



TOTAL



The Shareholders' Newsletter

No. 39 | Special Issue: Annual Shareholders' Meeting





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« Human safety has been and will always be our priority »

CHRISTOPHE DE MARGERIE
Chairman and Chief Executive Officer of Total

Dear Shareholders,

On May 11, 2012, the Shareholders' Meeting was attended by around 3,500 participants, demonstrating the importance of this occasion for dialogue between shareholders and their Company. This significant event, which is the subject of this special issue, provides an opportunity to look back at the previous year and the outlook for the future.

The geopolitical upheavals of the year again reminded us that meeting the demand for energy in the coming years is a major challenge. We strive to meet this challenge and our strategy reflects this resolve.

In order to meet growing demand, innovation and investment are necessary since access to resources is becoming more difficult. We recently acquired a number of different interests: Gladstone, a liquefied natural gas project in Australia, Novatek in Russia, and Lake Albert in Uganda. Our investments increased and totaled 16 billion euros in 2011.

The legitimacy of our strategy is validated by the results presented during the meeting, with adjusted net income in euros up 11% over 2010. The year 2011 was marked by higher hydrocarbon prices, which were partially offset by a difficult environment for refining and petrochemicals.

The results of our strategy can also be found in our three major discoveries in 2011 (in Azerbaijan, Bolivia and French Guyana) and the latest major projects to come on stream, like Pazflor in Angola, Usan in Nigeria, Islay in the North Sea and Bongkot South in Thailand.

Total is implementing its strategy as a responsible industrial operator whose actions focus on sustainability. This is predicated upon such things as operational excellence. But zero risk does not exist, as we were reminded by the gas leak on March 25, 2012 on our Elgin platform in the North Sea. Our teams and the necessary resources were mobilized in cooperation with the authorities to manage this incident optimally while prioritizing transparency and communication. The leak was plugged on May 15, 2012 in an operation that involved injecting mud into the well. We must now determine the causes of the accident through the investigations in progress, and take into account any lessons learned.

Being responsible also means improving energy efficiency and promoting access to energy. The "Total ecosolutions" label and the "Total Access" service stations, for example, are part of that effort. At the same time, we must diversify the energy mix. For example, we are a world leader in liquefied natural gas and are developing new energy sources like solar and biomass.

Being responsible also means improving our governance, and the Board of Directors remains focused on this effort. The Nominating and Governance Committee and the Compensation Committee have been expanded and we also created a Strategy Committee.

Finally, as a responsible group, Total is working to create value and share that value with its various stakeholders, as you will (re-)discover in this issue.



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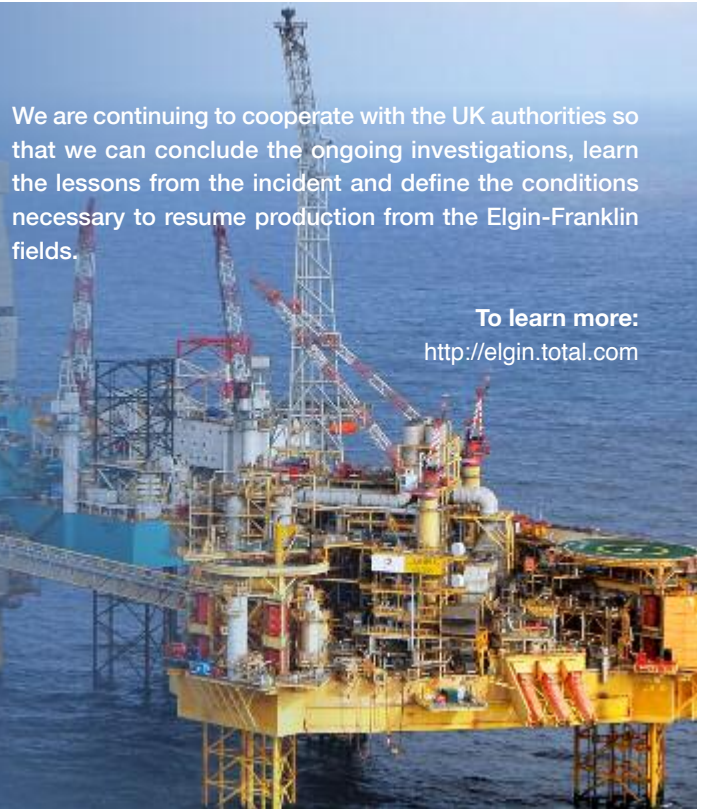
Elgin: leak plugged

During a well operation, a gas leak occurred on March 25, 2012 on the Elgin field in the UK North Sea, approximately 240 km east of Aberdeen, Scotland. All necessary measures were taken to manage the situation appropriately and minimize the impact.

During the Shareholders' Meeting, Christophe de Margerie discussed this incident, noting "our first concern was to evacuate the 238 employees working on the site" because "human safety has been and will always be our priority." Teams of experts were then mobilized to stop the leak. One of the solutions planned, which involved injecting mud into the well in question, began on May 15, 2012, and the leak was stopped 12 hours later. Since then, several inspections conducted at the site have confirmed that the leak has been completely plugged. Following the success of this operation, the next phase will be to restart a drilling rig that will install cement plugs in the well.

We are continuing to cooperate with the UK authorities so that we can conclude the ongoing investigations, learn the lessons from the incident and define the conditions necessary to resume production from the Elgin-Franklin fields.

To learn more:
<http://elgin.total.com>



Total E&P UK Ltd

Your shareholders' space

During the Shareholders' Meeting on May 11, the "Total in France in 2011" dialogue space focused on solidarity. Shareholders were able to learn about two Total entities that work for solidarity: Total Développement Régional (TDR) and the Total Enterprise Foundation.

TDR is dedicated to the economic development of the regions that host to Total's operations in France and around the world. Its objective is to promote job creation through various means: financial contributions for the creation, purchase and development of businesses, technological support or aid for innovative projects and international assistance for small and medium-size enterprises (SMEs). In the past 10 years, TDR has provided financial support to **1,000 French SMEs**, assisted with **15,000 jobs** and invested **60 million euros**.

The Foundation, for its part, is celebrating its **20th anniversary** this year. Initially dedicated exclusively to the environment, today it has **4 areas of focus**: the environment as always, more specifically marine biodiversity, along with health, culture and solidarity, with a focus on providing employment opportunities for youth. For example, the Foundation supports the non-profit association program "Job in the city," which assists **250 youth** with work strategies and opportunities. It has achieved resounding success with the program: **84%** of these youth find a way to obtain training or a job. The association responsible for this program has received over **11,000 euros** thanks to the generosity of shareholders who have donated their attendance fees, an amount matched and doubled by Total.

In addition to these organizations, Total is committed to other support programs, such as Restos du Coeur which served **190,000 meals** in 2011 thanks to the customers at our service stations.

To learn more:
<http://fondation.total.com>
<http://developpement-regional.total.com>



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NORTH SEA: GAS

Islay gas field in North Sea comes on stream.

Total is the operator and 100% owner.

The reserves are estimated at nearly 17 million barrels of oil equivalent (boe) and production is 15,000 boe per day.

NIGERIA: OIL

Start-up of production on Usan, a new deepwater project (between 750 and 850 meters). The FPSO installed on this field has a production capacity of 180,000 barrels of oil per day, and it can store 2 million barrels.



Patrick de La Chevardière
Group Chief Financial Officer



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What was the dividend policy for 2011?

The Shareholders' Meeting of May 11, 2012 approved payment of a dividend of 2.28 euros per share for 2011, which is unchanged from last year. Total's payout ratio in 2011, calculated on the basis of adjustment net income, is therefore 45%. Taking into account the three interim quarterly dividends of 0.57 euro per share for 2011, the final dividend is 0.57 euro per share. It was paid in cash on June 21, 2012.

What about the 2012 dividend?

On April 26, 2012, the Board of Directors decided to set the amount of the first 2012 interim quarterly dividend at 0.57 euro per share. The ex-dividend date for this interim dividend, in an amount identical to the previous quarter, will be September 24, 2012.

The ex-dividend dates for the following interim dividends and the final dividend for 2012 will be: December 17, 2012, March 18, 2013 and June 24, 2013.

ASIA

CHINA: REFINING – CHEMICALS

Kuwait Petroleum Corporation (KPC) and Total sign a memorandum to develop an integrated refining-petrochemical project in Zhanjiang, China. This project entails the development, in partnership with Sinopec, of a platform that includes a large refinery (300,000 barrels per day) integrated with a petrochemical complex.

THAILAND: GAS

Start-up of production from the Greater Bongkot South offshore natural gas and condensate field in the Gulf of Thailand, in which Total holds 33.33%.

Since your last issue of the Shareholders' Newsletter

- ▶ **Uganda:** Total finalizes the start of exploration-production along with Tullow and CNOOC. Total's interest: 33%.
- ▶ **Yemen :** Total acquires a stake in the Block 3 exploration permit and becomes the operator. Total's interest: 40%.
- ▶ **Uruguay :** Total wins an exploration permit for Block 14 in the Pelotas offshore basin, 250 km from the coast.
- ▶ **North Sea:** Leak from Elgin, in the North Sea, is stopped following the operation conducted on the well.

▶▶ To view all press releases and to learn more about the e-mail alert system to stay up to date, visit our website at www.total.com

KEY FIGURES for first quarter 2012

€3.1 billion

Adjusted net income

(+13% compared to 4th quarter 2011)

60.6%

Effective tax rate

22.2%

Net-debt-to-equity ratio
At March 31, 2012

Upstream production unchanged at

2,372 thousand

barrels of oil equivalent/day

The Board of Directors

Diversity and expertise in line with a major international group

Following the Shareholders' Meeting of May 11, Anne-Marie Idrac and Gérard Lamarche join the Board of Directors. The appointments of Ms. Anne Lauvergeon and Messrs Christophe de Margerie, Patrick Artus, Bertrand Collomb and Mr. Michel Pébereau as members of the Board of Directors, were renewed each for an additional three-year term.

The Board applies the very best practices in terms of its governance, and the composition of the Board illustrates this point. Five of the fifteen members of the Board of Directors are women, 27% of the Board is from outside of France and 80% are independent directors.

► Anne-Marie Idrac



Born on July 27, 1951, Ms. Anne-Marie Idrac, is a French citizen; she graduated from the Institute of Political Studies (Institut d'Études Politiques) in Paris, and is an alumna of l'École Nationale d'Administration (ENA – 1974). Anne-Marie Idrac began her career as a Civil Administrator working in various positions for the French Ministry of Equipment in the areas of the environment, housing, urban planning, and transportation. She was General Director of the Local Planning and Development Authority of Cergy-Pontoise from 1990 to 1993 and Director of Land Transport from 1993 to 1995.

Anne-Marie Idrac was Secretary of State for Transport from May 1995 to June 1997, representative for the Yvelines elected in 1997 and 2002, Regional Advisor from Ile-de-France from 1998 to 2002, and Secretary of State for Foreign Trade from March 2008 to November 2010. Anne-Marie Idrac was also Chairman and Chief Executive Officer of RATP from 2002 to 2006, then Chairman of SNCF from 2006 to 2008.

Currently, Ms. Idrac is Director of Saint-Gobain, member of the Supervisory Board of Vallourec and Director of Mediobanca (Italy).

The Board would benefit from Ms. Idrac's experience from the world of industry and international commerce.

► Gérard Lamarche



Born on July 15, 1961, Gérard Lamarche is a Belgian citizen, graduated with a degree in Economic Sciences from the Université de Louvain-La-Neuve and IN-SEAD (the Advanced Management Program for Suez Group Executives). He also received training from the Wharton International Forum in 1998–99 (Global Leadership Series). Mr. Lamarche started his professional career in 1983 at Deloitte Haskins & Sells in Belgium and then became a Mergers and Acquisitions Consultant in Holland in 1987. In 1988, Gérard Lamarche joined Société Générale de Belgique as an investment Manager. He was then a controller from 1989 to 1991 and later Advisor for Strategic Operations from 1992 to 1995. He started at Compagnie Financière de Suez as a Project Manager for the Chairman and Secretary of the Management Committee (1995–1997) then participated in the merger between Compagnie de Suez and Lyonnaise des Eaux which became Suez Lyonnaise des Eaux (1997), before being entrusted with the position of Deputy Director responsible for Planning, Control and Accounting.

In 2000, Gérard Lamarche continued his career following an industrial path by joining NALCO (American affiliate of the Suez Group – worldwide leader in the industrial water treatment) as Director and Chief Executive Officer. In March 2004, he was named Chief Financial Officer for the Suez Group, then became Deputy Chief Financial Officer and Member of the Board of Directors and Executive Committee for the GDF SUEZ Group in July 2008. On April 12, 2011, Gérard Lamarche was appointed Director of the Board of Directors for the Groupe Bruxelles Lambert (GBL). He has fulfilled the duties of Managing Director since January 2012. Gérard Lamarche is also a Board Member for Legrand.

Gérard Lamarche was named as a Director for TOTAL S.A. by co-option of the Board of Directors on January 12, 2012. He is a member of the Audit and Strategic committees. The Board would benefit from Mr. Lamarche's financial and industrial experience.



The Board's work

A Board engaged in evaluating major projects and managing risk

At the Shareholders' Meeting, Christophe de Margerie presented the main work of the Board of Directors and its Committees. He summarized the missions of the Board: its role is first and foremost to define strategic directions and approve major capital expenditures.

The Board is also responsible for approving the accounts, following an internal audit, and it is more involved than ever in risk analysis. The risks are financial, geopolitical, industrial and environmental. For example, the Board discussed and deliberated on the situations in Syria and Libya, and on the Elgin incident.

Finally, at the level of governance itself, the missions of the Board include, among other duties, developing the succession plans for corporate offices, drawing up resolutions to be submitted to the Shareholders' Meeting and deciding on compensation packages for executive officers.

Christophe de Margerie also provided and detailed a few examples of the issues discussed at Board meetings, such as the launch of the Gladstone project in Australia, the sale of Cepsa in Spain, or quarterly dividend payments.

The Board, in particular through its Nominating and Governance Committee, pays close attention to its membership (see below) to ensure its members are independent and diverse. Christophe de Margerie also stressed the active involvement of the directors, who had an attendance rate of 92% in 2011, compared to 91% in 2010. He concluded by describing how the Board is evaluated at three levels:

- ▶ by the Nominating and Governance Committee;
- ▶ annually by the Board itself;
- ▶ every three years by an outside firm.

Membership of the Board

following the Shareholders' Meeting

Christophe de MARGERIE,
Chairman and Chief Executive Officer

Thierry DESMAREST,
Honorary Chairman and Director

Patrick ARTUS*
Head of the research department
at Natixis Group

Patricia BARBIZET*
Vice-President of the PPR Board of
Directors

Gunnar BROCK*
Chairman of the Board of Stora Enso Oy

Claude CLÉMENT
Director representing employee
shareholders

Marie-Christine COISNE-ROQUETTE*
Chairman and Chief Executive Officer
of SONEPAR S.A.

Bertrand COLLOMB*
Director of Lafarge

Paul DESMARAIS Jr.*
Chairman and Co-Chief Executive Officer
of Power Corporation of Canada

Anne-Marie IDRAC*
Former Chairman of SNCF

Barbara KUX*
Member of the Management Board
of Siemens AG

Gérard LAMARCHE*
Executive Director and Director
of Groupe Bruxelles Lambert

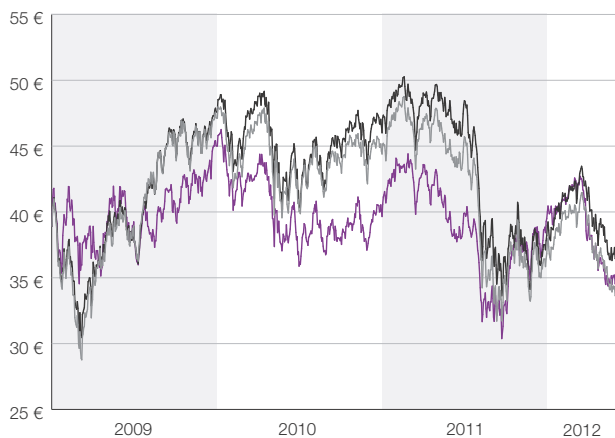
Anne LAUVERGEON*
Former Chairman
of the Management Board of Areva

Claude MANDIL*
Former Executive Director
of International Energy Agency (IEA)

Michel PÉBEREAU*
Honorary Chairman
of the Board of BNP Paribas

**Independent director*

History of the share price



— Total
— CAC 40*
— Euro Stoxx 50*

*Indexed to Total share price in Paris.

Source: Bloomberg, data as of June 1, 2012.

Your meetings

- **June 28, 2012**
Meeting with individual shareholders in Nice
- **July 27, 2012**
Second quarter and first half 2012 Results
- **September 24, 2012**
Ex-dividend date for the 1st 2012 interim dividend
- **September 24, 2012**
Investors Day (London)
- **September 27, 2012**
Payment date for the 1st 2012 interim dividend
- **October 16, 2012**
Meeting with individual shareholders in Nancy



Download Total's Investors App for iPad



The June Webzine

Watch video excerpts of presentations by Christophe de Margerie and Patrick de La Chevardière, profiles of the new Board members and all the films shown at your Meeting on the "Individual Shareholders" page at www.total.com.



Your contacts

To find answers to your question about Total share and to share your reactions to the information provided, you may contact the Individual Shareholder Relations Department:



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