	Capital increase reserved for employees	27,853	436,182	6,179,784	617,978,395
	Four-for-one stock split	–	–	6,179,784	2,471,913,580
	Capital decrease	(117,550)	(2,341,947)	6,062,234	2,424,893,580
	Exercise of share subscription options	1,670	21,046	6,063,904	2,425,561,679
	Options covered by the exchange guarantee	516	10,389	6,064,420	2,425,767,953
<b>2007</b>	<b>Changes in capital</b>				
	Options covered by the exchange guarantee	788	16,862	6,065,208	2,426,083,265
	Exercise of share subscription options	6,135	76,196	6,071,343	2,428,537,097
	Capital decrease	(82,513)	(1,651,038)	5,988,830	2,395,532,097
<b>2008</b>	<b>Changes in capital</b>				
	Options covered by the exchange guarantee	569	9,631	5,989,399	2,395,759,521
	Exercise of share subscription options	2,945	38,166	5,992,344	2,396,937,688
	Capital increase reserved for employees	12,176	203,521	6,004,520	2,401,808,074
	Capital decrease	(75,000)	(1,565,629)	5,929,520	2,371,808,074
<b>2009</b>	<b>Changes in capital</b>				
	Options covered by the exchange guarantee	1,200	17,179	5,930,720	2,372,288,104
	Exercise of share subscription options	2,337	29,996	5,933,057	2,373,222,884
	Capital decrease	(62,000)	(1,160,212)	5,871,057	2,348,422,884

## ► Social and environmental information

Pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code deriving from the new economic regulations law of May 15, 2001 (known as the "NRE" law), the Company must provide information on how it accounts for the social and environmental consequences of its activities. The data related to these requirements are presented below. It should be noted that the environmental information for TOTAL S.A.'s scope of operation is not considered relevant and therefore the Company is presenting the environmental objectives of its subsidiaries. Over and above these legal obligations, the Company also publishes every year a Corporate Social Responsibility report, entitled *Environment and Society*, which deals with the Group's activities overall and their social and environmental consequences, and describes the objectives of the Group as a whole in this respect.

### Social

#### 1) Changes in the number of employees

As of December 31,	2009	2008	2007
TOTAL S.A. employees			
Men	4,745	4,584	4,373
Women	1,973	1,881	1,770
<b>Total</b>	<b>6,718</b>	<b>6,465</b>	<b>6,143</b>

Women represented 29.4% of TOTAL S.A. employees at December 31, 2009; this proportion has risen steadily over the last three years.

A European agreement on equal opportunity was signed by the Group on November 21, 2005. This agreement affirms the Group's commitments to promote, expand and guarantee diversity and equal treatment for employees, from recruitment to the end of the employment contract.

In addition, a negotiation on equal professional opportunity is ongoing. It started with the review by an opportunity working group of a survey conducted by APEC (French job center for managers) on the equal treatment of men and women within TOTAL S.A.

Average age and seniority of TOTAL S.A. employees		2009	2008	2007
Average age:	Men	44.5	44.9	45.2
	Women	42.7	42.6	42.5
Average seniority:	Men	17.3	17.6	18.0
	Women	16.6	16.7	16.8

Mobility at TOTAL S.A.		2009	2008	2007
External mobility:	Open-ended contract	341	383	290
	Fixed-term contract	230	233	196
Internal mobility:		171	180	132
<b>Total</b>		<b>742</b>	<b>796</b>	<b>618</b>

Employees leaving TOTAL S.A.		2009	2008	2007
Resignations		30	66	54
Layoffs for economic reasons		0	0	0
Dismissals for other reasons		6	8	6
Conventional breach		9	-	-
End of fixed-term contract		217	203	149
Retirement		169	118	72
End of trial period		0	5	1
Death		6	5	14
Job change		55	61	37
Other *		0	0	0
<b>Total</b>		<b>492</b>	<b>466</b>	<b>333</b>

\*PRC/PRI (Early retirement by own election or for organizational reasons).

Retirements are increasing at a low pace. Resignations remain at a very low level (0.4% of employees).

<b>Outside workers</b>	<b>2009</b>	2008	2007
Number of contractors present at December 31	<b>3,022</b>	2,586	2,382
Average monthly number of temporary staff	<b>100.05</b>	92.52	99.00

Service providers present on sites are mainly employed for general purposes and IT.

## 2) Management of economic impact on jobs

Considering the growth of the Company's business, there has been no economic impact on jobs.

## 3) Work schedule and organization

<b>Work schedule organization</b>	<b>2009</b>	2008	2007
Full time	<b>6,413</b>	6,159	5,841
Part time	<b>253</b>	263	270
Team work (3 x 8 employees shift)	<b>52</b>	43	31

<b>Absenteeism – number of days of absence</b>	<b>2009</b>	2008	2007
Illness and convalescence	<b>17,555</b>	15,832	15,325
On-the-job or commuting accident	<b>334</b>	429	852
Maternity	<b>8,623</b>	7,445	7,555
<b>Total</b>	<b>26,512</b>	<b>23,706</b>	<b>23,732</b>

## 4) Compensation

<b>Change in compensation – TOTAL S.A.</b>	<b>2009</b>	2008	2007
Average per annum (€)	<b>70,075</b>	69,895	68,184

These figures correspond to the annual payroll for 2009 in relation to the average monthly number of staff. They include the compensation of the top management.

<b>Average monthly compensation – TOTAL S.A.</b> (€)	<b>Men</b>	<b>Women</b>
Senior engineers and executives	8,930	8,453
Engineers and executives	4,965	4,598
Foremen and other supervisors	2,998	2,853
Clerical and technical staff	2,199	2,139
Workers	1,938	–

These figures correspond to the monthly payroll in relation to the average monthly number of staff, including fixed-based salary and seniority bonus, but excluding any other bonus.

<b>Aggregate payroll expenses TOTAL S.A.</b>	<b>2009</b>	2008	2007
Payroll expenditure (B€)	<b>1,188</b>	0,943	0,85
Added value (B€)	<b>2,644</b>	4,109	3,189
Ratio	<b>0.45</b>	0.23	0.27

<b>Profit-sharing and incentives</b> <b>Average amount per beneficiary</b> <b>(Scope of the agreement)</b> (€)	<b>Average amount</b> <b>2008</b>	Average amount 2007	Average amount 2006
Profit-sharing	<b>753</b>	1,188	729
Incentives	<b>5,920</b>	5,200	5,466
<b>Total</b>	<b>6,673</b>	<b>6,388</b>	<b>6,195</b>

Employees at TOTAL S.A. benefit from an incentive agreement and a profit-sharing agreement as well as other Group companies (Total Raffinage Marketing, TEPF, TIGF, Total ACS, Total Fluides, Totalgaz, ELF EP Productions SAS and CDF Energie). Pursuant to this agreement and according to published results, the total amount of profit-sharing and incentives paid for fiscal 2008 represented 10% of the aggregate cumulative payroll for these companies. Part of this amount is distributed equally and part proportionally among the employees. Incentives and profit-sharing for 2009 will be distributed in May 2010 pursuant to the June 26, 2009, incentive and profit-sharing agreement related to fiscal years 2009, 2010 and 2011.

## 5) Health and Safety

<b>On-the-job accidents for TOTAL S.A. employees</b>	<b>2009</b>	2008	2007
Number of accidents	11	8	9
Frequency rate (%)	1.041	0.787	0.931
<b>Expenditure on Health &amp; Safety – TOTAL S.A.</b>			
(€)	<b>2009</b>	2008	2007
	4,020,130	4,148,094	4,497,642

## 6) Training

<b>Number of TOTAL S.A. employees who have been provided training</b>	<b>2009</b>	2008	2007
	3,405	3,836	3,606

The level of training provided is high. The objective is to maintain and strengthen employee's technical potential and to meet their needs. Both young and senior professional staff receive training.

## 7) Employment of workers with a disability

<b>Number of employees with a disability – TOTAL S.A.</b>	<b>2009</b>	2008	2007
	108	98	101

For several years TOTAL S.A. has been committed to the professional inclusion of employees with a disability, including the signature in 2007 of a multi-year collective bargaining agreement and partnerships with relevant associations. In addition to the direct hiring of disabled individuals and collaboration with the protected sector, the Company trains disabled employees to enable them to take on professional responsibilities.

## 8) Charitable support

<b>Committees budget</b>	<b>2009</b>	2008	2007
(€)	<b>14,143,009</b>	13,212,418	11,682,784

Since 2003, TOTAL S.A. has been a member of the *Unité Economique et Sociale* (UES) together with Elf Exploration Production. The committees' budget in 2009 corresponds to the budget of the UES's establishment committees. This budget accounts for more than 2.5% of the total payroll.

## 9) Professional relations

	<b>2009</b>	2008	2007
Number of negotiation meetings concerning TOTAL S.A.	30	31	21
Number of collective bargaining agreements signed concerning TOTAL S.A.	8	9	6

Collective bargaining agreements signed in 2009 involve incentives, profit-sharing, insurance and the renewal of the Group and European Committees.

## Environment

Pursuant to Article L. 225-102 and R. 225.105 of the French Commercial Code, TOTAL S.A. supplies information on how it takes into account the environmental consequences of its activity, notably the environmental objectives of its subsidiaries outside France.

The following paragraphs present information on the environmental policy guidance and objectives of the parent company. More detailed environmental information appears not to be relevant for TOTAL S.A., given, on the one hand, the type of operations conducted by the holding company, and, on the other hand, the type of operations conducted by the Group.

The Group has operations in more than 130 countries in a number of areas such as the upstream and downstream oil and gas industry, energy production and chemicals. The Group's social and environmental report *Environment and Society* includes detailed information on how the Group's business units conduct their environmental policies. This report summarizes the environmental consequences of the Group's operations, describes and explains their qualitative and quantitative impacts, details the actions taken, and addresses the Group's environmental performance, its commitments and achievements.

The Health, Safety and Environment (HSE) Charter constitutes an essential reference in the Group's culture and illustrates its commitment to the safety of operations, health of people, respect for the environment, and quality of its products and services. The 2009 HSE Charter highlights the need for sharing this culture among employees, industrial and commercial partners, and emphasizes behaviors such as listening of and dialogue with stakeholders. It is translated into several languages and should be implemented by taking into account the operating context of all the Group's businesses.

This Charter is based on ten key principles that are detailed in a guide designed to help managers implement them into their daily business activities. This guide already came with the 2003 Charter.

The ten principles fall into three broad categories: the industrial business itself, employees and third parties:

- o **For industrial activity**, no development project, expansion of an industrial facility or new product launch can be undertaken in any country where a Group subsidiary operates without a prior detailed analysis of the risks concerning health, safety and the environment having been performed by the relevant sustainable development and environment or industrial safety department of the Group. Verification that these risks have been taken into account and necessary prevention, correction and compensation measures were adopted is done at the time the project is examined by the business units concerned. Proposals for major investments, acquisitions and disposals are reviewed by the Group's Executive Committee, having first been presented to the Group's Risks Committee. This committee includes notably a representative of the Sustainable Development and Environment department and a representative of the Industrial Safety department.

This procedure for the evaluation and prevention of risks, prior to the commencement of any project, relies on scientific analysis of the substances used and produced and their effects, and on environmental impact studies and technological risk assessments, pursuant to the regulations in force in the countries of operation and the industry guidelines. It is also based on health impact analyses and takes into account end-of-life issues for products and facilities.

Close attention is also paid to biological diversity, especially in areas of particular ecological sensitivity, identified with the support of scientific organizations. The Group's sites in relation to ecologically sensitive areas are currently being mapped as part of a Geographical Information System project. Furthermore, a guide designed to help the management of industrial sites in addressing biodiversity issues is being tested at some of the Group's sites, notably in France and Yemen, with the support of the scientific community, with feedback expected soon. The objective is to create biodiversity observatories near industrial sites to better understand and monitor fauna and flora.

These different aspects, with their highly scientific and technical components, are an integral part of any project's decision-making process and rely on preliminary studies. Actions to harmonize the methodologies on which these studies rely are taken at each business unit.

As part of this evaluation and prevention approach, projects, once they have started up, are subject to regular environmental monitoring and periodic audits.

In accordance with the HSE Charter, the prevention objectives are incorporated in the various environmental action plans and cover the improvement of energy efficiency, reduction of emissions of pollutants into the atmosphere and water, reduction of consumption of water and certain raw materials, reduction of waste at the sites and recovery of the waste that is produced. Each business unit sets certain targets for improving its environmental performance and circulates this information at its sites, taking into account the particular features relevant to it.

Regarding greenhouse gas emissions, the implementation in 2008 of the second application period of the European Union carbon dioxide emissions quota trading plan represents a new step in the policy to combat global warming and represents a real technological challenge for the Group. The Group continues to implement the commitment to reduce by 50% by 2014 the volume of associated gas flared at its Exploration & Production facilities, using the year 2005 as a reference. In addition, TOTAL has gradually started up in 2009 a carbon dioxide capture and storage pilot at its Lacq site in southwestern France. These actions to reduce greenhouse gas are detailed in the Group's social and environmental report mentioned above.

The Group has also set internal goals for better management of the consumption of energy and raw materials. Internal documents (roadmaps and guides) describe what is at stake, propose methodologies and action plans, and include quantified goals to reduce emissions. In particular, a guide developed in late 2008 dedicated to the management of energy performance includes guidance to improve energy management by the Group's different businesses. Since 2008, the business segments have set quantified targets to optimize their energy efficiency by 1% to 2% per year depending on the business. Through the "Total Ecosolutions" program, they also provide their customers with a

number of innovative products and services to improve the environmental and energy balance of products they use and to increase energy efficiency when using such products.

Close attention is also paid to soil and groundwater contamination in the context of specific risk and pollution control assessment programs. The Sustainable Development & Environment department and the relevant department in subsidiaries worked on studies aimed at standardizing the assessment methodologies and criteria for drawing up action plans for pollution control.

Beyond the prevention policy, the Group's operational entities are provided with emergency plans in the event of an accident together with the means to implement them. These plans are regularly updated and verified with the relevant Environment and Safety departments, and feedbacks systematically take place. These policies for prevention and site clean-up in the event of an accident are launched not only for industrial sites, but also for the transport of hazardous goods, both maritime and overland, including the harmonization of methodologies and action plans.

The Group is also involved in a number of research projects in partnership with laboratories, universities and public entities, often on an international level, notably in the areas of combating climate change, behavior of hydrocarbons in water and biodiversity. Experimentation, as well as increasing and sharing of scientific and technical knowledge, contribute to improving performances and better integrate environmental issues in industrial projects. These projects are covered in the Group's social and environmental report.

- o **The principles relating to staff** revolve around three ideas: all employees have a responsibility at their level in terms of safety and the environment, must be aware of such responsibility and must act accordingly. Work performance is assessed by managers according to these and other criteria. To implement these principles, TOTAL S.A.'s Environment and Safety department organizes training both for management and those in charge of health, safety and environment issues. Training for emergency situations, crisis management and providing feedback harmings is also in place. The business units also offer numerous trainings appropriate for the various staff responsible for these functions.
- o **Regarding relations with third parties**, the charter recommends that outside service providers, suppliers and other industrial and commercial partners adhere to the Group's Safety and Environment policy. It also emphasizes that the environmental expectations of the unions, customers, shareholders, and other stakeholder in respect of environmental matters must be addressed in an atmosphere of constructive dialogue and transparency. Particular attention is paid to relations with local communities, and pilot programs for close interactions, dialogue and concerted plans, as illustrated in the Group's social and environmental report, are conducted around certain sites. This approach is intended to become more widespread depending on the experience on the ground. Various tools provided to the Group's managers (Stakeholder Relationship Management, SRM, SRM+, social performance indicators) are designed to facilitate a review of social issues and to define a course of positive action at the sites and at the subsidiaries. In particular, through its community development commitment, the Group's endeavours to develop its business in harmony with the neighboring communities.

The structure of the Group's entities ensures that they constantly and effectively take into account the environment in all their operations. At the Group level, the Sustainable Development & Environment department coordinates the environmental policy and contributes to its implementation in order to facilitate exchanges and synergies between units. The actions and policies of the Sustainable Development & Environment department and the Industrial Safety department of TOTAL S.A. are coordinated within the Corporate Affairs department.

The departments in charge of sustainable development, environment and industrial safety within the business units convey to their subsidiaries, who in turn pass them on to their industrial sites, the principles for action and the short and medium-term environmental objectives that they have established in a concerted way.

All of the Group's business units have implemented internal management systems related to environmental, safety, quality and industrial hygiene issues, taking into account the specific requirements related to their location and business. This involves a determined and concerted approach, based on know-how, working together, raising the awareness of staff and delivering training programs. Progress objectives are defined and action plans implemented; the results obtained are measured using methodologies and indicators that are progressively developed and refined; and feedback and associated controls in the form of internal audits are conducted. These management systems are subject to periodic evaluation by internal auditors in order to continually optimize them.

To facilitate monitoring the achievement of environmental objectives, reporting processes on environmental performance and on major events are implemented within the business units, and between the business units and the corporate departments. They are gradually being harmonized within the Group.

Every year, the Group uses external auditors to verify the reliability of its environmental reporting procedures by examining a representative percentage of sites, with different sites being verified year after year. The fourth audit report, which was conducted in 2009 and attached to the Group's 2008 CSR Report, focused on eight indicators: carbon dioxide, methane, nitrous oxide, hydro-fluorocarbons, sulfur dioxide, nitrogen dioxide, production of hazardous waste and the amount of fresh water consumed at the sites (excluding cooling water). The auditors reviewed these indicators with regard to their relevance, reliability, objectivity, understandability and comprehensiveness.

This desire to continually achieve better-integrated management of the environment has led the Group to work towards ISO 14001 environmental certification. Because this international standard is awarded by a third party, following independent audits for compliance that are repeated every three years, it allows for external recognition of environmental management systems.

By the end of 2012, the Group intends to obtain ISO 14001 certification for all of its sites that it considers particularly important to the environment. As of today, 89% of such sites are so certified. More than 280 of the Group's sites worldwide are certified ISO 14001.



## ► Consolidated financial information for the last five years

### Summary consolidated balance sheet for the last five years

As of December 31, (M€)	2009	2008	2007	2006	2005
	IFRS	IFRS	IFRS	IFRS	IFRS
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>77,996</b>	<b>71,252</b>	<b>65,303</b>	<b>62,436</b>	<b>62,391</b>
Intangible assets	7,514	5,341	4,650	4,705	4,384
Property, plant and equipment	51,590	46,142	41,467	40,576	40,568
Other non-current assets	18,892	19,769	19,186	17,155	17,439
<b>Current assets</b>	<b>49,757</b>	<b>47,058</b>	<b>48,238</b>	<b>42,787</b>	<b>43,753</b>
Inventories	13,867	9,621	13,851	11,746	12,690
Other current assets	35,890	37,437	34,387	31,041	31,063
<b>Total assets</b>	<b>127,753</b>	<b>118,310</b>	<b>113,541</b>	<b>105,223</b>	<b>106,144</b>
<b>LIABILITIES</b>					
Shareholders' equity, Group share	52,552	48,992	44,858	40,321	40,645
Minority interests and preferred shares	987	958	842	827	838
Provisions and other non-current liabilities	20,369	17,842	17,303	16,379	17,440
Non-current financial debt	19,437	16,191	14,876	14,174	13,793
Current debt	34,408	34,327	35,662	33,522	33,428
<b>Total liabilities</b>	<b>127,753</b>	<b>118,310</b>	<b>113,541</b>	<b>105,223</b>	<b>106,144</b>

### Summary consolidated statement of income for the last five years

As of December 31, (M€)	2009	2008	2007	2006	2005 <sup>(a)</sup>
	IFRS	IFRS	IFRS	IFRS	IFRS
Sales	131,327	179,976	158,752	153,802	137,607
Operating expenses	(109,521)	(150,534)	(128,026)	(124,617)	(108,431)
Depreciation and amortization of tangible assets	(6,682)	(5,755)	(5,425)	(5,055)	(5,007)
Other income and expense	(286)	(185)	204	86	(281)
Other financial income and expense	(100)	(124)	(170)	(49)	(151)
Income taxes	(7,751)	(14,146)	(13,575)	(13,720)	(11,806)
Equity share of net income from affiliates	1,642	1,721	1,775	1,693	1,173
<b>Net income from continuing operations (Group excluding Arkema)</b>	<b>8,629</b>	<b>10,953</b>	<b>13,535</b>	<b>12,140</b>	<b>13,104</b>
Net income from discontinued operations (Arkema)	-	-	-	(5)	(461)
<b>Consolidated net income</b>	<b>8,629</b>	<b>10,953</b>	<b>13,535</b>	<b>12,135</b>	<b>12,643</b>
Minority interests	182	363	354	367	370
<b>Net income</b>	<b>8,447</b>	<b>10,590</b>	<b>13,181</b>	<b>11,768</b>	<b>12,273</b>

(a) 2005 figures are restated in compliance with IFRS standards to take into account the spin-off of Arkema decided at the Shareholders' Meeting of May 12, 2006.

## ► Glossary

### A

#### API degrees

Scale established by the American Petroleum Institute (API) to measure oil density. A higher API-degree indicates lighter oil from which a higher yield of gasoline can be refined.

#### Association / Joint Venture / Consortium

Group of companies not forming a new legal entity. Each member of the joint venture holds an undivided interest in the specific area of the contract (PSC, Concession and Buyback) and has separate tax obligations towards the host country.

#### Appraisal (delineation)

Work performed after a discovery, performed for the determination of the boundaries or extent of a deposit of hydrocarbons, or assessment of its reserves and production potential.

### B

#### Barrel

Unit of measurement of volume of crude oil equal to 42 U.S. gallons or 158.9 liters at 60°F or 15.6°C.

#### Barrel of Oil Equivalent (BOE)

Conventional unit for measuring the energy released by a quantity of fuel by relating it to the energy released by the combustion of a barrel of oil.

#### Brent

Quality of crude (38° API) produced in the North Sea, at the Brent fields.

#### Buyback

Risk services agreement (the investments and risks are undertaken by the contractor) combined with an offset mechanism that allows the contractor to receive a portion of the production equivalent to the monetary value (with interest) of its investments and a return on its investment.

### C

#### Capacity of treatment (refinery throughput)

Annual capacity for the treatment of crude oil by atmospheric distillation units at a refinery.

### Catalysts

Substances that facilitate chemical reactions during the refining process used in conversion units (reformer, hydrocracker, catalytic cracker) and desulfurization units. Principal catalysts are precious metals (platinum) or other metals such as nickel or cobalt. There are some catalysts that regenerate themselves and others that are consumable.

### Cogeneration

Simultaneous generation of electrical and thermal energies from a combustible source (gas, fuel oil or coal).

### Concession contract

Exploration and production contract under which an oil & gas company (or group of companies) is granted, by a host country, rights to explore an area and develop and produce potential reserves. The oil and gas company (or group of oil & gas companies) undertakes the execution and financing (at its own risk) of all operations. In return, it is entitled to the entire production.

### Condensate

Light hydrocarbon substances produced with natural gas that exist in either a gaseous phase or in solution in the crude oil under the initial pressure and temperature conditions in the reservoir, and which are recovered in a liquid state in separators, on-site facilities or gas treatment units.

### Conversion

Refining operation aiming at transforming heavy products (heavy fuel oil) into lighter or less viscous ones (oils, jet fuels, etc.)

### Cost oil / Cost gas

In a production sharing contract, the portion of the oil and gas production made available to the contractor (contractor group) and contractually reserved for the reimbursement for exploration costs, costs of site development, exploitation, site restitution ("recoverable" costs).

### Cracking / cracker

Refinery conversion operation, performed to obtain lighter molecules, by modifying the structure and the molecular mass of the hydrocarbons obtained in the first distillation process necessary for manufacturing gasoline.

### D

#### (To) Debottleneck

Action of increasing the throughput capacity of a refinery.

## Desulfurization

The process of eliminating or reducing sulfur from oil usually through chemical reactions.

## Development

Operations carried out to bring an oil or gas field on stream.

## Distillates

A large range of products obtained through the atmospheric distillation of crude oil or through vacuum distillation. Includes medium distillate such as aviation fuel, diesel fuel and heating oil.

## F

### FPSO : Floating production, storage and off loading

Floating integrated offshore unit comprising the equipment used to produce, process and store hydrocarbons and off load them directly to an offshore oil tanker.

## H

### Hydrocarbons

Molecules composed principally of carbon and hydrogen atoms. They can be solid such as asphalt, liquid such as crude oil or gaseous such as natural gas. They may also include compounds with sulphur, nitrogen, metals, etc.

## L

### Liquefied Natural Gas (LNG)

Natural gas, principally methane and ethane, that has been liquefied by cooling to -258°F (-162°C) at normal pressure in order to transport it.

### Liquefied Petroleum Gas (LPG)

Light hydrocarbons (comprised principally of butane and propane) that are gaseous under normal temperature and pressure conditions and that are kept in liquid state by increasing the pressure or reducing the temperature.

## M

### Mineral interests

The rights to explore for and/or to produce oil and gas in a specific area for a fixed period. Covers the concepts of "permit", "license", "title", etc.

## N

### Natural gas

Mixture of gaseous hydrocarbons, composed mainly of methane.

## O

### Oil and gas exploration

All operations carried out to reveal the existence of oil and gas deposits, to prepare for their production.

### Operator

Partner of an oil and gas joint venture in charge of carrying out the operations on a specific area on behalf of the joint venture.

### Operated production

Quantity of oil and gas produced on fields operated by the Group.

## P

### Permit

Area contractually granted to an oil and gas company (or a joint venture) by the host country for a defined period. The permit grants the oil and gas company (or joint venture) exclusive rights to carry out exploration work ("exploration" permit) or to exploit a deposit ("exploitation" permit).

### Production plateau

Expected average stabilized level of production for a field following the production build-up.

### Production share (Group)

Portion of production the Group is entitled to receive as per the sharing rules defined in oil and gas exploration and production agreements.

### Production Sharing Contract (PSC)

Exploration and production contract by which a host country or, more frequently, its national company transfers to an oil & gas company (the contractor) or a group of oil and gas companies (the contractor group) the right to explore in a given area and, if successful, to develop and produce the reserves of the discovered deposits. The contractor (contractor group) shall undertake the execution and financing (as its exclusive risk) of all operations. In return, it is entitled to a portion of the production, called cost oil/gas, for the recovery of the costs. The remaining production, called profit oil/gas, is shared between the contractor (contractor group) and the national company (and/or the host country).

## Production site restoration

Oil companies may have to incur expenses related to the abandonment of production sites at the end of exploitation of a deposit. This definitive shutdown of the production on a field or part of sites production capacity (a well, a group of wells, etc.) generally involves the dismantling of production, transport and storage facilities and the restoration of the sites.

## Profit oil / Profit gas

Under a PSC, a portion of the oil and gas production shared between the host country and the contractor (contractor group), net of cost oil. The share of profit oil/gas made available to the contractor is payment for the services, know-how provided and the risks undertaken.

## R

### Refinery

Plant where crude oil is separated and transformed into marketable products.

### Reserves

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In Exploration & Production, Reserves are expressed in barrels (b) for liquid hydrocarbons, cubic feet (cf) for the gas or oil equivalent barrels (boe) for both.

### Developed Reserves

Developed Oil and Gas Reserves are reserves that can be expected to be recovered through existing wells and installations or for which the cost of the required equipment is relatively minor. This applies to both proved reserves and proved plus probable reserves.

### Proved reserves (1P reserves)

Estimated quantities of crude oil and natural gas that geologic and engineering data show, with reasonable certainty (90%) to be recoverable in the coming years from known reservoirs under existing contract, economic and operating conditions:

- o Developed proved reserves are those that can be recovered with existing facilities and without significant additional investment;
- o Undeveloped proved reserves are those that can be recovered with new investments (surface facilities, wells, etc.).

### Proved and probable reserves (2P reserves)

Sum of proved reserves and probable reserves. The 2P reserves are the median quantities of oil and gas recoverable from fields that

have been drilled, covered by E&P contracts and for which technical studies have demonstrated economic development in a long term Brent price environment. They also include projects to be developed by mining.

### Reserve life

Ratio of proved reserves at the end of the year to the production sold during the past year.

### Resources

Sum of proved and probable reserves and contingent resources (mean quantities potentially recoverable from known accumulations) (Society of Petroleum Engineers 03/07).

## S

### Seismic

Exploration technique of methodically sending vibration or sound waves into the earth and recording their reflections to assess the type, size, shape, and depth of subsurface layers.

## T

### Technical costs

Technical costs include the cost of producing oil and gas, the depreciation and amortization associated with production facilities and the cost of exploration expensed.

## U

### Unitization

Creation of a new joint venture and nomination of a single operator for the development and the production as single asset of a hydrocarbon deposit that straddles two or more permits/licenses or countries.

### Upgrader

Refining unit where petroleum products, such as heavy oils, are upgraded through a cracking process.

## W

### Well

Hole drilled underground for oil exploration and operation.



<b>10.</b>	<b>CAPITAL RESOURCES</b>	
10.1.	Information concerning capital resources (both short and long term)	p.64
10.2.	Sources, amounts and description of cash flows	p.64; 184
10.3.	Borrowings and funding structure	p.65; 71 to 78
10.4.	Restrictions on use of capital resources, having materially impact on business operations	n/a
10.5.	Anticipated sources of funds for main contemplated investments, including major encumbrances on most significant tangible fixed assets	p.65
<b>11.</b>	<b>RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES</b>	<b>p.66 and 67</b>
<b>12.</b>	<b>TREND INFORMATION</b>	
12.1.	Main trends in production, sales and inventory, and in costs and selling prices, since the end of the last fiscal year	p.68
12.2.	Known trends, uncertainties, demands, commitments or events that might have a material effect on prospects for the current fiscal year	p.68; 70 to 78
<b>13.</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>	<b>n/a</b>
<b>14.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT</b>	
14.1.	Information concerning members of the administrative and management bodies	p.88 to 94; 108
14.2.	Conflicts of interests, arrangement/understanding for appointments, restrictions on disposals of equity interests held in the share capital of the issuer	p.95; 101; 113; 129 and 130
<b>15.</b>	<b>REMUNERATION AND BENEFITS</b>	
15.1.	Remuneration paid, and benefits in kind granted by the issuer and its subsidiaries	p.110 and 111; 115 and 116
15.2.	Amounts set aside or accrued for pension, retirement or similar benefits	p.111 to 113; 235
<b>16.</b>	<b>BOARD PRACTICES</b>	
16.1.	Expiration date of current term of offices, and commencement date	p.87 to 94
16.2.	Contracts with the issuer or any of its subsidiaries providing for benefits upon contract's termination	p.116; 111 to 113
16.3.	Information about the audit committee and remuneration committee of the issuer	p.97 and 98; 99; 101
16.4.	Compliance with the corporate governance regime applicable in France	p.95
<b>17.</b>	<b>EMPLOYEES</b>	
17.1.	Headcount at the end of the 3 last fiscal years; breakdown by geographic location and by segment of activities	p.5; 128; 309 to 311
17.2.	Shareholdings and stock options	p.5; 128 to 130; 113; 118 to 120; 123 to 127
17.3.	Agreements for employees' equity stake in the capital of the issuer	p.128 to 130; 113; 174
<b>18.</b>	<b>MAJOR SHAREHOLDERS</b>	
18.1.	Shareholdings above thresholds that must be notified (known shareholdings)	p.147 to 149
18.2.	Major shareholders' voting rights above their equity interest in the share capital	p.147; 170
18.3.	Control performed by one or several shareholders over the issuer	n/a
18.4.	Agreement, known to the issuer, whose performance might subsequently result in a change in control of the issuer	n/a
<b>19.</b>	<b>RELATED PARTY TRANSACTIONS</b>	<b>p.150; 235</b>
<b>20.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	
20.1.	Historical Financial Information	p.158
	Appendix 1	p.179 to 261
	Appendix 3	p.281 to 311; 314
20.2.	Pro forma financial information	n/a
20.3.	Consolidated financial statements	(Appendix 1) (p.179 to 261)







**TOTAL S.A.**

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