



## Registration Document 2011



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# Registration Document 2011

*This translation is a non binding translation into English of the Chairman and Chief Executive Officer's certification issued in French and is provided solely for the convenience of English-speaking readers.*

"I certify, after having taken all reasonable measures to this purpose and to the best of my knowledge, that the information contained in this *Document de référence* (Registration Document) is in accordance with the facts and makes no omission likely to affect its import.

I certify, to the best of my knowledge, that the statutory and consolidated financial statements of TOTAL S.A. (the Company) 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 *rapport de gestion* (Management Report) of the Board of Directors as referenced in the cross reference list included on page 353 of this *Document de référence* (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 completion letter from the statutory auditors in which they state that they have audited the information related to the financial situation and the financial statements included in this *Document de référence* (Registration Document), as well as read this *Document de référence* (Registration Document) in its entirety.

The statutory auditors have reviewed the historical financial information contained in this *Document de référence* (Registration Document). The statutory auditors' report on the consolidated financial statements for the year ended December 31, 2011, is included on page 180 of this *Document de référence* (Registration Document). The statutory auditors' report on the consolidated financial statements for the year ended December 31, 2010, included on page 166 of the 2010 *Document de référence* (Registration Document), filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on March 28, 2011 contains remarks."

## **Christophe de Margerie**

Chairman and Chief Executive Officer



AUTORITÉ  
DES MARCHÉS FINANCIERS

The French language version of this *Document de référence* (Registration Document) was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on March 26, 2012 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 French Financial Markets Authority.

In accordance with paragraphs VI and VIII of aforesaid Article 212-13, the French language version of this *Document de référence* (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.

This document has been drawn up by the issuer and is binding for its signatories.

## 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 barrel/d
Btu:	British thermal unit
M:	million
B:	billion
MW:	megawatt
MWp:	megawatt peak (direct current)
TWh:	terawatt hour
AMF:	French Financial Markets Authority
API:	American Petroleum Institute
ERMI:	<i>European Refining Margin Indicator</i> . ERMI is an indicator intended to represent the margin after variable costs for a hypothetical complex refinery located around Rotterdam in Northern Europe. The indicator margin may not be representative of the actual margins achieved by TOTAL in any period because of TOTAL's particular refinery configurations, product mix effects or other company-specific operating conditions.
FEED:	Front-End Engineering and Design
FPSO:	Floating Production Storage and Offloading
IFRS:	International Financial Reporting Standards
LNG:	liquefied natural gas
LPG:	liquefied petroleum gas
ROE:	Return on Equity
ROACE:	Return on Average Capital Employed
SEC:	United States Securities and Exchange Commission
SAGD:	Steam Assisted Gravity Drainage

## Conversion table

1 boe = 1 barrel of crude oil = approx. 5,447 cf of gas* in 2011.
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 calculated 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.

© TOTAL S.A. March 2012

# Key figures

## 1. Operating and market data

	2011	2010	2009
Brent (\$/b)	111.3	79.5	61.7
Exchange rate (€-\$)	1.39	1.33	1.39
European Refinery Margin Indicator (ERMI) (\$/t)	17.4	27.4	17.8
Hydrocarbon production (kboe/d)	2 346	2 378	2 281
Liquids (kb/d)	1 226	1 340	1 381
Gas (Mcf/d)	6 098	5 648	4 923
Refinery throughput (kb/d) <sup>(a)</sup>	1 863	2 009	2 151
Refined products sales (kb/d) <sup>(b)</sup>	3 639	3 776	3 616

(a) Includes share of CEPSA through July 31, 2011, and, starting October 2010, of TotalErg.

(b) Includes trading.

## 2. Selected financial information

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

(M€)	2011	2010	2009
Sales	184,693	159,269	131,327
Adjusted operating income from business segments <sup>(a)</sup>	24,409	19,797	14,154
Adjusted net operating income from business segments <sup>(a)</sup>	12,263	10,622	7,607
Net income (Group share)	12,276	10,571	8,447
Adjusted net income (Group share) <sup>(a)</sup>	11,424	10,288	7,784
Fully-diluted weighted-average shares (millions)	2,257.0	2,244.5	2,237.3
Adjusted fully-diluted earnings per share (euros) <sup>(a)(b)</sup>	5.06	4.58	3.48
Dividend per share (euros) <sup>(c)</sup>	2.28	2.28	2.28
Net-debt-to-equity ratio (as of December 31)	23%	22%	27%
Return on average capital employed (ROACE) <sup>(d)</sup>	16%	16%	13%
Return on equity (ROE)	18%	19%	16%
Cash flow from operations	19,536	18,493	12,360
Investments	24,541	16,273	13,349
Divestments	8,578	4,316	3,081

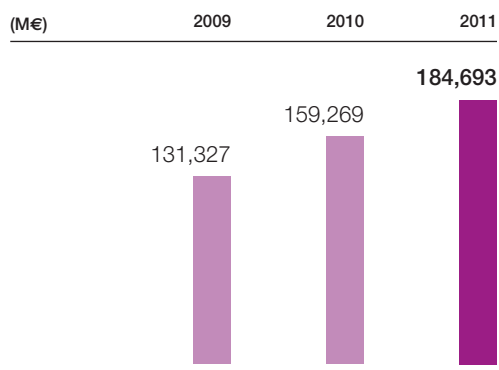
(a) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of changes for fair value from January 1, 2011, and, through June 30, 2010, excluding Total's equity share of adjustments related to Sanofi.

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

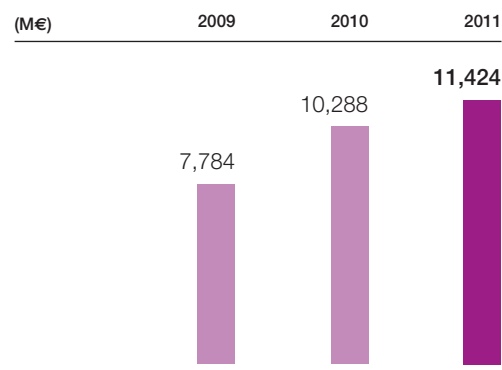
(c) Dividend 2011 is subject to the approval by the Shareholder's Meeting on May 11, 2012.

(d) Based on adjusted net operating income and average capital employed at replacement costs (excluding after-tax inventory effect).

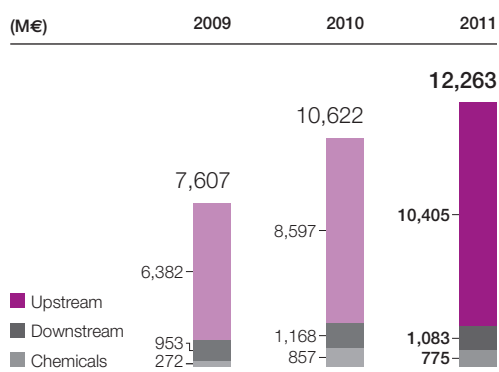
## Sales



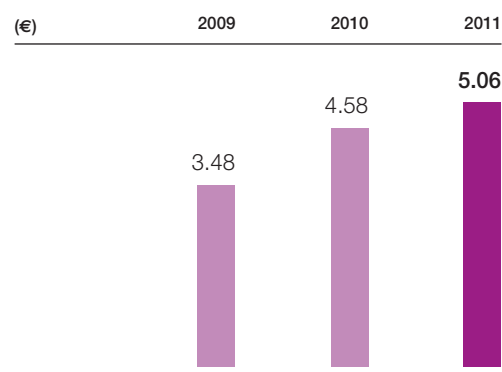
## Adjusted net income (Group share)



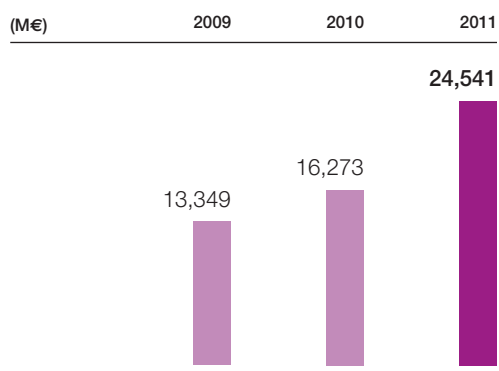
## Adjusted net operating income from business segments



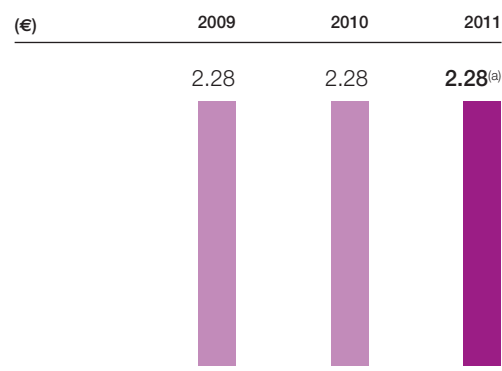
## Adjusted fully-diluted earnings per share



## Investments



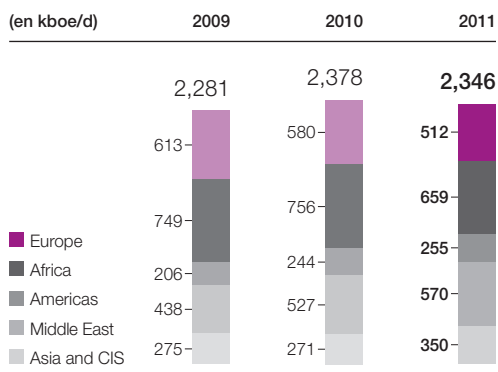
## Dividend per share



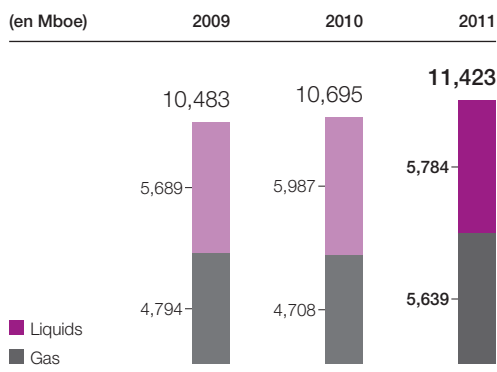
(a) Subject to the approval by the Shareholders' Meeting of May 11, 2012.

## Upstream

### Oil and gas production



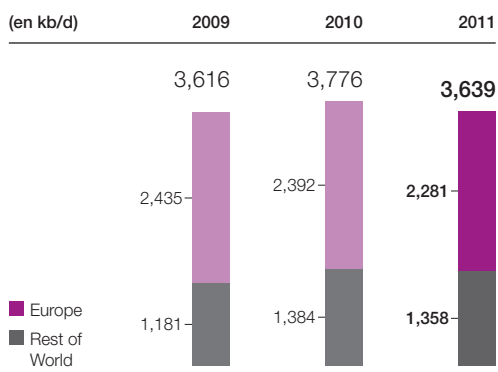
### Liquids and gas reserves



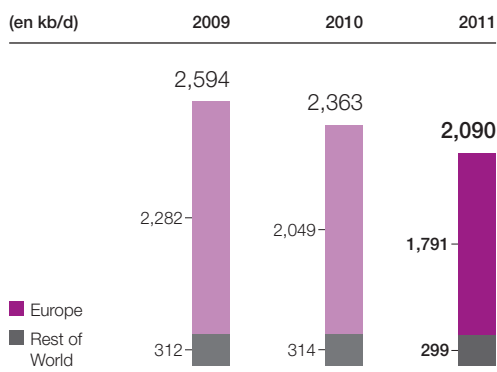
## Downstream

### Refined product sales

including Trading

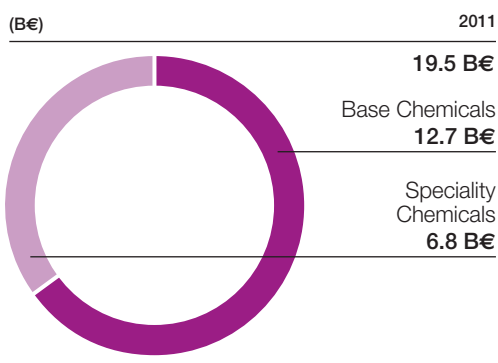


### Refining capacity at year-end

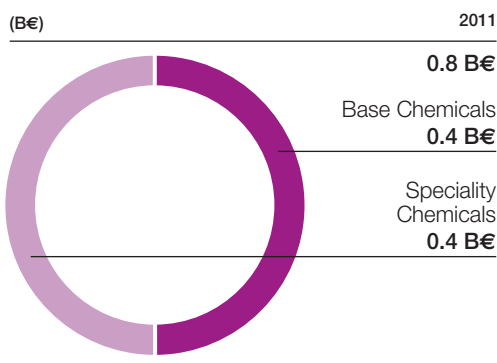


## Chemicals

### 2011 non-Group sales



### 2011 adjusted net operating income

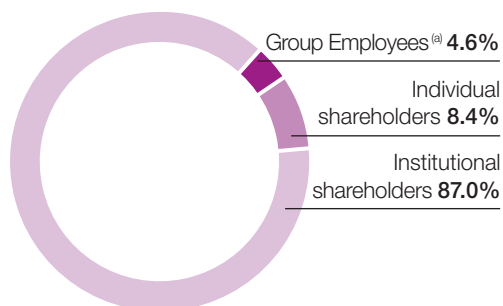




## Shareholder base

Estimates as of November 30, 2011, excluding treasury shares.

% 2011

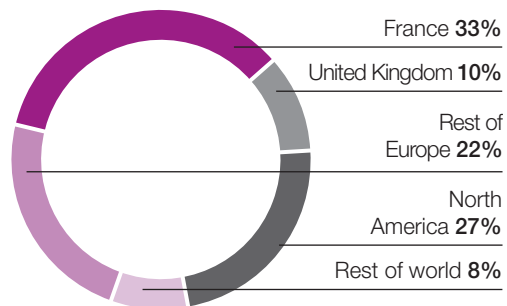


(a) Based on the definition of employee shareholding pursuant to Article L. 225-102 of the French Commercial code

## Shareholder base by region

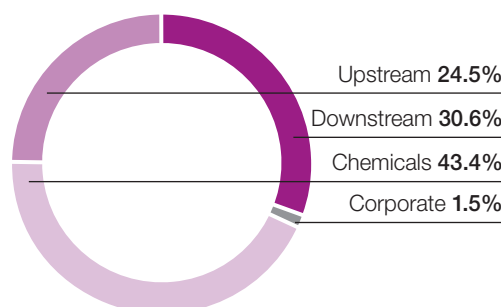
Estimates as of November 30, 2011, excluding treasury shares.

% 2011



## Employees by business segment<sup>(a)</sup>

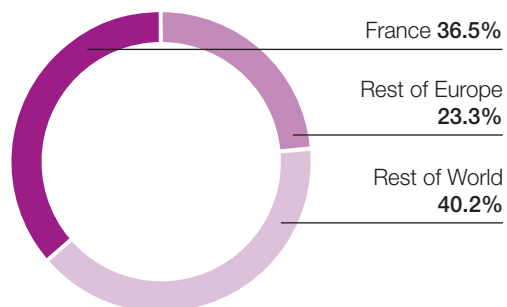
(%) 2011



(a) Consolidated subsidiaries. Workforce as of December 31, 2011: 96,104 employees.

## Employees by region<sup>(a)</sup>

(%) 2011



(a) Consolidated subsidiaries. Workforce as of December 31, 2011: 96,104 employees.



# Business overview

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# 1. History and strategy of TOTAL

## 1.1. 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 has activities in every sector of the oil industry: including in the upstream (oil and gas exploration, development and production, liquefied natural gas) and downstream (refining, petrochemicals, specialty chemicals, marketing and the trading and shipping of crude oil and petroleum products). In addition, TOTAL has equity stakes in coal mines and operates in the power generation and renewable energy sectors.

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. (hereafter referred to as "PetroFina" or "Fina") 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.

## 1.2. Strategy

TOTAL's activities lie at the heart of the two biggest challenges facing the world now and in future: energy supply and environmental protection. The Group's responsibility as an energy producer is to provide optimum, sustainable management of these twin imperatives.

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 and strengthening its worldwide position as one of the global leaders in the natural gas and LNG markets;

- progressively expanding TOTAL's energy solutions and developing new energies to complement oil and gas;
- adapting its refining and petrochemical base to market changes, focusing on a small number of large, competitive platforms and maximizing the advantages of integration;
- developing its petroleum product marketing business, in particular in Africa, Asia and the Middle East, while maintaining the competitiveness of its operations in mature areas; and
- pursuing research and development to develop "clean" sources of energy, contributing to the moderation of the demand for energy, and participating in the effort against climate change.

(1) Based on market capitalization (in dollars) as of December 31, 2011.

## 2. 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 and produces oil or gas in approximately thirty countries.

- **2.35 Mboe/d** of hydrocarbons produced in 2011
- **11.4 Bboe** of proved reserves as of December 31, 2011<sup>(1)</sup>
- Capital expenditure for 2011: **€21.7 billion**
- **23,563** employees

### Upstream segment financial data

(M€)	2011	2010	2009
Non-Group sales	23,298	18,527	16,072
Adjusted operating income	22,474	17,653	12,879
Adjusted net operating income	10,405	8,597	6,382

For the full year 2011, adjusted net operating income from the Upstream segment was €10,405 million compared to €8,597 million in 2010, an increase of 21%. Expressed in dollars, adjusted net operating income from the Upstream segment was \$14.5 billion, an increase of 27% compared to 2010, essentially due to the impact of higher hydrocarbon prices.

Technical costs<sup>(2)</sup> for consolidated subsidiaries, in accordance with ASC 932<sup>(3)</sup>, were 18.9 \$/boe<sup>(4)</sup> in 2011, compared to 16.6 \$/boe in 2010.

The return on average capital employed (ROACE<sup>(5)</sup>) for the Upstream segment was 20%, for the full-year 2011 compared to 21% for the full year 2010.

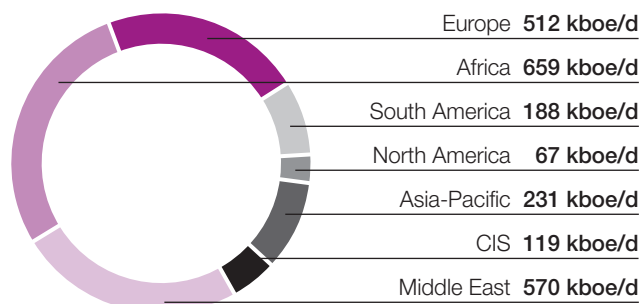
Price realizations <sup>(a)</sup>	2011	2010	2009
Average liquids price (\$/b)	105.0	76.3	58.1
Average gas price (\$/Mbtu)	6.53	5.15	5.17

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

TOTAL's average liquids price increased by 38% in 2011 compared to 2010 and TOTAL's average gas price increased by 27% compared to 2010.

### Production

Hydrocarbon production	2011	2010	2009
Combined production (kboe/d)	2,346	2,378	2,281
Liquids (kb/d)	1,226	1,340	1,381
Gas (Mcf/d)	6,098	5,648	4,923

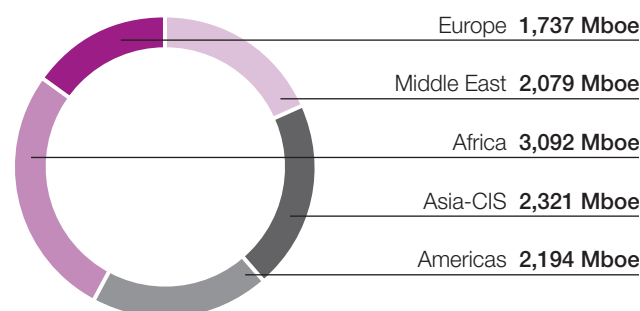


For the full-year 2011, hydrocarbon production was 2,346 kboe/d, a decrease of 1.3% compared to 2010, essentially as a result of:

- -1.5% for normal decline, net of production ramp-ups on new projects;
- +2.5% for changes in the portfolio, integrating the net share of Novatek production and impact of the sale of interests in CEPSA,
- +1% for the end of OPEC reductions;
- -1.5% for security conditions, mainly in Libya;
- -2% for the price effect<sup>(6)</sup>.

### Reserves

As of December 31,	2011	2010	2009
Hydrocarbon reserves (Mboe)	11,423	10,695	10,483
Liquides (Mb)	5,784	5,987	5,689
Gaz (Gpc)	30,717	25,788	26,318



Proved reserves based on SEC rules (based on Brent at 110.96 \$/b) were 11,423 Mboe at December 31, 2011. Based on the 2011 average rate of production, the reserve life is 13 years.

The 2011 proved reserve replacement rate<sup>(7)</sup>, based on SEC rules, was 185%. As of year-end 2011, Total has a solid and diversified portfolio of proved and probable reserves<sup>(8)</sup> representing more than 20 years of reserve life based on the 2011 average production rate, and resources<sup>(9)</sup> representing more than 40 years of reserve life.

(1) Based on a Brent crude price of \$110.96/b.

(2) (Production costs + exploration expenses + depreciation, depletion and amortization and valuation allowances)/production of the year.

(3) FASB Accounting Standards Codification Topic 932, Extractive industries – Oil and Gas.

(4) Excluding IAS 36 (impairment of assets).

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

(6) Impact of changing hydrocarbon prices on entitlement volumes.

(7) Change in reserves excluding production *i.e.* (revisions + discoveries, extensions + acquisitions – divestments) / production for the period. The reserve replacement rate would be 84% in an environment with a constant 79.02 \$/b oil price, excluding acquisitions and divestments.

(8) 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 100 \$/b Brent environment, including projects developed by mining.

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

## 2.1. Exploration & Production

### 2.1.1. Exploration and development

TOTAL's Upstream segment aims at continuing to combine long-term growth and profitability at the level 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 76% of the 2,037 Mboe added to the Upstream segment's proved reserves during the three-year period ended December 31, 2011 (before deducting production and sales of reserves in place and adding any acquisitions of reserves in place during this period). The remaining 24% comes from revisions of previous estimates. The level of revisions during this three year period was significantly impacted by the effect of successive increases of the reference oil price (from \$36.55/b at the end of 2008 to \$110.96/b in 2011 for Brent crude) which induced a substantial negative revision.

In 2011, the exploration investments of consolidated subsidiaries amounted to €1,629 million (including exploration bonuses included in the unproved property acquisition costs). Exploration investments were made primarily in Norway, the United Kingdom, Angola, Brazil, Azerbaijan, Indonesia, Brunei, Kenya, French Guiana and Nigeria. In 2010, the exploration investments of consolidated subsidiaries amounted to €1,472 million (including exploration bonuses included in the unproved property acquisition costs). The main exploration investments were made in Angola, Norway, Brazil, the United Kingdom, the United States, Indonesia, Nigeria and Brunei. In 2009, exploration investments of consolidated subsidiaries amounted to €1,486 million (including exploration bonuses included in the unproved property acquisition costs) notably in the United States, Angola, the United Kingdom, Norway, Libya, Nigeria and the Republic of the Congo.

The Group's consolidated Exploration & Production subsidiaries' development investments amounted to €10 billion in 2011, primarily in Angola, Nigeria, Norway, Kazakhstan, the United Kingdom, Australia, Canada, Gabon, Indonesia, the Republic of the Congo, the United States and Thailand. The Group's consolidated Exploration & Production subsidiaries' development investments amounted to €8 billion in 2010, primarily in Angola, Nigeria, Kazakhstan, Norway, Indonesia, the Republic of the Congo, the United Kingdom, the United States, Canada, Thailand, Gabon and Australia. In 2009, development investments amounted to nearly €8 billion, predominantly in Angola, Nigeria, Norway, Kazakhstan, Indonesia, the Republic of the Congo, the United Kingdom, the United States, Gabon, Canada, Thailand, Russia and Qatar.

### 2.1.2. 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 reassessments, 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. For further information concerning changes in TOTAL's proved reserves for the years ended December 31, 2011, 2010 and 2009, 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 booking process requires, among other things:

- internal peer reviews of technical evaluations to ensure that the SEC definitions and guidance are followed; and
- that management makes significant funding commitments towards the development of the reserves prior to booking.

For further information regarding the preparation of reserves estimates, see "Supplemental Oil and Gas Information (Unaudited)".

### 2.1.3. Proved reserves

In accordance with the amended Rule 4-10 of Regulation S-X, proved reserves for the years ended on or after 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 prices for 2011, 2010 and 2009 were, respectively, \$110.96/b, \$79.02/b and \$59.91/b for Brent crude.

As of December 31, 2011, TOTAL's combined proved reserves of oil and gas were 11,423 Mboe (53% of which were proved developed reserves). Liquids (crude oil, natural gas liquids and bitumen) represented approximately 51% of these reserves and natural gas the remaining 49%. These reserves were located in Europe (mainly in Italy, 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 Qatar, the United Arab Emirates and Yemen), and in Asia (mainly in Australia, Indonesia, Kazakhstan and Russia).

As of December 31, 2010, TOTAL's combined proved reserves of oil and gas were 10,695 Mboe (53% of which were proved developed reserves). Liquids (crude oil, natural gas liquids and bitumen) represented approximately 56% of these reserves and natural gas the remaining 44%. 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 Qatar, the United Arab Emirates and Yemen), and in Asia (mainly in Indonesia and Kazakhstan).



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).

#### 2.1.4. 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 risked service contracts (which together represent approximately 26% of TOTAL's reserves as of December 31, 2011). 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 risked service contracts due to such higher prices. As a result, higher prices lead to a decrease in TOTAL's reserves.

Furthermore, changes in the price used as a reference for the proved reserves estimation impact the volume of royalties in Canada and thus TOTAL's share of proved reserves.

#### 2.1.5. Production

For the full year 2011, average daily oil and gas production was 2,346 kboe/d compared to 2,378 kboe/d in 2010.

Liquids accounted for approximately 52% and natural gas accounted for approximately 48% of TOTAL's combined liquids and natural gas production in 2011.

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 2010 and 2009, substantially all of the liquids production from TOTAL's Upstream segment in 2011 was marketed by the Trading & Shipping division of TOTAL's Downstream segment (see table "Trading division's supply and sales of crude oil" on paragraph 3.2.1 of the present Chapter).

The majority of TOTAL's natural gas production is sold under long-term contracts. However, its North American production, and part of 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 TOTAL's long-term contracts, notably in Argentina, Indonesia, Nigeria, Norway, Qatar and Russia, specify the delivery of quantities of natural gas that may or may not be fixed and determinable. Such delivery commitments vary substantially, both in duration and in scope, from contract to contract throughout the world. For example, in some cases, contracts require delivery of natural gas on an as-needed basis, and, in other cases, contracts call for the delivery of varied amounts of natural gas over different periods of time. Nevertheless, TOTAL estimates the fixed and determinable quantity of gas to be delivered over the period 2012-2014 to be 4,051 Bcf. The Group expects to satisfy most of these obligations through the production of its proved reserves of natural gas, with, if needed, additional sourcing from spot market purchases (see Chapter 10, "Supplemental Oil and Gas Information (Unaudited)" of this Registration Document).

## 2.2. Production by region

	2011			2010			2009		
	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>Africa</b>	<b>517</b>	<b>715</b>	<b>659</b>	<b>616</b>	<b>712</b>	<b>756</b>	<b>632</b>	<b>599</b>	<b>749</b>
Algeria	16	94	33	25	87	41	47	143	74
Angola	128	39	135	157	34	163	186	33	191
Cameroon	2	1	3	9	2	9	12	2	12
Gabon	55	17	58	63	20	67	67	20	71
Libya	20	-	20	55	-	55	60	-	60
Nigeria	179	534	287	192	542	301	159	374	235
The Congo, Republic of	117	30	123	115	27	120	101	27	106
<b>North America</b>	<b>27</b>	<b>227</b>	<b>67</b>	<b>30</b>	<b>199</b>	<b>65</b>	<b>20</b>	<b>22</b>	<b>24</b>
Canada <sup>(a)</sup>	11	-	11	10	-	10	8	-	8
United States	16	227	56	20	199	55	12	22	16
<b>South America</b>	<b>71</b>	<b>648</b>	<b>188</b>	<b>76</b>	<b>569</b>	<b>179</b>	<b>80</b>	<b>564</b>	<b>182</b>
Argentina	14	397	86	14	381	83	15	364	80
Bolivia	3	118	25	3	94	20	3	91	20
Colombia	5	27	11	11	34	18	13	45	23
Trinidad & Tobago	4	47	12	3	2	3	5	2	5
Venezuela	45	59	54	45	58	55	44	62	54
<b>Asia-Pacific</b>	<b>27</b>	<b>1,160</b>	<b>231</b>	<b>28</b>	<b>1,237</b>	<b>248</b>	<b>33</b>	<b>1,228</b>	<b>251</b>
Australia	-	25	4	-	6	1	-	-	-
Brunei	2	56	13	2	59	14	2	49	12
Indonesia	18	757	158	19	855	178	25	898	190
Myanmar	-	119	15	-	114	14	-	103	13
Thailand	7	203	41	7	203	41	6	178	36
<b>CIS</b>	<b>22</b>	<b>525</b>	<b>119</b>	<b>13</b>	<b>56</b>	<b>23</b>	<b>14</b>	<b>52</b>	<b>24</b>
Azerbaijan	4	57	14	3	54	13	3	50	12
Russia	18	468	105	10	2	10	11	2	12
<b>Europe</b>	<b>245</b>	<b>1,453</b>	<b>512</b>	<b>269</b>	<b>1,690</b>	<b>580</b>	<b>295</b>	<b>1,734</b>	<b>613</b>
France	5	69	18	5	85	21	5	100	24
The Netherlands	1	214	38	1	234	42	1	254	45
Norway	172	619	287	183	683	310	199	691	327
United Kingdom	67	551	169	80	688	207	90	689	217
<b>Middle East</b>	<b>317</b>	<b>1,370</b>	<b>570</b>	<b>308</b>	<b>1,185</b>	<b>527</b>	<b>307</b>	<b>724</b>	<b>438</b>
United Arab Emirates	226	72	240	207	76	222	201	72	214
Iran	-	-	-	2	-	2	8	-	8
Oman	24	62	36	23	55	34	22	56	34
Qatar	44	616	155	49	639	164	50	515	141
Syria	11	218	53	14	130	39	14	34	20
Yemen	12	402	86	13	285	66	12	47	21
<b>Total production</b>	<b>1,226</b>	<b>6,098</b>	<b>2,346</b>	<b>1,340</b>	<b>5,648</b>	<b>2,378</b>	<b>1,381</b>	<b>4,923</b>	<b>2,281</b>
<b>Including share of equity affiliates</b>	<b>316</b>	<b>1,383</b>	<b>571</b>	<b>300</b>	<b>781</b>	<b>444</b>	<b>286</b>	<b>395</b>	<b>359</b>
Algeria	10	3	10	19	4	20	20	3	21
Colombia	4	-	4	7	-	7	6	-	6
Venezuela	44	7	45	45	6	46	44	6	45
United Arab Emirates	219	62	231	199	66	212	191	62	202
Oman	22	62	34	22	55	32	22	56	34
Qatar	8	382	78	8	367	75	3	221	42
Russia	9	465	95	-	-	-	-	-	-
Yemen	-	402	74	-	283	52	-	47	9

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

## 2.3. Presentation of production activities by region

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, 2011<sup>(a)</sup>

	Year of entry into the country	Operated (Group share in %)	Non-operated (Group share in %)
<b>Africa</b>			
<b>Algeria</b>	<b>1952</b>		Tin Fouye Tabankort (35.00%)
<b>Angola</b>	<b>1953</b>	Girassol, Jasmim, Rosa, Dalia, Pazflor (Block 17) (40.00%)	Block 0 (10.00%) Kuito, BBLT, Tombua-Landana (Block 14) (20.00%) Oombo (Block 3/91) (50.00%)
<b>The Congo, Republic of</b>	<b>1928</b>	Kombi-Likalala-Libondo (65.00%) Moho Bilondo (53.50%) Nkossa (53.50%) Nsoko (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>	<b>1928</b>	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%) Lopez Nord (100.00%) 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%)

	Year of entry into the country	Operated (Group share in %)	Non-operated (Group share in %)
<b>Libya</b>	<b>1959</b>		Zones 15, 16 & 32 (ex C 137, 75.00%) <sup>(b)</sup> Zones 70 & 87 (ex C 17, 75.00%) <sup>(b)</sup> Zones 129 & 130 (ex NC 115, 30.00%) <sup>(b)</sup> Zones 130 & 131 (ex NC 186, 24.00%) <sup>(b)</sup>
<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%) OML 118 - Bonga (12.50%)
<b>North America</b>			
<b>Canada</b>	<b>1999</b>		Surmont (50.00%)
<b>United States</b>	<b>1957</b>		Several assets in the Barnett Shale area (25.00%) <sup>(c)</sup> Several assets in the Utica Shale area (25.00%) <sup>(c)</sup> 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%) Itau (41.00%)
<b>Colombia</b>	<b>1973</b>		Cusiana (11.60%)
<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>Australia</b>	<b>2005</b>		GLNG (27.50%)
<b>Brunei</b>	<b>1986</b>	Maharaja Lela Jamalulalam (37.50%)	

	Year of entry into the country	Operated (Group share in %)	Non-operated (Group share in %)
<b>Indonesia</b>	<b>1968</b>		
		Bekapai (50.00%)	
		Handil (50.00%)	
		Peciko (50.00%)	
		Sisi-Nubi (47.90%)	
		Tambora (50.00%)	
		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>CIS</b>			
<b>Azerbaijan</b>	<b>1996</b>		
			Shah Deniz (10.00%)
<b>Russia</b>	<b>1991</b>		
		Kharyaga (40.00%)	
			Several fields through the participation <sup>(c)</sup> in Novatek (14.09%) <sup>(c)</sup>
<b>Europe</b>			
<b>France</b>	<b>1939</b>		
		Lacq (100.00%)	
		Meillon (100.00%)	
		Pécorade (100.00%)	
		Vic-Bilh (73.00%)	
		Lagrave (100.00%)	
		Lanot (100.00%)	
		Itteville (78.73%)	
		La Croix-Blanche (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%)
			Huldra (24.33%)
			Kristin (6.00%)
			Kvitebjørn (5.00%)
			Mikkil (7.65%)
			Morvin (6.00%)
			Oseberg (10.00%)
			Oseberg East (10.00%)

	Year of entry into the country	Operated (Group share in %)	Non-operated (Group share in %)
Norway	1965		
			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%)
			Vigdis (5.60%)
			Vilje (24.24%)
			Visund (7.70%)
			Yttergryta (24.50%)
The Netherlands	1964		
		F6a gas (55.66%)	
		F6a oil (65.68%)	
		F15a Jurassic (38.20%)	
		F15a/F15d Triassic (32.47%)	
		F15d (32.47%)	
		J3a (30.00%)	
		K1a (40.10%)	
		K1b/K2a (54.33%)	
		K2c (54.33%)	
		K3b (56.16%)	
		K3d (56.16%)	
		K4a (50.00%)	
		K4b/K5a (36.31%)	
		K5b (45.27%)	
		K6/L7 (56.16%)	
		L1a (60.00%)	
		L1d (60.00%)	
		L1e (55.66%)	
		L1f (55.66%)	
		L4a (55.66%)	
			E16a (16.92%)
			E17a/E17b (14.10%)
			J3b/J6 (25.00%)
			Q16a (6.49%)



	Year of entry into the country	Operated (Group share in %)	Non-operated (Group share in %)
<b>United Kingdom</b>	<b>1962</b>		
		Alwyn North, Dunbar, Ellon, Grant Nuggets (100.00%)	
		Elgin-Franklin (EFOG 46.17%) <sup>(d)</sup>	
		Forvie Nord (100.00%)	
		Glenelg (49.47%)	
		Jura (100.00%)	
		West Franklin (EFOG 46.17%) <sup>(d)</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%)
			Otter (50.00%)
			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>(e)</sup>
			Abu Dhabi onshore (9.50%) <sup>(f)</sup>
			GASCO (15.00%)
			ADGAS (5.00%)
<b>Oman</b>	<b>1937</b>		
			Various fields onshore (Block 6) (4.00%) <sup>(g)</sup>
			Mukhaizna field (Block 53) (2.00%) <sup>(h)</sup>
<b>Qatar</b>	<b>1936</b>		
		Al Khalij (100.00%)	
			North Field-Block NF Dolphin (24.50%)
			North Field-Block 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>(i)</sup>	
<b>Yemen</b>	<b>1987</b>		
		Kharir/Atuf (Block 10) (28.57%)	
			Various fields onshore (Block 5) (15.00%)

(a) The Group's interest in the local entity is approximately 100% in all cases except for Total Gabon (58.28%) and certain entities in the United Kingdom, Abu Dhabi and Oman (see notes b through h below).

(b) TOTAL's stake in the foreign consortium.

(c) TOTAL's interest in the joint venture.

(d) TOTAL has a 46.17% indirect interest in Elgin Franklin through its interest in EFOG.

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

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

(g) 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 O LNG in Qalhat LNG (train 3).

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

(i) Operated by DEZPC, which is 50% owned by TOTAL and 50% owned by GPC. Following the extension of European Union sanctions against Syria on December 1, 2011, TOTAL has ceased its activities that contribute to oil and gas production in Syria. For further information on U.S. and European restrictions relevant to TOTAL's activities in Syria, see Chapter 4 (Risk Factors).

### 2.3.1. Africa

**In 2011, TOTAL's production in Africa was 659 kboe/d, representing 28% of the Group's overall production, compared to 756 kboe/d in 2010 and 749 kboe/d in 2009.**

In **Algeria**, TOTAL's production was 33 kboe/d in 2011, compared to 41 kboe/d in 2010 and 74 kboe/d in 2009. This decline was due on the one hand to the termination of the Hamra contract in October 2009 and on the other hand to the divestment of TOTAL's stake in CEPSA (48.83%), which was finalized in July 2011. The Group's production now comes entirely from the TFT field (Tin Fouyé Tabenkort, 35%). TOTAL also has 37.75% and 47% stakes in the Timimoun and Ahnet gas development projects respectively.

- On the TFT field, plateau production was maintained at 185 kboe/d. A 3D seismic survey covering 1,380 km<sup>2</sup> on the East and West portions of the field was completed in October 2011. The data is currently being processed and interpreted.
- Launched in 2010 following approval of the development plan by the ALNAFT national agency, the basic engineering phase for the Timimoun project has been completed. Commercial gas production is scheduled to start up in 2016, with anticipated plateau production of 1.6 Bm<sup>3</sup>/y (160 Mcf/d).
- Under the Ahnet project, the technical section of a development plan was submitted to the authorities in July 2011. Discussions are underway with the project partners and the authorities with regard to bringing the gas to market, with anticipated plateau production of 4 Bm<sup>3</sup>/y (400 Mcf/d).

In **Angola**, the Group's production was 135 kboe/d in 2011, compared to 163 kboe/d in 2010 and 191 kboe/d in 2009. Production comes mainly from Blocks 0, 14 and 17. Highlights of the period 2009 to 2011 included several discoveries on Blocks 15/06 and 17/06, and progress on the major Pazflor and CLOV projects.

- Deep-offshore Block 17 (40%, operator) is TOTAL's principal asset in Angola. It is composed of four major zones: Girassol, Dalia, Pazflor and CLOV.

On the Girassol hub, production from the Girassol, Jasmim and Rosa fields was 220 kb/d in 2011.

On the Dalia hub, production was nearly 240 kb/d in 2011.

Production on Pazflor, the third hub consisting of the Perpetua, Zinia, Hortensia and Acacia fields, started up in August 2011 and reached 170 kb/d at the end of 2011. The production capacity of the FPSO is 220 kb/d.

The development of CLOV, the fourth hub, started in 2010 and will result in the installation of a fourth FPSO with a capacity of 160 kb/d. Start-up of production is expected in 2014.

- On Block 14 (20%), production on the Tombua-Landana field started in August 2009 and adds to production from the Benguela-Belize-Lobito-Tomboco and Kuito fields.
- On ultra-deep offshore Block 32 (30%, operator), appraisal is continuing and pre-development studies for a first production zone in the central/southeastern portion of the block are underway (Kaombo project).
- On Block 15/06 (15%), a first development hub including the discoveries located on the northwest portion of the block has been identified. The development plan for the hub has been submitted to the authorities.

TOTAL has operations on exploration Blocks 33 (55%, operator), 17/06 (30%, operator), 25 (35%, operator), 39 (15%) and 40 (50%, operator).

TOTAL is also developing in LNG through the Angola LNG project (13.6%), which includes a gas liquefaction plant near Soyo. The plant will be supplied in particular by the gas associated with production from Blocks 0, 14, 15, 17 and 18. Construction work is ongoing and start-up is expected in 2012.

In **Cameroon**, the Group's production was 3 kboe/d in 2011, compared to 9 kboe/d in 2010 and 12 kboe/d in 2009. In April 2011, TOTAL finalized the divestment of its stake in its upstream subsidiary Total E&P Cameroon, a Cameroonian company in which the Group had a 75.8% holding. Since that time, the Group no longer owns any exploration and production assets in the country.

In **Côte d'Ivoire**, TOTAL is operator of the CI-100 exploration license, with a 60% stake. The 2,000 km<sup>2</sup> license is located approximately 100 km southeast of Abidjan in water depths ranging from 1,500 to 3,100 m. Exploration work started with a 3D seismic survey of over 1,000 km<sup>2</sup> at the end of 2011, which completed the 3D coverage of the entire block. Initial exploratory drilling is planned for the end of 2012.

In February 2012, TOTAL acquired interests in three ultra-deepwater exploration licenses: CI-514 (54%, operator), CI-515 (45%) and CI-516 (45%). For the two last blocks TOTAL will become the operator upon the first commercial discovery. The work program includes a 3D seismic survey of the whole acreage and one well to be drilled on each block during the initial three-year exploration period.

In **Egypt**, TOTAL signed a concession agreement in February 2010 and became operator of Block 4 (East El Burullus Offshore) with a 90% stake. The license, located in the Nile Basin where a number of gas discoveries have been made, covers a 4-year initial exploration period and includes a commitment to carrying out 3D seismic work and drilling exploration wells. Following the 3,374 km<sup>2</sup> 3D seismic survey shot in 2011, drilling is under preparation.

In **Gabon**, the Group's production was 58 kboe/d in 2011, compared to 67 kboe/d in 2010 and 71 kboe/d in 2009, due to the natural decline of fields. The Group's exploration and production activities in Gabon are mainly carried out by Total Gabon<sup>(1)</sup>, one of the Group's oldest subsidiaries in sub-Saharan Africa.

- Under the Anguille field redevelopment project, the AGM N platform, from which twenty-one additional development wells are to be drilled, left the Fos-sur-Mer shipyard at the end of 2011 for Gabon. The drilling campaign is expected to start at the beginning of the second quarter of 2012.
- On the deep-offshore Diaba license (Total Gabon 63.75%, operator), following the 2D seismic survey that was performed in 2008 and 2009, a 6,000 km<sup>2</sup> 3D seismic was shot in 2010. This new seismic survey has been processed and the results are currently being interpreted.
- Total Gabon farmed into the onshore Mutamba-Iroru (50%), DE7 (30%) and Nziembou (20%) exploration licenses in 2010. Following negative exploratory drilling on license DE7, Total Gabon relinquished the license in 2011. Studies are underway to shoot a seismic survey on the Nziembou license and drill an exploration well on the Mutamba license in 2012.

(1) Total Gabon is a Gabonese company whose shares are listed on Euronext Paris. TOTAL holds 58.28%, the Republic of Gabon holds 25% and the public float is 16.72%.

In **Kenya**, TOTAL acquired in September 2011 a 40% stake in five offshore licenses in the Lamu Basin: L5, L7, L11a, L11b and L12. This transaction has been approved by the Kenyan authorities.

In **Libya**, the Group's production was 20 kb/d in 2011, compared to 55 kb/d in 2010 and 60 kb/d in 2009. Events in the country forced the entire industry to stop production and freeze development. Depending on the field, production was suspended from late February or early March 2011. The new EPSA IV contracts came into effect in 2010. At that time, the contract zones in which TOTAL is a partner were redefined: 15, 16 & 32 (formerly C 137, 75%<sup>(1)</sup>), 70 & 87 (formerly C 17, 75%<sup>(1)</sup>), 129 & 130 (formerly NC 115, 30%<sup>(1)</sup>) and 130 & 131 (formerly NC 186, 24%<sup>(1)</sup>).

- In offshore zones 15, 16 and 32, production resumed in September 2011 and reached its former level within a few days. Exploration work is expected to restart in 2012.
- In onshore zones 70 and 87, production resumed in January 2012. It will gradually be ramped back up to plateau level.

In addition, the Group expects to continue the development of the Dahra and Garian fields.

- In onshore zones 129, 130 and 131, production resumed in October 2011. A return to plateau level production is expected during 2012. The seismic campaign started before the events is expected to resume by the end of 2012.
- In the onshore Murzuk Basin, following a successful appraisal well drilled on the discovery made on a portion of Block NC 191 (100%<sup>(1)</sup>, operator), a development plan was submitted to the authorities in 2009. After the interruption related to the events, discussions with the authorities have resumed.

In **Madagascar**, TOTAL acquired in 2008 a 60% stake in the Bemolanga license (operator), to appraise the oil sand accumulations it contains. The appraisal phase did not confirm the feasibility of the mining development of the resources. However, the contract was extended by one year until June 2012 to assess the conventional exploration potential of the license.

In **Mauritania**, TOTAL has exploration operations on the Ta7 and Ta8 licenses (60%, operator), located in the Taoudenni Basin. In January 2012, TOTAL (90%, operator) acquired interests in two exploration licenses: Block C9 in ultra-deep offshore, and Block Ta29 onshore in the Taoudenni Basin.

- On the Ta7 license, a 1,220 km 2D seismic survey was shot in 2011 and is being interpreted.
- On the Ta8 license, drilling of the exploration well ended in 2010. Results from the well were disappointing.
- On the C9 and Ta29 licenses, a seismic acquisition campaign is planned as the first phase of the exploration program.

In **Nigeria**, the Group's production was 287 kboe/d in 2011, compared to 301 kboe/d in 2010 and 235 kboe/d in 2009. TOTAL has been present in Nigeria since 1962. It operates seven production licenses (OML) out of the forty-four in which it has a stake, and two exploration licenses (OPL) out of the eight in which it has a stake. The Group is also active in LNG through Nigeria LNG and the Brass LNG project. With regard to recent changes in acreage:

- In 2011, TOTAL (operator) increased its stake from 45.9% to 48.3% in Block 1 of the Joint Development Zone, administered jointly by Nigeria and São Tomé and Príncipe.

- The divestment of 10% of the Group's stakes held through the joint venture operated by Shell Petroleum Development Company (SPDC) in Blocks OML 26 and 42 has been finalized.

- TOTAL owns 15% of the Nigeria LNG gas liquefaction plant, located on Bonny Island, with an overall LNG capacity of 22.7 Mt/y. In 2011, the plant's operating rate continued to increase and reached 81%, compared to 72% in 2010 and 50% in 2009, mainly due to the increased reliability of gas deliveries from the other suppliers.

Preliminary work continued in 2011 prior to launching the Brass LNG gas liquefaction plant project (17%), which calls for the construction of two trains, each with a capacity of 5 Mt/y. Calls for tenders for the construction of the plant and loading facilities are underway.

- TOTAL continues its efforts to strengthen its ability to supply gas to the LNG projects in which it owns a stake and to meet the growing domestic demand for gas:
  - On the OML 136 license (40%), the positive results for the Agge 3 appraisal well confirmed the development potential of the license. Development studies are underway.
  - As part of its joint venture with the Nigerian National Petroleum Company (NNPC), TOTAL is continuing with the project to increase the production capacity of the OML 58 license (40%, operator) from 370 Mcf/d to 550 Mcf/d of gas in 2012. A second phase of this project is expected to allow the development of other resources through these facilities.
  - On the OML 112/117 licenses (40%), TOTAL continued development studies in 2011 for the Ima gas field.
  - On the OML 102 license (40%, operator), TOTAL confirmed the launch of the Ofon phase 2 project in 2011 with the signing of the main construction contracts, with production start-up scheduled for 2014. In 2011 the Group also discovered Etisong North, located 15 km from the Ofon field, which is currently producing. This is the second exploration well on the Etisong hub after the Etisong Main discovery made in 2008. The exploration campaign is expected to continue with two additional wells in 2012.
  - On the OML 130 license (24%, operator), the Akpo field, which started up in March 2009, reached plateau production of 225 kboe/d in 2010. Production was limited between March and September 2011 by a technical issue on the engine of the gas reinjection compressor (liquids production of 160 kb/d instead of 190 kb/d). On this license, the Group is actively working on the Egina field, for which a development plan has been approved by the Nigerian authorities. Calls for tender are underway and construction is expected to start in 2012.
  - On the OML 138 license (20%, operator), TOTAL finalized the development of the Usan offshore project (180 kb/d, production capacity), with the drilling of production wells, installation of sub-sea equipment and connection to the FPSO. Production started up in February 2012.
  - TOTAL also strengthened its deep offshore position with the ongoing development of the Bonga Northwest project on the OML 118 license (12.5%).

Due to the relative calm with regard to safety in the Niger Delta region in 2011, it has been possible to maintain oil production operated by the SPDC joint venture, in which TOTAL has a 10% stake, at close to 2010 levels. The SPDC joint venture's gas

(1) TOTAL's stake in the foreign consortium.

production was higher in 2011 as a result of the contribution of the Gbaran-Ubie project, which started up in 2010.

In **Uganda**, TOTAL finalized in February 2012 its farm-in for an interest of 33.33%, which covers the EA-1 and EA-2 licenses as well as the new Kanywataba license and the Kingfisher production license. All of these licenses are located in the Lake Albert region, where oil resources have already been discovered and a substantial potential remains to be explored.

TOTAL will be the operator of EA-1 and partner on the other licenses. TOTAL and its partners Tullow and CNOOC are embarking on an ambitious exploration and appraisal program from 2012 onwards. First priority will be given to the exploration of Kanywataba and EA-1 licenses west of the Nile.

In the **Republic of the Congo**, the Group's production was 123 kboe/d in 2011, compared to 120 kboe/d in 2010 and 106 kboe/d in 2009.

- On the Moho Bilondo field (53.5%, operator), which started up in April 2008, drilling of development wells continued until 2010. The field reached plateau production of 90 kboe/d in June 2010.

Two positive appraisal wells (Bilondo Marine 2 & 3) drilled at year-end 2010 in the southern portion of the field confirmed an additional growth potential as an extension of existing facilities. Studies are underway for the development of these additional reserves.

The development of the resources in the northern portion of the field, the potential of which was bolstered by appraisal and exploration wells drilled in 2008 and 2009, is also being examined (Moho North project).

- Production on Libondo (65%, operator), which is part of the Kombi-Likalala-Libondo operating license, started up in March 2011. Plateau production has reached 12 kb/d. A substantial portion of the equipment was sourced locally in Pointe-Noire through the redevelopment of a construction site that had been idle for several years.

In the **Democratic Republic of the Congo**, following the Presidential decree approving TOTAL's entry as operator with a 60% interest in Block III of the Graben Albertine, the exploration permit was issued in January 2012 by the Minister of Hydrocarbons for a period of three years. This block is located in the Lake Albert region.

In the **Republic of South Sudan**, which became an independent state on July 9, 2011, TOTAL holds an interest in Block B and is preparing with state authorities the resumption of exploration activities on this block.

### 2.3.2. North America

**In 2011, TOTAL's production in North America was 67 kboe/d, representing 3% of the Group's overall production, compared to 65 kboe/d in 2010 and 24 kboe/d in 2009.**

In **Canada**, TOTAL signed in December 2010 a strategic partnership with Suncor related to the Fort Hills and Joslyn mining projects and the Voyageur upgrader. The partnership was finalized in March 2011 and allows TOTAL to reorganize around two major hubs the different oil sands assets that it has acquired over the last few years: on the one hand, a Steam Assisted Gravity Drainage (SAGD) hub focused on Surmont's (50%) ongoing development and, on the other hand, a mining and upgrading hub, which includes the TOTAL-operated Joslyn (38.25%) and Suncor-operated Fort Hills (39.2%) mining projects and the Suncor-operated Voyageur upgrader (49%) project.

The Group also has a 50% stake in the Northern Lights mining project (operator) and 100% of a number of oil sands leases acquired through several auction sales. In 2011, the Group's production was 11 kb/d, compared to 10 kb/d in 2010 and 8 kb/d in 2009.

- On the Surmont lease, commercial production in SAGD mode of the first development phase, which started up in late 2007, is now producing around 25 kb/d of bitumen from thirty-five well pairs. The operator plans to drill additional wells in 2012 and to continue to convert the activation method on the existing wells from gas lift to electric submersible pump (ESP) in order to improve production.

In early 2010, the partners of the project decided to launch the construction of the second development phase. The goal of production start-up from Surmont Phase 2 has been set for 2015 and overall production capacity from the field is expected to increase to 130 kb/d. In April 2011, the authorities issued a license permitting production (phases 1 and 2) of up to 136 kb/d.

- The Joslyn lease is expected to be developed through mining, with a first development phase having an anticipated capacity of 100 kb/d.

The basic engineering for the Joslyn North Mine started in March 2010. To take into account changes to the project following the partnership with Suncor, the revision of the basic engineering is expected to be finalized in 2012. A decision to launch the project is planned for 2013.

Public hearings that are necessary for the project to be approved by the Canadian authorities were held in autumn 2010. The project was recommended as being in the public interest in January 2011, and approval from the Alberta authorities (Order in Council, OIC) was obtained in April 2011. The provincial authorizations from the Energy Resources Conservation Board (ERCB) and Alberta Environment were also obtained in May and September 2011, respectively. The project received federal approval (Federal OIC and approval from the Canadian Ministry of the Environment) at the end of 2011. As a result, preliminary site preparation work began in early 2012 and production is scheduled to start in 2018.

- TOTAL closed in September 2010 the acquisition of UTS and its main asset: a 20% stake in the Fort Hills lease. In December 2010, as part of their partnership, TOTAL acquired from Suncor an additional 19.2% stake in the lease, thereby increasing its stake to 39.2%. Basic engineering and site preparation work are underway. Start-up of the Fort Hills mining project, which has already been approved by the relevant authorities for a first development phase with a capacity of 160 kb/d, is expected in 2016.
- TOTAL had also acquired in late December 2010 a 49% stake in Suncor's Voyageur upgrader project. This Voyageur upgrader project, which Suncor mothballed at year-end 2008, resumed in 2011 and is expected to start up concurrently with the Fort Hills project. As a consequence, the Group has abandoned its upgrader project in Edmonton.
- In 2008, the Group closed the acquisition of Synenco, the two principal assets of which are a 60% stake in the Northern Lights project and 100% of the adjacent McClelland lease. In early 2009, the Group sold to Sinopec, the other partner in the project, a 10% stake in the Northern Lights project and a 50% stake in the McClelland lease, reducing its equity stake in each of the assets to 50%. The Northern Lights project is expected to be developed through mining.



In the **United States**, the Group's production was 56 kboe/d in 2011, compared to 55 kboe/d in 2010 and 16 kboe/d in 2009.

- In the Gulf of Mexico:
  - The deep-offshore Tahiti oil field (17%) started producing in 2009 and reached production of 135 kboe/d. Phase 2, which was launched in September 2010, comprises drilling four injection wells and two producing wells. Water injection started in February 2012. This phase should partly offset the production decline seen on wells currently in production.
  - Development of the first phase of the deep-offshore Chinook project (33.33%) is ongoing. The production test is scheduled to start in mid-2012 after sub-sea work carried out following an incident on one of the risers.
  - In 2009, TOTAL and Cobalt had signed an agreement related to the merger of their deep offshore acreage, with Cobalt operating the exploration phase. The TOTAL (40%) - Cobalt (60%, operator) alliance's exploratory drilling campaign was launched in 2009 and the drilling of the first three wells produced disappointing results. This campaign was disrupted due to the U.S. government's moratorium on offshore drilling operations from May to October 2010 and resumed at the beginning of 2012 with the start of drilling of the Ligurian 2 well.
  - In April 2010, the Group disposed of its equity stakes in the Matterhorn and Virgo operated fields.
- Following the signature of an agreement in late 2009, a joint venture was set up with Chesapeake to produce shale gas in the Barnett Shale Basin, Texas. Under this joint venture, TOTAL owns 25% of Chesapeake's portfolio in the area. In 2011, approximately 300 additional wells were drilled, enabling gas production reaching 1.4 Bcf/d in 100% at the end of 2011. Engineers from TOTAL are assigned to the teams led by Chesapeake.
- At the end of 2011, TOTAL signed an agreement with Chesapeake and EnerVest to enter into a joint venture. Pursuant to the agreement, TOTAL acquired a 25% share in Chesapeake's and EnerVest's liquid-rich area of the Utica shale play (Ohio). At the end of 2011, thirteen wells have been drilled across the acreage with very promising results seen from each well in terms of productivity and liquid content.
- In 2009, the Group closed the acquisition of a 50% stake in American Shale Oil LLC (AMSO) to develop shale oil technology. The pilot to develop this technology is underway in Colorado.

In **Mexico**, TOTAL is conducting various studies with state-owned PEMEX under a general technical cooperation agreement renewed in July 2011 for a period of five years.

### 2.3.3. South America

**In 2011, TOTAL's production in South America was 188 kboe/d, representing 8% of the Group's overall production, compared to 179 kboe/d in 2010 and 182 kboe/d in 2009.**

In **Argentina**, where TOTAL has been present since 1978, the Group operates 30%<sup>(1)</sup> of the country's gas production. The Group's production was 86 kboe/d in 2011, compared to 83 kboe/d in 2010 and 80 kboe/d in 2009.

- In Tierra del Fuego, the Group notably operates the Carina and Aries offshore fields (37.5%). The award of the contracts

to build the offshore facilities for the development of the Vega Pleyade gas and condensates field is scheduled for 2012.

The project is scheduled to start production in 2014 and should make it possible to maintain the production operated by the Group in Tierra del Fuego at around 615 Mcf/d.

- In the Neuquén Basin, TOTAL started a drilling campaign in 2011 on its operated licenses in order to assess their shale gas potential. The campaign, which started on the Aguada Pichana (27.3%, operator) and San Roque (24.7%, operator) fields, will be extended subsequently to the Rincon la Ceniza and La Escalonada licenses acquired in 2010 (85%, operator) and to the four fields acquired in 2011: Aguada de Castro (42.5%, operator), Pampa de la Yeguas II (42.5%, operator), Cerro Las Minas (40%) and Cerro Partido (45%).

The connection of satellite discoveries on the edge of the main Aguada Pichana field, particularly in the Las Carceles canyons area, and the increase in compression capacity at San Roque, have extended plateau production of the mature fields in these two blocks.

In **Bolivia**, the Group's production, primarily gas, amounted to 25 kboe/d in 2011, compared to 20 kboe/d in 2010 and 2009. TOTAL has stakes in six licenses: three producing licenses – San Alberto and San Antonio (15%) and Block XX Tarija Oeste (41%), and three licenses in the exploration or appraisal phase – Aquio and Ipati (80%, operator) and Rio Hondo (50%).

- Production started up in February 2011 on the gas and condensates Itaú field located on Block XX Tarija Oeste; it is routed to the existing facilities of the neighboring San Alberto field. A development plan for a second phase at Itaú was approved by the local authorities in June 2011. In early 2011, TOTAL decreased its stake in Block XX Tarija Oeste to 41% after divesting 34% and is no longer the operator.
- In 2004, TOTAL discovered the Incahuasi gas field on the Ipati Block. Following the interpretation of the 3D seismic shot in 2008, an appraisal well was drilled on the adjacent Aquio Block and the extension of the discovery to the north was confirmed in 2011.

Due to the positive results from the well, TOTAL filed a declaration of commerciality for the Aquio and Ipati Blocks, which was approved by the local authorities in April 2011. Additional appraisal work is underway, notably with the drilling of a second well on the Ipati Block in 2012.

- In 2010, TOTAL signed an agreement to dispose of 20% in the Aquio and Ipati licenses to Gazprom. Following approval of the agreement by the Bolivian authorities, TOTAL will have a 60% stake in the licenses.

In **Brazil**, TOTAL has equity stakes in three exploration blocks: Blocks BC-2 (41.2%) and BM-C-14 (50%) in the Campos Basin, and Block BM-S-54 (20%) in the Santos Basin.

- The Xerelete field is mainly located on Block BC2, with an extension on Block BM-C-14. A unitization agreement was finalized by the partners on both blocks and submitted to the authorities for approval in April 2011.

In 2012, pending the authorities' approval, TOTAL is expected to become operator of the unitized Xerelete field. After seismic reprocessing, a pre-salt prospect was found under the Xerelete

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

discovery made in 2001 at a water depth of 2,400 m. TOTAL is planning to resume drilling activities on the block in 2012.

- On Block BM-S-54, a first well was drilled in the pre-salt at the end of 2010 on the Gato do Mato structure, and a significant oil column was found. The appraisal plan approved by the authorities in October 2011 includes testing the Gato do Mato well and, if that test is successful, drilling a second well on the structure in 2012. As the Gato do Mato structure extends beyond the boundaries of Block BM-S-54 into a free zone, a draft unitization agreement has been submitted to the authorities.

At the end of 2011, a second structure (Epitonium) identified on Block BM-S-54 was drilled. The results of the well are under analysis.

In **Colombia**, where TOTAL has had operations since 1973, the Group's production was 11 kboe/d in 2011, compared to 18 kboe/d in 2010 and 23 kboe/d in 2009. The decline in production in 2011 was mainly due to the divestment of TOTAL's stake in CEPSA, which was finalized in July 2011.

On the Cusiana field (11.6%), production from the project to extract 6 kb/d of LPG started at the end of 2011.

Following the discovery of Huron-1 in 2009 on the Niscota (50%) exploration license and a 3D seismic survey in 2010, the first appraisal well has been underway since mid-2011. A second appraisal well is expected in 2012.

In 2011, TOTAL sold 10% of its stake in the Ocesa oil pipeline reducing its holding to 5.2%.

In February 2012, TOTAL signed an agreement to sell TEPMA BV. This wholly-owned affiliate of TOTAL holds the working interest in the Cusiana field as well as a participation in OAM and ODC pipelines in Colombia. This transaction is subject to approval by the relevant authorities.

In **French Guiana**, TOTAL owns a 25% stake in the Guyane Maritime license. The license, located about 150 km off the coast, covers an area of approximately 26,000 km<sup>2</sup> in water depths ranging from 200 to 3,000 m.

Located around 170 km northeast off Cayenne, drilling of the GM-ES-1 well on the Zaedyus prospect took place in 2011. The well was drilled at water depths of over 2,000 m and reached a vertical depth of 5,908 m below sea level. It revealed two hydrocarbon columns in gravelly reservoirs.

This discovery follows on from the shooting of a 3D seismic survey covering 2,500 km<sup>2</sup> on the eastern zone of the Guyane Maritime license.

An extensive drilling campaign and a further 3D seismic survey are planned on the license starting in 2012.

In **Trinidad & Tobago**, where TOTAL has had operations since 1996, the Group's production was 12 kboe/d in 2011, compared to 3 kboe/d in 2010 and 5 kboe/d in 2009. TOTAL holds a 30% stake in the offshore Angostura field located on Block 2C. Production started up in May 2011 on Phase 2, which corresponds to the gas reserves development phase. A drilling campaign on three wells started in mid-2011 in order to increase oil production. An exploration well was also drilled in 2011 and revealed additional gas resources.

In **Venezuela**, where TOTAL has had operations since 1980, the Group's production was 54 kboe/d in 2011, compared to 55 kboe/d in 2010 and 54 kboe/d in 2009. TOTAL has equity stakes in PetroCedeño (30.323%), which produces and upgrades extra heavy oil in the Orinoco Belt, in Yucal Placer (69.5%), which

produces gas dedicated to the domestic market and in the offshore exploration Block 4, located in the Plataforma Deltana (49%).

The development phase of the southern portion of the PetroCedeño field was launched in the second half of 2011.

An additional development phase on the Yucal Placer field to increase production capacity from 100 Mcf/d to 300 Mcf/d is under discussion with the authorities.

### 2.3.4. Asia-Pacific

**In 2011, TOTAL's production in Asia-Pacific was 231 kboe/d, representing 10% of the Group's overall production, compared to 248 kboe/d in 2010 and 251 kboe/d in 2009.**

In **Australia**, where TOTAL has held leasehold rights since 2005, the Group owns 24% of the Ichthys project, 27.5% of the GLNG project and nine offshore exploration licenses, including four that it operates, off the northwest coast in the Browse, Vulcan and Bonaparte Basins. In 2011, the Group produced 4 kboe/d due to its stake in GLNG, compared to 1 kboe/d in 2010.

- The Ichthys LNG project is aimed at the development of the Ichthys gas and condensates field, located in the Browse Basin. This development includes a floating platform designed for gas production, treatment and export, an FPSO to stabilize and export condensates, an 889 km gas pipeline and an onshore liquefaction plant located in Darwin. The project was launched in early 2012 following completion of the engineering studies, calls for tender and subcontractor selection. The LNG has already been sold under long-term contracts mainly to Asian buyers.

Production capacity is expected to be 8.4 Mt/y of LNG and nearly 1.6 Mt/y of LPG as well as a production of 100 kb/d of condensates at peak. Production start-up is expected at year-end 2016.

- In late 2010, TOTAL acquired a 20% stake in the GLNG project, followed by an additional 7.5% stake in March 2011. This integrated gas production, transport and liquefaction project is based on the development of coal gas from the Fairview, Roma, Scotia and Arcadia fields. The final investment decision was made in January 2011 and start-up is expected in 2015. LNG production is expected to eventually reach 7.2 Mt/y. The preliminary project development and engineering work are continuing. The 420 km pipeline for transporting the gas has received environmental approval. Off the coast near Gladstone, on Curtis Island, site preparations have started with civil engineering, dredging and construction of the initial jetty and the residential compound.

- Following extensive seismic surveying in 2008 and interpretation of the data in 2009, a drilling campaign on two wells started in early 2011 on license WA-403 (60%, operator). As one well demonstrated the presence of hydrocarbons, additional appraisal work will take place on this block (3D seismic).

Three new exploration wells are planned for 2012-2013 on license WA-408 (100%, operator).

In **Brunei**, where TOTAL has been present since 1986, the Group operates the offshore Maharaja Lela Jamalulalam gas and condensates field located on Block B (37.5%). The Group's production was 13 kboe/d in 2011, compared to 14 kboe/d in 2010 and 12 kboe/d in 2009. The gas is delivered to the Brunei LNG liquefaction plant.

On Block B, the drilling campaign that started in 2009 continued in 2010 and 2011. Production on the first well started in 2010.



The next two wells, which were exploratory, revealed new reserves in the southern portion of the field, for which development studies are underway. A fourth well drilled in 2011 in the southern portion of the field was connected to the production facilities at the end of the year. A ten-year extension of the mining rights period was recently granted by the Brunei government.

On deep-offshore exploration Block CA1 (54%, operator), formerly Block J, exploration operations that had been suspended since May 2003 due to a border dispute between Brunei and Malaysia resumed in September 2010. A seismic survey started before the summer of 2011 and an initial campaign of three drillings started in October 2011.

In **China**, the Group has had operations since 2006 on the South Sulige Block, located in the Ordos Basin in the Inner Mongolia province. Following appraisal work by TOTAL, China National Petroleum Corporation (CNPC) and TOTAL agreed in November 2010 to submit to the authorities for approval a development plan under which CNPC is the operator and provides the benefit of its experience in developing Great Sulige. TOTAL has a 49% stake and provides support in its areas of expertise.

The authorities gave the operator permission to undertake preliminary development work in the spring of 2011. Drilling operations started and additional 3D seismic data was shot in 2011 in preparation for the upcoming drilling campaigns. Start-up of production is expected in 2012.

In **Indonesia**, where TOTAL has had operations since 1968, the Group's production was 158 kboe/d in 2011, compared to 178 kboe/d in 2010 and 190 kboe/d in 2009.

TOTAL's operations in Indonesia are primarily concentrated on the Mahakam permit (50%, operator), which covers in particular the Peciko and Tunu gas fields. TOTAL also has a stake in the Sisi-Nubi gas 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 of the Bontang plant is 22 Mt/y.

In 2011, gas production operated by TOTAL amounted to 2 227 Mcf/d. The gas operated and delivered by TOTAL accounted for nearly 80% of Bontang LNG's supply. In addition to gas production, operated condensates and oil production from the Handil and Bekapai fields amounted to 59 kb/d and 23 kb/d, respectively.

- On the Mahakam permit:
  - In 2011, the scheduled drilling of additional wells in the main reservoir of the Tunu field continued with increasing density. The second phase of drilling development wells to discover shallow gas reservoirs has started.
  - On the Peciko field, Phase 7 drilling, which started in 2009, is continuing.
  - The development of South Mahakam, which includes the Stupa, West Stupa and East Mandu fields, is ongoing. Start-up of production is expected in early 2013.
- On the Sisi-Nubi field, which began production in 2007, drilling operations continue within the framework of a second phase of development. The gas from Sisi-Nubi is produced through Tunu's processing facilities.
- In October 2010, TOTAL closed the acquisition of a 15% stake in the Sebuk permit, where the gas field Ruby was discovered. Development of the field, with the aim of producing 100 Mcf/d

of natural gas, started in February 2011. Production start-up is scheduled for the end of 2013.

- On the Southeast Mahakam exploration block (50%, operator), the first exploration well (Trekulu 1) completed at the end of 2010 produced negative results.
- In May 2010, the Group acquired a 24.5% stake in two exploration blocks - Arafura and Amborip VI - located in the Arafura Sea. Two wells were drilled on these blocks in late 2010/early 2011. The results were negative.
- In September 2011, TOTAL signed an agreement to acquire a stake in three exploration blocks located in the southern Makassar Strait (Sageri, 50%, South Sageri, 35% and Sadang, 20%). A first well was drilled on the Sageri block at the end of 2011.
- In September 2011, TOTAL also signed an agreement to acquire a stake in an exploration block located in the southern Makassar Strait (South Mandar, 33%). Under the agreement, the Group acquired additional 10% stakes in the South Sageri and Sadang blocks.
- In May 2011, TOTAL acquired a 100% stake in the South West Bird's Head exploration block. The block is located onshore and offshore in the Salawati Basin, in the province of West Papua.
- The Group signed a production sharing agreement in March 2011, for a 50% stake in a coal bed methane (CBM) field on the Kutai Timur Block in East Kalimantan province.

In the autumn of 2010, the Group signed an agreement with the consortium Nusantara Regas (Pertamina-PGN) for the delivery of 11.75 Mt of LNG over the period 2012-2022 to a re-gasification terminal located near Jakarta. The first deliveries are expected in the second quarter of 2012.

In **Malaysia**, TOTAL signed a production sharing agreement in 2008 with state-owned Petronas for the offshore exploration Blocks PM303 and PM324. Following the seismic studies performed in 2009 and 2010, TOTAL withdrew from offshore exploration Block PM303 in early 2011. Exploration work continued on Block PM324 (50%, operator); initial drilling in high pressure/high temperature conditions started in October 2011 and continues in 2012.

TOTAL also signed in November 2010 a new production sharing agreement with Petronas for the deep offshore exploration Block SK 317 B (85%, operator) located off the state of Sarawak. 3D seismic surveys have been carried out on the zone. The results should be available shortly.

In **Myanmar**, the Group's production was 15 kboe/d in 2011, compared to 14 kboe/d in 2010 and 13 kboe/d in 2009. TOTAL operates the Yadana field (31.2%), located on offshore Blocks M5 and M6, which produces gas that is delivered primarily to PTT (the Thai state-owned company) to be used in Thai power plants. The Yadana field also supplies the domestic market via a land pipeline and, since June 2010, via a sub-sea pipeline built and operated by Myanmar's state-owned company MOGE.

In **Thailand**, the Group's production was 41 kboe/d in 2011 and 2010, compared to 36 kboe/d in 2009. This comes from the Bongkot (33.33%) offshore gas and condensates field. PTT purchases all of the natural gas and condensates production.

- On the northern portion of the Bongkot field, the 3H (three wellhead platforms) development phase came onstream in

early 2011. New investments are being made to meet gas demand and maintain plateau production:

- phase 3J (two well platforms) was launched in late 2010 with start-up scheduled for 2012;
  - phase 3K (two well platforms) was approved in September 2011 with start-up scheduled for 2013; and
  - the second low-pressure compressor installation phase to increase gas production was completed in the first quarter of 2012.
- The southern portion of the field (Greater 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. Construction of the facilities started in 2009 and accelerated in 2011 with the installation of the residential and gas processing platforms in August. Production is expected to start in the spring of 2012, with a capacity of 350 Mcf/d.

In **Vietnam**, TOTAL holds a 35% stake in the production sharing agreement for the offshore 15-1/05 exploration block following an agreement signed in 2007 with PetroVietnam. Two oil discoveries were made on the southern portion of the block, one in November 2009 and the other in October 2010. The results from the additional wells drilled on these discoveries between November 2010 and October 2011 are being assessed.

In 2009, TOTAL and PetroVietnam signed a production sharing agreement for Blocks DBSCL-02 and DBSCL-03. The onshore blocks, located in the Mekong Delta region, are held by TOTAL (75%, operator) and PetroVietnam (25%). Based on the seismic information obtained in 2009 and 2010, the partners have decided not to continue the exploration work.

### 2.3.5. Commonwealth of Independent States (CIS)

**In 2011, TOTAL's production in the CIS was 119 kboe/d, representing 5% of the Group's overall production, compared to 23 kboe/d in 2010 and 24 kboe/d in 2009.**

In **Azerbaijan**, where TOTAL has had operations since 1996, production was 14 kboe/d in 2011, compared to 13 kboe/d in 2010 and 12 kboe/d in 2009. The Group's production comes from the Shah Deniz field (10%). TOTAL also holds a 10% stake in South Caucasus Pipeline Company, owner of the South Caucasus Pipeline (SCP) gas pipeline that transports the gas produced in Shah Deniz to the Turkish and Georgian markets. TOTAL also holds a 5% stake in BTC Co., owner of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline, which connects Baku and the Mediterranean Sea. In 2009, TOTAL and state-owned SOCAR signed an exploration, development and production sharing agreement for a license located on the Absheron block in the Caspian Sea. TOTAL (40%) is the operator during the exploration phase and a joint operating company will manage operations during the development phase. Drilling of an exploratory well started in early 2011. In September 2011, the well showed the existence of a substantial gas accumulation. The well will be tested in 2012.

Gas deliveries to Turkey and Georgia from the Shah Deniz field continued throughout 2011, at a lower pace for Turkey due to weaker demand than initially forecast. Conversely, SOCAR took greater quantities of gas than provided for by the agreement.

Development studies and business negotiations for the sale of additional gas needed to launch a second development phase

in Shah Deniz continued in 2011. In October 2011, SOCAR and Botas, a Turkish state-owned company, signed an agreement on the sale of additional gas volumes and the transfer conditions for volumes intended for the European market. The agreement is expected to enable the start of FEED studies for this second phase in the first quarter of 2012, although some of the commercial provisions of the agreement have yet to be finalized.

In **Kazakhstan**, TOTAL has owned since 1992 a stake in the North Caspian license, which covers the Kashagan field in particular.

The Kashagan project is expected to be developed in several phases. 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. The consortium continues to target first production by year-end 2012.

In October 2008, the members of the North Caspian Sea Production Sharing Agreement (NCSPSA) consortium and the Kazakh authorities signed agreements to end the disagreement that began in August 2007. Their implementation 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 in January 2009. NCOC supervises and coordinates NCSPSA's operations.

In **Russia**, where TOTAL has had operations through its subsidiary since 1991, the Group's production was 105 kboe/d in 2011, compared to 10 kboe/d in 2010 and 12 kboe/d in 2009. This comes from the Kharyaga field (40%, operator) and TOTAL's stake in Novatek.

- In 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. Under this agreement, Shtokman Development AG (TOTAL, 25%) was created in 2008 to design, build, finance and operate this first development phase, with estimated overall production capacity of 23.7 Bm<sup>3</sup>/y (0.4 Mboe/d). Engineering studies are underway for the portion of the project that will allow the transport of gas by pipeline through the Gazprom network (offshore development, gas pipeline and onshore gas and condensates processing facilities on the Teriberka site) and for the LNG part of the project, which 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.
- In late 2009, TOTAL closed the acquisition from Novatek of a 49% stake in Terneftegas, which holds a development and production license on the onshore Termokarstovoye field. An appraisal well was drilled in 2010. The results of this well and of the pre-project studies allowed for the final investment decision to be made at year-end 2011.
- On the Kharyaga field, work related to the development plan of phase 3 is ongoing. This development plan is intended to maintain plateau production at the 30 kboe/d (in 100%) level reached in late 2009. TOTAL sold 10% of the field to state-owned Zarubezhneft in January 2010, thereby decreasing its interest to 40%.
- In the autumn of 2009, TOTAL signed an agreement setting forth the principles of a partnership with KazMunaiGas (KMG) for the development of the Khvalynskoye gas and condensates field, located offshore in the Caspian Sea on the border between Kazakhstan and Russia, under Russian jurisdiction. Gas production

is expected to be transported to Russia. Pursuant to this agreement, TOTAL is planning to acquire 17% of KMG's share.

- In March 2011, TOTAL and the Russian listed company Novatek signed a strategic partnership agreement pursuant to which TOTAL acquired a 12.09% stake in Novatek in April 2011, with the intention of both parties for TOTAL to increase its holding to 15% within 12 months and 19.40% within three years. In December 2011, TOTAL increased its stake in Novatek by 2% to 14.09%.
- In October 2011, TOTAL and Novatek signed the final agreements for the joint development of the Yamal LNG project. With a 20% stake, TOTAL has become Novatek's main international partner in the gas liquefaction project. Novatek, which will retain a 51% stake, intends to dispose of the remaining 29% to other partners. The Yamal LNG project covers the development of the South Tambey gas and condensates field, located on the Yamal Peninsula in the Arctic.

### 2.3.6. Europe

**In 2011, TOTAL's production in Europe was 512 kboe/d, representing 22% of the Group's overall production, compared to 580 kboe/d in 2010 and 613 kboe/d in 2009.**

In **Denmark**, TOTAL has owned since June 2010 an 80% stake in and the operatorship for licenses 1/10 (Nordjylland) and 2/10 (Nordsjaelland, formerly Frederoskilde). These onshore licenses, the shale gas potential of which has yet to be assessed, cover areas of 3,000 km<sup>2</sup> and 2,300 km<sup>2</sup>, respectively. Following geoscience surveys on license 1/10 in 2011, the decision was made to drill a well during the second half of 2012. Geoscience surveys are ongoing on license 2/10.

In **France**, the Group's production was 18 kboe/d in 2011, compared to 21 kboe/d in 2010 and 24 kboe/d in 2009. TOTAL's major assets are the Lacq (100%) and Meillon (100%) gas fields, located in the southwest part of the country.

On the Lacq field, operated since 1957, a carbon capture and storage pilot was commissioned in January 2010, and carbon injection is expected to continue until 2013. 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. For additional information, see Chapter 12.

Agreements were signed in December 2011 for the sale of the Itteville, Vert-le-Grand, Vert-le-Petit, La Croix Blanche, Dommartin Lettrée and Vic-Bilh assets. Operatorship and production rights for these assets were transferred in January 2012.

The Montélimar exclusive exploration license, awarded to TOTAL in March 2010 (100%) to assess, in particular, the shale gas potential of the area, was revoked by the government in October 2011. This revocation stemmed from the law of July 13, 2011, prohibiting the exploration and extraction of hydrocarbons by drilling followed by hydraulic fracturing. The Group had, however, submitted the required report to the government, in which it undertook not to use hydraulic fracturing in light of the current prohibition. An appeal has therefore been filed in December 2011 with the administrative court requesting that the judge cancel the revocation of the license.

In **Italy**, the Tempa Rossa field (75%, operator), discovered in 1989 and located on the unitized Gorgoglione concession (Basilicate region), is one of TOTAL's principal assets in the country.

In 2011, Total Italia acquired an additional 25% in the Tempa Rossa field, bringing its stake to 75%, as well as shares in two exploration licenses.

Site preparation work started in early August 2008, but the proceedings initiated by the Prosecutor of the Potenza Court against Total Italia led to a freeze in the preparation work (for additional information, see Chapter 7, Legal and arbitration proceedings). New calls for tenders were launched related to certain contracts that had been cancelled. Drilling of the Gorgoglione 2 appraisal well that started in June 2010 reached its final depth, confirming the results of the other wells. It is expected to be tested in 2012. The extension plan for the Tarente refinery export system, needed for the development of the Tempa Rossa field, was submitted to the Italian authorities in May 2010 and approved at the end of 2011. Site preparation work began and start-up of production is expected in 2015 with a capacity of 55 kboe/d.

In **Norway**, where the Group has had operations since the mid-1960s, TOTAL has equity stakes in eighty production licenses on the Norwegian continental shelf, seventeen of which it operates. Norway is the largest single-country contributor to the Group's production, with volumes of 287 kboe/d in 2011, compared to 310 kboe/d in 2010 and 327 kboe/d in 2009.

- In the Norwegian North Sea, where numerous development projects have recently been launched, the Group's production was 205 kboe/d in 2011. The most substantial contribution to production, for the most part non-operated, comes from the Greater Ekofisk Area (Ekofisk, Eldfisk, Embla, etc.).
- Several projects are underway on the Greater Ekofisk Area, located in the south. The Group owns a 39.9% stake in the Ekofisk and Eldfisk fields. The Ekofisk South and Eldfisk 2 projects were launched in June 2011 following approval of the development and operation plans by the authorities. The project relating to the construction and installation of the new Ekofisk living quarters and utilities platform is now in its second year.
- On the Greater Hild Area, located in the north and in which the Group has a 51% stake (operator), the Hild development scheme was selected at the end of 2010. The development and operation plan has been submitted to the authorities in early 2012. Approval is expected in 2012, with production start-up scheduled for 2016.
- A number of successful exploration and appraisal activities were carried out in the North Sea in the 2009-2011 period. These activities have led to the launch of several development projects, which are already underway or for which approval by the authorities is expected in 2012:
  - In the central section of the North Sea, on license PL102C (40%, operator), a fast-track development project has been launched for the Atla field (formerly known as David), which was discovered in 2010. Start-up of gas production is expected in late 2012.
  - Gas production on the Beta West field (a satellite of Sleipner, 10%), located in the central section of the North Sea, started in April 2011.
  - In the Visund area of the Nordic North Sea on license PL120 (7.7%), the Visund South fast-track development project for the Pan/Pandora discoveries is underway. Start-up of production is expected in 2012.

- The Stjerne project was launched in 2011 to develop the Katla structure discovered in 2009, located on license PL104 (10%) south of Oseberg in the Nordic North Sea. Start-up of oil production is expected in 2013.
- The fast-track development project for the Vigdis North East structure (PL089, 5.6%), discovered in 2009 and located south of Snorre, was launched in 2011. It will also allow for enhanced hydrocarbon recovery from the nearby Vigdis East field. Start-up of oil production is expected in late 2012.
- A positive appraisal well was drilled in 2010 on the southern slope of the Dagny-Ermintrude structure (6.54%) north of Sleipner. Approval of the development project is expected at the end of 2012 and production is scheduled to start in late 2016.
- 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%). Morvin started up in August 2010 as planned, with two producing wells. In 2011, the Group's production in the Haltenbanken area was 63 kboe/d.

The partners decided to go ahead with the Åsgard sub-sea compression project, which will increase hydrocarbon recovery on the Åsgard and Mikkel fields, and the development and operation plan has been submitted to the authorities.

In 2011, TOTAL successfully drilled an exploration well on the Alve North structure on license PL127 (50%, operator) near the Norne field.

- In the Barents Sea, LNG production on Snøhvit (18.4%) started in 2007. This project includes development of the Snøhvit, Albatross and Askeladd natural gas fields, as well as the construction of the associated liquefaction facilities. Due to design problems, the plant experienced reduced capacity during the start-up phase. A number of maintenance turnarounds were scheduled to address the issue and the plant is now operating at its design capacity (4.2 Mt/y). In 2011, the Group's production was 19 kboe/d.

In 2011, TOTAL drilled a positive exploration well on the Norvarg structure in the Barents Sea on license PL535 (40%, operator), which was awarded during the twentieth licensing round.

The Group improved its asset portfolio in Norway by obtaining new licenses and divesting a number of non-strategic assets:

- In 2011, TOTAL obtained four new exploration licenses during licensing round APA 2010 (Awards in Predefined Areas), including one as operator. The Group also acquired in 2011 a 40% stake and the role of operator of license PL554, north of Visund. Drilling of an exploration well is expected on the license in 2012. At the beginning of 2012, during licensing round APA 2011, TOTAL obtained eight new licences, including five as operator.
- In 2010, the Group divested its stake in the Valhall/Hod fields.
- In June 2011, TOTAL announced that it had signed an agreement for the planned sale of its entire stake in Gassled (6.4%) and the associated entities. The sale was effective at the end of 2011.

In the **Netherlands**, TOTAL has had natural gas exploration and production operations since 1964 and currently owns twenty-four offshore production licenses, including twenty that it operates, and two offshore exploration licenses, E17c (16.92%) and K1c (30%). In 2011, the Group's production was 38 kboe/d, compared to 42 kboe/d in 2010 and 45 kboe/d in 2009.

- The K5CU development project (49%, operator) was launched in 2009 and production started up in early 2011. This development includes four wells supported by a platform that was installed in 2010 and connected to the K5A platform by a 15 km gas pipeline.
- The K4Z development project (50%, operator) began in 2011. This development is comprised of two sub-sea wells connected to the existing production and transport facilities. Start-up of production is expected in early 2013.

In late 2010, TOTAL disposed of 18.19% of its equity stake in the NOGAT gas pipeline and decreased its stake to 5%.

In **Poland**, at the end of March 2011, TOTAL signed an agreement to acquire a 49% stake in the Chelm and Werbkowice exploration concessions in order to assess their shale gas potential. On the Chelm license, drilling has taken place, the well has been tested and the results from the well are being examined.

In the **United Kingdom**, where TOTAL has had operations since 1962, the Group's production was 169 kboe/d in 2011, compared to 207 kboe/d in 2010 and 217 kboe/d in 2009. Around 90% 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, start-up of satellite fields or new reservoir compartments allowed production to be maintained. The N52 well drilled on Alwyn (100%) in a new compartment of the Statfjord reservoir came onstream in February 2010 with initial production of 15 kboe/d (gas and condensates). The N53 well was also drilled on Alwyn on the same type of reservoir in 2011 and came onstream in September 2011 with initial production of 4 kboe/d (gas and condensates).

The development project for Islay (100%), a gas and condensates discovery made in 2008 located south of Alwyn, was approved in July 2010. Development is underway and production start-up is expected in the first half of 2012 with a production capacity of 15 kboe/d.

In 2010, TOTAL signed an agreement to divest its stake in the Otter field; its holding fell from 81% to 50% in 2011 and was completely disposed of in February 2012.

- In the Central Graben, the development of the Elgin (46.2%, operator) and Franklin (46.2%, operator) fields, in production since 2001, contributed substantially to the Group's presence in the United Kingdom. At the end of 2011, TOTAL acquired the remaining 22.5% of Elgin Franklin Oil & Gas (EFOG), a company through which it holds a stake in the Elgin and Franklin fields. On the Elgin field, a first infill well came onstream in October 2009 with production of 18 kboe/d. A second infill well started up in May 2010 with production of 12 kboe/d.

Following a gas leak on the Elgin field on March 25, 2012, the production on the Elgin, Franklin and West Franklin fields was stopped and the personnel of the site were evacuated. Investigations are ongoing to determine the causes and the remediation of the gas leak. The Group is actively monitoring the situation (situation as of March 26, 2012).

Additional development of West Franklin through a second phase (drilling of three additional wells and installation of a new platform connected to Elgin) was approved in November 2010. Start-up of production is expected at year-end 2013. The decision was made in 2011 to install a new well platform on the Elgin field. This new platform will be installed in parallel with the West Franklin project and will enable the drilling of new wells on the Elgin field as of 2014.



- In addition to Alwyn and the Central Graben, a third area, West of Shetland, is undergoing development. TOTAL increased its equity stake to 80% in the Laggan and Tormore fields in early 2010.

The decision to develop the Laggan/Tormore fields was made in March 2010 and production is scheduled to start in 2014 with an expected capacity of 90 kboe/d. The joint development scheme selected by TOTAL and its partner includes 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 then be exported to the Saint-Fergus terminal via a new pipeline connected to the Frigg gas pipeline (FUKA).

In 2010, the Group's stake in the P967 license (operator), which includes the Tobermory gas discovery, increased to 50% from 43.75%. This license is located north of Laggan/Tormore.

In early 2011, a gas and condensate discovery was made on the Edradour license (75%, operator), near Laggan and Tormore. The development of Edradour using the infrastructures in place is being examined.

TOTAL has stakes in ten assets operated by third parties, the most important in terms of reserves being the Bruce (43.25%) and Alba (12.65%) fields. The Group disposed of its stake in the Nelson field (11.5%) in 2010.

### 2.3.7. Middle East

**In 2011, TOTAL's production in the Middle East was 570 kboe/d, representing 24% of the Group's overall production, compared to 527 kboe/d in 2010 and 438 kboe/d in 2009.**

In the **United Arab Emirates**, where TOTAL has had operations since 1939, the Group's production was 240 kboe/d in 2011, compared to 222 kboe/d in 2010 and 214 kboe/d in 2009. The increase in production in 2011 was mainly due to higher production by Abu Dhabi Company for Onshore Oil Operations (ADCO) and Abu Dhabi Marine (ADMA).

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

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

In early 2011, TOTAL and IPIC, a government-owned entity in Abu Dhabi, signed a Memorandum of Understanding with a view to developing projects of common interest in the upstream oil and gas sectors.

The Group has a 24.5% stake in Dolphin Energy Ltd. alongside Mubadala, a company owned by the government of the Abu Dhabi Emirate, to market gas produced primarily in Qatar to the United Arab Emirates.

The Group also owns 33.33% of Ruwais Fertilizer Industries (FERTIL), which produces urea. 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 is expected to allow FERTIL to more than

double production so as to reach nearly 2 Mt/y in January 2013.

In **Iraq**, TOTAL bid in 2009 and 2010 on the three calls for tenders launched by the Iraqi Ministry of Oil. The PetroChina-led consortium that includes TOTAL (18.75%) was awarded the development and production contract for the Halfaya field during the second call for tenders held in December 2009. This field is located in the province of Missan, north of Basra. The agreement became effective in March 2010 and the preliminary development plan was approved by the Iraqi authorities in September 2010. Development operations started with the shooting of the 3D seismic survey, drilling and the construction of surface facilities. A production level of 70 kb/d of oil is expected to be reached in 2012.

In **Iran**, the Group's production under buy back agreements was zero in 2011, having been 2 kb/d in 2010 and 8 kb/d in 2009. For additional information on TOTAL's operations in Iran, see Chapter 4 (Risk Factors).

In **Oman**, the Group's production was 36 kboe/d in 2011, stable compared to 2010 and 2009. TOTAL produces oil mainly on Block 6 as well as on Block 53 and liquefied natural gas through its stakes 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**, where TOTAL has had operations since 1936, the Group has equity stakes in the Al Khalij field (100%), the NFB Block (20%) in the North field, the Qatargas 1 liquefaction plant (10%), Dolphin (24.5%) and train 5 of Qatargas 2 (16.7%). The Group's production was 155 kboe/d in 2011, compared to 164 kboe/d in 2010 and 141 kboe/d in 2009.

- The production contract for Dolphin, signed in 2001 with state-owned Qatar Petroleum, provides for the sale of 2 Bcf/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) at year-end 2009. TOTAL has owned an equity stake in this train since 2006. In addition, TOTAL takes part of the LNG produced in compliance with the contracts signed in 2006, which provide for the purchase of 5.2 Mt/y of LNG from Qatargas 2 by the Group.

The Group also has a 10% stake in Laffan Refinery, a condensate splitter with a capacity of 146 kb/d that started up in September 2009. Finally, since May 2011 the Group has been a partner (25%) in the offshore BC exploration license.

In **Syria**, TOTAL is present on the Deir Ez Zor license (100%, operated by DEZPC, 50% of which is owned by TOTAL) and through the Tabiyeh contract that became effective in October 2009. The Group's production from these two assets was 53 kboe/d in 2011, compared to 39 kboe/d in 2010 and 20 kboe/d in 2009. In early December 2011, TOTAL ceased its activities that contribute to oil and gas production in Syria.

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

In **Yemen**, where TOTAL has had operations since 1987, the Group's production was 86 kboe/d in 2011, compared to 66 kboe/d in 2010 and 21 kboe/d in 2009.

TOTAL has an equity stake in the Yemen LNG project (39.62%).

(1) TOTAL's indirect stake in Qalhat LNG through its stake in Oman LNG.

As part of this project, the Balhaf liquefaction plant on the southern coast of Yemen is supplied with the gas produced on Block 18, located near Marib in the center of the country, through a 320 km gas pipeline. The two liquefaction trains were commissioned in October 2009 and April 2010, respectively. The plant has a nominal capacity of 6.7 Mt/y of LNG.

TOTAL also has stakes in the country's two oil basins, as the operator of Block 10 (Masila Basin, East Shabwa license, 28.57%)

and as a partner on Block 5 (Marib Basin, Jannah license, 15%).

TOTAL owns stakes in four onshore exploration licenses: 40% in Blocks 69 and 71, 50.1% in Block 70 (operated by TOTAL since July 2010), and 36% in Block 72 (operated by TOTAL since October 2011).

In March 2012, TOTAL acquired a 40% interest in the Block 3 exploration license, which it will operate. The acquisition is subject to the approval of Yemen's Ministry of Oil and Mineral Resources.

## 2.4. Oil and gas acreage

As of December 31, (in thousand of acres)		2011		2010		2009	
		Undeveloped acreage <sup>(a)</sup>	Developed acreage	Undeveloped acreage <sup>(a)</sup>	Developed acreage	Undeveloped acreage <sup>(a)</sup>	Developed acreage
Europe	Gross	6,478	781	6,802	776	5,964	667
	Net	3,497	185	3,934	184	2,203	182
Africa	Gross	110,346	1,229	72,639	1,229	85,317	1,137
	Net	65,391	333	33,434	349	45,819	308
Americas	Gross	15,454	1,028	16,816	1,022	9,834	776
	Net	5,349	329	5,755	319	4,149	259
Middle East	Gross	31,671	1,461	29,911	1,396	33,223	204
	Net	2,707	217	2,324	209	2,415	97
Asia	Gross	40,552	930	36,519	539	29,609	397
	Net	19,591	255	17,743	184	16,846	169
<b>Total</b>	<b>Gross</b>	<b>204,501</b>	<b>5,429</b>	<b>162,687</b>	<b>4,962</b>	<b>163,947</b>	<b>3,181</b>
	<b>Net<sup>(b)</sup></b>	<b>96,535</b>	<b>1,319</b>	<b>63,190</b>	<b>1,245</b>	<b>71,432</b>	<b>1,015</b>

(a) Undeveloped acreage includes leases and concessions

(b) Net acreage equals the sum of the Group's equity stakes in gross acreage.

## 2.5. Number of productive wells

As of December 31, (number of wells)		2011		2010		2009	
		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>
Europe	Liquids	576	151	569	151	705	166
	Gas	358	125	368	132	328	125
Africa	Liquids	2,275	576	2,250	628	2,371	669
	Gas	157	44	182	50	190	50
Americas	Liquids	877	247	884	261	821	241
	Gas	2,707	526	2,532	515	1,905	424
Middle East	Liquids	7,829	721	7,519	701	3,766	307
	Gas	372	49	360	49	136	32
Asia	Liquids	209	75	196	75	157	75
	Gas	1,589	498	1,258	411	1,156	379
<b>Total</b>	<b>Liquids</b>	<b>11,766</b>	<b>1,770</b>	<b>11,418</b>	<b>1,816</b>	<b>7,820</b>	<b>1,458</b>
	<b>Gas</b>	<b>5,183</b>	<b>1,242</b>	<b>4,700</b>	<b>1,157</b>	<b>3,715</b>	<b>1,010</b>

(a) Net wells equal the sum of the Group's equity stakes in gross wells.



## 2.6. Number of net oil and gas wells drilled annually

As of December 31,	2011			2010			2009		
	Net productive wells drilled <sup>(a)</sup>	Net dry wells drilled <sup>(a)</sup>	Total net wells drilled <sup>(a)</sup>	Net productive wells drilled <sup>(a)</sup>	Net dry wells drilled <sup>(a)</sup>	Total net wells drilled <sup>(a)</sup>	Net productive wells drilled <sup>(a)</sup>	Net dry wells drilled <sup>(a)</sup>	Total net wells drilled <sup>(a)</sup>
<b>Exploratory</b>									
Europe	1.5	1.7	3.2	1.7	0.2	1.9	0.4	3.7	4.1
Africa	2.9	1.5	4.4	1.6	4.3	5.9	5.9	3.2	9.1
Americas	1.2	1.3	2.5	1.0	1.6	2.6	0.8	1.6	2.4
Middle East	1.2	0.8	2.0	0.9	0.3	1.2	0.3	-	0.3
Asia	2.1	3.7	5.8	3.2	1.2	4.4	1.7	1.2	2.9
<b>Subtotal</b>	<b>8.9</b>	<b>9.0</b>	<b>17.9</b>	<b>8.4</b>	<b>7.6</b>	<b>16.0</b>	<b>9.1</b>	<b>9.7</b>	<b>18.8</b>
<b>Development</b>									
Europe	7.5	-	7.5	5.0	-	5.0	5.0	-	5.0
Africa	24.7	-	24.7	18.1	-	18.1	27.5	0.2	27.7
Americas	113.1	82.2	195.3	135.3	112.5	247.8	31.2	104.3	135.5
Middle East	32.6	2.6	35.2	29.6	1.4	31.0	42.6	3.4	49.0
Asia	118.4	-	118.4	59.3	-	59.3	63.5	0.3	63.8
<b>Subtotal</b>	<b>296.3</b>	<b>84.8</b>	<b>381.1</b>	<b>247.3</b>	<b>113.9</b>	<b>361.2</b>	<b>172.8</b>	<b>108.2</b>	<b>281.0</b>
<b>Total</b>	<b>305.2</b>	<b>93.8</b>	<b>399.0</b>	<b>255.7</b>	<b>121.5</b>	<b>377.2</b>	<b>181.9</b>	<b>117.9</b>	<b>299.8</b>

(a) Net wells equal the sum of the Group's equity stakes in gross wells

## 2.7. Drilling and production activities in progress

As of December 31, (number of wells)	2011		2010		2009	
	Gross	Net <sup>(a)</sup>	Gross	Net <sup>(a)</sup>	Gross	Net <sup>(a)</sup>
<b>Exploratory</b>						
Europe	2	2.0	3	2.1	1	0.5
Africa	2	0.8	4	1.4	4	1.3
Americas	3	1.0	2	0.9	2	0.6
Middle East	-	-	2	1.2	1	0.4
Asia	1	0.6	2	1.1	-	-
<b>Subtotal</b>	<b>8</b>	<b>4.4</b>	<b>13</b>	<b>6.7</b>	<b>8</b>	<b>2.8</b>
<b>Development</b>						
Europe	21	4.5	21	3.8	5	2.2
Africa	31	11.3	29	6.4	31	8.5
Americas	22	5.7	99	29.2	60	17.8
Middle East	26	3.5	20	5.1	40	4.8
Asia	11	5.1	23	9.8	12	5.5
<b>Subtotal</b>	<b>111</b>	<b>30.1</b>	<b>192</b>	<b>54.3</b>	<b>148</b>	<b>38.8</b>
<b>Total</b>	<b>119</b>	<b>34.5</b>	<b>205</b>	<b>61.0</b>	<b>156</b>	<b>41.6</b>

(a) Net wells equal the sum of the Group's equity stakes in gross wells.

## 2.8. Interests in pipelines

The table below sets forth TOTAL's interests in oil and gas pipelines as of December 31, 2011.

Pipeline(s)	Origin	Destination	% interest	Operator	Liquids	Gas
<b>Europe</b>						
<b>France</b>						
TIGF	South West Network		100.00	x		x
<b>Norway</b>						
Frostpipe (inhibited)	Lille-Frigg, Froy	Oseberg	36.25		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	5.00			x
WGT K13-Den Helder	K13A	Den Helder	4.66			x
WGT K13-Extension	Markham	K13 (via 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>Gabon</b>						
Mandji Pipes	Mandji fields	Cap Lopez Terminal	100.00 <sup>(a)</sup>	x	x	
Rabi Pipes	Rabi fields	Cap Lopez Terminal	100.00 <sup>(a)</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
TGM	TGN	Uruguayana (Brazil)	32.68			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
<b>Colombia</b>						
Ocensa	Cusiana	Covenas Terminal	5.20		x	
Oleoducto de Alta Magdalena	Tenay	Vasconia	0.93		x	
Oleoducto de Colombia	Vasconia	Covenas	9.55		x	

(a) Interest of Total Gabon. The Group has a financial interest of 58.28% in Total Gabon.

Pipeline(s)	Origin	Destination	% interest	Operator	Liquids	Gas
<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

## 2.9. Gas & Power

The Gas & Power division is primarily focused on the optimization of the Group's gas resources. The division is active in the transport, trading and marketing of natural gas, liquefied natural gas (LNG) and electricity, LNG re-gasification and natural gas storage. It is also engaged in shipping and trading of liquefied petroleum gas (LPG), power generation from gas-fired power plants or renewable energies, and coal production, trading and marketing.

The Gas & Power division is also developing new energies that emit fewer greenhouse gases to complement hydrocarbons so as to meet the increasing global demand for energy. For this purpose, the Group has two main focuses:

- the upstream/downstream integration of the solar photovoltaic channel (achieved through the acquisition of a 60% stake in SunPower in 2011);
- the thermochemical and biochemical conversion of feedstock into fuels or chemicals.

In these fields, TOTAL pursues and strengthens R&D in solar energy, conversion processing of biomass, gas and coal, energy storage, carbon capture and storage and gas technologies.

In parallel, the Group is closely monitoring nuclear power generation and its outlook.

### 2.9.1. Liquefied natural gas

A pioneer in the LNG industry, TOTAL today ranks second worldwide among international oil companies<sup>(1)</sup> and has sound and diversified positions both in the upstream and downstream portions of the LNG chain. LNG development is key to the Group's strategy, with TOTAL strengthening positions in most major production zones and markets.

Through its stakes in liquefaction plants located in Indonesia, Qatar, the United Arab Emirates, Oman, Nigeria, Norway and, since 2009, Yemen, TOTAL markets LNG in all worldwide markets. In 2011, TOTAL sold 13.2 Mt of LNG, an increase of 7.3% compared to 2010 LNG sales (12.3 Mt) and of 48.3% compared to 2009 sales (8.9 Mt). The start-up of the Angola LNG plant in 2012, together with the Group's liquefaction projects in Australia, Nigeria and Russia, are expected to allow for growth to continue in the coming years.

The Gas & Power division is responsible for LNG operations downstream from liquefaction plants<sup>(2)</sup>. It is in charge of LNG marketing to third parties on behalf of the Exploration & Production division, building up the Group's LNG portfolio for its trading, marketing and transport operations as well as re-gasification terminals.

In **Nigeria**, TOTAL holds a 15% interest in the Nigeria LNG plant (NLNG). The Group signed an LNG purchase agreement, initially intended for deliveries to the United States and Europe, for an initial 0.23 Mt/y over a 23-year period starting in 2006, to which an additional 0.94 Mt/y was added when the sixth train came on stream in December 2007.

TOTAL also holds a 17% stake in the Brass LNG project, which 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 LNG purchase agreement for approximately one-sixth of the plant's capacity over a 20-year period. This contract is subject to the final investment decision for the project by Brass LNG.

In **Norway**, as part of the Snøvit project, in which the Group holds an 18.4% stake, TOTAL signed in 2004 a purchase agreement for 0.78 Mt/y of LNG over a 15-year period primarily intended for North America and Europe. Deliveries started in 2007.

In **Qatar**, TOTAL signed purchase agreements in 2006 for 5.2 Mt/y of LNG from train 5 (TOTAL, 16.7%) of Qatargas 2 over a 25-year period. This LNG is expected to be marketed mainly in France, the United Kingdom and North America. LNG production from this train started in September 2009.

In **Yemen**, TOTAL signed an agreement with Yemen LNG Ltd (TOTAL, 39.62%) in 2005 to purchase 2 Mt/y of LNG over a 20-year period, starting in 2009, which is initially intended for delivery in the United States and Europe. LNG production from Yemen LNG's first and second trains started in October 2009 and April 2010, respectively.

Since 2009, part of the volume purchased by the Group pursuant to its long-term contracts related to the LNG projects mentioned above has been diverted to higher-value markets in Asia.

(1) Based on publicly available information; upstream and downstream LNG portfolios.

(2) The Exploration & Production division is in charge of the Group's natural gas liquefaction and production operations.

In **Angola**, TOTAL is involved in the construction of the Angola LNG liquefaction plant (TOTAL, 13.6%), which includes a 5.2 Mt/y train expected to start up in 2012. As part of this project, TOTAL signed in 2007 a re-gasified gas purchase agreement for 13.6% of the quantities produced over a 20-year period.

In **Australia**, TOTAL holds a 24% stake in the Ichthys LNG project, which calls for the construction of two LNG trains, each with a capacity of 4.2 Mt/y. In conjunction with this acquisition, TOTAL signed an LNG purchase agreement for 0.9 Mt/y over a 15-year period. The final investment decision of the partners of the Ichthys LNG project was made in January 2012.

In **China**, TOTAL signed in 2008 an LNG sale agreement with China National Offshore Oil Company (CNOOC). This agreement, starting in 2010 for a 15-year period, provides for the supply by TOTAL of up to 1 Mt/y of LNG to CNOOC. The gas supplied comes from the Group's global LNG portfolio.

In **South Korea**, TOTAL signed an LNG sale agreement in 2011 with Kogas. Under this agreement, TOTAL will deliver up to 2 Mt/y of LNG to Kogas between 2014 and 2031. This gas will come from the Group's global LNG portfolio.

With regard to LNG transport operations, since 2004 TOTAL has been the direct long-term charterer of the Arctic Lady, a 145,000 m<sup>3</sup> LNG tanker that ships TOTAL's share of production from the Snøhvit liquefaction plant in Norway. In November 2011, TOTAL signed a second long-term contract for the chartering of a 165,000 m<sup>3</sup> LNG tanker, the Maersk Meridian, in order to strengthen its transport capacities with regards again to its lifting commitments in Norway.

The Group also holds a 30% stake in Gaztransport & Technigaz (GTT), which focuses mainly on the design and engineering of membrane cryogenic tanks for LNG tankers. At year-end 2011, out of a worldwide tonnage estimated at 386 LNG tankers<sup>(1)</sup>, 258 active LNG tankers were equipped with membrane tanks built under GTT licenses.

### 2.9.2. Trading

In 2011, TOTAL continued to pursue its strategy of developing its operations downstream from natural gas and LNG production. The aim of this strategy is to optimize access for the Group's current and future production to traditional markets (with long-term contracts) and to markets open to international competition (with short-term contracts and spot sales). In the context of deregulated markets, which allow customers to more freely access suppliers, in turn leading to new marketing arrangements that are more flexible than traditional long-term contracts, TOTAL is developing trading, marketing and logistics businesses to offer its natural gas and LNG production directly to customers.

In parallel, the Group has operations in electricity trading and LPG as well as coal marketing.

Furthermore, in 2011 TOTAL began to market the petcoke production of the Port Arthur refinery (United States) on the international market.

The Gas & Power division's trading teams are located in London, Houston, Geneva and Singapore and conduct most of their business through the Group's wholly-owned subsidiaries Total Gas & Power and Total Gas & Power North America.

(1) Gaztransport & Technigaz data.

### 2.9.2.1. Gas and electricity

TOTAL has gas and electricity trading operations in Europe and North America with a view to selling the Group's production and supplying its marketing subsidiaries.

In **Europe**, TOTAL marketed 1,500 Bcf (42.5 Bm<sup>3</sup>) of natural gas in 2011, compared to 1,278 Bcf (36.2 Bm<sup>3</sup>) in 2010 and 1,286 Bcf (36.5 Bm<sup>3</sup>) in 2009, including approximately 12% coming from the Group's production. In addition, TOTAL marketed 24.2 TWh of electricity in 2011, compared to 27.1 TWh in 2010 and 35 TWh in 2009, which came mainly from external resources.

In **North America**, TOTAL marketed 1,694 Bcf (48 Bm<sup>3</sup>) of natural gas in 2011, compared to 1,798 Bcf (51 Bm<sup>3</sup>) in 2010 and 1,586 Bcf (45 Bm<sup>3</sup>) in 2009, supplied by its own production or external resources.

### 2.9.2.2. LNG

TOTAL has LNG trading operations through spot sales and fixed-term contracts as described in section 2.9.1. Since 2009, new purchase agreements (Qatargas 2, Yemen LNG) and new sale agreements (China, India, Thailand, South Korea and Japan) have substantially developed the Group's LNG marketing operations, particularly in Asia's most buoyant markets. This spot and fixed-term LNG portfolio allows TOTAL to supply gas to its main customers worldwide, while retaining a sufficient degree of flexibility to react to market opportunities.

In 2011, TOTAL purchased 99 contractual cargos and 10 spot cargos from Qatar, Yemen, Nigeria, Norway, Russia and Egypt, compared to 94 and 12, respectively, in 2010 and 23 and 12, respectively, in 2009.

### 2.9.2.3. LPG

In 2011, TOTAL traded and sold approximately 5.7 Mt of LPG (butane and propane) worldwide, compared to 4.5 Mt in 2010 and 4.4 Mt in 2009. Approximately 28% of these quantities came from fields or refineries operated by the Group. LPG trading involved the use of 7 time-charters, representing 188 voyages in 2011, and approximately 142 spot charters.

### 2.9.2.4. Coal

In 2011, TOTAL marketed 7.5 Mt of coal in the international market, compared to 7.3 Mt in 2010 and 2009. Approximately 70% of this coal comes from South Africa. More than three-quarters of the volume was sold in Asia, where coal is used primarily to generate electricity, with the remaining volume marketed in Europe.

### 2.9.2.5. Petcoke

In 2011, TOTAL began to market the petcoke produced by the coker at the Port Arthur refinery. Approximately 0.6 Mt of petcoke was sold on the international market in 2011 to cement plants and electricity producers, mainly in Mexico, Brazil, Turkey and China.

### 2.9.3. Marketing

To unlock value from the Group's production, TOTAL has gradually developed gas, electricity and coal marketing operations with end users in the United Kingdom, France, Spain and Germany.

In the **United Kingdom**, TOTAL sells gas and power to the industrial and commercial segments through its subsidiary Total Gas & Power Ltd. In 2011, volumes of gas sold amounted to 162 Bcf (4.6 Bm<sup>3</sup>), compared to 173 Bcf (4.9 Bm<sup>3</sup>) in 2010 and 130 Bcf (3.7 Bm<sup>3</sup>) in 2009. Sales of electricity totaled approximately 4.1 TWh in 2011, stable compared to 2010 and 2009.

In **France**, TOTAL markets natural gas through its subsidiary Total Energie Gaz (TEGAZ), the overall sales of which were 208 Bcf (5.9 Bm<sup>3</sup>) in 2011, compared to 226 Bcf (6.4 Bm<sup>3</sup>) in 2010 and 208 Bcf (5.9 Bm<sup>3</sup>) in 2009. The Group also markets coal to its French customers through its subsidiary CDF Energie, with sales of approximately 1.2 Mt in 2011, compared to 1.3 Mt in 2010 and 1 Mt in 2009.

In **Spain**, TOTAL markets natural gas to the industrial and commercial segments through Cepsa Gas Comercializadora, in which it holds a 35% stake. In 2011, volumes of gas sold amounted to 85 Bcf (2.4 Bm<sup>3</sup>), like in 2010 and compared to 70 Bcf (2 Bm<sup>3</sup>) in 2009.

In **Germany**, Total Energie created a marketing subsidiary in 2010, Total Energy Gas GmbH, which began commercial operations in 2011, making its first sales to industrial customers and service companies.

The Group also holds stakes in the marketing companies that are associated with the Altamira and Hazira LNG re-gasification terminals located in Mexico and India, respectively.

### 2.9.4. Gas facilities

TOTAL develops and operates its natural gas transport networks, gas storage facilities (both liquid and gaseous) and LNG re-gasification terminals downstream from its natural gas and LNG production.

#### 2.9.4.1. Transport of natural gas

In **France**, the Group's transport operations located in the southwest of the country are grouped under Total Infrastructures Gaz France (TIGF), a wholly-owned subsidiary of the Group. This subsidiary operates a regulated transport network of 5,000 km of gas pipelines. As part of the development of Franco-Spanish interconnections, TOTAL decided in 2011 to complete the Euskadour (France-Spain link) project with commissioning scheduled in 2015. This decision followed the decisions made in 2010 to invest in the Artère du Béarn and Girland gas pipeline projects (reinforcement of Artère de Guyenne), with commissioning scheduled in 2013.

Another highlight of 2011 was the implementation by TIGF of the Third Energy Package adopted by the European Union in July 2009, which entails splitting network operations from production and supply operations.

In **South America**, TOTAL owns interests in several natural gas transport companies in Argentina, Chile and Brazil. These assets represent a total integrated network of approximately 9,500 km

of pipelines serving the Argentinean, Chilean and Brazilian markets from gas-producing basins in Bolivia and Argentina, where the Group has natural gas reserves. These natural gas transport companies are challenged by a difficult operational and financial environment in Argentina stemming from the absence of an increase in transport tariffs and the restrictions imposed on gas exports. The Group successfully negotiated in 2011 financial arrangements with some of its customers, which resulted in a significant improvement in earnings for GasAndes, a company in which TOTAL holds a 56.5% stake.

#### 2.9.4.2. Storage of natural gas and LPG

In **France**, the Group's storage operations located in the southwest are grouped under TIGF. This subsidiary operates two storage units under a negotiated legal regime with a usable capacity of 92 Bcf (2.6 Bm<sup>3</sup>).

Through its 35.5% stake in Géométhane, TOTAL owns natural gas storage in salt cavern in Manosque with a capacity of 10.5 Bcf (0.3 Bm<sup>3</sup>). A proposed 7 Bcf (0.2 Bm<sup>3</sup>) increase in storage capacity was approved in February 2011, with commissioning scheduled in 2017-2018.

In **India**, TOTAL holds a 50% stake in South Asian LPG Limited (SALPG), a company that operates an underground import and storage LPG terminal located on the east coast of the country. This cavern, the first of its kind in India, has a storage capacity of 60 kt. In 2011, inbound vessels transported 850 kt of LPG, compared to 779 kt in 2010 and 606 kt in 2009.

#### 2.9.4.3. LNG re-gasification

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 presence allows the Group to access new liquefaction projects by becoming a long-term buyer of a portion of the LNG produced at these plants, thereby strengthening its LNG supply portfolio.

In **France**, TOTAL holds a 27.6% stake in Société du Terminal Méthanier de Fos Cavaou (STMFC) and has, through its affiliate Total Gas & Power, a re-gasification capacity of 2.25 Bm<sup>3</sup>/y. The terminal received 59 vessels in 2011.

In 2011, TOTAL acquired a 9.99% stake in Dunkerque LNG (EDF 65%, operator) in order to develop a methane terminal project with a capacity of 13 Bm<sup>3</sup>/y. Trade agreements have also been signed which allow TOTAL to reserve up to 2 Bm<sup>3</sup>/y of re-gasification capacity over a 20-year period. Commissioning of the terminal is scheduled for the end of 2015.

In the **United Kingdom**, through its equity interest in the Qatargas 2 project, TOTAL holds an 8.35% stake in the South Hook LNG re-gasification terminal and an equivalent right of use to the terminal. Phase 2 of the terminal was commissioned in April 2010, which increased the terminal's total capacity to 742 Bcf/y (21 Bm<sup>3</sup>/y). The terminal operates at nearly 80% of its capacity and in 2011 re-gasified nearly 100 cargoes from Qatar.

In **Croatia**, TOTAL is involved in the study of an LNG re-gasification terminal on Krk Island, on the northern Adriatic coast.

In **Mexico**, TOTAL sold in 2011 its entire stake in the Altamira re-gasification terminal. However, TOTAL retained its 25%



reservation of the terminal's capacity, *i.e.*, 59 Bcf/y (1.7 Bm<sup>3</sup>/y) through its 25% stake in Gas del Litoral.

In the **United States**, TOTAL has reserved a re-gasification capacity of approximately 353 Bcf/y (10 Bm<sup>3</sup>/y) at the Sabine Pass terminal (Louisiana) for a 20-year period ending in 2029.

In **India**, TOTAL holds a 26% stake in the Hazira terminal, which has a natural gas re-gasification capacity of 177 Bcf/y (5 Bm<sup>3</sup>/y). The terminal, located on the west coast of India in the Gujarat state, is a merchant terminal with operations that cover both LNG re-gasification and gas marketing. After a year of sluggish activity in 2010, the terminal's full capacities are under contract for 2011 and 2012. The Indian market's strong growth prospects have led to a decision to increase the terminal's capacity to 230 Bcf/y (6.5 Bm<sup>3</sup>/y) starting in 2013.

### 2.9.5. Electricity generation

In a context of increasing global demand for electricity, TOTAL has developed expertise in the power generation sector, especially through cogeneration and combined cycle power plant projects.

The Group is also involved in power generation projects from renewable sources and is closely monitoring nuclear power generation and its outlook.

#### 2.9.5.1. Electricity from conventional energy sources

In **Abu Dhabi**, the Taweelah A1 plant combines electricity generation and water desalination. It is owned by Gulf Total Tractebel Power Cy, in which TOTAL holds a 20% stake. The Taweelah A1 power plant, in operation since 2003, currently has net power generation capacity of 1,600 MW and water desalination capacity of 385,000 m<sup>3</sup> per day. The plant's production is sold to Abu Dhabi Water and Electricity Company (ADWEC) as part of a long-term agreement.

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

- The Afam VI project, part of the Shell Petroleum Development Company (SPDC) joint venture in which TOTAL holds a 10% stake, concerns the development of a 630 MW combined-cycle power plant. Commercial operations started in December 2010.
- The development of a new 417 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). A final investment decision is expected in the first half of 2012 and commissioning is scheduled in the first half of 2014 in open-cycle and in early 2015 in closed-cycle. The power plant will be connected to the existing power grid through a new 108 km high-voltage transmission line.

In **Thailand**, TOTAL owns 28% of Eastern Power and Electric Company Ltd, which operates the combined-cycle gas power plant in Bang Bo, with a capacity of 350 MW, in operation since 2003. The plant's production is sold to the Electricity Generating Authority of Thailand under a long-term agreement.

#### 2.9.5.2. Electricity from nuclear energy sources

In **France**, TOTAL partners with EDF and other players through its 8.33% interest in the second French EPR project in Penly, in the northwest of the country, for which studies are underway.

The Group is closely monitoring nuclear power generation and its outlook.

#### 2.9.5.3. Electricity from renewable energy sources

In concentrated solar power, TOTAL, in partnership with Spanish company Abengoa Solar, won the call for tenders for the construction and 20-year operation of a 109 MW concentrated solar power plant in Abu Dhabi. The Shams project (TOTAL, 20%) is being carried out in partnership with Masdar through the Abu Dhabi Future Energy Company, which holds a 60% stake in the project. Construction work started in July 2010 and start-up is expected during the second semester of 2012. The plant's production will be sold to ADWEC.

In wind power, TOTAL owns a 12 MW wind farm in Mardyck (near Dunkirk, France), which was commissioned in 2003.

With respect to marine energy, TOTAL holds a 26.6% share in Scotrenewables Marine Power, located in the Orkney Islands in Scotland. Tests are being conducted on a 250 kW prototype.

### 2.9.6. Solar energy

TOTAL is developing upstream operations through industrial production and downstream marketing activities in the photovoltaic sector based on crystalline silicon technology. The Group is also pursuing R&D in this field through several partnerships, as well as in the fields of thin films, transverse systems research and solar energy storage.

In 2011, TOTAL took a major step toward implementing its solar photovoltaic strategy, where the Group has been active since 1983, by acquiring a majority stake in the U.S. company SunPower.

#### 2.9.6.1. Solar photovoltaic

##### 2.9.6.1.1. SunPower

In June 2011, following a friendly takeover bid, TOTAL acquired 60% of SunPower, a U.S. company based in San Jose, California and listed on NASDAQ (NASDAQ: SPWR). TOTAL now appoints the majority of the members of SunPower's board of directors. SunPower is an integrated player that designs, manufactures and supplies the highest-efficiency solar panels in the market. It is active throughout the solar chain, from cell production to the design and construction of turnkey large power plants.

Upstream, SunPower manufactures all of its cells in Asia (Philippines, Malaysia). In 2011, SunPower operated twelve cell manufacturing lines at its plant in Melaka, Malaysia (SunPower, 50% joint venture), which has a capacity of 600 MWp/y. SunPower's overall cell production capacity at the beginning of 2012 was 1,300 MWp/y.

Downstream, SunPower is present in most major geographic markets (United States, Europe, Australia and Asia), with operations ranging from residential roof tiles to large solar power plants.

A specific R&D agreement between TOTAL and SunPower has also been signed.

As of January 2012, TOTAL owns 66% of SunPower following the Tenesol transaction described below.

#### 2.9.6.1.2. Tenesol

Tenesol is a French company that designs, manufactures, markets, installs and operates solar photovoltaic systems. In October 2011, TOTAL became the sole shareholder of Tenesol after having finalized the acquisition of its EDF partner's shares (excluding overseas activities). Tenesol owns solar panel manufacturing plants (South Africa, France), which have a total capacity of nearly 200 MWp/y.

TOTAL and SunPower reached an agreement whereby, in 2012, Tenesol's operations, along with the solar panel plant in Moselle, northeastern France (see paragraph 2.9.6.1.4 of this Chapter), became part of SunPower.

#### 2.9.6.1.3. Photovoltech

TOTAL holds a 50% interest in Photovoltech, a Belgian company specialized in manufacturing multicrystalline photovoltaic cells. In 2011, Photovoltech finalized the ramp-up of its third production line, raising the total production capacity of its plant in Tienen, Belgium to 155 MWp/y.

#### 2.9.6.1.4. Other assets

In 2011, TOTAL began the construction of a solar panel production and assembly plant in the northeastern region of Moselle in France, which is expected to begin operations in 2012 with an overall capacity of 44 MWp/y.

In addition, Tenesol's overseas activities remain 50-50 subsidiaries of TOTAL and EDF through a new company named Sunzil.

Finally, the Group is continuing its projects to display solar application solutions as part of decentralized rural electrification projects in a number of countries, including in South Africa via Kwazulu Energy Services Company (KES) in which TOTAL holds a 35% stake. New projects are being studied in Africa and Asia.

#### 2.9.6.1.5. Solar photovoltaic market context in 2011

In 2011, the photovoltaic sector was forced to cope with a difficult environment marked by excess cell production capacity and modification or cancellation of subsidy programs. This transition period is expected to result in a consolidation of the sector followed by the emergence of a competitive industry. As a clean energy, solar power has a large potential and should eventually become an indispensable part of the energy mix.

#### 2.9.6.2. New solar technologies

TOTAL has committed to developing innovative technologies to improve its portfolio of solar projects. The Group has major R&D programs through partnerships with major laboratories and international research institutes in France and abroad.

In the upstream solar chain, TOTAL holds a 30% stake in AE Polysilicon Corporation (AEP), a U.S. company based near Philadelphia, Pennsylvania. AEP has developed a new continuous process to produce solar-grade granular polysilicon.

With respect to the production of crystalline silicon cells and panels, the Group is continuing its partnership with the Interuniversity

MicroElectronics Center (IMEC) near the University of Leuven, Belgium, in an effort to increase the efficiency of solar cells.

Regarding thin-film technologies and silicon-based nano-materials, in 2009 the Group partnered with the *Laboratoire de Physique des Interfaces et des Couches Minces de l'École Polytechnique* (LPICM) and the French National Center for Scientific Research (CNRS) to set up a joint research team in the Saclay area in France. TOTAL also entered into a research partnership with Toulouse-based *Laboratoire d'analyse et d'architecture des systèmes* (LAAS) to develop associated electrical systems. The aim of these partnerships is to improve the efficiency of the photovoltaic chain in order to substantially lower costs in this sector.

In organic solar technologies, the Group acquired approximately 25% of the U.S. start-up Konarka in 2008. Since 2009, Konarka Technologies Inc has carried out research projects in cooperation with TOTAL to develop solar film on a large scale.

Regarding solar energy storage, TOTAL entered in 2009 into a research agreement with the Massachusetts Institute of Technology (MIT) in the United States to develop a new stationary battery technology.

#### 2.9.7. Biotechnologies Conversion of biomass

TOTAL is exploring a number of avenues for developing biomass depending on the resource used, the nature of the target markets (e.g., fuels, lubricants, petrochemicals, specialty chemicals) and the conversion processes.

The Group has chosen to target the two primary conversion processes: biological and thermochemical.

In June 2010, TOTAL entered into a strategic partnership with Amyris Inc., a U.S. start-up specializing in biotechnologies. The Group acquired a stake in Amyris' share capital (21.28% as of February 24, 2012) and signed a collaboration framework agreement that includes research, development, production and marketing partnerships with the creation of an R&D team. Two programs have been approved in 2011 to develop a biojet fuel as well as a biodiesel. At the end of 2011, partners agreed to create a joint-venture to produce and commercialize advanced molecules intended for the fuels, lubricants and special fluids markets.

Amyris owns a cutting-edge industrial synthetic biological platform designed to create and optimize micro-organisms (yeasts, algae, bacteria) that can convert sugars into fuels and chemicals. Amyris owns research laboratories and a pilot unit in California as well as a pilot plant and a demonstration facility in Brazil. Industrial production of farnesene began in 2011 at three partner sites (in Brazil, the United States and Spain) representing a nominal annual capacity of 50,000 m<sup>3</sup>. A fourth production site is as well under construction and shall be completed in 2012.

In addition, the Group continues to develop a network of R&D partnerships, including with the Joint BioEnergy Institute (JBEI) Novogy (United States), the University of Wageningen (Holland) and the Toulouse White Biotechnology consortium (TWB) (France) in technology segments that are complementary with Amyris' platform: deconstruction of lignocelluloses and new biosynthesis processes.

The Group is also assessing the potential of phototrophic processes and bio-engineering of microalgae. In December 2011, it entered into a partnership with Collectis S.A. in exploratory research on molecules similar to petroleum products, from microalgae, for the energy and chemicals markets.

### 2.9.8. Carbochemistry

#### 2.9.8.1. Carbon capture and storage

TOTAL is involved in a program to develop new carbon capture and storage technologies to reduce the environmental footprint of the Group's industrial projects based on fossil energy.

In partnership with the French IFP Énergies Nouvelles (French Institute for Oil and Alternative Energies), TOTAL is involved in an R&D program related to chemical looping combustion, a new process to burn solid and gas feedstock that includes carbon capture at a very low energy cost. In 2010, this partnership resulted in the construction of a demonstration pilot at the Solaize site in France. A large-scale pilot is expected to be commissioned in 2013.

The Group is also involved in the EU-co-funded Carbolab project that intends to validate the carbon storage technology in coal seams and coalbed methane recovery.

#### 2.9.8.2. DME

TOTAL is involved in the European "Bio-DME" project in Sweden, the goal of which is to validate a di-methyl ether (DME) production chain through gasification of black liquor generated by a pulp mill. The pilot plant located in Pitea successfully came into production at the end of 2011. To date, three metric tons of bio-DME that meet the Group's specifications for use as fuel have already been produced.

In addition, to support the commercial development of DME, TOTAL is involved with eight Japanese companies in a program intended to heighten consumers' awareness of this new fuel in Japan. The 80 kt/y production plant (TOTAL, 10%), located in Niigata, started up in 2009.

Finally, via the International DME Association (IDA), TOTAL is participating in studies on the combustion of blends that include DME and in standardization efforts regarding the use of DME as fuel.

### 2.9.9. Coal production

For nearly thirty years, TOTAL has produced and exported coal from South Africa primarily to Europe and Asia. In 2011, TOTAL produced 3.8 Mt of coal.

With the start-up of production on the Dorstfontein East mine in 2011, the subsidiary Total Coal South Africa (TCSA) owns and operates five mines in South Africa. The Group continues to study other projects aimed at developing its mining resources.

The South African coal produced by TCSA or bought from third-parties' mines is either marketed locally or exported through the port of Richard's Bay, in which TOTAL holds a 5.7% interest.

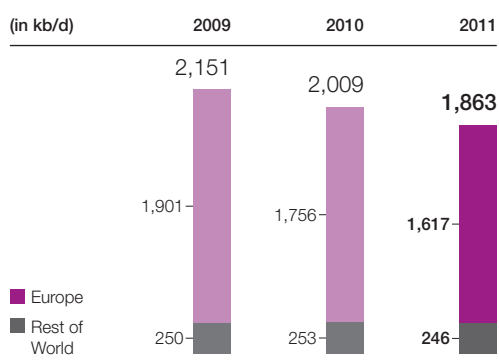


## 3. Downstream

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

- Among the largest refiners/marketers in Western Europe<sup>(1)</sup>
- **No.1** marketer in Africa<sup>(2)</sup>
- Refining capacity of approximately **2.1 Mb/d** at year-end 2011
- **14,819** service stations at year-end 2011
- Approximately **3.6 Mb/d** of products sold in 2011
- One of the leading traders of oil and refined products worldwide
- **€1.9 billion** invested in 2011
- **29,423** employees

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



(a) Including TOTAL's share in CEPSA and, as from October 1, 2010, in TotalErg.

For the full-year 2011, refinery throughput decreased by 7% compared to 2010, essentially due to the sale of the Group's interest in CEPSA and to a high level of major turnarounds than in 2010.

### Downstream segment financial data

(M€)	2011	2010	2009
Non-Group sales	141,907	123,245	100,518
Adjusted operating income	1,238	1,251	1,026
Adjusted net operating income	1,083	1,168	953

The European refinery margin indicator (ERMI) averaged 17.4 \$/t in 2011, a decrease of 36% compared to 2010.

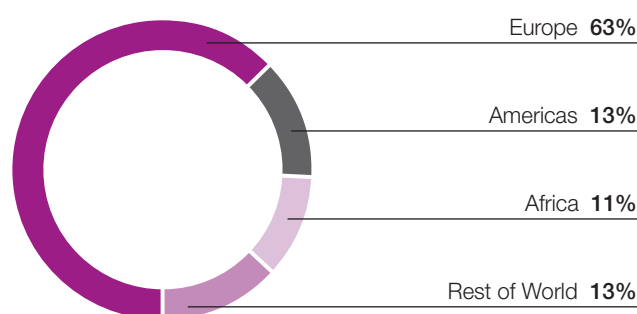
For the full year 2011, adjusted net operating income for the Downstream segment was €1,083 million, a decrease of 7% compared to €1,168 million in 2010.

Expressed in dollars, the adjusted net operating income for the Downstream segment was 1.5 B\$, a decrease of 3% compared to 2010. The decrease is essentially due to the negative impact of the deterioration in refining margins in 2011 while marketing performed nearly at the 2010 level.

The persistence of an unfavorable economic environment for refining, affecting Europe in particular, led the Group to recognize an impairment in the Downstream, on European refining assets, in the third and fourth quarters of 2011 in the amount of €700 million in operating income and €478 million in net operating income. These elements have been treated as adjustment items.

The ROACE<sup>(3)</sup> for the Downstream segment was 7% in 2011 compared to 8% in 2010.

### 2010 refined products sales by geographical area: 3,639 kb/d<sup>(a)</sup>



(a) Including Trading and TOTAL's share in CEPSA and, as from October 1, 2010, in TotalErg.

In October 2011, the Group announced a proposed reorganization of its Downstream and Chemicals segments. The procedure for informing and consulting with employee representatives took place and the reorganization became effective on January 1, 2012.

This led to organizational changes, with the creation of:

- a Refining & Chemicals segment, a large industrial center that encompasses refining, petrochemicals, fertilizers and specialty chemicals operations. This segment also includes oil trading and shipping activities.
- a Supply & Marketing segment, which is dedicated to worldwide supply and marketing activities in the oil products field.

The Downstream activities described above, including the data as of December 31, 2011, are presented based on the organization in effect up to December 31, 2011.

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

(2) PFC Energy based on quantities sold.

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

### 3.1. Refining & Marketing

TOTAL's worldwide refining capacity was 2,088 kb/d at year end 2011, compared to 2,363 kb/d in 2010 and 2,594 kb/d in 2009. The Group's worldwide refined products sales (including trading operations) in 2011 were 3,639 kb/d, compared to 3,776 kb/d in 2010 and 3,616 kb/d in 2009.

TOTAL is among the largest refiners/marketers in Western Europe<sup>(1)</sup>, and the leading marketer in Africa<sup>(2)</sup>.

Directly or via its holdings, TOTAL has a worldwide retail network of 14,819 service stations at year end 2011, compared to 17,490 in 2010 and 16,299 in 2009. Through its retail network, TOTAL provides fuels to more than 3 million customers every day. In addition, TOTAL produces a broad range of specialty products, such as lubricants, liquefied petroleum gas (LPG), jet fuel, special fluids, bitumen, heavy fuel, marine fuel and petrochemical feedstock.

The Group continues to adapt its business and improve positions in a context of growing demand worldwide, mainly in non-OECD countries, by focusing on three areas:

- adapting to mature markets in Europe;
- developing its positions in growth markets (Africa, Asia and the Middle East); and
- developing specialty products worldwide.

In July 2011, TOTAL closed the sale to IPIC of its 48.83% stake in CEPSA as part of a public takeover bid on the entire share capital of CEPSA. With respect to Refining & Marketing operations, this sale concerns mainly four Spanish refineries (Huelva, Algeciras, Tenerife, Tarragona) and some marketing activities in Spain and Portugal.

In October 2011, TOTAL sold its network of service stations and its fuel and heating oil marketing business in the United Kingdom, the Channel Islands and the Isle of Man.

#### 3.1.1. Refining

TOTAL has equity stakes in twenty refineries (including ten that it operates), located in Europe, the United States, the French West Indies, Africa and China.

In 2011, TOTAL continued its program of selective investments in Refining, which is focused on three areas: pursuing major ongoing projects (deep conversion at the Port Arthur refinery and construction of the Jubail refinery), adapting the European refining system to structural market changes, and increasing safety and energy efficiency.

In **Western Europe**, TOTAL's refining capacity was 1,792 kb/d in 2011, compared to 2,049 kb/d in 2010 and 2,282 kb/d in 2009, accounting for 85% of the Group's overall refining capacity. The decrease in 2011 was due to the sale of the Group's stake in CEPSA. The Group operates nine refineries in Western Europe and owns stakes in the Schwedt refinery in Germany and two refineries in Italy through its interest in TotalErg.

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

Since autumn 2010, TOTAL has been implementing its project to repurpose the Flanders site. The shutdown of the refining business will lead to gradually dismantling the units. The Group has commenced repurposing the site through the creation of a technical support center, a refining training school, an oil depot and business offices.

In addition, the industrial plan started in 2009 to adapt the Group's refining base in France is ongoing. This plan is intended to reconfigure the Normandy refinery and rescale certain corporate departments at the Paris headquarters. At the Normandy refinery, the project is intended to upgrade the refinery and shift the production emphasis to diesel. For this purpose, the investments will result in the eventual reduction of the annual distillation capacity to 12 Mt from 16 Mt, upsizing the distillate hydrocracker and improving energy efficiency by lowering carbon dioxide emissions. The new structure is expected to become operational at the end of 2013.

In summer 2010, the Group divested its minority interest (40%) in the Société de la Raffinerie de Dunkerque (SRD), a company that specializes in bitumen and base oil production.

- In the **United Kingdom**, the hydrodesulphurization (HDS) unit at the Lindsey refinery was commissioned in February 2011. The unit makes it possible to process up to 70% of high-sulphur crudes, compared to 10% previously, and increase low-sulphur diesel production. In 2010, the Group announced that it would offer for sale its Lindsey refinery in the United Kingdom. Due to the difficult market conditions and the lack of sufficiently attractive and competitive offers, the Group decided in early 2012 to maintain the refinery within its refining network.
- In **Germany**, an additional HDS unit designed to supply the German market with low-sulphur heating oil started up in autumn 2009 at the Leuna refinery.
- In **Italy**, TotalErg (TOTAL, 49%) has operated the Rome refinery (100%) since October 2010 and holds a 25.9% stake in the Trecate refinery.

In the **United States**, TOTAL operates the Port Arthur refinery in Texas, with a capacity of 174 kb/d. In 2008, TOTAL launched an upgrading program that included the construction of a desulphurization unit commissioned in July 2010 and a vacuum distillation unit, a deep-conversion unit (or coker) and other associated units, which were successfully commissioned in April 2011. This project enables the refinery to process more heavy and high-sulphur crudes and to increase production of lighter products, in particular low-sulphur distillates.

In **Saudi Arabia**, TOTAL and Saudi Arabian Oil Company (Saudi Aramco) created a joint venture in 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%). TOTAL and Saudi Aramco each plan to retain a 37.5% interest with the remaining 25% expected to be listed on the Saudi stock exchange. The main contracts for the construction of the refinery were signed in mid-2009, concurrent with the start-up of work. Commissioning is expected in 2013.

(1) Based on publicly available information, refining capacities and quantities sold.

(2) PFC Energy, based on quantities sold.

The heavy conversion process of this refinery is designed for processing heavier crudes produced nearby and selling fuels and lighter products that meet strict specifications and are mainly intended for export. The refinery will also be integrated with petrochemical units.

In **Africa**, the Group has minority stakes in five refineries in South Africa, Senegal, Côte d'Ivoire, Cameroon and Gabon.

In the **French West Indies**, the Group has a 50% stake in the company Société Anonyme de la Raffinerie des Antilles (SARA), which owns a refinery in Martinique.

In **China**, TOTAL has a 22.4% stake in the WEPEC refinery, located in Dalian, in partnership with Sinochem and PetroChina.

### 3.1.1.1. Crude oil refining capacity

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

As of December 31,  
(kb/d)

	2011	2010	2009
Refineries operated by the Group			
Normandy (France)	199	199	338
Provence (France)	158	158	158
Flanders (France)	-	-	137
Donges (France)	230	230	230
Feyzin (France)	117	117	117
Grandpuits (France)	101	101	101
Antwerp (Belgium)	350	350	350
Leuna (Germany)	230	230	230
Rome (Italy) <sup>(b)</sup>	-	-	64
Lindsey - Immingham (United Kingdom)	221	221	221
Vlissingen (Netherlands) <sup>(c)</sup>	82	81	81
Port Arthur, Texas (United States)	174	174	174
<b>Subtotal</b>	<b>1,862</b>	<b>1,861</b>	<b>2,201</b>
Other refineries in which the Group has equity stakes <sup>(d)</sup>	226	502	393
<b>Total</b>	<b>2,088</b>	<b>2,363</b>	<b>2,594</b>

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

(b) TOTAL's stake was 71.9% until September 30, 2010.

(c) TOTAL's stake is 55%.

(d) TOTAL has equity stakes ranging from 12% to 50% in ten refineries (five in Africa, two in Italy, one in Germany, one in Martinique and one in China). TOTAL divested its stake in the Indeni refinery in Zambia in 2009. Since October 2010, the amounts include the Group's share in the Rome and Trecate refineries through its stake in TotalErg. TOTAL divested its stake in CEPESA (four refineries) in 2011.

### 3.1.1.2. 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)	2011	2010	2009
Gasoline	350	345	407
Aviation fuel <sup>(b)</sup>	158	168	186
Diesel and heating oils	804	775	851
Heavy fuels	179	233	245
Other products	335	359	399
<b>Total</b>	<b>1,826</b>	<b>1,880</b>	<b>2,088</b>

(a) For refineries not 100% owned by TOTAL, the production shown is TOTAL's equity share of the site's overall production.

(b) Avgas, jet fuel and kerosene.

### 3.1.1.3. Utilization rate

The tables below set forth the utilization rate of the Group's refineries:

On crude and other feedstock <sup>(a)(b)</sup>	2011	2010	2009
France	91%	64%	77%
Rest of Europe (excluding CEPSA and TotalERG)	77%	85%	88%
Americas	81%	83%	77%
Asia	67%	81%	80%
Africa	80%	76%	77%
CEPSA and TotalERG <sup>(c)</sup>	83%	94%	93%
<b>Average</b>	<b>83%</b>	<b>77%</b>	<b>83%</b>

(a) Including equity share of refineries in which the Group has a stake.

(b) Crude + crackers' feedstock/capacity and distillation at the beginning of the year.

(c) For CEPSA in 2011: calculation of the utilization rate based on production and capacity prorated on the first seven months of the year.

On crude <sup>(a)(b)</sup>	2011	2010	2009
Average	78%	73%	78%

(a) Including equity share of refineries in which the Group has a stake.

(b) Crude/capacity and distillation at the beginning of the year.

### 3.1.2. 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 14%<sup>(2)</sup>.

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

#### 3.1.2.1. Europe

In Europe, TOTAL has a network of more than 9,400 service stations in France, Belgium, the Netherlands, Luxembourg and Germany, as well as in Italy through its share in TotalErg (49%).

TOTAL also operates a network of 615 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-seven European countries.

In **Western Europe**, TOTAL continued to optimize its Marketing business in 2011.

- In **France**, the network benefits from a wide number of service stations and a diverse selection of products (such as the *Bonjour* convenience stores and car washes). Nearly 2,000 TOTAL-branded service stations and 270 Elf-branded service stations are operated in France. TOTAL also markets fuels at nearly 1,800 Elan-branded service stations, generally located in rural areas.

In October 2011, TOTAL launched Total access, a new service station concept combining low prices with TOTAL brand fuel and service quality. The Total access network will be made up of around 600 service stations in France, including the 270 Elf-branded service stations that will be rebranded as Total access. The project is expected to be fully implemented by 2014.

At the end of 2011, TOTAL finished implementing the project to adapt oil logistics operations announced in January 2010. The Pontet and Saint Julien oil depots were closed in October 2010. Operatorship of the Hauconcourt depot was transferred to a third party in October 2010. In July 2011, operatorship of the Le Mans oil depot was transferred to a third party and the Ouistreham oil depot was divested. In January 2010, TOTAL also divested half of its stake (reduced from 50% to 25%) in Dépôts Pétroliers de La Corse and transferred operatorship. Dyneff and TOTAL's logistics assets in Port La Nouvelle were pooled in December 2011 under the umbrella of new company Entrepôt Pétrolier de Port La Nouvelle, which was created in July 2011.

In 2012, TOTAL is expected to complete the adaptation of oil logistics operations by implementing the project announced in September 2011. In the first half of 2012, the Brive and Chambéry depots are expected to be closed, and operatorship of the Lorient and Lyon depots is expected to be transferred to third parties. At the same time, TOTAL is expected to divest 24% of its current 50% stake in Entrepôt Pétrolier de Lyon. The Honfleur depot, which belongs to wholly-owned TOTAL subsidiary BTT, is expected to be closed in the second half of 2012.

- In **Italy**, as part of the optimization of the Group's downstream portfolio in Europe, TotalErg (TOTAL, 49%) was created in autumn 2010 through the merger of Total Italia and ERG Petroli. TotalErg has become the third largest operator in the Italian market with a network market share of nearly 13%<sup>(4)</sup> and more than 3,350 service stations.
- In the **United Kingdom**, TOTAL announced in June 2011 that it had signed an agreement to sell its network of service stations and its fuel and heating oil marketing business in the United Kingdom, the Channel Islands and the Isle of Man. This sale was closed in October 2011. TOTAL continues to operate in specialty products in the United Kingdom, particularly lubricants and aviation fuel.

(1) Based on publicly available information, quantities sold.

(2) Market share for the markets where the Group operates, based on publicly available information, quantities sold.

(3) Including via national distributors.

(4) PFC Energy, Unione Petrolifera, based on quantities sold.

In **Northern, Central and Eastern Europe**, the Group is developing its positions primarily in the specialty products market. In 2011, TOTAL continued to expand its direct 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, Ukraine and the Balkans through the development of its direct presence in these markets since 2008.

AS24, which is active in twenty-six European countries, continued to expand its network, exceeding the milestone of 600 service stations and opening new outlets in two new countries, Ukraine (2011) and Georgia (early 2012). The AS24 network is expected to continue to grow, mainly through expansion in the Mediterranean Basin and Russia, by strengthening its position in strategic countries and through its toll payment card service, which covers more than seventeen countries.

### 3.1.2.2. Africa & the Middle East

TOTAL is the leading marketer of petroleum products on the African continent, with a market share of 14%<sup>(1)</sup>. Following the acquisition of marketing and logistics assets in Kenya and Uganda in 2009, the Group runs more than 3,500 service stations in more than forty countries and operates major networks in South Africa, Nigeria, Kenya and Morocco. As part of the optimization of its portfolio, the Group divested its subsidiary in Benin in late 2010.

TOTAL also has a large presence in Turkey and Lebanon, and is developing a network of large service stations in Jordan.

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.

### 3.1.2.3. Asia-Pacific

At year-end 2011, 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. TOTAL operates service stations in Pakistan, the Philippines, Cambodia, Indonesia, and is a significant player in the Pacific Islands.

In **China**, the Group operated nearly 160 service stations at year-end 2011 through two TOTAL/Sinochem joint ventures.

In **India**, TOTAL is expected to open in early 2012 its first lubricants, bitumen, special fluids and additives technical support center outside Europe.

In **Vietnam**, TOTAL continues to strengthen its position in the specialty products market. The Group has become one of the leaders in the Vietnamese lubricants market due to the acquisitions of assets at year-end 2009.

### 3.1.2.4. 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, which was strengthened by the acquisition in 2008 of marketing and logistics assets in Puerto Rico, Jamaica and the Virgin Islands.

In **North America**, TOTAL markets specialty products, mainly lubricants, and is continuing to grow with the acquisition at year-end 2009 of lubricant assets in the province of Quebec in Canada.

### 3.1.2.5. Sales of refined products

The table below sets forth TOTAL's sales of refined products by region:

(kb/d)	2011	2010	2009
France	740	725	808
Europe, excluding France <sup>(a)</sup>	1,108	1,204	1,245
United States	47	65	118
Africa	304	292	281
Rest of the World	225	209	189
<b>Total excluding Trading</b>	<b>2,424</b>	<b>2,495</b>	<b>2,641</b>
Trading	1,215	1,281	975
<b>Total including Trading</b>	<b>3,639</b>	<b>3,776</b>	<b>3,616</b>

(a) Including TOTAL's share in CEPSA (up to end of July 2011) and, as from October 1, 2010, in TotalErg.

### 3.1.2.6. Service stations

The table below sets forth the number of service stations of the Group:

As of December 31,	2011	2010	2009
France <sup>(a)</sup>	4,046	4,272	4,606
Europe, excluding France	5,375	7,790	6,219
of which TotalErg	3,355	3,221	-
of which CEPSA	-	1,737	1,734
Africa	3,464	3,570	3,647
Rest of the World	1,934	1,858	1,827
<b>Total</b>	<b>14,819</b>	<b>17,490</b>	<b>16,299</b>

(a) Total, Elf and Elan-branded service stations.

### 3.1.2.7. Biofuels

TOTAL is active in the biodiesel and biogasoline sectors. In 2011, TOTAL produced and blended 494 kt of ethanol<sup>(2)</sup> in gasoline at its European refineries<sup>(3)</sup> and several oil depots (compared to 464 kt in 2010 and 510 kt in 2009) and 1,859 kt of VOME<sup>(4)</sup> in diesel at its European refineries<sup>(5)</sup> and several oil depots (compared to 1,737 kt in 2010 and 1,655 kt in 2009).

TOTAL, in partnership with the leading companies in this area, is developing second generation biofuels derived from biomass. TOTAL is also working with leading worldwide public and private scientific partners on biochemical and thermochemical biomass conversion.

The Group is thus participating in French, European and international bioenergy development programs. As part of this, TOTAL is involved in two demonstration projects:

- BioTfuel, which aims to develop technology to convert biomass into biodiesel; and
- 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 non-food lignocellulosic biomass.

(1) Market share in the countries where the Group operates, based on 2011 publicly available information, quantities sold.

(2) Including ethanol from ETBE (Ethyl-Tertio-Buthyl-Ether) and biomethanol from MTBE (Methyl-Tertio-Butyl-Ether).

(3) CEPSA's refineries and oil depots are not included in 2011, 2010 and 2009 figures.

(4) VOME: Vegetable-Oil-Methyl-Ester. Including HVO (Hydrotreated Vegetable Oil).

(5) Including Total Erg's Rome and Trecate refineries in Italy. CEPSA's refineries and oil depots are not included in 2011, 2010 and 2009 figures.

### 3.1.2.8. Hydrogen and electric mobility

TOTAL is continuing its hydrogen fueling demonstrations as part of the Clean Energy Partnership in Germany. A new prototype station is being built in the center of Berlin and is scheduled to open in February 2012. TOTAL is also involved in the "H<sub>2</sub> Mobility" study underway in Germany, which aims to identify the business model

that would enable the creation of an infrastructure in light of the potential marketing of fuel cell vehicles between 2015 and 2020.

The number of prototype electric vehicle fueling stations (fast charge) is increasing. TOTAL now has twelve charging stations in Belgium. In France, two stations have been completed in the Paris area as part of the SAVE project, and six are being built in the Netherlands.

## 3.2. Trading & Shipping

The Trading & Shipping division:

- sells and markets the Group's crude oil production;
- provides a supply of crude oil for the Group's refineries;
- 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;
- charters appropriate ships for these activities; and
- undertakes trading on various derivatives markets.

The Trading & Shipping division's main focus is serving the Group. In addition, the division's expertise allows it to extend its scope of activities beyond its primary focus.

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., Total Trading Atlantique S.A. and Chartering & Shipping Services S.A.

### 3.2.1. 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 the worldwide sales and sources of supply of crude oil and sales of refined products for the Group's Trading division for each of the last three years.

Trading of physical volumes of crude oil and refined products amounted to 4.4 Mb/d in 2011.

#### Trading division's supply and sales of crude oil and sales of refined products<sup>(a)</sup>

(kb/d)	2011	2010	2009
<b>Group's worldwide liquids production</b>	<b>1,226</b>	<b>1,340</b>	<b>1,381</b>
Purchased by the Trading division from the Group's Exploration & Production division	960	1,044	1,054
Purchased by the Trading division from external suppliers	1,833	2,084	2,351
<b>Total of Trading division's supply</b>	<b>2,793</b>	<b>3,128</b>	<b>3,405</b>
Sales by Trading division to Group Refining & Marketing division	1,524	1,575	1,752
Sales by Trading division to external customers	1,269	1,553	1,653
<b>Total of Trading division's sales</b>	<b>2,793</b>	<b>3,128</b>	<b>3,405</b>
<b>Total sales of refined products</b>	<b>1,632</b>	<b>1,641</b>	<b>1,323</b>

(a) Including condensates.

The Trading division operates extensively on physical and derivatives markets, both organized and over the counter. In connection with its trading activities, 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.

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

In 2011, the oil market tightened; as a result, the oil price rise accelerated and the structure of crude oil prices flipped from contango to backwardation<sup>(1)</sup>.

	2011	2010	2009	min 2011	max 2011
Brent ICE - 1 <sup>st</sup> Line <sup>(a)</sup>	(\$/b) 110.91	80.34	62.73	93.33 (Jan. 07)	126.65 (Apr. 08)
Brent ICE - 12 <sup>th</sup> Line <sup>(b)</sup>	(\$/b) 108.12	84.61	70.43	94.20 (Jan. 07)	121.74 (Apr. 29)
Contango/Backwardation time structure (12 <sup>th</sup> -1 <sup>st</sup> )	(\$/b) -2.79	4.27	7.70	-9.55 (Oct. 14)	2.65 (Feb. 07)
Gasoil ICE - 1 <sup>st</sup> Line <sup>(a)</sup>	(\$/t) 933.30	673.88	522.20	767.75 (Jan. 01)	1,053.00 (Apr. 08)

(a) 1<sup>st</sup> line: Average quotation on ICE Futures for first nearby month delivery.

(b) 12<sup>th</sup> Line: Average quotation on ICE Futures for twelfth nearby month delivery.

(1) Contango is a term used to describe an energy market in which the anticipated value of the spot price in the future is higher than the current spot price. The reverse situation is described as backwardation.



The oil markets had ended 2010 significantly up, driven by the very strong upturn in demand for oil (+2.8 Mb/d). The outbreak of war in Libya in February 2011 quickly deprived the oil market of 1.6 Mb/d of crude supply. On the international markets, the shutdown of Libyan crude production was aggravated by production losses in Nigeria (through attacks on oil infrastructure and diversion of the oil), Angola (with technical problems on several fields), Yemen (through attacks on oil infrastructure) and Syria (due to the embargo). The resulting crude oil deficit was offset mainly by Saudi Arabia, Kuwait and the United Arab Emirates, which all increased their production considerably, thereby reducing the surplus available production capacity. Production in Libya gradually started up again from September 2011 and reached around 0.9 Mb/d at the end of 2011.

Overall in 2011, OPEC crude oil production was estimated to be slightly down compared to 2010 (-0.1 Mb/d), as was non-OPEC crude production (-0.2 Mb/d). The production of other liquids in 2011 (LPG, LNG, biofuels) rose (+0.5 Mb/d).

With regard to demand, the significant price rise and generally weaker economic growth than in 2010 slowed growth in oil demand, which fell from +2.8 Mb/d in 2010 to +0.5 Mb/d in 2011.

In this environment, crude oil prices, which started rising at the beginning of the year, increased from an average of approximately \$96/b (ICE Brent 1<sup>st</sup> Line) in January 2011 to \$123/b in April 2011 while the market adjusted to the loss of Libyan supply. Prices fell slightly in the second half of 2011, particularly under

the effect of the emergency stock release (60 Mb offered, 35 Mb delivered) of the International Energy Agency (IEA) and the partial resumption of Libyan production. Crude oil prices remained high however, reaching an annual average in 2011 of \$110.91/b.

As a result of the backwardation in the price structure on the crude oil market for almost the entire year, 2011 was also marked by a sharp fall in OECD oil industry inventories through October 2011 (year-on-year, crude -70 Mb and products -46 Mb), which diminished in the last 2 months of the year with the rise in Libyan crude production (December 2011 year-on-year, crude -26 Mb and products -36 Mb).

2011 also saw a widening of the price differential between WTI crude (confined to the central United States) and Brent crude (delivered in the North Sea and accessible internationally). While Brent was experiencing upward pressure due to the balance of crude oil on the international market, WTI was under downward pressure from a continuous rise in local production and exports from Canada, the combination of which exceeded local refining capacity requirements and potential exports outside the region. The price of WTI thus rose less quickly than Brent, increasing the gap to almost -\$28/b in mid-October (at the height of the upward pressure on Brent).

The gap was more than halved at the end of the year, particularly with the announcement of the planned reversal of the Seaway pipeline, which should ease the pressure from the surplus of crude weighing down markets in the central United States.

### 3.2.2. Shipping

TOTAL's Shipping division arranges the transportation of crude oil and refined products necessary to develop the Group's activities. These needs are met through transactions on the spot market and the development of a balanced time charter policy. It has a rigorous safety policy that is due mainly to the strict selection of the vessels the division charters. 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 2011, TOTAL's Shipping division chartered approximately 3,000 voyages to transport approximately 110 Mt of crude oil and refined products. As of December 31, 2011, it employed a fleet of fifty vessels chartered under long-term or medium-term agreements (including eight LPG carriers), of which none is single-hulled. The fleet has an average age of approximately five years.

#### Freight rates average of three representative routes for crude transportation

		2011	2010	2009	min 2011	max 2011
VLCC Ras Tanura Chiba-BITR <sup>(a)</sup>	(\$/t)	11.99	13.41	10.43	9.32 (Oct. 10)	18.54 (Feb. 15)
Suezmax Bonny Philadelphia-BITR	(\$/t)	13.86	14.50	12.75	10.23 (Jan. 20)	19.85 (Mar. 22)
Aframax Sullom Voe Wilhemshaven-BITR	(\$/t)	6.51	6.39	5.20	5.04 (Jan. 17)	9.46 (Mar. 4)

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

2011 was a particularly eventful and difficult period for oil shipping activities.

During the first half of 2011, events in Japan and North Africa had a strong impact on crude oil imports. Requirements in Japan fell suddenly and very markedly, but were quickly restored and returned to almost pre-crisis levels by the end of 2011. In the end, the impact on demand for shipping was relatively limited. In the Mediterranean, the shutdown of Libyan production resulted in the rebalancing of demand for long-haul VLCC shipments: imports, particularly to Europe, were offset by supply from further away, thus increasing the demand for transportation.

On a more global level, the market was buoyed by demand from China, which is still growing strongly, and to a lesser extent the United States.

Despite this generally favorable demand structure, the freight market operated at overcapacity for most of 2011. Very few ships were decommissioned and 2011 saw a steady stream of new vessels being delivered as a result of the many orders placed by shipowners in 2007 and 2008.

This situation severely damaged the fundamentals of the freight market for crude oil transport. Following the extremely cold weather at the beginning of 2011, which sustained rates for a time, there was a collapse in the second quarter that left the market at a historic low. With regard to the product tanker market, the situation remains poor worldwide, with transatlantic traffic to the United States particularly slow.

## 4. Chemicals

The Chemicals segment includes Base Chemicals, with petrochemicals and fertilizers, and Specialty Chemicals, with the Group's elastomer processing, adhesives and electroplating chemistry activities. TOTAL is one of the world's largest integrated chemical producers<sup>(1)</sup>.

### Chemicals segment key financial data

(M€)	2011	2010	2009
<b>Non-Group sales</b>	<b>19,477</b>	<b>17,490</b>	<b>14,726</b>
<i>Incl. Base Chemicals</i>	<i>12,656</i>	<i>10,653</i>	<i>8,655</i>
<i>Incl. Specialty Chemicals</i>	<i>6,819</i>	<i>6,824</i>	<i>6,071</i>
<b>Adjusted operating income</b>	<b>697</b>	<b>893</b>	<b>249</b>
<b>Adjusted net operating income</b>	<b>775</b>	<b>857</b>	<b>272</b>
<i>Incl. Base Chemicals</i>	<i>373</i>	<i>393</i>	<i>16</i>
<i>Incl. Specialty Chemicals</i>	<i>426</i>	<i>475</i>	<i>279</i>

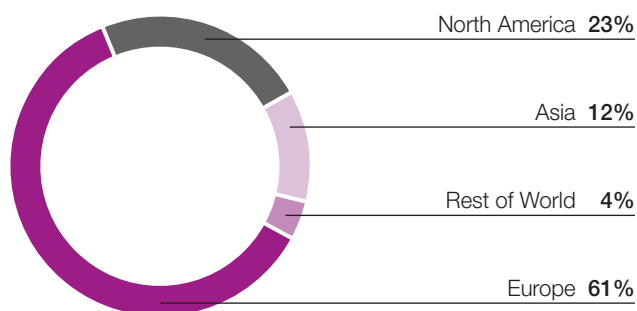
For the full year 2011, Chemicals segment sales, excluding intra-Group sales, were €19,477 million, an increase of 11% compared to 2010.

The adjusted net operating income was €775 million compared to €857 million in 2010. Petrochemicals benefited from the ramp-up of its operations in Qatar and South Korea, but saw its margins decline in the second half of the year in Europe and the United States. Specialty Chemicals income, excluding impacts of portfolio changes, remained close to that of 2010.

The ROACE<sup>(2)</sup> of the Chemicals segment was 10.5% in 2011 compared to 12% in 2010.

### 2011 consolidated sales by geographic area

In 2011, Chemicals sales were €19.48 billion, compared to €17.49 billion in 2010 and €14.73 billion in 2009. Europe, North America and Asia accounted for 61%, 23% and 12%, respectively, of the Chemicals segment's sales in 2011, with the remaining sales (4%) attributable to Africa and Latin America.



In October 2011, the Group announced a proposed reorganization of its Downstream and Chemicals segments. The procedure for informing and consulting with employee representatives took place and the reorganization became effective on January 1, 2012.

This led to organizational changes, with the creation of:

- a **Refining & Chemicals** segment, a large industrial center that encompasses refining, petrochemicals, fertilizers and specialty chemicals operations. This segment also includes oil trading and shipping activities.
- a **Supply & Marketing** segment, which is dedicated to worldwide supply and marketing activities in the oil products field.

The Chemicals activities described thereafter, including the data as of December 31, 2011, are presented based on the organization in effect up to December 31, 2011.

(1) Données société, sur la base du chiffre d'affaires consolidé.

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



## 4.1. Base Chemicals

The Base Chemicals division includes TOTAL's petrochemicals and fertilizers activities.

In 2011, Base Chemicals sales were €12.7 billion, compared to €10.7 billion in 2010 and €8.7 billion in 2009.

### 4.1.1. Petrochemicals

#### Breakdown of TOTAL's main production capacities

(in thousands of tons)	2011				2010	2009
	Europe	North America	Asia and Middle East <sup>(a)</sup>	Worldwide	Worldwide	Worldwide
Olefins <sup>(b)</sup>	4,695	1,195	1,460	7,350	7,190	6,895
Aromatics	2,500	940	770	4,210	4,195	4,195
Polyethylene	1,180	440	520	2,140	2,140	2,040
Polypropylene	1,315	1,175	345	2,835	2,780	2,780
Styrenics <sup>(c)</sup>	1,150	1,260	730	3,140	2,950	3,090

(a) Including minority interests in Qatar and 50% of Samsung-Total Petrochemicals capacities.

(b) Ethylene, propylene and butadiene.

(c) Styrene and polystyrene.

The petrochemicals business includes base petrochemicals (olefins and aromatics) and their polymer derivatives (polyolefins and styrenics).

In **Europe**, the main petrochemical sites are located in Belgium, in Antwerp (steam crackers, polyethylene) and Feluy (polypropylene, polystyrene), and in France, in Carling (steam cracker, polyethylene, polystyrene), Feyzin (steam cracker), Gonfreville (steam crackers, styrene, polyolefins, polystyrene) and Lavéra (steam cracker, polypropylene).

In the **United States**, the main petrochemical sites are located in Carville, Louisiana (styrene, polystyrene), and in Texas, in Bayport (polyethylene), La Porte (polypropylene) and Port Arthur (steam cracker, butadiene).

In **Asia**, TOTAL owns, in partnership with Samsung, a 50% interest in the petrochemical site located in Daesan, South Korea (steam cracker, styrene, paraxylene, polyolefins). The Group is also active through its polystyrene plants located in Singapore and Foshan (China).

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

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 integrated within refining operations.

TOTAL continues to strengthen its leadership positions in the industry by focusing on the following three main strategic areas:

- In **Europe**, TOTAL is improving the competitiveness of its long-established sites notably through cost management, better energy efficiency at its facilities and increased flexibility in the choice of feedstock.

In an increasingly competitive environment, the Group launched two reorganization plans mainly for the Carling (eastern France) and Gonfreville (northwestern France) sites:

- The first plan, launched in 2006, called for the closure of one of the steam crackers 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, launched in 2009, is a consolidation project to improve the sites' competitiveness. This project includes a plan to upgrade the Group's most efficient units by investing approximately €230 million over three years to increase energy efficiency and competitiveness of the steam cracker and the high-density polyethylene unit in Gonfreville, and to consolidate polystyrene production at the Carling facility. It also includes the shutdown of structurally loss-making units, effective from the end of 2009: two low-density polyethylene lines, one in Carling and one in Gonfreville, and a polystyrene line in Gonfreville. This reorganization plan also impacted the support services at both sites and the central services at Total Petrochemicals France.

Following its 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 had to be closed in the second half of 2010.

At the end of 2011, TOTAL signed an agreement relating to the acquisition of 35% of ExxonMobil's stake in Fina Antwerp Olefins, Europe's second largest base petrochemicals (monomers) production plant. Following approval by the relevant authorities, the transaction was finalized in February 2012 and TOTAL became the sole shareholder in Fina Antwerp Olefins on March 1, 2012. The acquisition will open new opportunities to strengthen the competitiveness of the assets and to pursue integration which is one of the foundations of Total's strategy.

In the **United States**, TOTAL and BASF purchased in 2011 Shell's stake in Sabina, one of the largest butadiene production plants in the world. TOTAL and BASF are now the only two shareholders in Sabina, with stakes of 40% and 60%, respectively. This new structure will allow for increased synergies with the TOTAL refinery and the jointly-owned steam cracker (TOTAL 40%, BASF 60%) located on the same site in Port Arthur, Texas.

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

- TOTAL is continuing to expand in growth areas.

In **Asia**, the Samsung-Total Petrochemicals Co. Ltd joint venture (TOTAL, 50%) completed in mid-2011 the first debottlenecking phase of the units at the Daesan site in South Korea, with the aim of bringing them to full capacity. This first phase included increasing the capacity of the steam cracker to 1 Mt/y and the polyolefin units to 1,150 kt/y.

The second phase is expected to take place in September 2012 and involves increasing the capacity of the paraxylene unit to 700 kt/y.

In addition, to keep up with growth on the Asian markets, two major investments have been approved for planned start-up in 2014: a new 240 kt/y EVA<sup>(1)</sup> unit and a new aromatic unit with a capacity of 1.5 Mt/y of paraxylene and benzene, the feedstock of which will be supplied by a condensate splitter that will also produce jet fuel and diesel. As a result, the site's paraxylene production capacity will be increased to 1.8 Mt/y.

In the **Middle East**, the 700 kt/y paraxylene unit at the Jubail refinery in Saudi Arabia is under construction. This world-class unit is mainly intended to supply the Asian market. Start-up is scheduled for 2013.

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

In **Qatar**, through its interest in Qatofin and Qapco, TOTAL holds a 49% interest in a world-class linear low-density polyethylene plant with a capacity of 450 kt/y in Mesaieed. This unit, operated by Qatofin, started up in 2009. The Group also holds 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 up in March 2010. In addition, construction of a 300 kt/y low-density polyethylene line has started at Qapco, in which TOTAL holds a 20% interest, with start-up scheduled for the second quarter of 2012.

In **China**, TOTAL and China Power Investment signed in November 2010 an agreement to study a project to build a coal-to-olefins plant and a polyolefins plant. TOTAL will bring to this partnership its expertise in the methanol-to-olefins (MTO) and olefin cracking process (OCP) technologies tested extensively at its plant in Feluy, Belgium.

### 4.1.1.1. Base petrochemicals

Base petrochemicals includes olefins and aromatics (monomers) produced by the steam cracking of petroleum cuts, naphtha and LPG, or of gas as well as propylene and aromatics manufactured in the Group's refineries. The economic environment for these activities is strongly influenced by the balance between supply and demand and changes in feedstock prices, especially naphtha.

The market was buoyant in the first half of 2011, followed by a significant slowing in volumes and falling margins, mainly in Europe and the United States, in the second half. Over 2011 as a whole, TOTAL's production volumes remained stable.

TOTAL is expanding its positions in Asia and the Middle East with the start-up of the Ras Laffan steam cracker in 2010 in Qatar and continued investments to increase capacities in South Korea. In Europe and the United States, TOTAL is improving energy efficiency at its sites, strengthening synergies with refining and increasing the flexibility of the steam cracker feedstock.

(1) Ethylene Vinyl Acetate.

### 4.1.1.2. Polyolefins

TOTAL's strategy for polyolefins (polyethylene, polypropylene) is based on lowering the breakeven point of its plants in Europe and the United States and continuing to differentiate its range of products, while meeting new market requirements for sustainable development. The Group is also continuing to expand its activities in growth areas, mainly through its stakes in joint ventures in South Korea and Qatar.

#### Polyethylene

Polyethylene is a plastic resulting from the polymerization of ethylene produced by 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 the price of ethylene. In Europe, margins are impacted by competition from expanding production in the Middle East, which benefits from favorable access to ethane, the raw material used in ethylene production.

2011 was marked by a slowdown in growth in demand in all geographical areas and by falling margins, more particularly in the second half. Europe was most affected by this deterioration in the market environment.

The Group's sales volumes increased by 2% in 2011.

#### Polypropylene

Polypropylene is a plastic resulting from the polymerization of propylene produced by the Group's steam crackers and refineries. It is primarily intended for the automotive, packaging, carpet, household appliances, fibers and hygiene markets. Margins are mainly influenced by the level of demand and the availability and price of propylene.

As with polyethylene, 2011 saw a slowdown in growth in worldwide demand and falling margins in the second half of the year.

TOTAL's sales volumes decreased by 2.5% compared to 2010.

### 4.1.1.3. Styrenics

This business activity 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 styrene's principal raw material.

The worldwide styrenics market increased by approximately 2% in 2011, driven by Asia, while the markets in Europe and the United States remained practically stable. Margins were low on the highly competitive European and Asian markets, but remained high in the United States.

TOTAL's polystyrene sales volumes increased by 4% in 2011.

The Group continues to expand its styrenics business. In Feluy, Belgium, TOTAL is building a new-generation expandable polystyrene manufacturing plant. Start-up is scheduled for early 2013. The expandable polystyrene is intended for the insulation market, which is experiencing strong growth. In China, TOTAL doubled the capacity of the Foshan compact polystyrene plant to 200 kt/y in early 2011.

### 4.1.2. Fertilizers

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

In 2010 and 2011, GPN's production was affected by a number of manufacturing incidents that resulted in long shutdowns for maintenance of the Grandpuits and Rouen ammonia plants in France and reduced production at the downstream plants (nitric acid, urea and ammonium nitrate). These incidents adversely affected the results of GPN, which could not take advantage of favorable global market conditions.

GPN's plans were strengthened through two major investments: the construction of a nitric acid plant in Rouen, which started up in the second half of 2009, and a urea plant in Grandpuits, the start-up of which was ongoing in March 2012. This additional urea production will enable GPN to position itself in the growing markets of products that contribute to reducing nitrogen oxide emissions<sup>(1)</sup>:

DeNOX<sup>®</sup> for industrial applications and Adblue<sup>®</sup> for transportation applications. An Adblue unit has been maintained at Oissel waiting for the start-up of the Grandpuits plant.

In France, three obsolete nitric acid units in Rouen and Mazingarbe were closed in 2009 and 2010.

GPN's mines and quarries business at the Mazingarbe site was divested in January 2011. Sales for the divested lines of business were €30 million in 2010.

In November 2011, the Group initiated the process of divesting its stake (50%) in Pec-Rhin. Having exercised its pre-emptive right on its partner's 50%, GPN signed an agreement for the complete divestment of Pec-Rhin. Following approval by the relevant authorities, the disposal was finalized in January 2012.

These actions are intended to improve the competitiveness of GPN by regrouping its operations at two sites that have production capacity greater than the European average.

## 4.2. Specialty Chemicals

TOTAL's Specialty Chemicals division includes elastomer processing (Hutchinson), adhesives (Bostik) and electroplating chemistry (Atotech). It serves the automotive, construction, electronics, aerospace and convenience goods markets, for which marketing, innovation and customer service are key drivers. TOTAL markets specialty products in more than sixty countries and intends to develop by combining organic growth and targeted acquisitions. This development is focused on high-growth markets and the marketing of innovative products with high added value that meet the Group's sustainable development approach.

The Hutchinson consumer goods business (Mapa<sup>®</sup> and Spontex<sup>®</sup>) was divested in spring 2010. Sales for the divested lines of business were €530 million in 2009.

The Cray Valley coating resins and Sartomer photocure resins businesses were divested in July 2011. Sales for the divested lines of business were €860 million in 2010. The structural and hydrocarbon resins business lines were kept and have been incorporated into the Petrochemicals division.

Specialty Chemicals enjoyed a favorable climate in the first three quarters of 2011 due to the resilience of the European and North American markets and continued growth in the emerging countries. The situation deteriorated in the fourth quarter. In this context and on a like-for-like basis (excluding Mapa Spontex and Resins), 2011 sales were €5.3 billion, a 9% increase compared to 2010.

### 4.2.1. Elastomer processing

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

Hutchinson, among the industry's leaders worldwide<sup>(2)</sup>, provides its customers with innovative solutions in the areas of fluid transfer, air and fluid seals, anti-vibration, sound and thermal insulation, and transmission and mobility.

Hutchinson has eighty production sites worldwide<sup>(2)</sup>, including fifty-two in Europe, fifteen in North America, seven in South America, five in Asia and one in Africa.

Hutchinson's sales were €2.99 billion in 2011, up 10% compared to 2010. Sales for the automotive business increased 11% due to stable sales on the European and North American markets and increased sales on the Latin American and Chinese markets. On the industrial markets, sales increased at a lower rate because of the decline in the business planes, helicopters and defense markets, while sales on other industrial markets (e.g. civil aviation, railway, and offshore) saw similar rises to the automotive business.

To strengthen its position in the aerospace industry, in late 2008 Hutchinson acquired Strativer, a French company specialized in the growing composite materials market, and, in early 2011, Hutchinson acquired Kaefer, a German company specialized in aircraft interior equipment (insulation, ventilation ducts, etc.). In the automotive sector, in April 2011 Hutchinson acquired Keum-Ah, a South Korean company specialized in fluid transfer systems.

Hutchinson continues to develop in expanding markets, primarily Eastern Europe, South America and China, relying notably on the Brasov (Romania), Lodz (Poland), Sousse (Tunisia) and Suzhou (China) sites and on the Casa Branca site (Brazil) opened in 2011.

### 4.2.2. Adhesives

Bostik is one of the world leaders in the adhesive sector<sup>(2)</sup> and has significant positions on the industrial, hygiene and construction markets, complemented by both consumer and professional distribution channels.

Bostik has forty-six production sites worldwide, including twenty-one in Europe, nine in North America, seven in Asia, six in Australia and New Zealand, two in Africa and one in South America.

In 2011, sales were €1.43 billion, up 3% compared to 2010.

(1) Nitrogen oxide emissions are noxious to the environment and subject to regulation.  
(2) Based on publicly available information, consolidated sales.

Bostik continues to strengthen its technological position in the construction and industrial sectors, pursue its program for innovation focused on sustainable development, keep up with its expansion in high-growth countries and improve its operational performance.

2011 saw the start-up of two new production units in Egypt and Vietnam and the opening of a new regional technology center for Asia in Shanghai. In addition, Bostik plans to commission a third production unit in Changshu, China in 2012, which is expected to be Bostik's largest plant worldwide. In the United States, Bostik acquired StarQuartz in 2011, increasing its range of construction adhesives.

Finally, Bostik continued to rationalize its industrial base with the closure of the Ibos site in France, which came into effect at year-end 2011.

### 4.2.3. Electroplating

Atotech is the second largest company in the electroplating sector based on worldwide sales<sup>(1)</sup>. It is active on the markets for electronics (printed circuits, semiconductors) and general metal finishing (automotive, construction, furnishing).

Atotech has sixteen production sites worldwide, including seven in Asia, six in Europe, two in North America and one in South America.

Atotech's sales were €0.89 billion in 2011, up 14% compared to 2010 due to favorable conditions on all of its markets and a significant increase in equipment sales on the electronics market.

In order to strengthen its position on the electronics market, in 2011 Atotech started up a new production unit aimed at the semiconductors market in Neuruppin (Germany) and acquired adhesive technologies (molecular interfaces) in the nanotechnology sector in the United States.

Atotech successfully pursued its strategy designed to differentiate its products through a comprehensive service provided to its customers in terms of equipment, processes, design and 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.

Atotech intends to continue to develop in Asia, which represents almost 60% of its global sales.

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(1) Based on publicly available information, consolidated sales.

## 5. Investments

### 5.1. Major investments over the 2009-2011 period <sup>(1)</sup>

(M€)	2011	2010	2009
Upstream	21,689	13,208	9,855
Downstream	1,870	2,343	2,771
Chemicals	847	641	631
Corporate	135	81	92
<b>Total</b>	<b>24,541</b>	<b>16,273</b>	<b>13,349</b>

Organic capital expenditure, including net investment in equity affiliates and non consolidated subsidiaries, amounted to \$20.6 billion in 2011 (€14.8 billion<sup>(2)</sup>, compared to \$15.8 billion in 2010 (€11.9 billion). In addition to this, \$12.3 billion (€8.8 billion) was invested in acquisitions.

TOTAL investment (including acquisitions) therefore rose from \$21.6 billion (€16.3 billion) in 2010 to \$34.2 billion (€24.5 billion) in 2011. This increase in capital expenditure comes almost solely from the Upstream sector. In 2011, the Group continued to develop its major Exploration-Production projects, and also significantly increased the amount spent on acquisitions, which came to more than \$12 billion in 2011, compared to less than \$5 billion in 2010. These acquisitions were almost exclusively in the Upstream sector, and included in particular the purchase of 14.09% of Russian company Novatek, the acquisition of a stake in shale gas licenses in the Utica play in the United States, and the increase of the holding in the Fort Hills (Canada) and Tempa Rossa (Italy) projects. In 2011, TOTAL also acquired a 60% (now 66%) stake in American company SunPower, one of the world leaders in solar photovoltaic sector.

### 5.2. Major investments anticipated

In early 2012, TOTAL announced the launch of three new major projects: the Ichthys LNG project in Australia (24%), the development of the Hild field in the Norwegian North Sea (51%, operator) and the development of the Ofon II offshore field in Nigeria (40%, operator). The Group also extended its exploration activities with the acquisition of a 90% stake in two licenses in Mauritania three licenses in Côte d'Ivoire and one license in Yemen. TOTAL finalized in February 2012 a farm-in for an interest of 33.33% in exploration & production licenses in Uganda.

In Refining & Chemicals, at the end of 2011 TOTAL announced that it had signed an agreement to purchase its partner's stake in petrochemical company Fina Antwerp Olefins. The transaction closed in February 2012; the Group now owns 100% of the entity, thus strengthening its refining and petrochemical platform in Antwerp. At the beginning of 2012, the Group also announced the launch of a major project to increase capacity at its petrochemical site in Daesan, South Korea (50%).

For the year 2012, TOTAL announced an organic capital expenditure budget<sup>(3)</sup> of \$24 billion, over 80% of which is dedicated to the Upstream segment. \$20 billion capital expenditure in the

In addition to these acquisitions, capital expenditure in the Upstream segment was mainly intended to develop new hydrocarbon production facilities, exploration operations and acquisition of new licenses. In 2011, development expenditure was devoted primarily to the following projects: Kashagan in Kazakhstan; Ekofisk in Norway; the Mahakam area in Indonesia; Pazflor, CLOV and Angola LNG in Angola; OML 58, Usan and Ofon II in Nigeria; Laggan Tormore in the United Kingdom; Surmont in Canada; GLNG in Australia and the Anguille and Mandji projects in Gabon.

In the Downstream segment, capital expenditure was split between refining and marketing activities (notably for the retail network). In Refining (approximately \$1.4 billion in 2011), it is dedicated to the maintenance of facilities and safety and to projects to increase the production of lighter products, add desulphurization capacities, adapt the refining base to new specifications and improve energy efficiency. 2011 was marked by the completion and start-up of the coker at the Port Arthur refinery in the United States in the first half of the year, together with ongoing construction of the Jubail refinery in Saudi Arabia and the upgrading project at the Normandy refinery in France.

In the Chemicals segment, capital expenditure for 2011 was approximately 60% for Base Chemicals and 40% for Specialties.

2011 was also marked by a significant rise in asset disposals, which increased from less than \$5 billion in 2010 to almost \$11 billion in 2011. In particular, the Group sold its 48.83% stake in Spanish company CEPSA, and continued with the sale of some of its Sanofi shares.

Upstream segment is expected to be mainly dedicated to major development projects, including GLNG in Australia, Surmont in Canada, the Ekofisk area in Norway and the Mahakam area in Indonesia, Kashagan in Kazakhstan, the Laggan/Tormore projects in the United Kingdom, CLOV and Pazflor in Angola, Anguille/Mandji in Gabon, Ofon II and OML 58 Upgrade in Nigeria and Tempa Rossa in Italy. 30% of the Upstream segment's overall capital expenditure budget is expected to be dedicated to producing assets, 40% is intended for projects that are to start up between 2012 and 2015, and the remaining 30% should be devoted to growth beyond 2015.

In the Refining & Chemicals segment, the \$3 billion capital expenditure budget<sup>(3)</sup> is expected to be dedicated to the refining, petrochemicals and specialty chemicals businesses. 2012 should be marked in particular by the ramp-up of major projects, which are expected to receive over \$1.9 billion in investment. These include the ongoing construction of the Jubail refinery in Saudi Arabia and the upgrading of the Normandy platform, which represent investments in both refining and petrochemicals. A significant portion of the business unit's budget will also be allocated to maintenance and safety, which are vital to this type of industrial activity.

(1) Major acquisitions and disposals for fiscal years 2009 to 2011 are detailed in Note 3 to the Consolidated Financial Statements of this Registration Document.

(2) Based on average exchange rates for 2011 of \$1.392/€

(3) Including net investments in equity affiliates and non-consolidated companies, excluding acquisitions and divestments, based on €1 = \$1.40 for 2012.

The Supply & Marketing division has a more than \$1 billion capital expenditure budget<sup>(1)</sup> for 2012, to finance in particular the service station network, logistics, specialty production and storage facilities (lubricants, LPG, etc.), and a number of storage facilities on customers' premises. The majority of the Supply & Marketing budget will be allocated to growth areas (Africa, the Middle East, Asia, and Latin America).

Beyond 2012, TOTAL plans to make sustained investments to support the growth of its activities, prioritizing the Upstream segment.

TOTAL self-finances most of its capital expenditure from cash flow from operations (see the consolidated statement of cash flow, Chapter 9, point 5), which is essentially increased by accessing the bond market on a regular basis, when conditions on the financial markets are favorable (see Note 20 to the Consolidated Financial Statements, Chapter 9, point 7). However, capital expenditure for joint ventures between TOTAL and external partners are generally funded through project financing.

For 2012, the Group has also announced that it wishes to divest certain assets from its portfolio, and its budget provides for asset disposals worth over \$4 billion more than planned acquisitions.

In February 2012, TOTAL announced that it had signed an agreement to sell its Colombian subsidiary which holds stakes in the Cusiana mature oil field and the OAM and ODC pipelines in Colombia.

As part of certain project financing arrangements, TOTAL S.A. has provided guarantees. These guarantees ("Guarantees given on borrowings") as well as other information on off-balance sheet commitments and contractual obligations for the Group appear in Note 23 to the Consolidated Financial Statements (Chapter 9, point 7). The Group does not currently consider that these guarantees, or any other off-balance sheet arrangements of TOTAL S.A. nor any other members of the Group, currently have or are reasonably likely to have in the future a material effect on the Group's financial situation, revenues or expenses, liquidity, capital expenditure or capital resources.

## 6. Organizational structure

### 6.1. Position of the Company within the Group

TOTAL S.A. is the Group's parent company. As of December 31, 2011, there were 870 consolidated subsidiaries, of which 783 were fully consolidated and 87 were accounted for under the equity method.

The decision of TOTAL S.A.'s major subsidiaries to declare dividends is made by their relevant shareholders' meetings and is subject to the provisions of applicable local laws and regulations. As of December 31, 2011, there is no restriction under such provisions that would materially restrict the distribution to TOTAL S.A. of the dividends declared by those subsidiaries.

As of December 31, 2011, the Group's businesses were organized as indicated on the chart in paragraph 8 of this Chapter.

In October 2011, the Group announced a proposed reorganization of its Downstream and Chemicals segments. The procedure for

informing and consulting with employee representatives took place and the reorganization became effective on January 1, 2012.

This led to organizational changes, with the creation of:

- a Refining & Chemicals segment, a large industrial center that encompasses refining, petrochemicals, fertilizers and specialty chemicals operations. This segment also includes trading and shipping activities;
- a Supply & Marketing segment, which is dedicated to worldwide supply and marketing activities in the oil products field.

The Group's businesses receive assistance from corporate divisions (Finance, Legal, Ethics, Insurance, Strategy & Business Intelligence, Human Resources and Communications) that are grouped within the parent company, TOTAL S.A.

### 6.2. Major subsidiaries

A list of the major subsidiaries directly or indirectly held by the Company is given in Note 35 to the Consolidated Financial Statements (Scope of Consolidation) in Chapter 9, point 7 of this Registration Document.

(1) Including net investments in equity affiliates and non consolidated companies, excluding acquisitions and divestments, based on €1=\$1.40 for 2012.



## 7. Property, plant and equipment

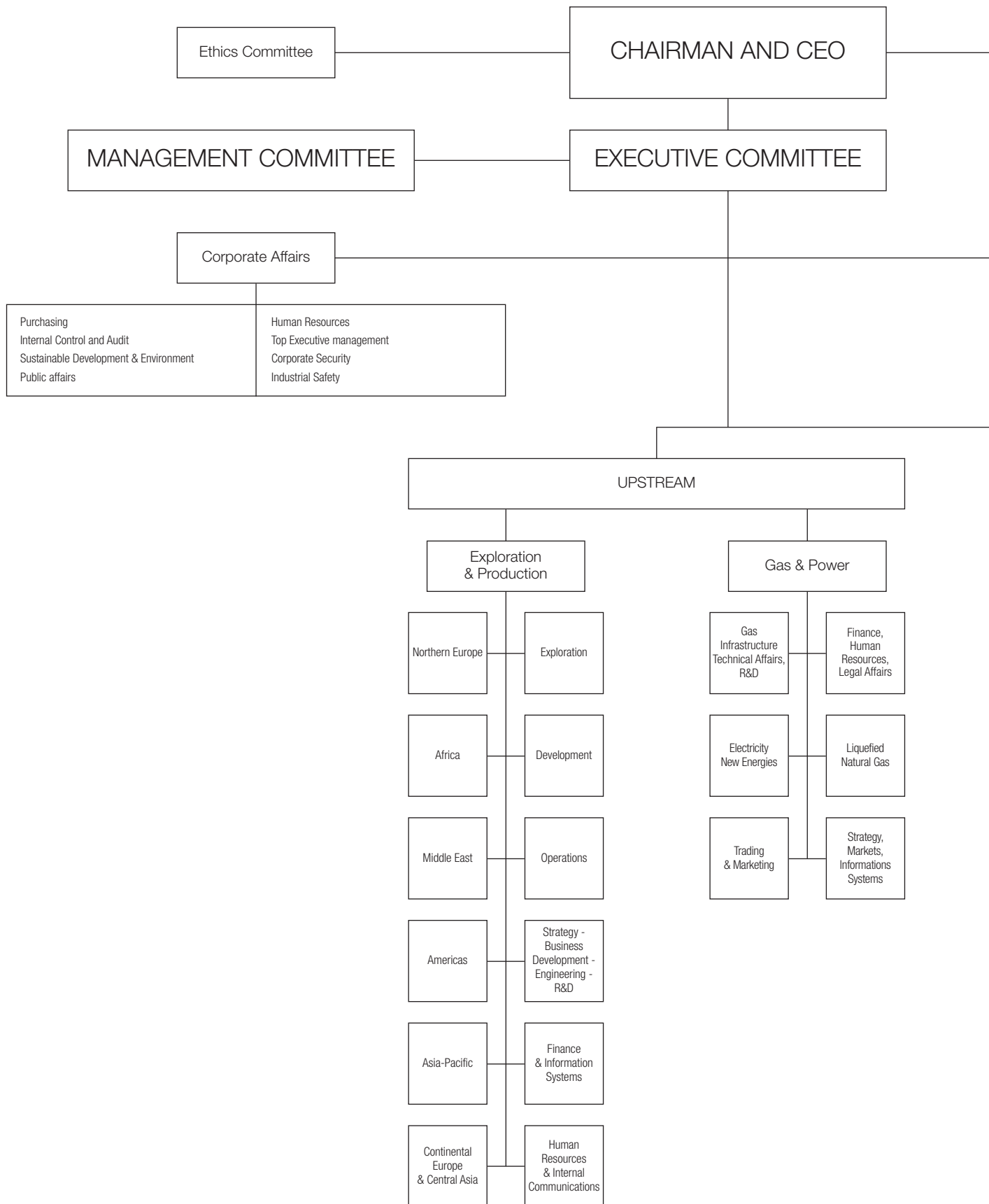
TOTAL has freehold and leasehold interests in over 130 countries throughout the world. Operations in properties, oil and gas fields or any other industrial, commercial or administrative facility, as well as the production capacities and utilization rates of these facilities, are described in this Chapter for each business segment (Upstream, Downstream, Chemicals).

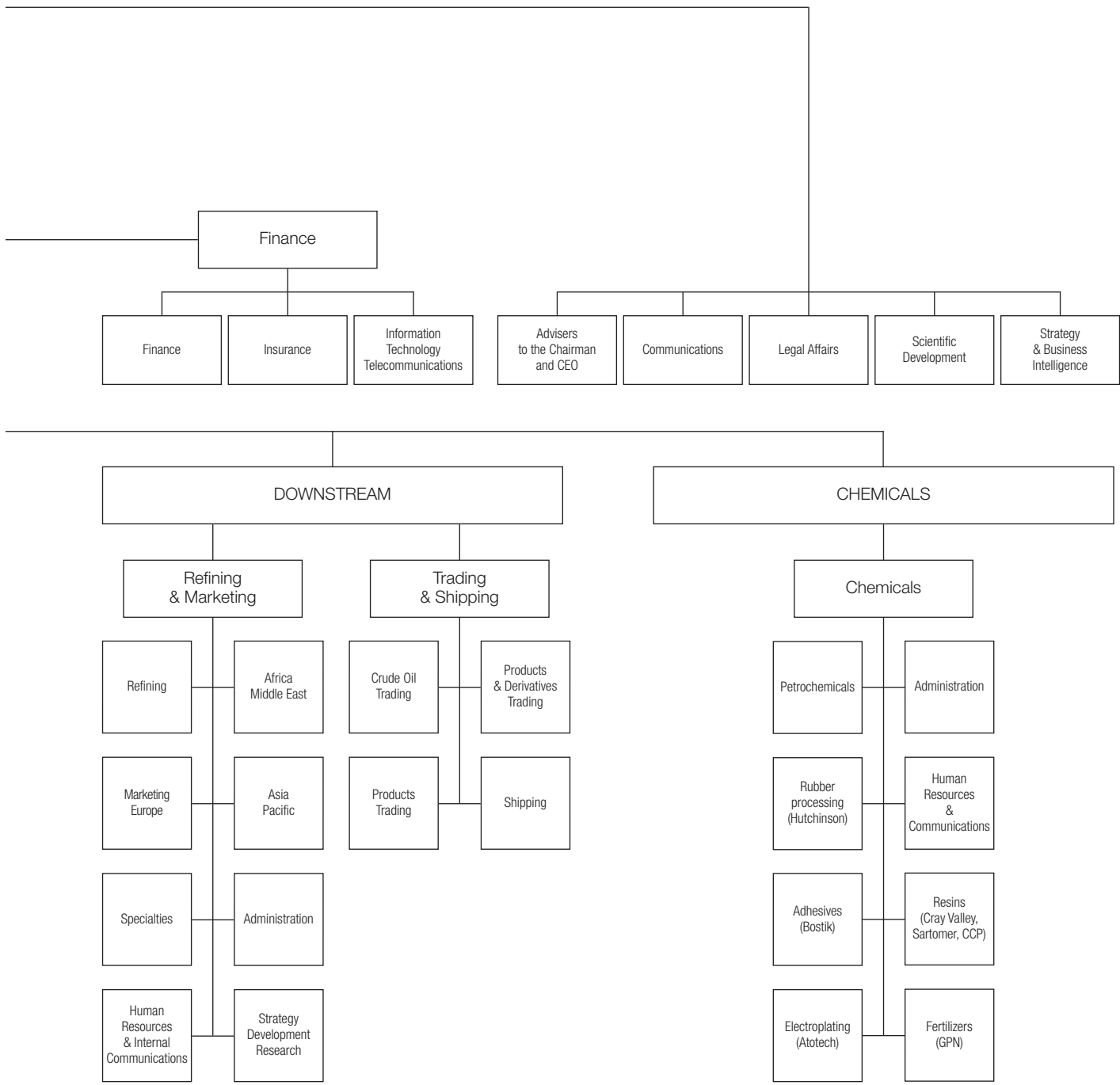
A summary of the Group's property, plant and equipment and their main related expenses (depreciation and impairment) is included in Note 11 to the Consolidated Financial Statements (section 9).

Minimum royalties from finance lease agreements regarding properties, service stations, vessels and other equipment are given in Note 22 to the Consolidated Financial Statements (Chapter 9).

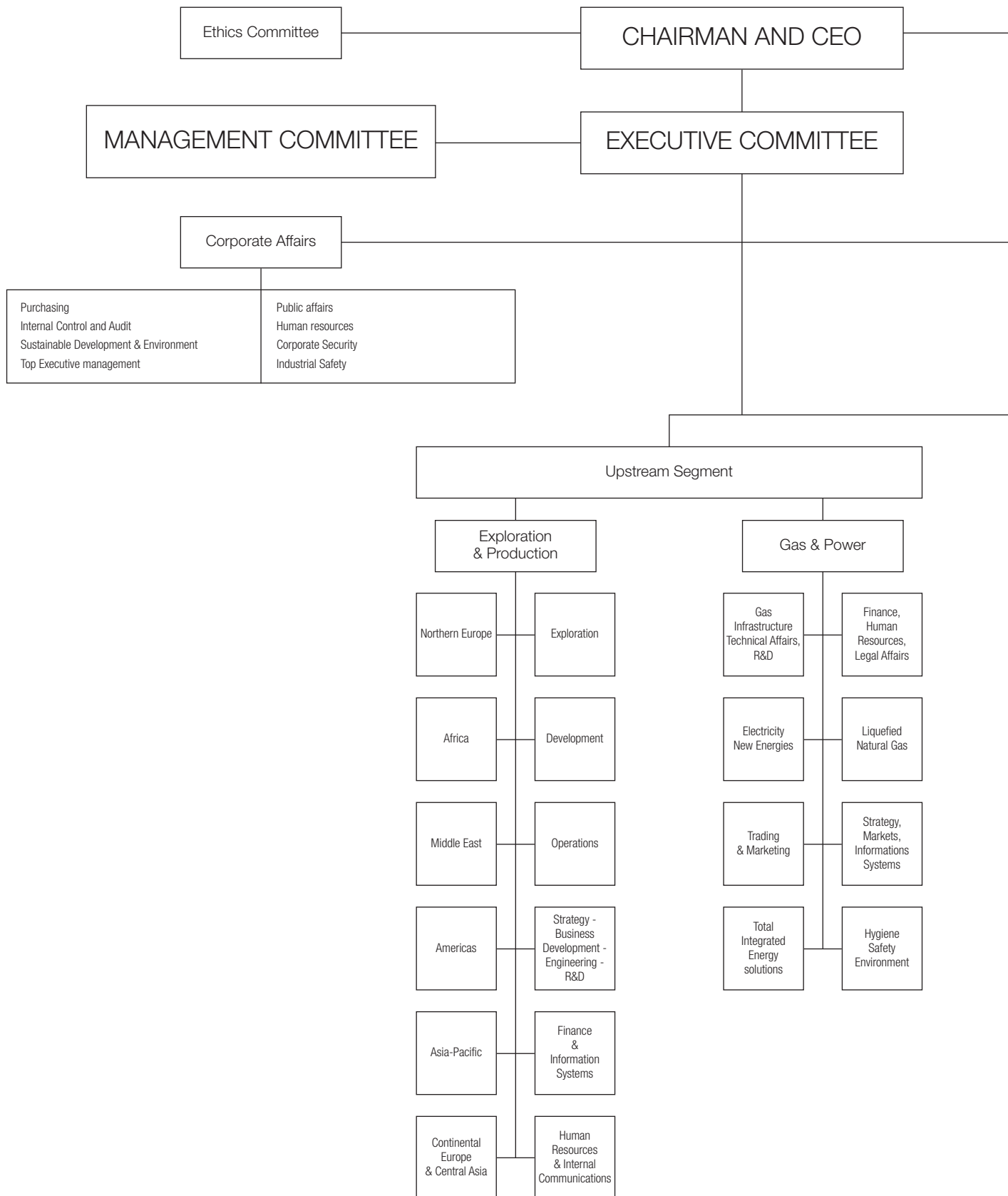
Information about the Company's environmental policy, in particular that related to the Group's industrial sites or facilities, is presented in Chapter 12 - Corporate social responsibility of this Registration Document.

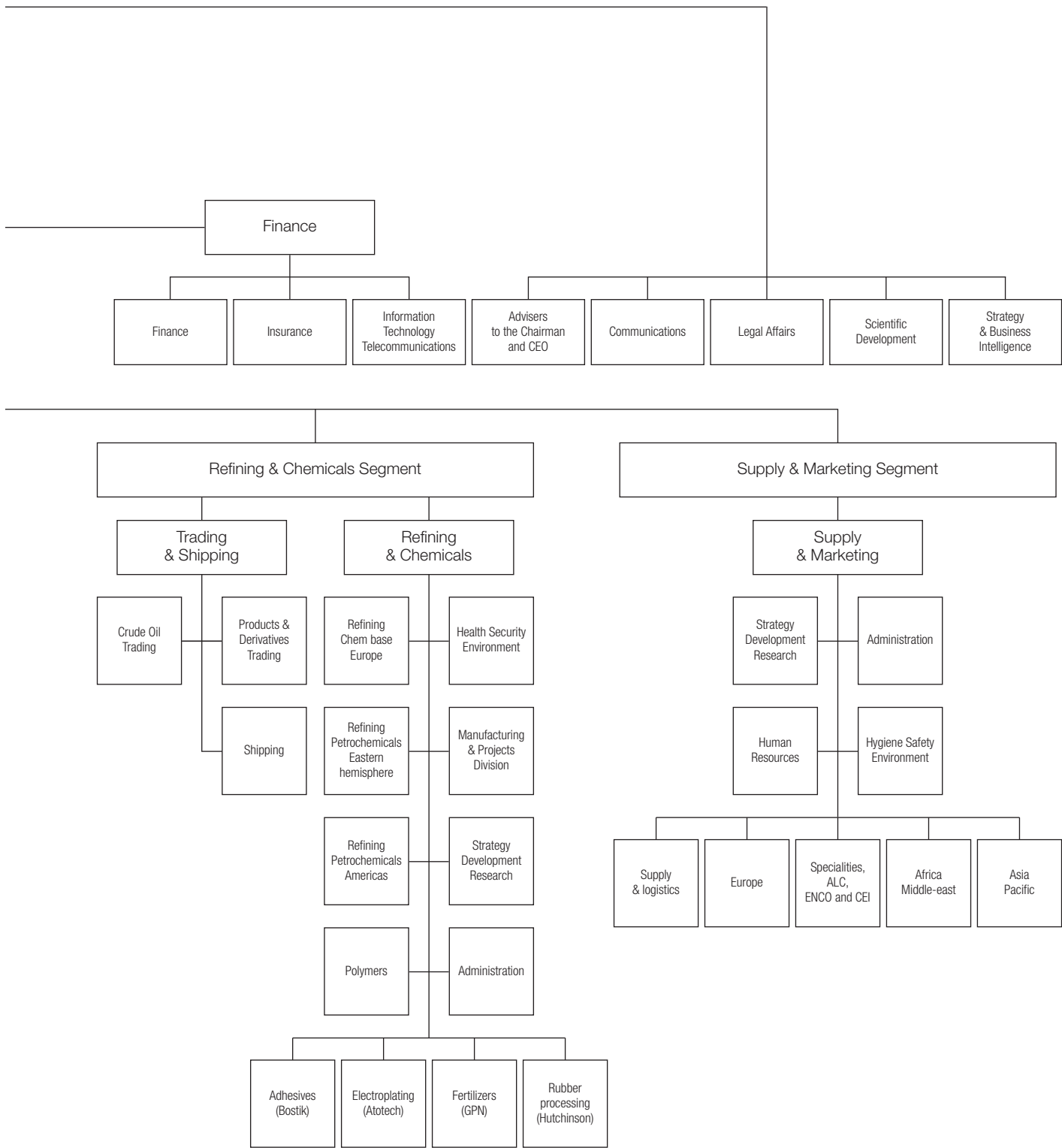
## 8. Organization chart as of December 31, 2011





## 9. Organization chart as of February 29, 2012





DOWNSTREAM





# Management Report

The Management report was approved by the Board of Directors on February 9, 2012 and has not been updated with subsequent events.

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# 1. Summary of results and financial position

## 1.1. Overview of the 2011 fiscal year for TOTAL

The year 2011 witnessed a number of geopolitical events that put pressure on market supplies. Despite the economic slowdown, demand for oil products continued to rise, fuelled by the growth of emerging markets. Pressure on supply, plus rising demand, resulted in a sharp increase in the price of crude oil. The average price of Brent in 2011 was \$111/b, compared with \$80/b in 2010.

Gas spot prices continued to rise in Europe and Asia in 2011, mainly due to increased demand on Asian markets. Spot prices for gas in the United States remained very low, due to the continued rise in production, driven by the development of non-conventional gases.

Despite the gradual adjustment of refining capacity, the overcapacity that has existed in the European refining market since 2009 continued into 2011, due to low demand in Europe. Refining margins dropped to an average of \$17/t, compared with \$27/t in 2010<sup>(1)</sup>. In the first half of 2011, the Chemicals segment enjoyed a globally favorable environment, which has deteriorated since then. In the second half of the year, Petrochemicals and Specialty Chemicals saw their margins shrink due to the drop in demand caused by the economic slowdown.

In this environment, TOTAL's adjusted net income amounted to €11.4 billion, up 11% on 2010. This result essentially reflects a better Upstream environment, while the Downstream and Chemicals segments were faced with more difficult conditions than in 2010. The Upstream segment's 2011 adjusted net operating income of €10.4 billion was up 21% compared with the previous year due to rising prices, but was also negatively impacted by the €-\$ exchange rate. The Downstream segment's adjusted net operating income dropped by 7%. This result can be explained in particular by the impact of reduced refining margins and the sale of the Group's stake in CEPESA, which were partially offset by an improvement in operational performance. The Chemicals segment's result dropped by 10% compared with 2010, due to the more difficult market environment at the end of the year and the asset sales in 2011 (resins, CEPESA).

The year 2011 saw numerous acquisitions and asset sales, reflecting the Group's ambition to optimize its portfolio by creating value from certain mature assets and by developing its Upstream assets with high potential for growth.

TOTAL benefited from the rise in its operational cash flow and the €8 billion inflows from asset sales in 2011 to fund on increase in its investment program, while maintaining a dividend of €2.28 per share, which will be submitted for approval to the Shareholders' meeting on May 11, 2012. The balance sheet remained strong, with a ratio of net debt to equity of 23% at the end of 2011, compared with 22% at the end of 2010.

In terms of operations, 2011 saw the continued improvement of safety performance, with a 15% drop in the Group-wide TRIR<sup>(2)</sup> compared with 2010.

In the Upstream segment, three major discoveries in Azerbaijan, Bolivia and French Guiana were the first results of the Group's bolder exploration strategy. The year 2011 also witnessed the successful start-up of the Pazflor deep-offshore platform in Angolan waters, a project operated by TOTAL that illustrates the Group's expertise in the development of major projects. Five new major projects, including the Ichthys LNG project in Australia (TOTAL 24%), were also launched, in order to secure growth in the years to come.

Still in the Upstream segment, 2011 also saw the announcement of the acquisition of a 14.09% stake in the Russian company Novatek and an increase of the Group's stakes in the Fort Hills project in Canada and in Tempa Rossa in Italy. At the end of 2011, the Group announced its entry into the Utica shale gas and condensates deposit in the United States. The Group continued to extend its oil and gas acreage by acquiring stakes in promising exploration areas, such as the pre-salt blocks in the Kwanza basin in Angola, and by acquiring stakes in deposits that have already been discovered, such as the Yamal LNG project in Russia.

At the same time, in 2011, TOTAL disposed of certain mature or non-strategic Upstream assets, including its exploration-production subsidiary in Cameroon and its stakes in pipelines in Colombia.

In the realm of new energies, TOTAL acquired in 2011 a 60% stake (now, 66%) in the U.S. company SunPower, to become one of the leaders in the solar industry. Although currently in the consolidation phase, this industry offers opportunities for strong growth.

In the Downstream and Chemicals segments, TOTAL deployed its strategy of increasing the competitive performance of its activities, scaling down its exposure to mature zones, mainly Europe, and bolstering its presence in high-growth areas. Consequently, 2011 saw the start-up of the deep-conversion unit (or coker) in Port Arthur in the United States, the continued modernization of the refinery and the petrochemicals platform in Normandy, France, and the construction of the Jubail refinery in Saudi Arabia. The Group also continued to scale down its refining capacity in Europe, by selling off its stake in the Spanish company CEPESA.

On the Marketing front, in 2011, the Group continued its optimization drive by selling off its distribution activities in the United Kingdom and launching a program to modernize part of its service station network in France with the Total access program. In Specialty Chemicals, the Group sold part of its Resins activity.

A restructuring of the Downstream and Chemicals sectors was announced in October 2011. The deployment of this project led to organizational changes on January 1, 2012, with the creation of:

(1) Based on TOTAL's "European Refining Margin Indicator" (ERM).

(2) Total Recordable Injury Rate.

- a Refining & Chemicals segment, a large industrial base that encompasses refining, petrochemicals, fertilizers and specialty chemicals operations. This segment also includes oil trading and shipping activities.
- a Supply & Marketing segment, which is dedicated to worldwide supply and marketing activities in the oil products field.

The process initiated in 2004 to increase R&D budgets continued with expenditures in 2011 of €776 million, up 9% compared to 2010, with the aim of, in particular, the continued improvement

of the Group's technological expertise in the development of oil and gas resources and the development of solar, biomass, carbon capture and storage technologies in order to contribute to changes in the global energy mix.

Finally, in 2011, TOTAL reasserted the priority on safety and the environment as part of its operations throughout its business. For all of its projects conducted in a large number of countries, the Group puts an emphasis on corporate social responsibility (CSR) challenges and the development of the local economies.

## 1.2. 2011 Group results

(M€)	2011	2010	2009
Sales	184,693	159,269	131,327
Adjusted operating income from business segments <sup>(a)</sup>	24,409	19,797	14,154
Adjusted net operating income from business segments <sup>(a)</sup>	12,263	10,622	7,607
Net income (Group share)	12,276	10,571	8,447
Adjusted net income (Group share) <sup>(a)</sup>	11,424	10,288	7,784
Fully-diluted weighted-average shares (millions)	2,257.0	2,244.5	2,237.3
Adjusted fully-diluted earnings per share (euros) <sup>(a)(b)</sup>	5.06	4.58	3.48
Dividend per share (euros) <sup>(c)</sup>	2.28	2.28	2.28
Net-debt-to-equity ratio (as of December 31)	23%	22%	27%
Return on average capital employed (ROACE) <sup>(d)</sup>	16%	16%	13%
Return on equity (ROE)	18%	19%	16%
Cash flow from operations	19,536	18,493	12,360
Investments	24,541	16,273	13,349
Divestments	8,578	4,316	3,081

(a) Adjusted results are defined as income using replacement cost, adjusted for special items, excluding the impact of changes for fair value from January 1, 2011, and, through June 30, 2010, excluding TOTAL's equity share of adjustments related to Sanofi.

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

(c) Dividend 2011 is subject to the approval by the Shareholder's Meeting on May 11, 2012.

(d) Based on adjusted net operating income and average capital employed at replacement cost (excluding after-tax inventory effect).

Market environment	2011	2010	2009
Exchange rate (€-\$)	1.39	1.33	1.39
Brent (\$/b)	111.3	79.5	61.7
European Refinery Margin Indicator (ERMI) <sup>(a)</sup> (\$/t)	17.4	27.4	17.8

(a) ERMI is an indicator intended to represent the margin after variable costs for a hypothetical complex refinery located around Rotterdam in Northern Europe. The indicator margin may not be representative of the actual margins achieved by TOTAL in any period because of TOTAL's particular refinery configurations, product mix effects or other company specific operating conditions.

### Adjustments to operating income from business segments

(M€)	2011	2010	2009
Special items affecting operating income from the business segments	(873)	(1,394)	(711)
Restructuring charges	-	-	-
Impairments	(781)	(1,416)	(391)
Other	(92)	22	(320)
Effect of change in fair value	45	-	-
Pre-tax inventory effect (FIFO vs. replacement cost) <sup>(a)</sup>	1,215	993	2,205
<b>Total adjustments affecting operating income from the business segments</b>	<b>387</b>	<b>(401)</b>	<b>1,494</b>

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

### Adjustments to net income (Group share)

(M€)	2011	2010	2009
Special items affecting net income (Group share)	(14)	(384)	(570)
Gain on asset sales	1,538	1,046	179
Restructuring charges	(122)	(53)	(129)
Impairments	(1,014)	(1,224)	(333)
Other	(416)	(153)	(287)
Equity share of adjustment items related to Sanofi <sup>(a)</sup>	-	(81)	(300)
Effect of changes in fair value	32	-	-
After-tax inventory effect (FIFO vs, replacement cost <sup>(b)</sup> )	834	748	1,533
<b>Total adjustments to net income (Group share)</b>	<b>852</b>	<b>283</b>	<b>663</b>

(a) Effective July 1, 2010, Sanofi is no longer treated as an equity affiliate. TOTAL's share in Sanofi was 3.2% on December 31, 2011, 5.5% on December 31, 2010, and 7.4% on December 31, 2009.  
(b) See note 1N to the Consolidated Financial Statements.

#### 1.2.1. Sales

Consolidated sales increased by 16% to €184,693 million in 2011 from €159,269 million in 2010.

#### 1.2.2. Operating Income

Compared to the full year 2010, the 2011 oil market environment was marked by a 40% increase in the average Brent price to 111.3 \$/b and a 27% increase in the average realized price of gas to 6.53 \$/Mbtu. The ERMI fell to 17.4 \$/t in 2011 from 27.4 \$/t in 2010.

The euro-dollar exchange rate was 1.39 \$/€ compared to 1.33 \$/€ on average in 2010.

In this environment, the adjusted operating income from the business segments was 24,409 M€, an increase of 23% compared to 2010<sup>(1)</sup>. Expressed in dollars<sup>(2)</sup>, adjusted operating income from the business segments was 34.0 B\$, an increase of 29% compared to 2010, essentially due to the positive effect of higher hydrocarbon prices on the performance of the Upstream.

The effective tax rate<sup>(3)</sup> for the business segments was 57.9% compared to 56.0% in 2010.

The adjusted net operating income from the business segments was €12,263 million compared to €10,622 million in 2010, an increase of 15%.

Expressed in dollars, adjusted net operating income from the business segments increased by 21%. The lower relative increase in adjusted net operating income from the business segments compared to the increase in adjusted operating income from the business segments is mainly due to the increase in the effective tax rate for the business segments.

#### 1.2.3. Net income (Group share)

Adjusted net income increased by 11% to €11,424 million compared to €10,288 million in 2010. Expressed in dollars, the adjusted net income increased by 17%.

Adjusted net income excludes the after-tax inventory effect, special items and effective January 1, 2011, the effect of changes in fair value:

- The after-tax inventory effect had a positive impact on net income of €834 million in 2011 compared to a positive impact of €748 million in 2010.
- Changes in fair value had a positive impact on net income of €32 million in 2011.
- Special items had a negative impact on net income of €14 million in 2011, comprised mainly of €1,014 million of impairments (mainly in the European refining and new energies) and €1,538 million of gains on asset sales. Special items had a negative impact on net income of €384 million in 2010.

In 2010, the Group's share of adjustment items related to Sanofi had a negative impact on net income of €81 million.

Net income (Group share) was €12,276 million compared to €10,571 million in 2010, an increase of 16%.

The effective tax rate for the Group was 58.4% in 2011 compared to 55.9% in 2010.

As of December 31, 2011, there were 2,263.8 million fully-diluted shares compared to 2,249.3 on December 31, 2010.

Adjusted fully-diluted earnings per share, based on 2,257.0 million fully-diluted weighted-average shares, was €5.06 in 2011 compared to €4.58 in 2010, an increase of 10%.

Expressed in dollars, adjusted fully-diluted earnings per share was \$7.05 in 2011 compared to \$6.08 in 2010, an increase of 16%.

(1) Special items affecting operating income from the business segments had a negative impact of €873 million in 2011 and a negative impact of €1,394 million in 2010.  
(2) Dollar amounts represent euro amounts converted at the average €-\$ exchange rate for the period: 1.3920 \$/€ for the full year 2011; 1.3257 \$/€ for the full year 2010; and 1.3948 \$/€ for the full year 2009.  
(3) 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).

### 1.2.4. Investments - divestments

Investments, excluding acquisitions and including changes in non-current loans, were €14.8 billion (\$20.6 billion) in 2011 compared to €11.9 billion (\$15.8 billion) in 2010.

Acquisitions were €8.8 billion (\$12.3 billion) in 2011, comprised essentially of 14.09% of the share capital of Novatek in Russia, interests in the Fort Hills and Voyageur projects in Canada, assets in the Utica basin and 60% of SunPower.

Asset sales in 2011 were €7.7 billion (\$10.7 billion), comprised essentially of the Group's interests in CEPESA and its exploration & production Cameroon subsidiary, Sanofi shares, interests in the Joslyn project in Canada and in the Ocesa pipeline in Colombia, UK Marketing assets and part of the Chemicals resins activities.

Net investments<sup>(1)</sup> were €16.0 billion in 2011, an increase of 34% compared to €12.0 billion in 2010. Expressed in dollars, net investments rose by 40% in 2011 up to \$22.2 billion.

### 1.2.5. Profitability

The full-year 2011 ROACE was 16% at the Group level and 17% for the business segments, stable compared to 2010. In 2009, ROACE was 13% for both Group level and business segments.

The return on equity for the Group was 18% in 2011 compared to 19% in 2010 and 16% in 2009.

## 1.3. Upstream results

#### Environment -

liquids and gas price realizations <sup>(a)</sup>	2011	2010	2009
Brent (\$/b)	111.3	79.5	61.7
Average liquids price (\$/b)	105.0	763	58.1
Average gas price (\$/Mbtu)	6.53	5.15	5.17
Average hydrocarbons price (\$/boed)	74.9	56.7	47.1

(a) Consolidated subsidiaries, excluding fixed margin and buy-back contracts.

TOTAL benefited from favorable market conditions for Upstream in 2011. The Group's average realizations for liquids and gas respectively rose by 38% and 27% during 2011 compared to 2010.

Hydrocarbon production	2011	2010	2009
Liquids (kb/d)	1,226	1,340	1,381
Gas (Mcf/d)	6,098	5,648	4,923
Combined production (kboe/d)	2,346	2,378	2,281

Hydrocarbon production was 2,346 kboe/d in 2011, a decrease of 1.3% compared to 2010, essentially as a result of:

- -1.5% for normal decline, net of production ramp-ups on new projects;
- +2.5% for changes in the portfolio, integrating the net share of Novatek production and impact of the sale of interests in CEPESA;
- +1% for the end of OPEC reductions;
- -1.5% for security conditions, mainly in Libya; and
- -2% for the price effect<sup>(2)</sup>.

Year-end reserves	2011	2010	2009
Liquids (Mb)	5,784	5,987	5,689
Gas (Bcf)	30,717	25,788	26,318
Hydrocarbon reserves (Mboe)	11,423	10,695	10,483

Proved reserves based on SEC rules (based on Brent at 110.96 \$/b) were 11,423 Mboe at December 31, 2011. Based on the 2011 average rate of production, the reserve life is 13 years.

The 2011 proved reserve replacement rate<sup>(3)</sup>, based on SEC rules, was 185%.

As of year-end 2011, TOTAL has a solid and diversified portfolio of proved and probable reserves<sup>(4)</sup> representing more than twenty years of reserve life based on the 2011 average production rate, and resources<sup>(5)</sup> representing more than forty years of reserve life.

#### Results

(M€)	2011	2010	2009
Adjusted operating income	22,474	17,653	12,879
Adjusted net operating income	10,405	8,597	6,382
Cash flow from operating activities	17,054	15,573	10,200
Adjusted cash flow	17,566	14,136	11,336
Investments	21,689	13,208	9,855
Divestments	2,656	2,067	398
Return on average capital employed	20%	21%	18%

For the full year 2011, adjusted net operating income from the Upstream segment was €10,405 million compared to €8,597 million in 2010, an increase of 21%. Expressed in dollars, adjusted net operating income from the Upstream segment was \$14.5 billion, an increase of 27% compared to 2010, essentially due to the impact of higher hydrocarbon prices.

Technical costs for consolidated subsidiaries, in accordance with ASC 932<sup>(6)</sup>, were 18.9 \$/boe<sup>(7)</sup> in 2011, compared to 16.6 \$/boe in 2010.

The return on average capital employed (ROACE<sup>(8)</sup>) for the Upstream segment was 20%, for the full-year 2011 compared to 21% for the full year 2010.

(1) Net investments = investments including acquisitions and changes in non-current loans minus asset sales.

(2) Impact of changing hydrocarbon prices on entitlement volumes.

(3) Change in reserves excluding production (i.e., (revisions + discoveries, extensions + acquisitions - divestments) / production for the period). The reserve replacement rate would be 84% in an environment with a constant 79.02 \$/b oil price, excluding acquisitions and divestments.

(4) 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 100 \$/b Brent environment, including projects developed by mining.

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

(6) FASB Accounting Standards Codification Topic 932, Extractive industries - Oil and Gas.

(7) Excluding IAS 36 (impairment of assets).

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

## 1.4. Downstream results

Refinery throughput <sup>(a)</sup>	2011	2010	2009
Total refinery throughput (kb/d)	1,863	2,009	2,151
Refined products sales <sup>(b)</sup> (kb/d)	3,639	3,776	3,616

(a) Includes share of CEPSA through July 31, 2011, and, starting October 2010, of TotalErg.  
(b) Includes Trading.

For the full-year 2011, refinery throughput decreased by 7% compared 2010, essentially due to the sale of the Group's interest in CEPSA and a higher level of major turnarounds than in 2010.

### Results

(M€)	2011	2010	2009
Adjusted operating income	1,238	1,251	1,026
Adjusted net operating income	1,083	1,168	953
Cash flow from operating activities	2,165	1,441	1,164
Adjusted cash flow	1,645	2,405	1,601
Investments	1,870	2,343	2,771
Divestments	3,235	499	133
Return on average capital employed	7%	8%	7%

For the full year 2011, the TOTAL's European Refining Margin indicator (ERMI) was 17.4\$/t, a decrease of 36% compared to 2010.

For the full year 2011, adjusted net operating income for the Downstream segment was €1,083 million, a decrease of 7% compared to €1,168 million in 2010.

Expressed in dollars, the adjusted net operating income for the Downstream segment was \$1.5 billion, a decrease of 3% compared to 2010. The decrease is essentially due to the negative impact of the deterioration in refining margins in 2011 while marketing performed nearly at the 2010 level.

The persistence of an unfavorable economic environment for refining, affecting Europe in particular, led the Group to recognize an impairment in the Downstream, on European refining assets, in the third and fourth quarters of 2011 in the amount of €700 million in operating income and €478 million in net operating income. These elements have been treated as adjustment items.

The ROACE in the downstream segment was 7% in 2011 compared to 8% in 2010.

## 1.5. Chemicals results

(M€)	2011	2010	2009
Sales	19,477	17,490	14,726
Adjusted operating income	697	893	249
Adjusted net operating income	775	857	272
Cash flow from operating activities	512	934	1,082
Adjusted cash flow	871	1,157	442
Investments	847	641	631
Divestments	1,164	347	47
Return on average capital employed	10%	12%	4%

For the full year 2011, Chemicals segment sales, excluding intra-Group sales, were €19,477 million, an increase of 11% compared to 2010.

The adjusted net operating income for the Chemicals segment was €775 million compared to €857 million in 2010. The decrease reflects essentially the impact of the sale of the Group's interest in CEPSA and part of the Resins activities. Globally, for the full-

year 2011, Petrochemicals benefited from ramp-ups in its activities in Qatar and South Korea but suffered from deteriorating margins in the second half of the year in Europe and in the United States. Specialty chemicals, excluding the effect of changes in the portfolio, maintained results at a level close to the 2010 level.

The ROACE<sup>(1)</sup> for Chemicals was 10% in 2011 compared to 12% in 2010.

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

## 1.6. TOTAL S.A. 2011 results

Net income for Total S.A., the parent company, was €9,766 million in 2011 compared to €5,840 million in 2010.

## 1.7. Proposed dividend

After closing the accounts, the Board of Directors decided to propose at the May 11, 2012, Annual Shareholders Meeting a dividend of €2.28 per share for 2011, stable compared to the previous year.

Based on 2011 adjusted net income in euro, the pay-out ratio would be 45%.

Taking into account the three 2011 interim dividends, the remaining €0.57 per share would be paid on June 21, 2012<sup>(1)</sup>.

# 2. Liquidity and capital resources

## 2.1. Long-term and short-term capital

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

	2011	2010	2009
Shareholders' equity	68,134 <sup>(a)</sup>	58,718	50,993
Non-current financial debt	22,557	20,783	19,437
Hedging instruments of non-current financial debt	(1,976)	(1,870)	(1,025)
<b>Total net non-current capital</b>	<b>88,715</b>	<b>77,631</b>	<b>69,405</b>

(a) Based on a 2011 dividend equal to the 2010 dividend (€2.28/share) less the interim dividends paid for the three first quarters totaling €1.71/share (€3,885 million).

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

	2011	2010	2009
Current financial debt	9,675	9,653	6,994
Net current financial assets	(533)	(1,046)	(188)
<b>Net current financial debt</b>	<b>9,142</b>	<b>8,607</b>	<b>6,806</b>
Cash and cash equivalents	(14,025)	(14,489)	(11,662)

(1) The ex-dividend date for the remainder of the 2011 dividend would be June 18, 2012; for the ADR (NYSE :TOT) the ex-dividend date would be June 13, 2012.



## 2.2. Cash flow

(M€)	2011	2010	2009
Cash flow from operating activities	19,536	18,493	12,360
Changes in working capital at replacement cost	(524)	497	(1,111)
<b>Cash flow from operating activities before changes in working capital at replacement cost</b>	<b>20,060</b>	<b>17,996</b>	<b>13,471</b>
Investments	(24,541)	(16,273)	(13,349)
Divestments	8,578	4,316	3,081
<b>Net cash flow at replacement cost, before changes in working capital</b>	<b>4,097</b>	<b>6,039</b>	<b>3,203</b>
Dividends paid	(5,312)	(5,250)	(5,275)
Share buybacks	-	-	-
Net-debt-to-equity ratio at December 31	23%	22%	27%

Cash flow from operations was €19,536 million, an increase of 6% compared to 2010, essentially due to the increase in net income that was partially offset by changes in working capital.

Adjusted cash flow from operations<sup>(1)</sup> was €20,060 million, an increase of 11%. Expressed in dollars, adjusted cash flow from operations was \$27.9 billion, an increase of 17%.

The Group's net cash flow was €3,573 million compared to €6,536 million in 2010. Expressed in dollars, the Group's net cash flow<sup>(2)</sup> was \$5.0 billion in 2011.

The net-debt-to-equity ratio was 23.0% on December 31, 2011, compared to 22.2% on December 31, 2010.

## 2.3. 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, euros or Canadian dollars 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 corporate treasury entities either directly in dollars, Canadian dollars or euros, or in other currencies which are then exchanged for dollars, Canadian dollars, or euros through swaps issues to appropriately match general corporate needs.

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 the market capitalization 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 Group also developed a system of margin call that is implemented with significant counterparties.

## 2.4. External financing available

As of December 31, 2011, the aggregate amount of the major confirmed credit facilities granted by international banks to Group companies (including TOTAL S.A.) was \$11,447 million (compared with \$10,395 million on December 31, 2010), of which \$11,154 million were unused (\$10,383 million unused on December 31, 2010).

TOTAL S.A. has confirmed credit facilities granted by international banks, which allow the company to fund a significant cash reserve. As of December 31, 2011, these credit facilities amounted to \$10,139 million (compared with \$9,592 million on December 31, 2010), of which \$10,096 million were unused (compared with \$9,581 million unused on December 31, 2010).

The contracts for the credit lines 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 adverse impact on its financial position.

Credit facilities 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, 2011, no restrictions applied to the use of the Group companies' capital (including TOTAL S.A.) that could significantly impact the Group's activities, directly or indirectly.

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

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

## 2.5. Anticipated sources of financing

Investments, working capital and dividend payments are financed essentially by the cash flow generated from operating activities, asset disposals and, if necessary, by net borrowings.

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

## 3. Research & Development

In 2011, Research & Development (R&D) expenses amounted to €776 million, compared to €715 million in 2010 and €650 million in 2009. The process initiated in 2004 to increase R&D budgets continued in 2011.

In addition, in 2009 the Group set-up a structure to contribute to the development of start-ups that specialize in the innovative energy technologies.

In 2011, 3,946 employees were dedicated to R&D, compared to 4,087 in 2010 and 4,016 in 2009. The reduction in 2011 can be explained, in particular, by the sale of part of the Specialty Chemicals Resins activity.

There are six major R&D focuses at TOTAL:

- developing knowledge, tools and technological mastery to discover and profitably operate complex oil and gas resources to help meet the global demand for energy;
- developing and industrializing solar, biomass and carbon capture and storage technologies to help prepare for future energy needs;
- developing practical, innovative and competitive materials that meet customers' specific needs, contribute to the emergence of new features and systems, enable current materials to be replaced by materials showing higher performance for users, and

address the challenges of improved energy efficiency, lower environmental impact and toxicity, better management of their life cycle and wastes;

- developing, industrializing and improving first-tier competitive processes for the conversion 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 the Group's economic margins in the long term;
- understanding and measuring the impacts of the Group's operations and products on ecosystems (water, soil, air, biodiversity) to improve environmental safety, as part of the regulation in place, and reduce their environmental footprint to achieve sustainability in the Group's operations; and
- mastering and using innovative technologies such as biotechnologies, materials sciences, nanotechnologies, high-performance computing, information and communications technologies and new analytical techniques.

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

### 3.1. Exploration & Production

In addition to continuously optimizing the development of deep-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, very deep or 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 test of technology for the exploitation of oil shales is being developed.

In addition, the carbon capture and storage project in the Rousse depleted field in Lacq (France) has demonstrated the validity of oxy-combustion technology and made it possible to develop the methodology for analyzing and monitoring storage fields.

Finally, water management is also the subject of increased R&D activities.

## 3.2. Gas & Power

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 academic research institutes and start-ups (EAP for silicon purification and crystallization).

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 biotechnology studies for the conversion of biomass to advanced biofuels or molecules for chemicals, in particular through a partnership with Amyris, a company in which the Group acquired an interest.

## 3.3. 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's 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

R&D also involves energy conversion related to:

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

## 3.4. Petrochemicals

The main mission of Petrochemicals R&D is to improve and develop new technologies and new polyolefins.

The development of new grades of polymers remains a cornerstone of the development strategy. On September 7, 2011, Petrochemicals signed a new agreement with Galactic whereby Futero, the joint venture formed by Galactic and Total Petrochemicals, became the technological leader in the polylactic acid (PLA) production chain, from monomer production to polymer recycling.

The styrenics teams, for their part, successfully developed a new grade, expandable polystyrene, which is aimed at a fast-growing insulating materials market.

Efforts to develop catalysts and processes using alternative resources continue. In March 2011, Total Petrochemicals, IFP

Energies nouvelles (IFPEN) and its Axens subsidiary announced an alliance aimed at developing a new technology, based on the development by Petrochemicals of innovative catalysts, for the production of biomonomers (ethylene, propylene, etc.) by dehydration of the respective alcohol (ethanol, propanol, etc.).

In parallel to this, optimization of the UOP-Total Petrochemicals olefin production process from methanol continues. A first licensing agreement for this technology has been signed with a Chinese partner.

Finally, through Hutchinson, Bostik and Atotech in the Chemicals division, Petrochemicals is involved in "Materials Sciences" projects aimed at developing and bringing to light the division's skills and innovations in the field of materials. Lastly, the "Total Car Concept" project was unveiled at the Frankfurt Auto Show.

## 3.5. Specialty Chemicals

R&D has strategic importance for the specialty chemicals. It is closely linked to the needs of subsidiaries.

Innovation at Hutchinson is focused on the development of high-performance thermoplastic elastomers, clean production technologies and energy-efficient systems for large industrial clients, in particular for tomorrow's vehicles. Special emphasis is placed on mass, electrification, comfort and safety.

Bostik is focusing its research activities on three technology platforms: hot-melt adhesives, reactive elastomers and hydraulic polymer-binder systems. Based on these technologies, R&D is developing practical, sustainable assembly solutions that meet the

needs of markets in terms of energy efficiency (construction, transport), material efficiency (health, industry) and environmental impacts throughout their life cycle.

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 half of Atotech's R&D projects are intended to develop cleaner technologies and create conditions for the sustainable development of these industries.

## 3.6. Environment

Environmental issues are important throughout the Group and are taken into account in all R&D projects. They involve environmental risk management, including in particular:

- water management, notably by reducing the use of water from natural continental environments and by lowering emissions in compliance with the regulations in force;
- reduction of greenhouse gases through the improvement of energy efficiency and carbon capture and storage;
- detection and reduction of emissions into the air and simulation of their dissemination;
- prevention of soil contamination and regulatory compliance with regard to historical aspects;
- changes in the Group's different products and management of their life cycle, in compliance with the REACH Directive.

## 3.7. R&D organization

The Group intends to increase R&D in all of its 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 and academic or highly specialized 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 innovative small businesses are part of the Group's approach.

Each business unit is developing an active intellectual property activity, aimed at protecting its innovations, allowing its activity to develop without constraints as well as facilitating its partnerships. In 2011, more than 250 new patent applications were issued by the Group.

# 4. Trends and outlook

## 4.1. Outlook

In 2012, TOTAL intends to consolidate its drivers for growth and enhance the priority given to safety, reliability and acceptability of its operations.

The 2012 net investment budget is \$20 billion. TOTAL intends to continue to actively manage its portfolio with, in particular, a program of non-strategic asset sales. The 2012 budget for organic investments is \$24 billion.

Capital expenditures will mostly be focused on the Upstream segment with an allocation of \$20 billion, or more than 80% of the Group's organic capital expenditure budget. About 30% of the investment in the Upstream segment is expected to be dedicated to producing assets while 70% is expected to be assigned to developing new projects. Downstream organic capital expenditures in the Refining & Chemicals and Supply & Marketing segments are expected to amount to \$3 billion and \$1 billion, respectively, in 2012. In line with the strategy to develop a number of major integrated platforms in order to stimulate growth and improve competitive performance, the main projects in Refining & Chemicals in 2012 will be the upgrading of the Normandy refinery and petrochemical plant, the building of the Jubail refinery in Saudi Arabia and the expansion of the Daesan platform in South Korea. Wherever it operates, TOTAL will continue to make capital expenditure in the maintenance and safety of its facilities a top priority.

The Group also confirms its commitment with respect to R&D with a budget increasing to about \$1.2 billion in 2012.

In the Upstream segment, TOTAL will deploy its strategy intended to speed up growth of its production, while improving the profitability of its portfolio of assets. The year 2012 should see the launch of numerous projects. In 2012, TOTAL plans to bring eight new major projects on-stream, which will contribute to expected growth in output in 2012 and the achievement of the target rate of average annual production growth of 2.5% between 2010 and 2015: Usan and OML 58 Upgrade in Nigeria, Islay in the UK-North Sea, Angola LNG in Angola, Bongkot South in Thailand, Halfaya in Iraq, Sulige in China and Kashagan in Kazakhstan. The Group will also continue to evaluate numerous other projects, in particular in Western Africa, Russia and Canada. The anticipated launch of these projects during the course of the next two years should improve visibility on growth in output after 2015. With an exploration budget that stands at \$2.5 billion, up 20% compared to 2011, the Group will continue to pursue an ambitious and diversified strategy.

In the Downstream sector, with a new organization that will allow it to take up the challenges specific to each activity of that sector, the Group should start to reap the first benefits of an integrated Refining & Chemicals segment and Supply & Marketing segment, each of which is closer to its markets. Major projects, an optimized portfolio of assets and productivity gains should help to achieve the target of an overall rise in profitability by 5% between 2010 and 2015. TOTAL will strive to improve its competitiveness by adapting its activities in Europe and seeking to enhance its operational efficiency and synergies between its operations.

The year 2012 will see continued development in high-growth zones, with the expected startup of a new polyethylene production unit in Qatar and the completion of the first step of the expansion of its Daesan platform in South Korea.

In 2012, TOTAL can rely on its solid balance sheet and on the start-up and ramp-up of new projects that should contribute

to the growth of operating cash flow. Moreover, in 2012, TOTAL will continue to develop its new projects through an ambitious capital expenditure program, while maintaining a target for the net-debt-to-equity ratio of between 20-30% and a dividend policy based on an average pay-out ratio of 50% of adjusted fully-diluted earnings per share.

## 4.2. Risks and uncertainties

Due to the nature of its business, the Group's activities remain subject to the usual market risks (sensitivity to the environmental parameters of the oil and financial markets), industrial and environmental risks related to its operations, and to political or geopolitical risks stemming from the global presence of most of its activities.

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 General Management, which provide for regular pooling of available cash balances, open positions and management of the financial instruments by the Group's general management.

Detailed information is given in the Risk Factors section (Chapter 4), of this Registration Document. For more information, also refer to the Chairman's report in paragraph 1.10 of Chapter 5.

## 4.3. Sensitivity of the 2012 results to market environment<sup>(a)</sup>

Market environment parameters	Scenario	Change	Estimated impact on adjusted operating income	Estimated impact on adjusted net operating income
€-\$	1.40 \$/€	+0.10 \$/€	-1.8 B€	-0.95 B€
Brent	100 \$/b	+1 \$/b	+0.25 B€/0.35 B\$	+0.11 B€/0.15 B\$
European refining margins (ERMI)	25 \$/t	+1 \$/t	+0.06 B€/0.08 B\$	+0.04 B€/0.05 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. Indicated sensitivities are approximate and based upon TOTAL's current view of its 2012 portfolio. Results may differ significantly from the estimates implied by the application of these sensitivities.

# Risk factors

1.	Financial risks	70
1.1.	Sensitivity to market environment	.70
1.2.	Oil and gas market related risks	.70
1.3.	Financial markets related risks	.71
1.4.	Counterparty risk	.72
1.5.	Currency exposure	.72
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2.2.	Management and monitoring of industrial and environmental risks	.79
3.	Other risks	80
3.1.	Risks related to oil and gas exploration and production	.80
3.2.	Risks related to economic or political factors	.80
3.3.	Legal aspects of the Group's activities	.81
3.4.	Activities in Cuba, Iran, Sudan and Syria	.83
3.5.	Risks related to competition	.85
3.6.	Legal and arbitration proceedings	.86
4.	Insurance and risk management	86
4.1.	Organization	.86
4.2.	Risk and insurance management policy	.86
4.3.	Insurance policy	.87

## 1. Financial risks

Financial risks are detailed in Note 31 to the consolidated financial statements (point 7, Chapter 9).

### 1.1. 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 2012, 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 operations depends upon the speed at which the prices of finished products adjust to reflect these changes. The Group estimates that an increase or

decrease in European refining margins (ERMI) of \$1.00 per ton would increase or decrease annual adjusted net operating income by approximately €0.04 billion (\$0.05 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 per euro would respectively improve or reduce annual adjusted net operating income, expressed in euro, by approximately €0.95 billion.

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

However, the Euro zone's turbulences during the fiscal year 2011 did not affect the Group significantly.

2012 Sensitivities <sup>(a)</sup>	Scenario	Change	Estimated impact on adjusted operating income	Estimated impact on adjusted net operating income
€-\$	1.40 \$/€	+0.10 \$/€	-1.8 B€	-0.95 B€
Brent	100 \$/b	+1 \$/b	+0.25 B€/0.35 B\$	+0.11 B€/0.15 B\$
European refining margins (ERMI)	25 \$/t	+1 \$/t	+0.06 B€/0.08 B\$	+0.04 B€/0.05 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. Indicated sensitivities are approximate and based upon TOTAL's current view of its 2012 portfolio. Results may differ significantly from the estimates implied by the application of these sensitivities.

### 1.2. 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, power and coal. 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 organised 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.

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



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

As of December 31,  
(M€)

	High	Low	Average	Year end
<b>2011</b>	<b>10.6</b>	<b>3.7</b>	<b>6.1</b>	<b>6.3</b>
2010	23.1	3.4	8.9	3.8
2009	18.8	5.8	10.2	7.6

As part of its gas, power and coal trading activity, the Group also uses derivative instruments such as futures, forwards, swaps and options in both organised 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 : value-at-risk with a 97.5% probability

As of December 31,  
(M€)

	High	Low	Average	Year end
<b>2011</b>	<b>21.0</b>	<b>12.7</b>	<b>16.0</b>	<b>17.6</b>
2010	13.9	2.7	6.8	10.0
2009	9.8	1.9	5.0	4.8

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

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.

Limits on trading positions are approved by the Group's Executive Committee and are monitored daily. To increase flexibility and

### 1.3. 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 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, deposit banks, or major companies 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 results of the Front Office. This unit also prepares marked-to-market valuations of used financial instruments and, when necessary, performs sensitivity analysis.

## 1.4. 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.

## 1.5. Currency exposure

The Group seeks to minimize the currency exposure of each entity to its functional currency (primarily the euro, the dollar, the Canadian 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, in euros or in Canadian dollars, or in other currencies which are then exchanged for dollars, euros or Canadian dollars 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, in euros or in Canadian dollars. 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.

## 1.6. 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 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.

## 1.7. 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, in euros or in Canadian dollars 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.

## 1.8. 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, 2011, 2010 and 2009.

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, 2011</b>				
Bonds (non-current portion, before swaps)	(21,402)	(22,092)	83	(83)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(146)	(146)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	1,976	1,976		
Total swaps hedging fixed-rates bonds (assets and liabilities)	1,830	1,830	(49)	49
Current portion of non-current debt after swap (excluding capital lease obligations)	3,488	3,488	3	(3)
Other interest rates swaps	(1)	(1)	3	(3)
Currency swaps and forward exchange contracts	47	47	-	-
<b>As of December 31, 2010</b>				
Bonds (non-current portion, before swaps)	(20,019)	(20,408)	86	(84)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(178)	(178)		
<i>Swaps hedging fixed-rates bonds (assets)</i>	1,870	1,870		
Total swaps hedging fixed-rates bonds (assets and liabilities)	1,692	1,692	(59)	59
Current portion of non-current debt after swap (excluding capital lease obligations)	3,483	3,483	4	(4)
Other interest rates swaps	(2)	(2)	3	(3)
Currency swaps and forward exchange contracts	(101)	(101)	-	-
<b>As of December 31, 2009</b>				
Bonds (non-current portion, before swaps)	(18,368)	(18,836)	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	-	-

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€)	2011	2010	2009
Cost of net debt	(440)	(334)	(398)
Interest rate translation of:			
+10 basis points	(10)	(11)	(11)
- 10 basis points	10	11	11
+100 basis points	(103)	(107)	(108)
- 100 basis points	103	107	108

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, the Norwegian krone and the Canadian dollar.

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
<b>As of December 31, 2011</b>		<b>1.29</b>			<b>0.84</b>
As of December 31, 2010		1.34			0.86
As of December 31, 2009		1.44			0.89
<b>As of December 31, 2011 (M€)</b>	<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	69,025	41,396	21,728	4,713	1,188
Currency translation adjustment before net investment hedge	(962)		127	(923)	(166)
Net investment hedge - open instruments	(26)		(25)	(1)	-
Shareholders' equity at exchange rate as of December 31, 2011	68,037	41,396	21,830	3,789	1,022
<b>As of December 31, 2010 (M€)</b>	<b>Total</b>	<b>Euro</b>	<b>Dollar</b>	<b>Pound sterling</b>	<b>Other currencies and equity affiliates <sup>(a)</sup></b>
Shareholders' equity at historical exchange rate	62,909	32,894	22,242	4,997	2,776
Currency translation adjustment before net investment hedge	(2,501)	-	(1,237)	(1,274)	10
Net investment hedge - open instruments	6	-	6	-	-
Shareholders' equity at exchange rate as of December 31, 2010	60,414	32,894	21,011	3,723	2,786
<b>As of December 31, 2009 (M€)</b>	<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	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

(a) The decrease in the heading "Other currencies and equity affiliates" is mainly explained by the change in the consolidation method of Sanofi (see Note 3 to the Consolidated Financial Statements). The contribution to the shareholders' equity of this investment is now reclassified into the heading for the Eurozone.

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 (gain of €118 million in 2011, nil result in 2010, loss of €32 million in 2009).

## 1.9. 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.

## 1.10. Liquidity risk

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

As of December 31, 2011, these credit lines amounted to \$10,139 million, of which \$10,096 million was unused. The agreements for the credit lines 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, 2011, the aggregate amount of the principal confirmed credit lines granted by international banks to Group companies, including TOTAL S.A., was \$11,447 million, of which \$11,154 million was unused. The credit lines 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, 2011, 2010 and 2009 (see Note 20 to the Consolidated Financial Statements).

### As of December 31, 2011

Assets/(Liabilities) (M€)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)	-	(4,492)	(3,630)	(3,614)	(1,519)	(7,326)	(20,581)
Current borrowings	(9,675)	-	-	-	-	-	(9,675)
Other current financial liabilities	(167)	-	-	-	-	-	(167)
Current financial assets	700	-	-	-	-	-	700
Cash and cash equivalents	14,025	-	-	-	-	-	14,025
<b>Net amount before financial expense</b>	<b>4,883</b>	<b>(4,492)</b>	<b>(3,630)</b>	<b>(3,614)</b>	<b>(1,519)</b>	<b>(7,326)</b>	<b>(15,698)</b>
Financial expense on non-current financial debt	(785)	(691)	(521)	(417)	(302)	(1,075)	(3,791)
Interest differential on swaps	320	331	221	120	55	44	1,091
<b>Net amount</b>	<b>4,418</b>	<b>(4,852)</b>	<b>(3,930)</b>	<b>(3,911)</b>	<b>(1,766)</b>	<b>(8,357)</b>	<b>(18,398)</b>

### As of December 31, 2010

Assets/(Liabilities) (M€)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)	-	(3,355)	(3,544)	(2,218)	(3,404)	(6,392)	(18,913)
Current borrowings	(9,653)	-	-	-	-	-	(9,653)
Other current financial liabilities	(159)	-	-	-	-	-	(159)
Current financial assets	1,205	-	-	-	-	-	1,205
Cash and cash equivalents	14,489	-	-	-	-	-	14,489
<b>Net amount before financial expense</b>	<b>5,882</b>	<b>(3,355)</b>	<b>(3,544)</b>	<b>(2,218)</b>	<b>(3,404)</b>	<b>(6,392)</b>	<b>(13,031)</b>
Financial expense on non-current financial debt	(843)	(729)	(605)	(450)	(358)	(1,195)	(4,180)
Interest differential on swaps	461	334	153	33	2	(78)	905
<b>Net amount</b>	<b>5,500</b>	<b>(3,750)</b>	<b>(3,996)</b>	<b>(2,635)</b>	<b>(3,760)</b>	<b>(7,665)</b>	<b>(16,306)</b>

### As of December 31, 2009

Assets/(Liabilities) (M€)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)	-	(3,658)	(3,277)	(3,545)	(2,109)	(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>(3,658)</b>	<b>(3,277)</b>	<b>(3,545)</b>	<b>(2,109)</b>	<b>(5,823)</b>	<b>(13,556)</b>
Financial expense on non-current financial debt	(768)	(697)	(561)	(448)	(301)	(1,112)	(3,887)
Interest differential on swaps	447	233	100	25	(16)	(55)	734
<b>Net amount</b>	<b>4,535</b>	<b>(4,122)</b>	<b>(3,738)</b>	<b>(3,968)</b>	<b>(2,426)</b>	<b>(6,990)</b>	<b>(16,709)</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, 2011, 2010 and 2009 (see Note 28 to the Consolidated Financial Statements).

As of December 31,

(M€)

Assets/(Liabilities)	2011	2010	2009
Accounts payable	(22,086)	(18,450)	(15,383)
Other operating liabilities	(5,441)	(3,574)	(4,706)
<i>including financial instruments related to commodity contracts</i>	<i>(606)</i>	<i>(559)</i>	<i>(923)</i>
Accounts receivable, net	20,049	18,159	15,719
Other operating receivables	7,467	4,407	5,145
<i>including financial instruments related to commodity contracts</i>	<i>1,074</i>	<i>499</i>	<i>1,029</i>
<b>Total</b>	<b>(11)</b>	<b>542</b>	<b>775</b>

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

## 1.11. 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:

As of December 31,

(M€)

Assets/(Liabilities)	2011	2010	2009
Loans to equity affiliates ( <i>note 12</i> )	2,246	2,383	2,367
Loans and advances ( <i>note 14</i> )	2,055	1,596	1,284
Hedging instruments of non-current financial debt ( <i>note 20</i> )	1,976	1,870	1,025
Accounts receivable ( <i>note 16</i> )	20,049	18,159	15,719
Other operating receivables ( <i>note 16</i> )	7,467	4,407	5,145
Current financial assets ( <i>note 20</i> )	700	1,205	311
Cash and cash equivalents ( <i>note 27</i> )	14,025	14,489	11,662
<b>Total</b>	<b>48,518</b>	<b>44,109</b>	<b>37,513</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, 2011, the net amount received as part of these margin calls was €1,682 million (against €1,560 million as of December 31, 2010 and €693 million as of December 31, 2009).

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. 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 authorisations.

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 subscription of credit insurance and/or 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 risk of credit loss.

##### - 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 (provisions may also be calculated based on statistics).

## 2. Industrial and environmental risks

### 2.1. Types of risks

TOTAL's operations involve certain industrial and environmental risks which are inherent in handling, processing and use of products that are flammable, explosive, polluting or toxic.

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 and specialty chemicals, involve a wide range of operational risks. Among these risks are those of explosion, fire, leakage of toxic products, and pollution. 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 crossed (quality of infrastructure, population density, environmental considerations).

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

The following table shows a correlation between TOTAL's operations and the most significant industrial and environmental risks:

Activity/Risk	Fire, explosion	Leakage of toxic products	Accidental pollution	Pollution of soil and subsoil	Consumer health and safety	Emissions into the air, water and soil
Drilling	x	x	x	x	-	x
Hydrocarbon production	x	x	x	x	-	x
On-site processing of hydrocarbons	x	x	x	x	-	x
Transport of petroleum products and chemicals	x	x	x	x	-	x
Refining, petrochemicals	x	x	x	x	x	x
Storage of petroleum products	x	x	x	x	-	x
Distribution of petroleum products	x	-	x	x	x	x
Specialty chemicals	x	x	x	x	x	x

The industrial events that can have the most significant impact are primarily:

- a major industrial accident (fire, explosion, leakage of highly toxic products);
- large-scale accidental pollution.

All the risks described correspond to events that could potentially cause injury or death, damage property and business activities, cause environmental damage or harm human health. TOTAL employees, contractors, residents living near the facilities or customers can suffer injuries. Property damage can involve TOTAL's facilities as well as the property of third parties. The seriousness of the consequences of these events varies according to the vulnerability of the people, ecosystems and business activities impacted, on the one hand, and the number of people in the impact area and the location of the ecosystems and business activities in relation to TOTAL's facilities or to the trajectory of the products after the event, on the other hand.

Moreover, oil and gas exploration and production activities are particularly exposed to risks related to the physical characteristics of an oil or gas field. These risks include eruptions of crude oil or natural gas which notably could result from drilling into abnormally pressurised hydrocarbon pockets.

TOTAL conforms to the REACH regulation, which purpose is to protect health and safety of products and chemical substances producers and users notably by providing detailed information through safety data sheets (SDS/ESDS) (see also point 2 of Chapter 12). Like most other industrial groups, TOTAL is concerned by reports of occupational illnesses, in particular those caused by *asbestos* exposure. *Asbestos* exposure has been subject to close monitoring at all of the Group's business units. As of December 31, 2011, the Group estimates that the ultimate cost of all asbestos-related claims paid or pending is not likely to have a material impact on the Group's financial situation.

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 (point 7, Chapter 9). Future expenses related to asset retirement obligations are accounted for in accordance with the principles described in Note 1Q to the Consolidated Financial Statements (point 7, Chapter 9).

## 2.2. Management and monitoring of industrial and environmental risks

### 2.2.1. TOTAL policies regarding health, safety and the environment

TOTAL has developed a "Health Safety Environment Quality Charter" (see point 2 of Chapter 12) which sets out the basic principles applicable within the Group regarding the protection of people, property and the environment. This charter is rolled out at several levels within the Group by means of management systems.

Along these lines, TOTAL has developed efficient organizations as well as safety, environmental and quality management systems, which it makes every effort to have certified or assessed (standards such as the International Safety Rating System, ISO 14001 and ISO 9001). For example, in 2010, TOTAL received ISO 9001 certification for "development and management of the database of technical businesses" in Exploration and Production.

In most countries, TOTAL's operations are subject to government regulations concerning environmental protection and industrial safety. The main regulations are:

- 1) In Europe: IPPC- Large Combustion Plants Directives (recasted by IED Directive), SEVESO Directive, Pressure Equipment Directive, Water Framework Directive, Waste Directive, ETS Directive (CO<sub>2</sub> quotas), Fuel Directive, REACH and CLP Regulations.
- 2) In France: the legislation on natural and technological risks also applies to several sites.
- 3) In the United States: several activities are subject to the Occupational Safety and Health Administration ("OSHA") Process Safety Management of Highly Hazardous Materials and the Superfund Act.

### 2.2.2. Assessment

As part of its policy, TOTAL systematically assesses risks and impacts in the areas of industrial safety (particularly technological risks), the environment and the protection of workers and local residents:

- prior to approving new projects, investments, acquisitions and disposals;
- periodically during operations (safety studies, environmental impact studies, health impact studies and risk prevention plan in France as part of the 2003 legislation on the prevention of major technological risks);
- prior to introducing new substances to the market (toxicological and ecotoxicological studies and life cycle analyses); and
- based on the regulatory requirements of the countries where these activities are carried out and generally accepted standards.

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 provided to the authorities.

In particular, TOTAL has developed common methodologies for analyzing technological risks which must gradually be applied to all activities carried out by the Group's companies.

### 2.2.3. Management

TOTAL develops risk management measures based on risk and impact assessments. These measures involve facility and structure design, the reinforcement of safety devices and remedies of environmental degradations.

In addition to developing organizations and management systems as described above, TOTAL strives to minimize industrial and environmental risks inherent in its operations by conducting thorough inspections and audits, training personnel and raising awareness among all those involved, and implementing an active investment policy.

In addition, performance indicators (in the areas of HSE) and risk monitoring have been put in place, objectives have been set and action plans have been implemented to achieve these objectives.

Although the emphasis is on preventing risks, TOTAL takes regular steps to prepare for crisis management based on the risk scenarios identified.

In particular, TOTAL has developed emergency plans and procedures to respond to an oil spill or leak. These plans and procedures are specific to each TOTAL affiliate and adapted to its organization, activities and environment, and are consistent with the Group plan. They are reviewed regularly and tested through exercises.

At the Group level, TOTAL has set up the alert scheme PARAPOL (Plan to Mobilize Resources Against Pollution) to facilitate crisis management and provide assistance by mobilizing both internal and external resources in the event of pollution of marine, coastal or inland waters, without geographical restriction. The PARAPOL procedure is made available to TOTAL affiliates and its main goal is to facilitate access to internal experts and physical response resources.

Furthermore, TOTAL and its affiliates are currently members of certain oil spill cooperatives that are able to provide expertise, resources and equipment in all geographic areas where TOTAL has operations, including in particular Oil Spill Response, CEDRE (Center of documentation, research and experimentation on accidental water pollution) and Clean Caribbean and Americas.

Following the blow-out on the Macondo well in the Gulf of Mexico in 2010 (concerning which the Group was not involved), TOTAL created three Task Forces in order to analyze risks and provide recommendations.

In Exploration & Production, Task Force No. 1 reviewed the safety aspects of deep offshore drilling operations (wells architecture, design of blow-out preventers, training of personnel based on lessons learned from the serious accidents that occurred recently in the industry). Its efforts have led to the implementation of even more stringent controls and audits on drilling operations.

Task Force No. 2, coordinated with the Global Industry Response Group (GIRG) created by the OGP (International Association of Oil and Gas Producers), is studying deep offshore oil capture and containment operations in case of a pollution event in deep waters. In the short term, capture devices will be available in several regions of the world where TOTAL has a strong presence in exploration-production (North Sea, Gulf of Guinea).

Task Force No. 3 related to plans to fight accidental spills in order to strengthen the Group's ability to respond to a major accidental pollution, such as a blow out or a total loss of containment from an FPSO (Floating Production, Storage and Offloading facility). This initiative has led, in particular, to a sharp increase in the volume of dispersants available within the Group.

More detailed information on TOTAL's initiatives in the fields of safety and protection of the environment is provided in Chapter 12.

The Group believes that it is impossible to guarantee that the contingencies or liabilities related to the above mentioned health, safety and environmental concerns will not have a material impact on its business, assets and liabilities, consolidated financial situation, cash flow or income in the future.

## 3. Other risks

### 3.1. 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, the characteristics of hydrocarbons and 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 canceled as a result of a number of factors, including administrative delays, in particular as part 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.

### 3.2. Risks related to economic or political factors

The oil sector is subject to domestic regulations and the intervention of governments, directly or through state-owned companies, in such areas as:

- the award of exploration and production interests;
- authorizations by governments or by a state-controlled partner, in particular 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, exploitation 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;
- cases of expropriation, nationalization or reconsideration of contractual rights.

The oil industry is also subject to the payment of royalties and taxes, which may be higher than those applicable to other commercial businesses and which may be subject to material changes by the governments of certain countries.

Substantial portions of TOTAL's oil and gas reserves are located in certain countries that may be considered as politically and economically unstable.

A significant portion of TOTAL's oil and gas production occurs in unstable regions around the world, most significantly Africa, but also the Middle East, Asia-Pacific and South America. Approximately 28%, 24%, 10% and 8%, respectively, of the Group's 2011 combined liquids and gas production came from these four regions. In recent years, a number of the countries in these regions have experienced varying degrees of one or more of the following: economic instability, political volatility, civil war, violent conflict and social unrest. In Africa, certain of the countries in which the Group has production have recently suffered from some of these conditions, including Nigeria, where the Group had in 2011 its second highest hydrocarbon production, and Libya. The Middle East in general has recently suffered increased political volatility in connection with violent conflict and social unrest. A number of countries in South America where the Group has production and other facilities, including Argentina, Bolivia and Venezuela, have suffered from political or economic instability and social unrest and related problems. In Asia-Pacific, Indonesia has suffered some of these conditions. Any of these conditions alone or in combination could disrupt the Group's operations in any of these

regions, causing substantial declines in production. Furthermore, in addition to current production, TOTAL is also exploring for and developing new reserves in other regions of the world that are historically characterized by political, social and economic instability, such as the Caspian Sea region where the Group has a number of large projects currently underway. The occurrence and magnitude of incidents related to economic, social and political instability are unpredictable. It is possible that they could have a material adverse impact on the Group's production and operations in the future.

Such oil and gas reserves and related operations are subject to certain additional risks, including:

- the implementation of production and export quotas;
- the compulsory renegotiation of contracts;
- the expropriation or nationalization of assets;
- risks related to changes of local governments or the 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 decreased activity due to armed conflicts, civil unrest, the actions of terrorist groups or sanctions that target activities or parties of certain countries.

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.

### 3.3. Legal aspects of the Group's activities

#### 3.3.1. Legal aspects to exploration and production activities

TOTAL's exploration and production operations are conducted in various countries and are therefore subject to a broad range of regulations. These cover virtually all aspects of exploration and production operations, including 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 contracts.

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 there are other contractual models, TOTAL's license portfolio is comprised mainly of concession agreements.

In every country, 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 "risked service contracts", which are similar to production sharing contracts. However, the profit oil is replaced by risked monetary remuneration, agreed by contract, which depends notably on the field performance. Thus, the remuneration under the Iraqi contract is based on an amount calculated per barrel produced.

Oil and gas exploration and production activities are subject to authorization granted by public authorities (licenses), which are granted for specific and limited periods of time and include an obligation to return a large portion, or the entire portion in case of failure, of the area covered by the license at the end of the exploration period.

TOTAL pays taxes on income generated from its oil and gas production and sales activities under its concessions, production sharing contracts and risked service contracts, as provided for by local regulations. In addition, depending on the country, TOTAL's production and sales activities may be subject to a number of other taxes, fees and withholdings, including special petroleum taxes and fees. The taxes imposed on oil and gas production and sales activities may be substantially higher than those imposed on other industrial or commercial 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 that, in certain cases, can reduce or challenge the protections offered by this legal framework.



### 3.3.2. Legal aspects of the Group's other activities

The Group's other businesses (Gas & Power, Downstream and Chemicals) are also subject to a wide range of regulations.

In European countries and in the United States, sites and products are subject to environmental (water, air, soil, noise, protection of biodiversity, 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. In addition, in all Member States of the European Union, industrial facilities operate pursuant to licenses issued by competent local authorities that are based on national laws and EU regulations.

In other countries where the Group operates, legislation is often inspired by EU and U.S. regulations. These countries may more fully develop certain aspects of regulation in particular fields, for example protecting water, nature and health.

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 upgrades policies with respect to these standards.

In addition, depending on the country where the Group operates, its other activities are subject to specific sector requirements that impose constraints with respect to, for example, strategic oil reserves holding requirements or and shipping capacities owned or in chartered.

### 3.3.3. Civil liability

If an event occurs leading to personal injury, death, property damage or discharge of hazardous materials into the environment, contractual terms may provide for indemnification obligations, either by TOTAL in favor of third-parties or by third-parties for TOTAL's benefit. With respect to joint ventures operated by TOTAL, contractual terms generally provide that TOTAL assumes liability for damages caused by its gross negligence or willful misconduct. With respect to joint ventures in which TOTAL has an interest but that are operated by others, contractual terms generally provide that the operator assumes liability for damages caused by its gross negligence or willful misconduct. All other liabilities of any type of joint venture are generally assumed by the partners in proportion to their respective ownership interests. With respect to third party providers of goods and services, the amount and nature of liabilities assumed by the third party depends on the context and may be limited by contract. With respect to the Group's customers, TOTAL seeks to ensure that its products meet applicable specifications and that TOTAL abides by all applicable consumer protection laws.

To manage these risks, TOTAL maintains worldwide third-party liability insurance coverage for all of its subsidiaries. In addition, TOTAL also maintains insurance to protect against the risk of damage to Group property and/or business disruption to its main

refining and petrochemical sites. TOTAL's insurance and risk management policies are described under point 4 of the Chapter 4 ("Insurance and risk management").

### 3.3.4. Ethical misconduct and non compliance risks

The Code of Conduct of the Group, which applies to all of its employees, defines the Group's commitment to integrity, compliance with all applicable legal requirements, high ethical standards and the behaviors and actions that are expected of the businesses and people of the Group wherever it operates. Ethical misconduct or non-compliance with applicable laws and regulations, including non-compliance with anti-bribery, anticorruption and other applicable laws, could expose TOTAL and its employees to criminal and civil penalties and could be damaging to the Group's reputation and its shareholder value.

The Group has been deploying ethics and compliance programs since 2009, as a priority of the General Management. Refer to paragraph 1.10.1 in Chapter 5 of this Registration Document for more details.

### 3.3.5. Competition law

Competition laws apply to the Group's companies in the vast majority of countries in which it does business. Violations of competition laws carry fines and expose the Group and its employees to criminal sanctions and civil suits. Furthermore, it is now common for persons or corporations allegedly injured by violations of competition laws to sue for damages.

The broad range of activities and countries in which the Group operates requires local analysis, by business segment, of the legal risks in terms of competition law. Some of the Group's business segments have already been implementing competition law conformity plans for a long time. Moreover, a Group-wide policy designed to coordinate risk management measures and competition law compliance plans has been under development since the beginning of 2012.

### 3.3.6. Critical IT system services and information security

The businesses of the Group depend heavily on the reliability and security of its information technology ("IT") systems. If the integrity of the IT systems were compromised due to, for example, technical failure or cyber attack, the business operations and assets of the Group could sustain serious damage, material intellectual property could be divulged and, in some cases, personal injury, environmental harm and regulatory violations could occur.

The Information Technology Department has developed and distributed governance and security rules that describe the recommended infrastructure, organization and procedures to maintain information systems that are appropriate to the organization's needs and to limit information security risks. These rules are implemented across TOTAL under the responsibility of the various business segments.



### 3.4. Activities in Cuba, Iran, Sudan and Syria

The United States and the European Union (“EU”) have adopted legal restrictions with respect to certain activities in Cuba, Iran, Sudan and Syria, and the U.S. Department of State has identified these countries as state sponsors of terrorism. Provided in this section is certain information relating to TOTAL’s activities in these jurisdictions.

#### 3.4.1. U.S. and European restrictions

- With respect to Iran, the United States adopted legislation in 1996 implementing sanctions against non-U.S. companies doing business in Iran and Libya (the Iran and Libya Sanctions 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”).

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 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 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 2011, TOTAL had no production in Iran.

ISA was amended in July 2010 by the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 (“CISADA”), which expanded the scope of ISA and restricted the President’s ability to grant waivers. In addition to sanctionable investments in Iran’s petroleum sector, parties may now be sanctioned for any transaction exceeding \$1 million or series of transactions exceeding \$5 million in any 12-month period for knowingly providing to Iran refined petroleum products, and for knowingly providing to Iran goods, services, technology, information or support that could directly and significantly either<sup>®</sup> facilitate the maintenance or expansion of Iran’s domestic production of refined petroleum products, or (ii) contribute to the

enhancement of Iran’s ability to import refined petroleum products. The sanctions to be imposed against violating parties generally prohibit transactions in foreign exchange by the sanctioned party, 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 party, and require blocking of any property of the sanctioned party that is subject to the jurisdiction of the United States. Investments in the petroleum sector commenced prior to the adoption of CISADA appear to remain subject to the pre-amended version of ISA. The new sanctions added by CISADA would be available with respect to new investments in the petroleum sector or any other sanctionable activity occurring on or after July 1, 2010. Prior to CISADA’s enactment, TOTAL discontinued prohibited sales under ISA, as amended by CISADA, of refined products to Iran.

On September 30, 2010, the U.S. State Department announced that the U.S. government, pursuant to the “Special Rule” provision of ISA added by CISADA that allows it to avoid making a determination of sanctionability under ISA with respect to any party that provides certain assurances, would not make such a determination with respect to TOTAL. The U.S. State Department further indicated at that time that, as long as TOTAL acts in accordance with its commitments, TOTAL will not be regarded as a company of concern for its past Iran-related activities.

On November 21, 2011, President Obama issued Executive Order 13590, which authorized sanctions that are similar to those available under ISA for knowingly, on or after November 21, 2011, selling, leasing, or providing to Iran goods, services, technology, or support that (i) has a fair market value of \$1 million or more or that, during a 12-month period, has an aggregate fair market value of \$5 million or more, and that could directly and significantly contribute to the maintenance or enhancement of Iran’s ability to develop petroleum resources located in Iran, or (ii) has a fair market value of \$250,000 or more or that, during a 12-month period, has an aggregate fair market value of \$1 million or more, and that could directly and significantly contribute to the maintenance or expansion of Iran’s domestic production of petrochemical products. TOTAL does not conduct activities in Iran that could be sanctionable under Executive Order 13590, and there is no provision in Executive Order 13590 that modifies the aforementioned “Special Rule”. In addition, the U.S. State Department has published guidance that states the completion of existing contracts is not sanctionable under Executive Order 13590.

France and the EU 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. In July and October 2010, the European Union adopted new restrictive measures regarding Iran. Among other things, the supply of key equipment and technology in the following sectors of the oil and gas industry in Iran are prohibited: refining, liquefied natural gas, exploration and production. The

prohibition extends to technical assistance, training and financial assistance in connection with such items. Extension of loans or credit to, acquisition of shares in, entry into joint ventures with or other participation in enterprises in Iran (or Iranian-owned enterprises outside of Iran) engaged in any of the targeted sectors also is prohibited. Moreover, with respect to restrictions on transfers of funds and on financial services, any transfer of at least €40,000 or equivalent to an Iranian individual or entity shall require a prior authorization of the competent authorities of the EU Member States.

On January 23, 2012, the Council of the European Union prohibited the purchase, import and transport of Iranian oil and petroleum and petrochemical products by European persons and by entities constituted under the laws of an EU Member State. Prior to that date, TOTAL had ceased these now-prohibited activities.

TOTAL continues to closely monitor legislative and other developments in France, the EU and the United States in order to determine whether its limited activities in Iran, Syria and other sanctioned or potentially sanctioned jurisdictions could subject it to the application of sanctions. The Group cannot assure that current or future regulations or developments will not have a negative impact on its business or reputation.

- With respect to Syria, the EU adopted measures in May 2011 with criminal and financial penalties that prohibit the supply of certain equipment to Syria, as well as certain financial and asset transactions with respect to a list of named individuals and entities. These measures apply to European persons and to entities constituted under the laws of an EU Member State. In September 2011, the EU adopted further measures, including, notably, a prohibition on the purchase, import or transportation from Syria of crude oil and petroleum products. Since early September 2011, the Group ceased to purchase hydrocarbons from Syria. On December 1, 2011, the EU extended sanctions against, among others, three state-owned Syrian oil firms, including General Petroleum Corporation, TOTAL's co-contracting partner in PSA 1988 (Deir Es Zor licence) and the Tabiyeh contract. TOTAL has ceased its activities that contribute to oil and gas production in Syria.
- The U.S. Treasury Department's Office of Foreign Assets Control (referred to as "OFAC") administers and enforces broad and comprehensive economic sanctions programs, as well as sanctions that are based on the United Nations Security Council resolutions referred to above and that target individuals engaged in terrorism or weapons proliferation in Iran, using the blocking of assets and trade restrictions. The activities that are restricted depend on the sanctions program and targeted country or parties, and civil and/or criminal penalties, imposed on a per transaction basis, can be substantial. 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, among others, Cuba, Iran, Myanmar (Burma), Sudan and Syria. TOTAL does not believe that these sanctions are applicable to any of its activities in the OFAC-targeted countries and, since the independence of the Republic of South Sudan on July 9, 2011, TOTAL is no longer present in Sudan.

On December 8, 2011, OFAC amended the Sudanese Sanctions Regulations with the publication of two general licenses that authorize all activities and transactions relating to the petroleum

and petrochemical industries in the Republic of South Sudan and related financial transactions, and the transshipment of goods, technology and services through Sudan to or from the Republic of South Sudan and related financial transactions.

- In addition, many U.S. states have adopted legislation requiring state pension funds to divest themselves of securities in any company with active business operations in Iran or Sudan, and state contracts not to be awarded to such companies. State insurance regulators have adopted similar initiatives relating to investments by insurance companies in companies doing business with the Iranian oil and gas, nuclear, and defense sectors. CISADA supports these state legislative initiatives. If TOTAL's operations in Iran were determined to fall within the prohibited scope of these laws, and TOTAL were not to qualify for any available exemptions, certain U.S. institutions holding interests in TOTAL may be required to sell their interests. If significant, sales of securities resulting from such laws and/or regulatory initiatives could have an adverse effect on the prices of TOTAL's securities.

### 3.4.2. Business Activities in Cuba, Iran, Sudan and Syria

Provided in this section is certain information relating to TOTAL's activities in these jurisdictions.

#### Cuba

In 2011, TOTAL's Refining & Marketing division 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 €40 million.

#### Iran

TOTAL's Exploration & Production division historically had 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.

TOTAL entered into such buyback contracts between 1995 and 1999 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. A technical services agreement for the Dorood field expired in December 2010. 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. Since 2011, TOTAL has no production in Iran corresponding to such payments in kind, compared to 2 kboe/d in 2010 and 8 kboe/d in 2009. No royalties or fees are paid by the Group in connection with these buyback

and service contracts. In 2011, 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 2011 activities in Iran, Beh Total, a company held 50/50 by Behran Oil and Total Outre-Mer, a subsidiary of the Group, produced and marketed small quantities of lubricants (20,000 tons) for sale to domestic consumers in Iran. In 2011, revenue generated from Beh Total's activities was €43.5 million and cash flow was €4.6 million. Beh Total paid approximately €1 million in taxes. TOTAL does not own or operate any refineries or chemicals plants in Iran. In 2011, Beh Total paid €5.6 million of dividends for fiscal year 2010 (share of TOTAL: €2.3 million).

In 2011, TOTAL's Trading & Shipping division purchased in Iran pursuant to a mix of spot and term contracts approximately 49 million barrels of hydrocarbons from state-controlled entities for approximately €3.7 billion. Prior to January 23, 2012, TOTAL's Trading & Shipping division ceased its purchase of Iranian hydrocarbons.

## Sudan

Since the independence of the Republic of South Sudan on July 9, 2011, TOTAL is not present in Sudan.

TOTAL holds an interest in Block B in what was, prior to July 9, 2011, the southern region of Sudan.

TOTAL disbursed in Sudan between January 1, 2011 and July 8, 2011, approximately \$0.7 million as scholarships and social development contributions, as well as contributions to the construction of social infrastructure, schools and water wells along with non-governmental organizations and other stakeholders involved in southern Sudan.

For more information on TOTAL's activities in the Republic of South Sudan, see paragraph 2.3.1, Chapter 2 ("Presentation of activities – Republic of South Sudan").

## Syria

In 2011, 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 operated until early December 2011 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 General Petroleum Corporation ("GPC") (the successor to the Syrian Petroleum Company).

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 GPC. TOTAL pays to the state-owned Syrian company SCOT a transportation fee equal to \$2/b 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, signed with GPC, 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. Until early December 2011, TOTAL financed and implemented the Tabiyeh Gas Project and operated the Tabiyeh field.

In 2011, technical production for PSA 1988 and the Tabiyeh contract taken together amounted to 63 kboe/d, of which 53 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 addition, TOTAL and GPC entered into a Cooperation Framework Agreement in 2009, which provides for the co-development of oil projects in Syria.

Since early December 2011, TOTAL has ceased its activities that contribute to oil and gas production in Syria.

In 2011, TOTAL's Trading & Shipping division purchased in Syria pursuant to a mix of spot and term contracts nearly 11 million barrels of hydrocarbons from state-controlled entities for approximately €824 million. Since early September 2011, the Group has ceased to purchase hydrocarbons from Syria.

## 3.5. Risks related to competition

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 as well as for the sale of manufactured products based on crude and refined oil. TOTAL's competitors are comprised of national oil companies and international oil companies.

In this regard, the major international oil companies in competition with TOTAL are ExxonMobil, Royal Dutch Shell, Chevron and BP. As of December 31, 2011, TOTAL ranked fifth among these companies in terms of market capitalization<sup>(1)</sup>.

(1) Source: Reuters.

### 3.6. Legal and arbitration proceedings

The principal legal proceedings in which the Group's companies are involved are described in Chapter 7 of this Registration Document.

## 4. Insurance and risk management

### 4.1. Organization

TOTAL has its own insurance and reinsurance company, Omnium Insurance and Reinsurance Company (OIRC). OIRC is integrated with the Group's insurance management and is used as a centralized global operations tool for covering the Group's risks. It allows the Group's worldwide insurance program to be implemented in compliance with the specific requirements of local regulations applicable in the countries where the Group operates.

Some countries may 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 permits the Group to better manage price variations in the insurance market by taking on a greater or lesser amount of risk corresponding to the price trends in the insurance market.

In 2011, the net amount of risk retained by OIRC after reinsurance was a maximum of \$75 million per third-party liability insurance claim and \$75 million per property damage and/or business interruption insurance claim. Accordingly, in the event of any loss giving rise to an aggregate insurance claim, the effect on OIRC would be limited to its maximum retention of \$150 million per event.

### 4.2. 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 should a catastrophic event occur;
- help to implement measures to limit the probability that a catastrophic event occurs and the financial consequences if such event should occur; and
- manage the level of risk from such events to be either covered internally by the Group or transferred to the insurance market.

### 4.3. 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. In 2011, the Group's third-party liability insurance for any liability (including potential accidental environmental liabilities) was capped at \$850 million.
- Property damage and business interruption: the amounts insured vary by sector and by site and are based on the estimated cost of and reconstruction under maximum loss scenarios and on insurance market conditions. The Group subscribed for business interruption coverage in 2011 for its main refining and petrochemical sites.

For example, for the Group's highest risks (platforms in the North Sea and main refineries and petrochemical plants in Europe), in 2011 the Group's share of insurance limit was approximately \$1.65 billion for the Downstream segment and approximately \$1.5 billion dollars for the Upstream segment.

Deductibles for property damage and third-party liability fluctuate between €0.1 million and €10 million depending on the level of risk

and liability, and are borne by the relevant subsidiary. For business interruption, coverage begins sixty days after the event giving rise to the interruption.

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.

While TOTAL believes its insurance coverage is in line with industry practice and sufficient to cover normal risks in its operations, it is not insured against all possible risks. In the event of a major environmental disaster, for example, TOTAL's liability may exceed the maximum coverage provided by its third-party liability insurance. The loss TOTAL could suffer in the event of such disaster would depend on all the facts and circumstances and would be subject to a whole range of uncertainties, including legal uncertainty as to the scope of liability for consequential damages, which may include economic damage not directly connected to the disaster. The Group cannot guarantee that it will not suffer any uninsured loss and there can be no guarantee, particularly in the case of a major environmental disaster or industrial accident, that such loss would not have a material adverse effect on the Group.



# Corporate governance

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# 1. 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 2011 related to the composition of the Board of Directors, the application of the men/women balanced representation principle in the Board of Directors, internal control procedures and risk management implemented by the Company, any limits set by the Board

of Directors concerning the powers of the Chief Executive Officer, as well as information related to corporate governance.

This report also sets forth the provisions of the by-laws concerning participation in Shareholders' Meetings as well as the principles and rules applied to determine the compensation and other benefits granted to corporate executive officers.

## 1.1. 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 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.

Chairman of the Strategic Committee.

Holds 105,556 TOTAL shares and 53,869 shares of the "TOTAL ACTIONNARIAT FRANCE" collective investment fund.

### Current directorships

- Chairman and Chief Executive Officer of TOTAL S.A.\* since May 21, 2010 (Chief Executive Officer since February 14, 2007)
- Chairman of Total E&P Indonésie
- Director of Shtokman Development AG (Switzerland)
- Member of the Supervisory Board of Vivendi\*
- Manager of CDM Patrimonial SARL

### Directorships that expired in the previous five years

- Chairman and Chief Executive Officer of Elf Aquitaine until June 21, 2010
- Director of Total E&P Russia until 2008
- Director of Total Exploration and Production Azerbaijan until 2008
- Director of Total E&P Kazakhstan until 2008
- Director of Total Profils Pétroliers until 2008
- Director of Abu Dhabi Petroleum Company Ltd (ADPC) until 2008
- Director of Abu Dhabi Marine Areas Ltd (ADMA) until 2008
- Director of Iraq Petroleum Company Ltd (IPC) until 2008
- Permanent representative of TOTAL S.A. on the Board of Total Abu al Bukhoosh until 2008
- Director of Total E&P Norge A.S. until 2007
- Director of Total Upstream UK Ltd until 2007

### 1.1.1. Composition of the Board of Directors as of December 31, 2011

As of December 31, 2011, the Board of Directors had fifteen members, including one director appointed by the shareholders to represent employee shareholders. Twelve of the members of the Board were independent (see paragraph 1.8 – Director independence – in this Chapter 5).

The following individuals were members of the Board of Directors of TOTAL S.A. (information as of December 31, 2011<sup>(1)</sup>):

#### Christophe de Margerie

Born on August 6, 1951 (French).

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. In 1995, he was appointed President of Total Middle East. In May 1999, he joined the Executive Committee as President of the Exploration & Production division. 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. On May 21, 2010, he was appointed Chairman and Chief Executive Officer of TOTAL.

Director of TOTAL S.A. since 2006 - Last renewal: May 15, 2009 until 2012.

#### Thierry Desmarest

Born on December 18, 1945 (French).

A graduate of the *École Polytechnique* and an Engineer of the French *Corps des Mines*, Mr. Desmarest served as Director of Mines and Geology in New Caledonia, then as technical advisor at the Offices 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 Chairman and Chief Executive Officer of TOTAL from May 1995 until February 2007, and then as Chairman of the Board of TOTAL until May 21, 2010. He was appointed Honorary Chairman and remains a director of TOTAL and Chairman of the TOTAL Foundation.

Director of TOTAL S.A. since 1995 - Last renewal: May 21, 2010 until 2013.

(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.  
Underlined companies are companies that do not belong to the group in which the director has his or her main duties.

Chairman of the Nominating & Governance Committee, member of the Compensation Committee and the Strategic Committee.

Holds 186,576 shares in full and 144,000 shares by usufruct.

#### Current directorships

- Director of TOTAL S.A.\*
- Director of Sanofi<sup>(1)</sup>
- Director of Air Liquide\*
- Director of Renault S.A.\*
- Director of Renault S.A.S.
- Director of Bombardier Inc.\* (Canada)

#### Directorships that expired in the previous five years

- Chairman of the Board of Directors of TOTAL S.A.\* until May 21, 2010
- Chairman and Chief Executive Officer of TOTAL S.A.\* until 2007
- Chairman and Chief Executive Officer of Elf Aquitaine until 2007
- Member of the Supervisory Board of Areva\* until March 4, 2010

### Patrick Artus

Born on October 14, 1951 (French).

Independent director.

A graduate from the *École Polytechnique*, the *École Nationale de la Statistique et de l'Administration de l'Économie* (ENSAE) 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 modeling. 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 an 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 *Cercle des Économistes*.

Director of TOTAL S.A. since May 15, 2009 and until 2012.

Member of the Compensation Committee.

Holds 1,000 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Director of IPSOS

#### Directorships that expired in the previous five years

None.

### Patricia Barbizet

Born on April 17, 1955 (French)

Independent director.

A graduate of the *École Supérieure de Commerce* of Paris in 1976, Ms. 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. In 1992, she became the Chief Executive Officer

of Financière Pinault. She was the President of the Supervisory Board of the Pinault Printemps Redoute group until May 2005 and became Vice-President of the Board of Directors of PPR in May 2005. Patricia Barbizet is also a member of the Board of Directors of TOTAL, TF1, Air France-KLM and *Fonds stratégique d'investissement*.

Director of TOTAL S.A. since 2008 - Last renewal: May 13, 2011 and until 2014.

Chairperson of the Audit Committee and member of the Strategic Committee.

Holds 1,000 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Vice Chairman of the PPR Board\*
- Chief Executive Officer and Director of Artémis
- Member of the Supervisory Board of Financière Pinault (CSA)
- Chief Executive Officer (non-Director) of Financière Pinault
- Director and Deputy Chief Executive Officer of Société Nouvelle du Théâtre Marigny
- Permanent representative of Artémis at the Board of Directors of Agefi
- Permanent representative of Artémis at the Board of Directors of Sebdo le Point
- Member of the Management Board of Château Latour (SCI)
- Member of the Supervisory Board of Yves Saint Laurent
- *Administratore Delagato* and *administratore* of Palazzo Grazi
- Non-executive Director of Tawa Plc\*
- Chairman of the Board of Directors of Christie's International Plc
- Board member of Gucci Group N.V.
- Director of Air France-KLM\*
- Director of Bouygues\*
- Director of TF1\*
- Director of the Fonds stratégique d'investissement (French government sovereign fund)

#### Directorships that expired in the previous five years

- Director of Fnac until May 2011
- Director of Piazza until 2008
- Chairman of the Board of Directors of Piazza until 2008
- Chairman and Chief Executive Officer of Piazza until 2007

### Daniel Bouton

Born on April 10, 1950 (French).

Independent director.

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 served as Chairman of the Société Générale group until May 12, 2008 and has been the Honorary Chairman since May 6, 2009.

Director of TOTAL S.A. since 1997 - Last renewal: May 15, 2009 until 2012.

Holds 3,200 shares.

(1) Non-consolidated company which was removed from the scope of consolidation on July 1, 2010.

\* Company names marked with an asterisk are publicly-listed companies.

Underlined companies are companies that do not belong to the group in which the director has his or her main duties.

**Current directorships**

- Director of TOTAL S.A.\*
- Director of Veolia Environnement\*

**Directorships that expired in the previous five years**

- Chairman and Chief Executive Officer of Société Générale\* until 2008 and Chairman of the Board of Directors until 2009

**Gunnar Brock**

Born on April 12, 1950 (Swedish)

Independent director.

Graduated from the Stockholm School of Economics with an MBA grade in Economics and Business Administration, Mr. Brock held various international positions at Tetra Pak. He served as Chief Executive Officer of Alfa Laval from 1992 to 1994 and as Chief Executive Officer of Tetra Pak from 1994 to 2000. After serving as Chief Executive Officer of Thule International, he was appointed Chief Executive Officer of Atlas Copco AB from 2002 to 2009. He is currently Chairman of the Board of Stora Enso Oy. Mr. Brock is also a member of the Royal Swedish Academy of Engineering Sciences and of the Board of Directors of the Stockholm School of Economics.

Director of TOTAL S.A. since May 21, 2010 and until 2013.

Member of the Strategic Committee.

Holds 1,000 shares.

**Current directorships**

- Director of TOTAL S.A.\*
- Chairman of the Board of Stora Enso Oy
- Chairman of the Board of Mölnlycke Health Care Group
- Member of the Board of Investor AB
- Chairman of the Board of Rolling Optics
- Member of the Board of Stena AB\*

**Directorships that expired in the previous five years**

- Member of the Supervisory Board of Spencer Stuart Scandinavia until 2011
- Chief Executive Officer of Atlas Copco until 2009
- Chairman of the Board of Lego AS until 2008

**Claude Clément**

Born on November 17, 1956 (French).

Mr. Clément joined the Group in February 1977 and started his career at Compagnie Française de Raffinage, which offered him professional training. He held various positions at the Refining Manufacturing Department in French and African refineries (Gabon, Cameroon). He is currently Manager of the Refining Manufacturing Methods at the Refining Manufacturing Division. Mr. Clément has been an elected member of the Supervisory Board of the “TOTAL ACTIONNARIAT FRANCE” collective investment fund since 2009, an elected member of the Supervisor Board of the “TOTAL ACTIONS EUROPÉENNES”, “TOTAL DIVERSIFIÉ À DOMINANTE ACTIONS” and “TOTAL ÉPARGNE SOLIDAIRE” collective investment funds since 2010 and an elected member of the Supervisor Board of the “TOTAL DIVERSIFIÉ À DOMINANTE OBLIGATIONS”,

“TOTAL MONÉTAIRE” and “TOTAL OBLIGATIONS” collective investment funds since 2010.

Director of TOTAL S.A. since May 21, 2010 and until 2013.

Holds 820 TOTAL shares and 3,442 shares of the “TOTAL ACTIONNARIAT FRANCE” collective investment fund.

**Current directorships**

- Director of TOTAL S.A.\* representing employee shareholders

**Directorships that expired in the previous five years**

President of the Supervisory Board of the “TOTAL ACTIONS EUROPÉENNES” collective investment fund until 2011.

**Marie-Christine Coisne-Roquette**

Born on November 4, 1956 (French)

Independent director.

A graduate of the University of Paris X Nanterre (law and English) and admitted to the Paris and New York Bar Associations in 1980, Ms. Coisne-Roquette worked as an attorney in Paris and New York until 1988, when she joined the family-owned Sonepar group. From 1988 to 1998, while also serving as Chief Executive Officer of the family-owned Colam Entreprendre holding company, she held several consecutive operational directorships at Sonepar S.A., where she was appointed Chairman of the Board in 1998. She has served as Chairman and Chief Executive Officer of Sonepar since 2002. A member of the Executive Board of MEDEF since 2000, Ms. Coisne-Roquette has chaired that organization's Tax Commission since 2005.

Director of TOTAL S.A. since May 13, 2011 and until 2014.

Member of the Audit Committee since May 13, 2011.

Holds 1,130 shares.

**Current directorships**

- Director of TOTAL S.A.\*
- Chairperson and Chief Executive Officer of Sonepar S.A.
- Chairman and Chief Executive Officer of Colam Entreprendre
- Director of Hagemeyer Canada, Inc.
- President of the Supervisory Board of OTRA N.V.
- Director of Sonepar Canada, Inc.
- President of the Supervisory Board of Sonepar Deutschland GmbH
- Director of de Sonepar Ibérica
- Director of de Sonepar Italia Holding
- Chairperson of the Board of Directors of Sonepar Mexico
- Member of the Supervisory Board of Sonepar Nederland B.V.
- Director of Sonepar USA Holdings, Inc.
- Director of Feljas and Masson SAS
- Permanent representative of Colam Entreprendre, member of the Board of Directors at Cabus & Raulot (S.A.S)
- Permanent representative of Colam Entreprendre and Sonepar, co-administrators of Sonedis (*société civile*)
- Permanent representative of Sonepar, Director of Sonepar France
- Permanent representative of Sonepar, President of Sonepar International (S.A.S)

\* Company names marked with an asterisk are publicly-listed companies.  
Underlined companies are companies that do not belong to the group in which the director has his or her main duties.

- Permanent representative of Colam Entreprendre, Director of Sovemarco Europe (S.A.)
- Co-manager of Développement Mobilier & Industriel (D.M.I.) (*société civile*)
- Manager of Ker Coro (*société civile immobilière*)

#### Directorships that expired in the previous five years

- Director of Encon Safety Products, Inc. until 2010
- Director of Guerin S.A. until 2007
- Director of Hagemeyer North America, Inc. until 2010
- Director of Hagemeyer PPS Ltd until 2010
- Chairperson of the Board of Directors of Hagemeyer PPS until 2008
- Director of Sellenium until 2007
- Chairperson of the Board of Directors of Sonepar Canada, Inc. until 2009
- Director of Sonepar E.C.O until 2007
- Chairperson of the Board of Directors of Sonepar France until 2009
- Director of Sonepar Iberica until 2007
- Chairperson of the Board of Directors and acting Managing Director of Sonepar Iberica until 2009
- Chairperson of the Board of Directors of Sonepar Italia Holding until 2009
- Chairperson of the Board of Directors of Sonepar Mexico until 2010
- Chairperson of the Supervisory Board of Sonepar Nederland B.V. until 2009
- Chairperson of the Board of Directors of Sonepar Nordic A/S until 2009
- Chairperson of the Board of Directors and CEO of Sonepar USA Holdings, Inc. until 2009
- Director of Vallen Corporation until 2010
- Permanent representative of Sonepar, Director of A.E.D. until 2010
- Permanent representative of Sonepar, Director of C.S.O. until 2010
- Permanent representative of Sonepar, President of CEMT until 2007
- Permanent representative of Sonepar, Director of Collin Sigmadis until 2010
- Permanent representative of Sonepar, Director of G.M.T. until 2010
- Permanent representative of Sonepar, Director of S.N.E. until 2010
- Permanent representative of Sonepar, Director of S.S.E. until 2010
- Permanent representative of Sonepar, General Partner of Sonepar Belgium until 2009
- Permanent representative of Sonepar, Director of Teissier until 2010
- Permanent representative of Sonepar France, Director of Sonepar Ile de France until 2007

#### Bertrand Collomb

Born on August 14, 1942 (French).

Independent director.

A graduate of the *École Polytechnique* and a member of France's engineering *Corps des Mines*, Mr. Collomb held a number of positions within the Ministry of Industry and other cabinet 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 Chairman since 2007. He is also Chairman of the *Institut des Hautes Études pour la Science et la Technologie* (IHEST) and a Board member of the *Institut Européen de la Technologie*.

Director of TOTAL S.A. since 2000 - Last renewal: May 15, 2009 until 2012.

Member of the Compensation Committee and the Nominating & Governance Committee.

Holds 4,712 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Director of Lafarge\*
- Director of DuPont\* (United States)
- Director of Atco\* (Canada)

#### Directorships that expired in the previous five years

- Chairman of the *Institut Français des Relations Internationales* (IFRI) until 2011
- Chairman of the Board of Directors of Lafarge\* until 2007

#### Paul Desmarais Jr.

Born on July 3, 1954 (Canadian)

Independent director.

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 - Last renewal: May 13, 2011 until 2014.

Holds 2,000 ADRs (corresponding to 2,000 shares).

#### Current directorships

- Director of TOTAL S.A.\*
- Chairman of the Board, Co-Chief Executive Officer and Member of the Executive Committee of Power Corporation of Canada\*
- Co-Chairman of the Board and member of the Executive Committee of Corporation Financière Power\* (Canada)
- Vice Chairman and Acting Managing Director of Pargesa Holding S.A.\* (Switzerland)
- Director and member of the Executive Committee of La Great-West Compagnie d'assurance-vie (Canada)
- Director and member of the Executive Committee of First Great-West Life & Annuity Insurance Company (United States)
- Director and member of the Executive Committee of Great-West Lifeco Inc.\* (Canada)
- Director of Great West Financial (Canada) Inc. (Canada)
- Director and member of the Permanent Committee of Groupe Bruxelles Lambert S.A.\* (Belgium)
- Director and member of the Executive Committee of Groupe Investors Inc. (Canada)
- Director and member of the Executive Committee of Groupe d'assurance London Inc. (Canada)
- Director and member of the Executive Committee of London Life, compagnie d'assurance-vie (Canada)
- Director and member of the Executive Committee of Mackenzie Inc.
- Director and Deputy Chairman of the Board of La Presse Ltée (Canada)

\* Company names marked with an asterisk are publicly-listed companies.  
Underlined companies are companies that do not belong to the group in which the director has his or her main duties.

- Director and Deputy Chairman of Gesca Ltée (Canada)
- Director of GDF Suez\*
- Director of Lafarge\*
- Director and member of the Executive Committee of Compagnie d'Assurance du Canada sur la Vie (Canada)
- Director and member of the Executive Committee of the Corporation Financière Canada Life (Canada)
- Director and member of the Executive Committee of IGM Inc.\* (Canada)
- Director and Chairman of the Board of 171263 Canada Inc. (Canada)
- Director of 152245 Canada Inc. (Canada)
- Director of GWL&A Financial Inc. (United States)
- Director of Great West Financial (Nova Scotia) Co. (Canada)
- Director of First Great-West Life & Annuity Insurance Company (United States)
- Director of Power Communications Inc.
- Director and Vice Chairman of the Board of Power Corporation International
- Director and member of the Executive Committee of Putnam Investments LLC
- Member of the Supervisory Board of Power Financial Europe B.V.
- Director of Canada Life Capital Corporation Inc. (Canada)
- Director and member of the Executive Committee of The Canada Life Assurance Company of Canada (Canada)
- Director and member of the Executive Committee of Crown Life Insurance Company (Canada)
- Director and Deputy Chairman of the Board of Square Victoria Communications Group Inc.
- Member of the Supervisory Board of Parjointco N.V.

#### Directorships that expired in the previous five years

- Assistant Chairman of the Board of 3819787 Canada Inc. (Canada) until 2010
- Member of the Board of Les Journaux Trans-Canada (1996) Inc. (Canada) until 2009
- Director and Vice-Chairman of the Board of Directors of Imerys\* (France) until 2008
- Director of GWL Properties until 2007
- Member of the International Consultative Committee of the La Poste group until 2007

### Barbara Kux

Born on February 26, 1954 (Swiss).

Independent director.

Holder of an MBA (with honors) from INSEAD in Fontainebleau, Ms. Kux joined McKinsey & Company in 1984 as a Management Consultant, where she was responsible for strategic assignments for international groups. After serving as manager for development of emerging markets at ABB and then at Nestlé between 1989 and 1999, she was appointed Executive Director of Ford in Europe from 1999 to 2003. In 2003, Ms. Kux became a member of the Management Committee of the Philips group and, starting in 2005, was in charge of sustainable development. Since 2008, she has been a member of the Management Board of Siemens AG. She is also responsible for sustainable development at the Group and is in charge of the Group's supply chain.

Director of TOTAL S.A. since May 13, 2011 and until 2014.

Member of the Strategic Committee.

Holds 1,000 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Member of the Management Board of Siemens AG\*

#### Directorships that expired in the previous five years

- Member of the Board of Directors of INSEAD until 2011
- Member of the Board of Directors of ZF Friedrichshafen AG until 2011
- Member of the Board of Directors of Firmenich S.A. until 2010
- Member of the Board of Directors of COFRA Holding AG until 2008
- Member of Group Management Committee of Royal Philips Electronics N.V. until 2008

### Anne Lauvergeon

Born on August 2, 1959 (French).

Independent director.

Chief Mining Engineer and a graduate of the *École Normale Supérieure* with a doctorate in physical sciences, Ms. 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 and international affairs. Ms. Lauvergeon served as Chairman of the Management Board of Areva from July 2001 to June 2011 and Chairman and Chief Executive Officer of Areva NC (formerly Cogema) from June 1999 to June 2011.

Director of TOTAL S.A. since 2000 - Last renewal: May 15, 2009 until 2012.

Member of the Strategic Committee.

Holds 2,000 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Director of GDF Suez\*
- Director of Vodafone Group Plc\*

#### Directorships that expired in the previous five years

- Chairperson of the Management Board of Areva\* until June 30, 2011
- Chairman and Chief Executive Officer of Areva NC June 30, 2011
- Vice Chairperson and Member of the Supervisory Board of Safran\* until 2009

### Claude Mandil

Born on January 9, 1942 (French).

Independent director.

A graduate of the *École Polytechnique* and a General Engineer from France's engineering school *Corps des Mines*, Mr. Mandil served as a Mining Engineer in the Lorraine and Bretagne regions. He then served as a Project Manager at the *Délégation de l'Aménagement*

\* Company names marked with an asterisk are publicly-listed companies.  
Underlined companies are companies that do not belong to the group in which the director has his or her main duties.



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 - IDI) until 1988. He was Chief Executive Officer of the *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 to the Management Board of the International Energy Agency (IEA). He served as Chairman of the IEA from 1997 to 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 for Oil). From 2003 to 2007, he was the Executive Director of the EIA.

Director of TOTAL S.A. since 2008 - Last renewal: May 13, 2011 and until 2014

Member of the Strategic Committee.

Holds 1,000 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Director of Institut Veolia Environnement
- Director of Schlumberger SBC Institute

#### Directorships that expired in the previous five years

- Director of GDF Suez\* from July to December 2008

### Michel Pébereau

Born on January 23, 1942 (French).

Independent director.

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 Chief Executive Officer of Crédit Commercial de France (CCF). He was Chairman and Chief Executive Officer of BNP then BNP Paribas from 1993 to 2003, Chairman of the Board of Directors from 2003 to December 1, 2011, and is currently Honorary Chairman of BNP Paribas.

Director of TOTAL S.A. since 2000 - Last renewal: May 15, 2009 until 2012.

Chairman of the Compensation Committee and member of the Nominating & Governance Committee.

Holds 2,356 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Director of BNP Paribas\*
- Director of Saint-Gobain\*
- Director of AXA\*
- Director of EADS N.V.\*
- Director of Pargesa Holding S.A.\* (Switzerland)

- Director of BNP Paribas Suisse
- Member of the Supervisory Board of Banque marocaine pour le Commerce et l'Industrie\*
- Non-voting member (*Censeur*) of Galeries Lafayette

#### Directorships that expired in the previous five years

- Chairman of the Board of Directors of BNP Paribas until December 1, 2011
- Director of Lafarge\* until May 2011
- Chairman of la Fédération Bancaire Européenne until 2008

### Thierry de Rudder

Born on September 3, 1949 (Belgian and French).

Independent director.

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 - Last renewal: May 21, 2010 until 2013.

Member of the Audit Committee and the Strategic Committee.

Holds 3,956 shares.

#### Current directorships

- Director of TOTAL S.A.\*
- Acting Managing Director of Groupe Bruxelles Lambert\*
- Director of Brussels Securities (Belgium)
- Director of GBL Treasury Center (Belgium)
- Director of Sagerpar (Belgium)
- Director of GBL Energy Sàrl (Luxembourg)
- Director of GBL Verwaltung Sàrl (Luxembourg)
- Director of GBL Verwaltung GmbH (Germany)
- Director of Ergon Capital Partners (Belgium)
- Director of Ergon Capital Partners II (Belgium)
- Director of Ergon Capital Partners III (Belgium)
- Director of GDF Suez\*
- Director of Lafarge\*
- Director of Electrabel

#### Directorships that expired in the previous five years

- Director of Compagnie Nationale à Portefeuille\* until 2011
- Director of Suez-Tractebel (Belgium) until April 2010
- Director of Imerys\* until 2010
- Director of GBL Participations (Belgium) until 2010
- Director of GBL Finance S.A. (Luxembourg) until 2009
- Director of Immobilière Rue de Namur (Luxembourg) until 2007

\* Company names marked with an asterisk are publicly-listed companies. Underlined companies are companies that do not belong to the group in which the director has his or her main duties.

### 1.1.2. Expired directorships of TOTAL S.A. as of May 13, 2011

#### Bertrand Jacquillat

Born on April 11, 1944 (French).

Independent director.

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, a professor at the *Institut d'Études Politiques* in Paris since 1999, Vice-President of the *Cercle des Économistes*, and founding chairman of *Associés en Finance*.

Director of TOTAL S.A. since 1996 - Last renewal: May 16, 2008 - Term of office: May 13, 2011.

#### Current directorships (as of May 13, 2011)

- Chairman and Chief Executive Officer of *Associés en Finance*
- Member of the Supervisory Board of Klépierre\*
- Member of the Supervisory Board of Presses Universitaires de France (PUF)

#### Directorships that expired in the previous five years

- Director and member of the Audit Committee of TOTAL S.A. until May 13, 2011.

#### Lord Levene of Portsoken

Born on December 8, 1941 (British).

Independent director.

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 served as senior adviser at Morgan Stanley from 1996 to 1998 and was then appointed 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 - Last renewal: May 16, 2008 - Term of office: May 13, 2011.

#### Current directorships (as of May 13, 2011)

- Chairman of Lloyd's
- Chairman of General Dynamics UK Ltd
- Director of Haymarket Group Ltd
- Director of China Construction Bank\*
- Chairman of NBNK Investments PLC\*

#### Directorships that expired in the previous five years

- Chairman of TOTAL S.A.\* until May 13, 2011
- Chairman of International Financial Services until 2010

### 1.1.3. Co-opted Director since the close of 2011

At the meeting held on January 12, 2012, the Board of Directors took note of the resignation of Mr. Thierry de Rudder from his position as a director as of the end of the Board meeting, and consequently decided to co-opt Mr. Gérard Lamarche to replace Mr. de Rudder, for the remaining term of his predecessor's directorship, until the Shareholders' Meeting to be held in 2013 to approve the 2012 accounts.

The nomination of Mr. Gérard Lamarche is subject to the ratification of the Shareholders' general meeting on May 11, 2012.

#### Gérard Lamarche

Born July 15, 1961 (Belgian).

Independent director.

Mr. Lamarche graduated in economic science from Louvain-La-Neuve university and the INSEAD business school (Advanced Management Program for Suez Group Executives). He also followed the Global Leadership Series course of training at the Wharton International Forum in 1998-99. He started his career in 1983 with Deloitte Haskins & Sells in Belgium, before becoming a consultant in mergers and acquisitions in Holland in 1987. In 1988, Mr. Lamarche joined Société Générale de Belgique as an investment manager and management controller between 1989 and 1991, then as a consultant in strategic operations from 1992 to 1995. He joined Compagnie Financière de Suez as a project manager for the Chairman and Secretary of the Executive Committee (1995-1997), before taking part in the merger between Compagnie de Suez and Lyonnaise des Eaux, which became Suez Lyonnaise des Eaux (1997), and then being appointed as the acting Managing Director in charge of Planning, Management Control and Accounts. In 2000, Mr. Lamarche pursued his career in industry by joining NALCO (the American subsidiary of the Suez group and the world leader in the treatment of industrial water) as the Director and Chief Executive Officer. In March 2004, he was appointed Chief Executive Officer in charge of Finance of the Suez group, before being appointed Senior Executive and Vice President in charge of Finance and member of the Management Committee and the Executive Committee of the GDF Suez group in July 2008. On April 12, 2011, Mr. Lamarche became a Director on the Board of Directors of Groupe Bruxelles Lambert (GBL). He has been the acting Managing Director since January 2012. Mr. Lamarche is also a Director of Legrand.

Director of TOTAL S.A. since 2012 – Nomination by cooptation: January 12, 2012 until 2013.

Member of the Audit Committee and the Strategic Committee.

Holds 1,575 shares.

#### Current directorships

- Acting Managing Director and Director of Groupe Bruxelles Lambert\*
- Director of TOTAL S.A.\*
- Director and member of the Audit Committee of Legrand\*

#### Directorships that expired in the previous five years

- Director of Electrabel until 2011
- Director of Suez Environnement Company until 2011
- Director of International Power PLC until 2011

\* Company names marked with an asterisk are publicly-listed companies. Underlined companies are companies that do not belong to the group in which the director has his or her main duties.



- Director of Europalia International until 2011
- Director of GDF Suez Belgium until 2011
- Director of Agua de Barcelona until 2011
- Director of GDF Suez E.S. until 2011
- Director of Suez Tractebel until 2011
- Director of Fortis Banque until 2010
- Director of Leo Holding Company until 2009
- Director of Suez Environnement North America until 2009
- Chairman and Director of Genfina until 2008
- Director of Distrigaz until 2008
- Director and Chairman of GDF Suez CC until 2008
- Director of Suez Environnement\* until 2008

#### 1.1.4. Composition of the Board of Directors as of February 9, 2012

As of February 9, 2012, the Board of Directors has fifteen members, including one director appointed by the shareholders to represent employee shareholders. Twelve of the members of the Board are independent (see paragraph 1.8 – Director independence – in this Chapter 5). The detailed biographies of the Directors appear in paragraphs 1.1.1 to 1.1.3 above.

Directors	Independence	Participation in Board Committees <sup>(a)</sup>
Christophe de Margerie Chairman and Chief Executive Officer		Chairman of the Strategic Committee
Thierry Desmarest Honorary Chairman		Chairman of the Nominating & Governance Committee Member of the Compensation Committee Member of the Strategic Committee
Patrick Artus	Independent director	Member of the Nominating & Governance Committee <sup>(b)</sup> Member of the Compensation Committee
Patricia Barbizet	Independent director	Chairperson of the Audit Committee Member of the Strategic Committee
Daniel Bouton	Independent director	
Gunnar Brock	Independent director	Member of the Nominating & Governance Committee <sup>(b)</sup> Member of the Compensation Committee <sup>(b)</sup> Member of the Strategic Committee
Claude Clément Director representing employee shareholders		
Marie-Christine Coisne-Roquette	Independent director	Member of the Audit Committee <sup>(c)</sup>
Bertrand Collomb	Independent director	Member of the Nominating & Governance Committee
Paul Desmarais Jr	Independent director	
Barbara Kux	Independent director	Member of the Strategic Committee
Gérard Lamarche	Independent director	Member of the Audit Committee <sup>(c)</sup> Member of the Strategic Committee <sup>(d)</sup>
Anne Lauvergeon	Independent director	Member of the Strategic Committee
Claude Mandil	Independent director	Member of the Nominating & Governance Committee <sup>(b)</sup> Member of the Compensation Committee <sup>(b)</sup> Member of the Strategic Committee
Michel Pébereau	Independent director	Chairman of the Compensation Committee

(a) For more details on the composition of the Board Committees, refer to paragraph 1.5 in Chapter 5.

(b) Since February 9, 2012.

(c) Since May 13, 2011.

(d) Since January 12, 2012.

At its meeting held on February 9, 2012, the Board of Directors decided to propose the renewal of the directorships of Ms. Lauvergeon and Messrs. de Margerie, Artus, Collomb, and Pébereau, which are due to expire. At the general Shareholders' meeting on May 11, 2012, the Board will also propose the nomination of a new independent Director, Ms. Anne-Marie Idrac, who will place her expertise of the world of industry at the Board's disposal and will broaden the representativeness and the diversity of the Board. If the resolution is approved by the Shareholders' Meeting, the proportion of women sitting on the Board will be one-third.

## 1.2. Other information

At its meeting on September 15, 2009, the Board of Directors appointed Mr. Charles Paris de Bollardière Secretary of the Board.

Representative of the Worker's Council: pursuant to Article L. 2323- 62 of the French Labor Code, members of the Worker's

Council attend, with consultative rights, all meetings of the Board. In compliance with the second paragraph of such article, since July 7, 2010, four members of the Worker's Council attend Board meetings.

\* Company names marked with an asterisk are publicly-listed companies.

### 1.3. 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 refer to the Corporate Governance Code for Listed Companies published by the principal French business confederations, the *Association Française des Entreprises Privées* (AFEP) and the *Mouvement des Entreprises de France* (MEDEF) ("AFEP-MEDEF Code") for corporate governance matters.

The AFEP-MEDEF Code is available on the MEDEF website ([www.medef.fr](http://www.medef.fr), Publication/Economie).

The AFEP-MEDEF Code was amended in April 2010 to make recommendations related to the balanced number of men and women sitting in Board and Committees' meetings. The code recommends that a target of at least 20% of women be reached before April 2013 and at least 40% before April 2016. These requirements were also stipulated in the French law of January 27, 2011 regarding balanced representation of men and women on Boards of Directors and Supervisory Boards and equal opportunity. The law states that the 20% threshold must be attained at the end of the 2014 Shareholders' Meeting and that the 40% threshold must be attained at the end of the 2017 Shareholder's Meeting.

As of December 31, 2011, the Company's Board of Directors was comprised of four women out of a total of fifteen members (*i.e.*, 26%).

At the Shareholders' Meeting in May 2012, it will be proposed to appoint one additional woman to replace one director whose term is coming to an end. If the resolution is approved by the Shareholders' Meeting, the proportion of women sitting in the Board will be one-third. The Board of Directors will keep examining corporate governance issues to keep diversifying in the years to come.

At its meeting on February 8, 2012, the Nominating & Governance Committee examined current practices in the Company in view of the AFEP-MEDEF code and concluded that the Company complied with almost all the recommendations.

Mr. Thierry Desmarest, Honorary Chairman of the Company and director, can still be entrusted with representative missions for the Group, by decision of the Board of Directors on May 21, 2010.

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.

### 1.4. 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.

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.

**An unabridged version of these rules of procedure** is available herein. They are also available on the Company's website.

The Board of Directors of TOTAL S.A.<sup>(1)</sup> approved these rules of procedure.

## 1. MISSION OF THE BOARD OF DIRECTORS

The mission of the Board of Directors 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:

- appointing the Chairman and the Chief Executive Officer<sup>(2)</sup> and supervising the handling of their responsibilities;
- defining the Company's strategic orientation and, more generally, that of the Group;
- approving investments or divestments under study by the Group that concern amounts greater than 3% of shareholders' equity;
- 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;
- conducting audits and investigations as it may deem appropriate. The Board, with the assistance of the Audit Committee where appropriate, ensures that:
  - the proper definition of authority within the Company and the proper exercise of duties and responsibilities by the bodies of the Company are in place;
  - 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;
  - the internal control function operates properly and that the statutory auditors are able to conduct their audits under appropriate circumstances;
  - the committees it has created duly perform their responsibilities;

(1) In these rules of procedure, TOTAL S.A. is referred to as the "Company" and, collectively with all of its direct and indirect subsidiaries, as the "Group".

(2) The Chairman and Chief Executive Officer, if the Chairman of the Board of Directors is also responsible for the general management of the Company, the Chairman of the Board of Directors and the Chief Executive Officer, if this is not the case, and, where appropriate, any acting Managing Directors, in accordance with the organization adopted by the Board of Directors.

- monitoring the quality of the information provided to the shareholders and the financial markets through the financial statements that it approves and the annual reports, or when major transactions are conducted;
- convening and setting the agenda for Shareholders' Meetings or meetings of bond holders;
- preparing, for each year, a list of the directors it deems to be independent under generally recognized corporate governance criteria.

## 2. DIRECTORS' OBLIGATIONS

Before accepting a directorship, every candidate receives a copy of TOTAL S.A.'s by-laws and rules of procedure. He ensures that he has broad knowledge of the general and particular commitments related to his duty, especially the laws and regulations governing directorships in French limited liability companies (*société anonyme*) whose shares are listed in one or several regulated markets.

Accepting a directorship involves upholding the Directors' ethical rules as described in the Code of Corporate Governance to which the Company refers. It also involves upholding the rules of procedure and the Group's values as described in its Code of Conduct.

When directors participate in and vote at Board meetings, they are required to represent the interest of the shareholders and the Company as a whole.

### 2.1. INDEPENDENCE OF JUDGMENT

Directors undertake, under any circumstance, to maintain the independence of their analysis, judgment, decision making and actions as well as not to be unduly influenced, directly or indirectly, by other directors, particular groups of shareholders, creditors, suppliers and, more generally, any third party.

### 2.2. PREPARATION OF EACH BOARD MEETING

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 and Chief Executive Officer. Directors, if they consider it necessary, may request training on the Company's specificities, businesses and activities, and any other training that is of use in the exercise of their duties as Directors.

Directors attend all Board meetings and all committees or Shareholders' Meetings, unless they have previously contacted the Chairman to inform him of scheduling conflicts.

Files reviewed at each meeting of the Board as well as the information collected before or during the meetings are confidential. Directors cannot use them for or share them with a third party whatever the reason. Directors take any necessary measures to keep them confidential. Confidentiality and privacy are lifted when such information is made publicly available by the Company.

The Chairman of the Board makes sure that the Company provides the directors with the relevant information, including criticisms, in particular financial statement reports and press releases, and the main press articles about the Company.

### 2.3. DUTY OF LOYALTY

Directors cannot take advantage of their office or duties to ensure, for themselves or a third party, any monetary or non-monetary benefit.

They notify the Board of Directors of any potential conflicts of interest with the Company or any other company of the Group. They refrain from participating in the vote relating to the corresponding resolution or even to the debate preceding the vote.

Directors must inform the Board of Directors of their entering into a transaction that involves directly the Company or any other company of the Group before such transaction is closed.

Directors cannot take any responsibility in a personal capacity in companies or businesses that are competing with the Company or any other company of the Group without previously informing the Board.

Directors are committed not to seek or accept directly or indirectly from the Company or any other company of the Group benefits that may be considered as compromising their independence.

### 2.4. DUTY OF EXPRESSION

Directors are committed to clearly expressing their opposition if they deem that a decision made by the Board of Directors is contrary to the Company's corporate interest and should strive to convince the Board of the relevancy of their position.

### 2.5. COMPANY'S SECURITIES AND STOCK EXCHANGE RULES

While in office, directors are required to hold the minimum number of registered shares as set by the Company's by-laws.

Directors refrain from trading any shares and ADRs of TOTAL S.A. and its publicly traded subsidiaries for which they hold non-public information that could impact the securities' market value. To this purpose, directors act in compliance with the following procedures:

1. Any shares and ADRs of TOTAL S.A. and its publicly traded subsidiaries are to be held in registered form, either with the Company or its agent<sup>(1)</sup>, or administered registered shares with a French broker (or U.S. broker for ADRs) whose contact details are communicated to the Board's Secretary by the director;

(1) currently, BNP-Paribas Securities Services for TOTAL shares and Bank of New York for TOTAL ADRs.

2. Buying on margin or short selling (Paris option market (MONEP), warrants, exchangeable obligations, etc.) those same securities is also prohibited;
3. Any transaction on the TOTAL share (or ADR) is strictly prohibited, including hedging transactions, on the day when the Company discloses its periodic earnings (quarterly, interim and annual) as well as the fifteen calendar days preceding such date; and
4. Directors make all necessary arrangements to declare to the French Financial Markets Authority (Autorité des marchés financiers) and inform the Board's secretary, under the form and timeframe provided for by applicable laws, of any transaction on the company's securities entered into by himself or any other individual with whom he is closely related.

### 3. WORKINGS OF THE BOARD OF DIRECTORS

The Board of Directors meets at least four times a year and as often as circumstances may require.

Before each meeting of the Board, the agenda is sent out to directors and, whenever possible, it is sent together with the documents that are necessary to consider.

Directors can delegate their authority to another director at the meetings of the Board, within the limit of one delegation per director per meeting.

Whenever authorized by the law, those directors attending the meeting of the Board via video conference (in compliance with the technical requirements set by applicable regulations) are considered present for the calculation of the quorum and majority.

The Board allocates directors' fees to, and may allocate additional directors' fees to, directors who participate on specialized committees within the total amount established by the Shareholders' Meeting. 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. Such assessment is carried out possibly under the supervision of an independent director or with the contribution of an outside counsel. In addition, the Board of Directors conducts an annual discussion of its methods.

### 4. 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 coordinates the activity of the Board and its committees. He sets the agenda for the meeting by including the issues proposed by the Chief Executive Officer.

He ensures that directors have in due course clear and appropriate information that is necessary to carry out their duties.

He is responsible, with the Group's general 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 general 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 relating to the strategy, organization, monthly financial reporting, major investment and divestment projects and major financial operations. He may request that the Chief Executive Officer or other Company directors, provided the Chief Executive Officer is informed, provide any useful information for the Board or its committees to carry out their duties.

He may also work with the statutory auditors to prepare matters before the Board or the Audit Committee.

He presents every year in a report to the Shareholders' Meeting, practices of the Board of Directors and potential limits set by the Board of Directors concerning the powers of the Chief Executive Officer. For this purpose, he receives from the Chief Executive Officer the relevant information.

### 5. 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 and in particular the rules of procedure of the Board of Directors, 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.

The Chief Executive Officer is responsible for periodic reporting of the Group's results and outlook to shareholders and the financial community.

At each meeting of the Board, the Chief Executive Officer reports the highlights of the Group's activity.

## 6. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors approved the creation of:

- an Audit Committee,
- a Nominating & Governance Committee,
- a Compensation Committee, and
- a Strategic Committee.

The missions and composition of these committees are defined in their relevant rules of procedure approved by the Board of Directors.

The Committees carry out their duty for and report to the Board of Directors.

Each committee reports on its activities to the Board of Directors.

### 1.5. Committees of the Board of Directors

On April 28, 2011, the Board agreed in principle on the creation of a new Strategic Committee, the composition and rules of which it approved at its meeting on July 28, 2011. This Committee was set up and met for the first time on September 14, 2011.

The composition and an unabridged version of these rules of procedure of the Committees of the Board of Directors is available herein.

#### 1.5.1. Audit Committee

##### Rules of procedure (unabridged version)

The Board of Directors of TOTAL S.A. (hereafter referred to as the “Company” and, collectively with all its direct and indirect subsidiaries, as the “Group”) has approved the following rules of procedure of the Company’s Audit Committee (hereafter, the “Committee”).

The members of the Committee are directors of the Company and therefore uphold the rules of procedure of the Board of Directors of TOTAL S.A.

##### I. MISSION

To allow the Board of Directors of TOTAL S.A. to ensure that internal control is effective and that published information available to shareholders and financial markets is reliable, the duties of the Committee 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 statutory financial statements and consolidated financial statements;
- examining the accounting policies used to prepare the financial statements and examining the Company’s statutory financial statements and consolidated annual, semi-annual, and quarterly financial statements prior to their examination by the Board of Directors, 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 report, 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 of Directors, major transactions contemplated by the Group;
- reviewing significant litigation annually;
- implementing and monitoring compliance with the financial code of ethics;
- proposing to the Board of Directors, 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.

##### II. COMPOSITION

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 of Directors pays particular attention to their independence and their financial and accounting qualifications.

The Board of Directors appoints one of the members of the Committee to serve as the financial expert on the Committee.

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 Committee may not receive from the Company and its subsidiaries, either directly or indirectly, any compensation other than: (i) 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 (ii) 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 term of office of the members of the Committee coincides with the term of their appointment as director. The term of office as a member of the Committee may be renewed at the same time as the appointment as director.

However, the Board of Directors can change the composition of the Committee at any time.

### III. ORGANIZATION OF ACTIVITIES

The Committee appoints its own Chairman. The Chairman appoints the Committee secretary, who may be the Chief Financial Officer of the Company.

The Committee deliberates when at least one-half of its members are present. A member of the Committee cannot be represented.

The Committee meets at least four times a year to review the annual and quarterly consolidated financial statements, and at the request of its Chairman, at least one-half of its members, the Chairman of the Board of Directors or the Chief Executive Officer of the Company. The Committee Chairman prepares the schedule of its meetings.

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 Chairman of the committee gives prior notice of such meeting to the Chairman of the Board or, if the latter is not the Chief Executive Officer, to both the Chairman of the Board of Directors and the Chief Executive Officer. In particular, the Committee is authorized to consult with those involved in preparing or auditing the financial statements (Chief Financial Officer and principal Finance Department managers, Audit Department, Legal Department) by asking the Company's Chief Financial Officer to call them to a meeting.

The Committee consults with the statutory auditors. It has the capacity of consulting them without Company representatives attending. If it is informed of a substantial irregularity, it recommends that the Board of Directors take all appropriate action.

If it deems it necessary to accomplish its duties, the Committee may request from the Board of Directors the resources to engage external consultants.

The proposals made by the Committee to the Board of Directors are adopted by a majority of the members present at the Committee meeting. The Chairman of the Committee casts the deciding vote if an even number of members is present at the meeting.

The Committee can adopt proposals intended for the Board of Directors without meeting if all the members of the Committee so agree and sign each proposal.

A written summary of Committee meetings is drawn up.

### IV. REPORT

The Committee submits written reports to the Board of Directors regarding its work.

It periodically evaluates its performance based on these rules of procedure and, if applicable, offers suggestions for improving its performance.

### Members of the Audit Committee in 2011

In 2011, the Committee's members were Ms. Patricia Barbizet, Mr. Thierry de Rudder and Mr. Bertrand Jacquillat, until his term as director expired on May 13, 2011. At the Shareholders' Meeting on May 13, 2011, Ms. Marie-Christine Coisne-Roquette was appointed a member of the Audit Committee to replace Mr. Jacquillat.

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 1.1 and 1.3, Composition of the Board of Directors in Chapter 5).

The Committee is chaired by Ms. Barbizet.

At its meeting on July 28, 2011, the Board of Directors decided to appoint Ms. Barbizet to serve as the Audit Committee financial expert based on a recommendation by the Audit Committee.

A summary of the Committee's activities in 2011 is provided in paragraph 1.6.1 below.

At its meeting on January 12, 2012, the Board of Directors decided to co-opt Mr. Gérard Lamarche as a director and to nominate him as a member of the Audit Committee in replacement of Mr. de Rudder, who is resigning from his position as a Director.



## 1.5.2. Compensation Committee

### Rules of procedure (unabridged version)

The Board of Directors of TOTAL S.A. (hereafter referred to as the "Company" and, collectively with all its direct and indirect subsidiaries, as the "Group") has approved the following rules of procedure of the Company's Compensation Committee (hereafter, the "Committee").

The members of the Committee are directors of the Company and therefore uphold the rules of procedure of the Board of Directors of TOTAL S.A.

The Committee is focused on:

- examining the executive compensation policies implemented by the Group and the compensation of members of the Executive Committee;
- evaluating the performance and recommending the compensation of each corporate executive officer, and
- preparing reports which the Company must present in these areas.

#### I. DUTIES

The Committee's duties include:

1. examining the main objectives proposed by the Company's general management regarding compensation of the Group's executive officers, including stock option and restricted share grant plans and equity-based plans, and advising on this subject;
2. presenting recommendations and proposals to the Board of Directors concerning:
  - compensation, pension and life insurance plans, in-kind benefits and other compensation (including severance benefits) for the corporate executive officers of the Company; in particular, the Committee proposes compensation structures that take into account the Company's strategy, objectives and earnings and market practices,
  - stock option and restricted share grants, particularly grants of registered shares to the corporate executive officers;
3. examining the compensation of the members of the Executive Committee, including stock option and restricted share grant plans and equity-based plans, pension and insurance plans and in-kind benefits;
4. preparing and presenting reports in accordance with these rules of procedure;
5. examining, for the parts within its remit, reports to be sent by the Board of Directors or its Chairman to the shareholders;
6. preparing recommendations requested at any time by the Chairman of the Board of Directors or the general management of the Company regarding compensation.

#### II. COMPOSITION

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: (i) 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; (ii) 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 term of office of the members of the Committee coincides with the term of their appointment as director. The term of office as a member of the Committee may be renewed at the same time as the appointment as director.

However, the Board of Directors can change the composition of the Committee at any time.

#### III. ORGANIZATION OF ACTIVITIES

The Committee appoints its Chairman and its secretary. The secretary is a Company senior executive.

The Committee deliberates when at least one-half of its members are present. A member of the Committee cannot be represented.

The Committee meets at least twice a year. It meets on an as-needed basis through notice by its Chairman or by one-half of its members.

The Committee invites 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 the Committee's deliberations regarding his own situation. If the Chairman of the Board is not the Chief Executive Officer of the Company, the Chief Executive Officer may not be present during the Committee's deliberations regarding the situation of the Chairman of the Board.

While maintaining the appropriate level of confidentiality for its discussions, the Committee may request from the Chief Executive Officer to be assisted by 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 of Directors the resources to engage external consultants.

The proposals made by the Committee to the Board of Directors are adopted by a majority of the members present at the Committee meeting. The Chairman of the Committee casts the deciding vote if an even number of Committee members is present at the meeting.

The Committee can adopt proposals intended for the Board of Directors without meeting if all the members of the Committee so agree and sign each proposal.

A written summary of Committee meetings is drawn up.



#### IV. REPORT

The Committee reports on its activities to the Board of Directors.

At the request of the Chairman of the Board, the Committee examines all draft reports of the Company regarding compensation of the executive officers or any other issues relevant to its area of expertise.

#### Members of the Compensation Committee in 2011

In 2011, the Committee's members were Messrs. Patrick Artus, Bertrand Collomb, Thierry Desmarest and Michel Pébereau. Messrs. Artus, Collomb and Pébereau are independent directors. Mr. Michel Pébereau chairs the Committee. A summary of the Committee's activities in 2011 is provided in paragraph 1.6.2 below.

At its meeting on February 9, 2012, the Board of Directors decided to change the composition of the Compensation Committee. As of this date, the Committee's members are Messrs. Patrick Artus, Gunnar Brock, Thierry Desmarest, Claude Mandil and Michel Pébereau. Messrs. Artus, Brock, Mandil and Pébereau are independent directors.

### 1.5.3. Nominating & Governance Committee

#### Rules of procedure (unabridged version)

The Board of Directors of TOTAL S.A. (hereafter referred to as the "Company" and, collectively with all its direct and indirect subsidiaries, as the "Group") has approved the following rules of procedure of the Company's Nominating & Governance Committee (hereafter, the "Committee").

The members of the Committee are directors of the Company and therefore uphold the rules of procedure of the Board of Directors of TOTAL S.A.

The Committee is focused on:

- recommending to the Board of Directors the persons that are qualified to be appointed as directors, so as to guarantee the scope of coverage of the Directors' competencies and the diversity of their profiles;
- recommending to the Board of Directors the persons that are qualified to be appointed as corporate executive officers;
- preparing the Company's corporate governance rules and supervising their implementation; and
- examining any questions referred to it by the Board or the Chairman of the Board, in particular questions related to ethics and situations of conflicting interests.

#### I. DUTIES

The Committee's duties include:

1. presenting recommendations to the Board for its membership and the membership of its committees, and the qualification in terms of independence of each candidate for Directors' positions on the Board of Directors;
2. proposing annually to the Board of Directors the list of directors who may be considered as "independent directors";
3. examining, for the parts within its remit, reports to be sent by the Board of Directors or its Chairman to the shareholders;
4. assisting the Board of Directors in the selection and evaluation of the corporate executive officers and examining the preparation of their possible successors, including cases of unforeseeable absence;
5. recommending to the Board of Directors the persons that are qualified to be appointed as directors;
6. recommending to the Board of Directors the persons that are qualified to be appointed as member of a Committee of the Board of Directors;
7. proposing methods for the Board of Directors to evaluate its performance, and in particular preparing means of regular self-assessment of the workings of the Board of Directors, and the possible assessment thereof by an external consultant;
8. proposing to the Board of Directors the terms and conditions for allocating directors' fees and the conditions under which expenses incurred by the directors are reimbursed;
9. developing and recommending to the Board of Directors the corporate governance principles applicable to the Company;
10. examining any questions referred to it by the Board or the Chairman of the Board, in particular questions related to ethics and situations of conflicting interests;
11. preparing recommendations requested at any time by the Board of Directors or the general management of the Company regarding appointments or governance.
12. examining the conformity of the Company's governance practices with the recommendations of the Code of Corporate Governance adopted by the Company;
13. examining changes in the duties of the Board of Directors.

#### II. COMPOSITION

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 Company's corporate executive officers may not receive from the Company and its subsidiaries any compensation other than: (i) 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; (ii) 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 term of office of the members of the Committee coincides with the term of their appointment as director. The term of office as a member of the Committee may be renewed at the same time as the appointment as director.

However, the Board of Directors can change the composition of the Committee at any time.

### III. ORGANIZATION OF ACTIVITIES

The Committee appoints its Chairman and its secretary. The secretary is a Company senior executive.

The Committee deliberates when at least one-half of its members are present. A member of the Committee cannot be represented.

The Committee meets at least twice a year. It meets on an as-needed basis through notice by its Chairman or by one-half of its members.

The Committee invites the Chairman of the Board or the Chief Executive Officer of the Company, as applicable, to present recommendations.

The corporate executive officers, whether they are members of the Committee or invited to its meetings, may not be present at deliberations concerning their own situation.

While maintaining the appropriate level of confidentiality for its discussions, the Committee may request from the Chief Executive Officer to be assisted by 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 of Directors the resources to engage external consultants.

The proposals made by the Committee to the Board of Directors are adopted by a majority of the members present at the Committee meeting. The Chairman of the Committee casts the deciding vote if an even number of Committee members is present at the meeting.

The Committee can adopt proposals intended for the Board of Directors without meeting if all the members of the Committee so agree and sign each proposal.

A written summary of Committee meetings is drawn up.

### IV. REPORT

The Committee reports on its activities to the Board of Directors.

## Members of the Nominating & Governance Committee in 2011

In 2011, the Committee's members were Messrs. Bertrand Collomb, Thierry Desmarest and Michel Pébereau. Messrs. Collomb and Pébereau are independent directors. The Committee is chaired by Mr. Desmarest. A summary of the Committee's activities in 2011 is provided in paragraph 1.6.3 below.

At its meeting on February 9, 2012, the Board of Directors decided to change the composition of the Nominating & Governance Committee. As of this date, the Committee's members are Messrs. Patrick Artus, Gunnar Brock, Bertrand Collomb, Thierry Desmarest and Claude Mandil. Messrs. Artus, Brock, Collomb and Mandil are independent directors.

### 1.5.4. Strategic Committee

#### Rules of procedure (unabridged version)

The members of the Committee are directors of the Company and therefore uphold the rules of procedure of the Board of Directors of TOTAL S.A.

#### I. DUTIES

To allow the Board of Directors of TOTAL S.A. to ensure the Group's development, the Committee's duties include:

- examining the overall strategy of the Group proposed by the Company's general management;
- examining operations that are of particular strategic importance;
- reviewing competition and the resulting medium and long-term outlook for the Group.

#### II. COMPOSITION

The Committee is made up of at least five directors designated by the Board of Directors.

Members of the 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, or another Group company, which are not dependent upon future work or activities.

The term of office of the members of the Committee coincides with the term of their appointment as director. The term of office as a member of the Committee may be renewed at the same time as the appointment as director.

However, the Board of Directors can change the composition of the Committee at any time.

### III. ORGANIZATION OF ACTIVITIES

The Chairman of the Board of Directors of the Company chairs the Committee. The Chairman appoints the Committee secretary, who may be the Secretary of the Board of Directors.

The Committee deliberates when at least one-half of its members are present. A member of the Committee cannot be represented.

The Committee meets at least once a year and at the request of its Chairman, at least one-half of its members, or the Chief Executive Officer of the Company. The Committee Chairman prepares the schedule of its meetings.

Directors who are not members of the Committee are free to participate in the Committee's meetings. This voluntary participation entitles them to the same directors' fees as those paid to the members of the Committee for attending meetings.

The Committee may meet with the Chief Executive Officer, and, if applicable, any acting Managing Director of the Company and consult with managers of operating or non-operating departments, as may be useful in performing its duties. The Chairman of the Committee [if the latter is not the Chief Executive Officer of the Company] gives prior notice of such meeting to the Chief Executive Officer. In particular, the Committee is authorized to consult with the Vice President Strategy & Business Intelligence of the Company or the person delegated by the latter, by asking the Company's Chief Executive Officer to call them to a meeting.

If it deems it necessary to accomplish its duties, the Committee may request from the Board of Directors the resources to engage external consultants.

A written summary of Committee meetings is drawn up.

### IV. REPORT

The Committee submits written reports to the Board of Directors regarding its work.

It periodically evaluates its performance based on these rules of procedure and, if applicable, offers suggestions for improving its performance.

## Members of the Strategic Committee in 2011

In 2011, the Committee's members were Mmes. Patricia Barbizet, Barbara Kux and Anne Lauvergeon and Messrs. Christophe de Margerie, Thierry Desmarest, Gunnar Brock, Claude Mandil and Thierry de Rudder.

At its meeting on January 12, 2012, the Board of Directors decided to co-opt Mr. Gérard Lamarche as a director and to nominate him as a member of the Strategic Committee in replacement of Mr. de Rudder, who resigned from his position as a Director.

Mmes. Barbizet, Kux and Lauvergeon and Messrs. Brock, Mandil and Lamarche are independent directors.

As a reminder, directors who are not members of the Committee are free to participate in the Committee's meetings.

Mr. Christophe de Margerie chairs the Committee.

A summary of the Committee's activities in 2011 is provided in paragraph 1.6.4 below.

## 1.6. Activity of the Board of Directors and its Committees in 2011

Directors are generally given written notice during the week prior to Board meetings. Whenever possible, documents to be considered for decisions to be made at Board meetings are sent with the notice of meetings. The minutes of the previous meeting are expressly approved at each Board meeting.

The Board held eight meetings in 2011, with 92% attendance.

The Audit Committee held six meetings, with 94% attendance.

The Compensation Committee held two meetings, with 100% attendance.

The Nominating & Governance Committee held two meetings, with 100% attendance.

The Strategic Committee held one meeting, with 87% attendance.

A table summarizing individual attendance at the Board of Directors and Committee meetings is provided in paragraph 5.2 of Chapter 5.

### Board of Directors' meetings in 2011

The meetings included, but were not limited to, a review of the following subjects:

#### January 12

- strategic outlook for the Chemicals division;
- 2011 Budget;
- Group insurance policy; and
- approval of the proposed acquisition of a stake in the Gladstone LNG (GLNG) project in Queensland, Australia;
- approval of the partnership with Suncor in oil sands in Canada;
- approval of the proposed development of the Eldfisk and Ekofisk South fields in Norway.

#### February 10

- 2010 accounts (consolidated financial statements, parent company accounts);
- principal financial communications;
- comparison of earnings with those of major oil companies;
- debate on the Board of Directors' practices;
- assessment of the directors' independence and report on the absence of conflicts of interest;
- proposal to renew directorships and appoint new directors;
- proposal to renew and appoint Committees' members;
- review of the amount of directors' fees allocated to directors and Committees' members;

- examination of ethical issues (compliance and risks of fraud, conflicts of interest, insider trading);
- compensation of the corporate executive officers;
- Shareholders' Meeting notice and approval of the documents related to this meeting; start of the period in which shareholders may be notified of the meeting and vote online;
- authorization to proceed with the sale of the stake in CEPESA in connection with the tender offer launched by IPIC.

#### March 1

- authorization to enter into a partnership with the Russian company Novatek (equity interest in the company and partnership in the Yamal LNG project).

#### March 25

- preparation of the Shareholders' Meeting: review of the requests made by the central works council and certain shareholders to include draft resolutions on the Shareholders' Meeting agenda;
- summary of the Ethics Committee activities;
- Group financial policy; and
- information regarding the acquisition of an interest in an oil field in Uganda from a subsidiary of Tullow Oil PLC.

#### April 28

- earnings for the first quarter of 2011;
- payment of an interim dividend;
- comparison of earnings with those of major oil companies;
- strategic outlook for the Gas & Power division;
- agreement on the proposed launch of a friendly takeover bid for 60% of the capital of SunPower Corporation;
- agreement in principle regarding the creation of a new Committee: the Strategic Committee;
- information regarding the results of the capital increase reserved for employees.

#### July 28

- strategic outlook for the Refining & Marketing division;
- earnings for the second quarter of 2011 and the first half of 2011;
- payment of an interim dividend;
- agreement regarding the rules of operation of the Strategic Committee and the list of its members.

#### September 14

- strategic outlook for the Exploration & Production division;
- financial communication at mid-2011; and
- award of share subscription options and performance shares.

#### October 27

- information regarding the Group's new Downstream-Chemicals organization;
- Group strategy and 5-year plan;
- earnings for the third quarter of 2011;
- payment of an interim dividend;
- presentation of the Company's equal opportunity and salary equality policy;
- determination of the amount of directors' fees to be paid to directors participating in the Strategic Committee.

### 1.6.1. Audit Committee activity

In 2011, the members of the Audit Committee reviewed the following matters:

- At its meeting on **February 8**, the Committee reviewed the accounts for the fourth quarter of 2010, the annual consolidated statements report for the Group and the statutory accounts of parent company TOTAL S.A. for 2010. The Vice President of Corporate Audit presented the conclusions of the audits conducted in 2010 and the audit plan proposed for 2011. He commented on the results of the assessment of internal control on financial reporting conducted for fiscal year 2010 as part of the implementation of the Sarbanes-Oxley Act. The Committee also reviewed the draft of the Chairman's report on internal control and risk management procedures.
- At the meeting held on **April 13**, the Committee reviewed the internal control and risk management system and analyzed the risk factors described in the Registration Document. It also examined the hydrocarbon reserves evaluation process. It reviewed the Group's long-term plan development process. It was informed of the processes related to the non-accounting performance indicators concerning the inventory valuation effect in the Downstream sector.
- The Committee met on **April 26** to review the consolidated financial statements for the first quarter of 2011.
- During the **July 26** meeting, the Committee proposed the appointment of a financial expert on the Committee to replace Mr. Bertrand Jacquillat whose term had ended. It reviewed the accounts for the second quarter and first half of 2011 and was informed of the status of specific litigation.
- On **October 11**, the Committee reviewed the Group's significant litigation. It reviewed the updated mapping of the Refining & Marketing risks which began in 2008. It was also informed of the general architecture of the accounting information systems. The statutory auditors presented to the Committee their analysis of the specific important points noted during the audit of the 2011 financial statements. At this meeting, the Committee also reviewed the budget allocated to the statutory auditors' fees. The members of the Committee then met with the statutory auditors without management being present.
- The meeting held on **October 25** concerned the review of the accounts for the third quarter of 2011. The Committee was informed that the relevant employees acted in compliance with the provisions of the Financial Code of Ethics. The Committee reviewed the mapping of the Treasury Department risks.

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 Audit Committee reviewed the accounts within the time limits required by the AFEP-MEDEF Code, namely two days prior to the review by the Board of Directors.

The statutory auditors attended all the Audit Committee meetings held in 2011. At each presentation of the quarterly consolidated financial statements, they reported on their work and presented their conclusions.

The Chief Financial Officer, the Vice President Accounting, the Vice President Internal Control and Audit and the Treasurer attended all the Audit Committee meetings.

The chairman of the Committee reported to the Board of Directors on the Committee's activities.

### 1.6.2. Compensation Committee activity

At its meeting on February 2, 2011, the Committee reviewed the 2011 compensation policy for the corporate executive officers and proposed compensation for the Chairman, and the Chief Executive Officer (variable portion for their duties in 2010) as well as for the Chairman and Chief Executive Officer, after considering the compensation paid to corporate executives of the main CAC 40 companies. It also decided on restrictions on share transfers by the Chairman and Chief Executive Officer. The Committee also reviewed the compensation of the members of the Executive Committee as well as the proposed course of action regarding the share subscription option and performance share grant policy. It then reviewed the financial information relevant to its area of expertise.

At its meeting on September 1, 2011, the Committee approved the share subscription option and performance share grant plans.

### 1.6.3. Nominating & Governance Committee activity

At its meeting on February 2, 2011, the Committee reviewed the results of the annual evaluation of the Board's activities and made several suggestions for improvement, as described in paragraph 1.7.2. below.

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

## 1.7. Board of Directors practices

### 1.7.1. Management form

On May 21, 2010, the Board of Directors decided to reunify the positions of Chairman and Chief Executive Officer and appoint the Chief Executive Officer to the duties of Chairman of the Board. This decision was made further to the work done by the Nominating & Governance Committee and in the best interests of the Company, taking into account the advantage of the unified management and the majority of independent directors appointed at the Committees, which ensures balanced authority.

The Board of Directors deemed that the unified management form was the most appropriate to the Group's organization, *modus operandi* and business, and the specificities of the oil and gas sector. It respects the respective prerogatives of the various Company instances (Shareholders' meeting, Board of Directors, general management).

Moreover, the Company by-laws and the respective rules of procedure of the Board of Directors and the Committees provide the guarantees required to implement best governance practices within a unified management framework. In particular, the by-laws allow the Board to nominate one or two Vice-Chairmen. They also state that the Board of Directors can be summoned by any means, even verbally, or at short notice in the event of an emergency, by the Chairman, a Vice-Chairman, or one third of the members, at any time and whenever the Company so requires. The rules of procedure of the Board of Directors also state that each Director is required to inform the Board of Directors of any conflicts of interest with the Company or with any other company in the Group,

of directors to be recommended for appointment by the 2011 Shareholders' Meeting, which included the recommendation of two additional women. The list of Committee members was also reviewed. The Committee reviewed the procedure for allocating directors' fees to the directors and committee members and decided to not propose any changes. The Committee reviewed ethical issues regarding compliance and the risk of fraud, conflicts of interest and insider trading based on the recommendation of the French Financial Markets Authority (*Autorité des Marchés Financiers*) of November 3, 2010.

At its meeting on September 1, 2011, the Committee discussed changes in the composition of the Board of Directors to be anticipated in 2012 and director independence. It proposed continuing to increase the proportion of women on the Board. The Committee was informed of the activity of the Ethics Committee and of the upcoming replacement of its chairman.

### 1.6.4. Strategic Committee activity

The Strategic Committee met for the first time on September 14, 2011. It took note of the plan to develop the Group's industrial and commercial businesses in Downstream and Chemicals and the proposed reorganization submitted to the employee representative bodies. The Committee also reviewed an analysis regarding solar energy costs and the status of the SunPower company, in which the Group acquired a 60% interest in 2011. Finally, the Committee reviewed the comparison between the Company and leading national and international oil companies as well as the outlook for the energy market by the year 2030.

and to abstain from voting on the resolution in question, and even to refrain from taking part in the debate preceding the vote.

### 1.7.2. Performance and evaluation

At its meeting on February 10, 2011, the Board of Directors discussed its practices and made suggestions for improvement with respect to broadening criteria when benchmarking with other companies, and for a thorough study of the Group's opportunities in the energy sector. These proposals were implemented at the meeting of the new Strategic Committee and when the report of the meeting was presented to the Board of Directors.

At its meeting of February 9, 2012, the Board of Directors discussed its practices on the basis of a formal evaluation carried out by means of a detailed questionnaire completed by all of the directors.

The responses were then submitted for examination by the Nominating & Governance Committee and summarized. It is this summary that was discussed by the Board of Directors.

The formal evaluation showed a generally positive opinion of the practices of the Board of Directors and the Committees, which highlighted that the improvements requested by the directors in 2011 had been made. The Board therefore stated that it was globally satisfied with its practices and suggested improvements mainly relating to more in-depth strategic reflection. This has already been put in place with the Strategic Committee, and work in this area will continue for the benefit of the Board of Directors and the Group.



## 1.8. Director independence

At its meeting on February 9, 2012, the Board of Directors, on the recommendation of the Nominating and Governance Committee, reviewed the independence of the Company's directors as of December 31, 2011. At the Committee's suggestion, the Board considered that, pursuant to the AFEP-MEDEF Code, a director is independent when "he or she has no relationship of any kind with the Company, its Group or its Management, that may compromise the exercise of his or her freedom of judgment".

For each director, this assessment relies on the independence criteria set forth in the AFEP-MEDEF Code as reminded hereafter:

- not to be an employee or a director of the Company, or a Group company, and not having been in such a position for the previous five years;
- not to be a director of a company in which the Company holds a directorship or in which an employee appointed as such or an executive director of the company is a director;
- not to be a material customer, supplier, investment banker or commercial banker of the Company or Group, and for which the Company or the Group is not a material part of their business;
- not to be related by close family ties to corporate executive officer;
- not to have been an auditor of the Company within the previous five years;
- not to have been a director of the Company for more than twelve years (upon expiry term of office during which the 12-year limit is reached).

The AFEP-MEDEF Code expressly stipulates that the Board can decide that the implementation of certain defined criteria is not relevant or induces an interpretation that is particular to the Company.

With regard to the criterion applying to twelve years of service, the AFEP-MEDEF code states that "the status of independent director due to the application of this criterion shall only be relinquished at the end of the directorship during which the 12-year period is exceeded". Pursuant to the report of the Nominating & Governance Committee, on February 9, 2012, the Board observed that Mr. Bouton and Mr. de Rudder had exceeded twelve years of service on December 31, 2011. Since the directorships of Messrs. Bouton and de Rudder had been renewed before the twelve-year period expired, the Board decided that they can still be considered as independent directors, according to the AFEP-MEDEF code.

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. Pébureau should be considered as independent.

Similarly, the Board of Directors deemed that the level of activity between Group companies and one of its suppliers, Stena AB, of which Mr. Brock is a director, which is less than 2.68% of Stena AB's turnover, represents neither a material portion of the supplier's overall activity nor a material portion of the Group's purchasing. The Board concluded that Mr. Brock could be considered as an independent director.

Mmes. Barbizet, Coisne-Roquette, Kux and Lauvergeon and Messrs. Artus, Bouton, Brock, Collomb, Desmarais, Mandil, Pébureau and de Rudder were deemed to be independent directors.

80% of the directors were independent on December 31, 2011.

Moreover, the Board noted that the directorships of Ms. Lauvergeon and Messrs. Collomb and Pébureau will exceed twelve years on March 22, 2012 for Messrs. Collomb and Pébureau, and on May 25, 2012 for Ms. Lauvergeon, after the Shareholders' meeting that will be invited to renew her directorship on May 11, 2012. The Board of directors deemed that, for a company with a long-term activity and investment cycles of more than ten years, extended directorships and the corresponding experience represent an asset for the Group and a means of consolidating the independence of judgment of its directors. The Board concluded that the proposal to renew the directorships of Ms. Lauvergeon and Messrs. Collomb and Pébureau at the Shareholders meeting in May 11, 2012, does not call their independence into question, according to the AFEP-MEDEF code, in view of their independence of judgment.

In addition, the Board of Directors has examined the situations of the Directors whose nomination or ratification will be submitted to the Shareholders' meeting on May 11, 2012. Ms. Idrac and Mr. Lamarche are deemed to be independent directors.

## 1.9. Additional information on the members of the Board of Directors

### 1.9.1. Absence of conflicts of interest

The Board also noted the absence of potential conflicts between the Directors' duties in the best interests of the Company and the private interests of its directors. To the Company's knowledge, the members of the Board of TOTAL S.A. are not related by close family ties; there are no arrangements or agreements with clients or suppliers that facilitated their appointment; there is no service agreement binding a director of TOTAL S.A. to one of its subsidiary and providing for special benefits upon termination of such agreement.

### 1.9.2. Absence de condamnation

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.



## 1.10. Internal control and risk management

General Management constantly strives to maintain an efficient internal control system, based on clear organizational principles, an effective system to identify and manage risks and suitable governance instances and control activities. The internal control framework adopted by the Group 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 execution of operations, accurate reporting of financial and accounting information, compliance with applicable laws and regulations and the protection of assets. As for any system for internal control, there can be no guarantee that all risks are completely eliminated.

The Group's internal control procedures are organized around three operational levels: Group, Business Segments and entities. Each level is directly involved in and responsible for designing and implementing internal control, in line with the degree of centralization targeted by senior management.

At each of the three levels, specific internal control procedures cover organization, delegations of authority and employee education and training that conform to the Group's overall framework.

Under these internal control principles, which are part of the corporate governance organization, the Audit Committee is responsible for monitoring the efficiency of internal control and risk management procedures, assisted by the Internal Audit Department and the internal control teams from the business segments. These rules are designed to allow the Board of Directors to ensure internal control is effective and that published information available to shareholders and financial markets is reliable.

The Group's internal control and risk management system is based on the five factors below, which are derived from the COSO.

### 1.10.1. Control environment

The control environment is based on the Group's core values that are deeply rooted in its culture, including the integrity, ethical conduct and professional competence of its employees.

The Group's values and business principles are set out in the Code of Conduct and Ethics Charter, circulated to employees and available on the Group's internet site, and the Group's Financial Code of Ethics is distributed to financial managers at the corporate and business levels.

These principles and rules are also cascaded in codes, procedures and guidelines governing certain significant processes in the business segments or the Group. These codes explain the Group's values and describe its business and behavior principles with regard to employees, shareholders, customers, suppliers and competitors. They also set out the rules of individual behavior that is applicable to all employees and expected in host countries.

More specifically, the Group has been deploying ethics and compliance programs since 2009, as a priority defined by the General Management.

This is why, at the end of 2009, the Executive Committee formally approved a conformity policy and program designed to prevent corruption, which were embodied in an Anti-corruption directive in 2011 providing clear guidelines for Group employees who are faced with risks of corruption. This standard is to be completed by specific procedures, the first of which, for "Representatives dealing with the public sector", was published at the end of 2011.

More than 35,000 employees followed an e-learning module in 12 languages and received a certificate after passing the test.

An integrity policy and program were also adopted in 2011 in order to consolidate the Group's policies designed to prevent and respond to instances of fraud of any type.

In addition to this system, a coordinated network of Conformity Managers and Fraud Risk Coordinators has been set up in the Group's entities and subsidiaries to promote and apply, locally, the anti-corruption and integrity conformity programs.

The Group's senior management receives regular training on the content and the importance of the rules of behavior set out in the Code of Conduct. Each year, the general managers and financial managers of profit centers or entities 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 reliable.

The Group's Ethical Committee implements a policy to prevent insider trading on the financial markets that is based in particular on the Group's internal ethical code. These rules are updated on a regular basis and are widely distributed to employees who are permanently or occasionally in possession of insider knowledge about the Group.

### 1.10.2. Risk identification, assessment and management

The Executive Committee is responsible for identifying and assessing the internal and external risks that could impact TOTAL's performance, with the assistance of the Group Risk Committee, the internal control department and the internal audit department.

Set up in April 2011, the Group Risk Committee organizes the global risk management system and monitors the performance of the risk management systems, by making sure that they are adapted to the Group's needs. The Group Risk Committee is made up of managers from the central functional divisions and the general secretaries or the chief financial officers of the business segments. It reports to the Executive Committee.

The Group Risk Committee relies on the work done by the business segments and the functional divisions, which draw up their risk maps and regularly report to the Audit Committee on their state of progress every three years.

The Risk Committee (CORISK) is tasked with analyzing the capital outlay requests submitted to the Executive Committee for approval and reports to the Group Risk Committee.

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 & Production activities; and industrial and environmental risks related to the sectors in which the Group is active.

With regard to risks connected to the trading of oil and gas and related financial instruments, the departments concerned, whose activity is governed by limits set by the Executive Committee, measure their positions and exposure daily and analyze their market risk, in particular using value-at-risk assessment methods.

With regard to counterparty risks, credit limits and risk analysis processes are set and updated regularly, for each activity.

The broad range of activities and countries in which the Group operate requires local analysis, by business segment, of the related legal, contractual and political risks. Compliance programs with regard to competition and bribery law matters are implemented by the Group to ensure compliance with applicable legislation.

Business units are responsible for assessing their industrial and environmental risks and for implementing the regulatory requirements of the countries where they operate, as well as any relevant guidelines and recommendations defined at the Group or business segment level. They are also responsible for actively monitoring changes in legislation, to comply with local and international standards concerning industrial and environmental risk assessment and management. Risk assessments lead to the establishment of management measures to prevent and reduce environmental impact, minimize the risks of accidents, and contain their consequences.

The "Risk Factors" section of this Registration Document (Chapter 4) contains a formal and extensive description of the principal risks faced by the Group and how the Group manages these risks and secures appropriate insurance coverage.

### 1.10.3. Control activities

Control activities and 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 entities.

The General Management exercises operational control over TOTAL'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 (CORISK), whose assessments are transmitted to the Executive Committee.

Control activities are primarily based on a strategic plan that is reviewed annually, an annual budget, monthly management financial reports with detailed analysis of differences between actual and budgeted expenditures, and a reconciliation between quarterly published consolidated financial statements and reporting.

These processes are supervised by the Budget/Financial Control and Accounting Departments, which are part of the Finance Department, and are performed in compliance with financial reporting standards, consistent and compliant with the accounting standards used for the published financial statements. Financial indicators and the accounting methods used allow appropriate assessment of risks and return on average capital employed (ROACE).

Moreover, the Group's Accounting Department draws up a quarterly report of consolidated off-balance sheet commitments as part of the closure of the consolidated financial statements. The financial reporting manual contains a procedure to identify and escalate off-balance sheet commitments.

The Group's Accounting Department centralizes the interpretation of accounting standards applicable to the Group's consolidated financial statements and distributes these standards through formal procedures and a financial reporting manual. It monitors the effective implementation of standards across TOTAL through periodic, formal communication with functional managers in the business segments. The Department also periodically reports any exceptions to the Chief Financial Officer.

The Treasury Department monitors and manages risks related to cash management activities and interest rate-related and foreign exchange-related financial instruments in accordance with strict rules defined by the General 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 Exploration & Production's senior management and then confirmed by the Group's General Management.

The Disclosure Committee, whose members are the managers of the main corporate departments, establishes and maintains procedures designed to ensure the quality and accuracy of external communications intended for financial markets.

At the profit center and entity level, control activities are organized around the principal operational processes: exploration and reserves, purchasing, capital expenditures, production, sales, oil, gas and petroleum product 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 business principles and rules of individual behavior described in the Code of Conduct and in procedures, charters and codes issued at the Group business segment level. The Group has also implemented a whistleblowing system that employees and third parties can use 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 governance and security rules that describe the recommended infrastructure, organization and procedures to maintain information systems that are appropriate to the organization's needs and to limit information security risks. These rules are implemented across the Group under the responsibility of the various business segments.

Control activities to prevent industrial and environmental risks are implemented in the business units. External certification or third-party audits are conducted for some of the management systems related to this type of risk. More detailed information on the Group's safety and environmental initiatives is provided in the Group's Society and Environment report.

### 1.10.4. Information and communication

Internal control procedures are defined at each of the three operational levels: general rules at the corporate level; sector-specific procedures at the business line level; and others at the profit center and entity level. These procedures are circulated in memorandums and are also available on the Group's intranet sites and, whenever they are common, those of the business lines.

The principal procedures regarding financial controls established at the corporate level cover acquisitions and disposals, capital expenditure, financing and cash management, budget control and financial reporting. Disclosure controls and procedures are in place. At the operating levels, they mainly consist of procedures, guidelines and recommendations covering safety and security (both industrial and information technology), health, the environment and sustainable development.

The procedures for the business sectors primarily concern financial

control specific to each sector. At the profit center and entity level, the principles of the Group's overall framework are implemented through specific procedures tailored to the size and environment of operations.

### 1.10.5. Monitoring

Together, the holding company, the business sectors and the profit centers and entities are responsible for monitoring internal control in their respective operations.

In July 2011, the Executive Committee set up a Group Internal Control department that is tasked with managing the Group's internal controls, and in particular:

- organizing and maintaining the global internal control system, ensuring that it is distributed and adopted throughout the Group, and that it is continuously improved;
- making sure that the Group complies with regulations applying to the internal control of financial information, and in particular the Sarbanes-Oxley act and the law on Financial Security;
- coordinating the Group-wide risk management measures, in particular with regard to combating fraud, and contributing to all the integrity policy initiatives.

Internal Control and Group Audit are the two components of the new Internal Control and Group Audit department (DCIAG), which reports to the Executive Committee through the Chief Administrative Officer.

The central Group Audit function is mainly responsible for auditing the internal control system. An audit work schedule is set annually. The audit reports are periodically summarized and presented to the Audit Committee and, thereby, to the Board of Directors.

In 2011, the Group Internal Control and Audit Department's 70 auditors conducted more than 150 audits. The Vice President of Group Internal Control and Audit attended all Audit Committee meetings and reported quarterly on internal audit activity to the committee.

The Group's Management is responsible for implementing and assessing internal control over financial reporting. In this context, TOTAL evaluated awareness and implementation of its internal control system, based on the COSO framework, in its main entities.

With the assistance of its main entities and the Group Internal Control and Audit Department, the Group also examined and assessed 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 these internal reviews, the Group's Management concluded that internal control over financial reporting was effective.

If points of progress are identified by these internal audits and operational checks, then corrective action plans are drawn up and closely monitored by the operatives and the Group Internal Control and Audit department.

The statutory auditors perform those internal control audits that they deem necessary as part of their mission to certify the financial statements and present their observations to the Audit Committee.

For 2011, the statutory auditors reviewed the implementation of the Group internal control framework and the design and effectiveness in its main units of key internal controls concerning 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.

## 1.11. Particular conditions regarding participation in Shareholder's 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, in the case of double voting rights, this limit may be extended to 20%.

For more detailed information on these conditions, see Chapter 8 (General Information - Shareholders' Meetings) of this Registration Document.

## 1.12. 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.

## 1.13. Policy for determining the compensation and other benefits of the corporate executive officers

Based on a proposal by the Compensation Committee, the Board adopted the following policy for determining the compensation and other benefits of the corporate executive officers (the Chairman and 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 obtained and responsibilities held.

- Compensation for the Chairman and the Chief Executive Officer includes both a fixed portion and a variable portion. The fixed portion is reviewed at least every two years.
- The amount of variable compensation is reviewed each year and may not exceed a stated percentage of fixed compensation.

Variable compensation is determined based on pre-defined quantitative and qualitative criteria that are periodically reviewed by the Board of Directors. 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 compensation is determined in line with the annual assessment of the performance of the Chairman and the Chief Executive Officer and the company's medium-term strategy.

The Board of Directors keeps track of the fixed and variable portions of the compensation of the Chairman and the Chief Executive Officer over several years and in light of the company's performance.

- The Group does not have a specific pension plan for the Chairman and the Chief Executive Officer. They are eligible for retirement benefits and pensions available to certain employee categories in the Group under conditions determined by the Board.
- Stock options and performance shares are designed to align the long-term interests of the Chairman and the Chief Executive Officer with those of the shareholders.

The allocation of options and performance shares to the Chairman and the Chief Executive Officer is examined in the light of all the forms of compensation of each person.

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 and performance shares are awarded at regular intervals to prevent any opportunistic behavior.

The exercise of options and the definitive allocation of performance shares to which the Chairman and the Chief Executive Officer are entitled are subjected to performance criteria that must be met over several years.

The Board puts in place restrictions on the transfer of a portion of shares held upon the exercise of options and the definitive allocation of performance shares, applicable to the Chairman and the Chief Executive Officer until the end of their term of office.

The Chairman and the Chief Executive Officer may be entitled to stock options or performance shares when they leave office.

- 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 components of the compensation of the Chairman and the Chief Executive Officer are made public after the meeting of the Board of Directors that approves them.

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 9 February 2012, after the Board's Committees reviewed the sections relevant to their respective duties.

**Christophe de Margerie**

Chairman of the Board and Chief Executive Officer

## 2. Statutory auditor's 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.*

Year ended December 31, 2011

**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.**

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 (*Code de Commerce*) for the year ended December 31, 2011.

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 and risk management 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*), 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 and risk management 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 and risk management 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 and risk management 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 and risk management 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 and risk management 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 23, 2012

The statutory auditors

*French original signed by*

KPMG Audit  
A department of KPMG S.A.  
Jay Nirsimloo

ERNST & YOUNG Audit  
Pascal Macioce  
Laurent Vitse



## 3. General Management

### 3.1. Management form

Based on the recommendation by the Nominating & Governance Committee, the Board of Directors decided at its meeting on May 21, 2010 to reunify the positions of Chairman of the Board and Chief Executive Officer and appoint the Chief Executive Officer to the position of Chairman of the Board until its term of office expires, that is until the Shareholders' Meeting called to approve the financial statements for the fiscal year 2011.

As a result, Mr. de Margerie has been appointed Chairman and Chief Executive Officer of TOTAL S.A. since May 21, 2010.

The Board of Directors deemed that the unified management form was the most appropriate to the Group's business and specificities of the oil and gas sector. This decision was made taking into account the advantage of the unified management and the composition of the Committees of the Board that comprise a significant portion of independent directors, which ensures balanced authority (for further information regarding the reasons for selecting the unified management form, see paragraph 1.7.1 of this Chapter 5).

The management form selected shall remain in effect until a decision to the contrary is made by the Board of Directors.

### 3.2. The Executive Committee

The Executive Committee, under the responsibility of the Chairman and Chief Executive Officer, is the 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 or the notification of the Board for investments exceeding 1% of equity.

In 2011, the Executive Committee met at least twice a month, except in August when it met only once.

As of December 31, 2011, the members of TOTAL's Executive Committee were as follows:

- Christophe de Margerie, Chairman of the Executive Committee (Chairman and Chief Executive Officer);
- François Cornéils, Vice Chairman of the Executive Committee (President of the Chemicals division);
- 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 Chevardièrre (Chief Financial Officer).

In the context of the reorganization of its Downstream and Chemicals sectors, TOTAL's Executive Committee was changed on January 1, 2012. As of that date, the members of TOTAL's Executive Committee are:

- Christophe de Margerie, Chairman of the Executive Committee (Chairman and Chief Executive Officer);
- Philippe Boisseau (President of the Supply & Marketing segment);
- Yves-Louis Darricarrère (President of the Exploration & Production division and Gas & Power division);
- Jean-Jacques Guilbaud (Chief Administrative Officer); and
- Patrick de La Chevardièrre (Chief Financial Officer);
- Patrick Pouyanné (President of the Refining & Chemicals segment).

### 3.3. The Management Committee

The Management Committee facilitates coordination among the different entities of the Group and monitors the operating results of the operational divisions and the activity reports of the functional divisions.

In addition to the members of the Executive Committee, the following twenty-two individuals from various operating divisions and non-operating departments served as members of the Management Committee as of December 31, 2011:

#### Corporate

René Chappaz, Peter Herbel, Jean-Marc Jaubert, Manoelle Lepoutre, Jean-François Minster, Jean-Jacques Mosconi, Jacques-Emmanuel Saulnier, François Viaud.

#### Upstream

Marc Blaizot, Philippe Boisseau, Arnaud Breuillac, Michel Hourcard, Jacques Marraud des Grottes.

#### Downstream

Pierre Barbé, Alain Champeaux, Bertrand Deroubaix, Eric de Menten, André Tricoire.

#### Chemicals

Françoise Leroy, Jacques Maigné, Bernard Pinatel, Patrick Pouyanné.

In addition to the members of the Executive Committee, the following twenty-five individuals from various operating divisions and non-operating departments served as members of the Management Committee as of January 16, 2012:

#### Corporate

René Chappaz, Peter Herbel, Jean-Marc Jaubert, Helle Kristoffersen, Manoelle Lepoutre, Françoise Leroy, Jean-François Minster, Jacques-Emmanuel Saulnier, François Viaud.

#### Upstream

Marc Blaizot, Arnaud Breuillac, Olivier Cleret de Langavant, Isabelle Gaildraud, Michel Hourcard, Jacques Marraud des Grottes.

#### Refining & Chemicals

Pierre Barbé, Bertrand Deroubaix, Jacques Maigné, Jean-Jacques Mosconi, Bernard Pinatel, Bernadette Spinoy

#### Supply & Marketing

Benoît Luc, Momar Nguer, Jérôme Paré, Jérôme Schmitt.



## 4. Statutory auditors

### 4.1. Statutory auditors

#### **Ernst & Young Audit**

1/2, place des Saisons, 92400 Courbevoie-Paris-La Défense, Cedex 1

Appointed on May 14, 2004

Appointment renewed on May 21, 2010, for an additional 6-fiscal year term

P. Macioce, L. Vitse

#### **KPMG Audit**

A division of KPMG S.A.

1, cours Valmy, 92923 Paris-La Défense

Appointed on May 13, 1998

Appointment renewed on May 21, 2010, for an additional 6-fiscal year term

J. Nirsimloo

### 4.2. Alternate auditors

#### **Cabinet Auditex**

1/2, place des Saisons, 92400 Courbevoie-Paris-La Défense, Cedex 1

Appointed on May 21, 2010 for a 6-fiscal year term

#### **KPMG Audit IS**

3, cours du Triangle, Immeuble "Le Palatin", Puteaux, 92939 Paris-La Défense, Cedex

Appointed on May 21, 2010 for a 6-fiscal year term

### 4.3. Auditor's term of office

French law provides that the statutory and alternate auditors are appointed for renewable 6-fiscal year terms. The terms of office of the statutory auditors and of the alternate auditors will expire at the end of the Shareholders' Meeting called in 2016 to approve the financial statements for fiscal year 2015.

## 4.4. Fees received by the statutory auditors (including members of their network)

	Ernst & Young Audit				KPMG Audit			
	Amount in millions of euros (excluding VAT)		%		Amount in millions of euros (excluding VAT)		%	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>Audit</b>								
Audit and certification of the parent company and consolidated accounts								
TOTAL S.A.	3.0	3.0	15.7	16.9	3.0	3.2	15.2	16.0
Fully-consolidated subsidiaries	12.6	12.2	66.0	68.5	11.1	11.9	56.4	59.5
Other work and services directly related to the responsibilities of statutory auditors								
TOTAL S.A.	0.1	0.2	0.5	1.1	1.0	0.8	5.1	4.0
Fully-consolidated subsidiaries	1.8	0.5	9.4	2.8	2.8	2.8	14.2	14.0
<b>Subtotal</b>	<b>17.5</b>	<b>15.9</b>	<b>91.6</b>	<b>89.3</b>	<b>17.9</b>	<b>18.7</b>	<b>90.9</b>	<b>93.5</b>
<b>Other services provided by the network to fully- consolidated subsidiaries</b>								
Legal, tax, labor law	1.4	1.7	7.3	9.6	1.6	1.2	8.1	6.0
Other	0.2	0.2	1.1	1.1	0.2	0.1	1.0	0.5
<b>Subtotal</b>	<b>1.6</b>	<b>1.9</b>	<b>8.4</b>	<b>10.7</b>	<b>1.8</b>	<b>1.3</b>	<b>9.1</b>	<b>6.5</b>
<b>Total</b>	<b>19.1</b>	<b>17.8</b>	<b>100</b>	<b>100</b>	<b>19.7</b>	<b>20.0</b>	<b>100</b>	<b>100</b>

## 5. Compensation for the administration and management bodies

### 5.1. Board Compensation

The overall amount of directors' fees allocated to members of the Board of Directors was set at €1.1 million for each fiscal year by the Shareholders' Meeting on May 11, 2007.

In 2011, the overall amount of directors' fees allocated to the members of the Board of Directors was €1.07 million, noting that there were fifteen directors as of December 31, 2011, as at year-end 2010.

The allocation of the overall amount of fees for 2011 remains based on an allocation scheme comprised of fixed compensation and variable compensation based on fixed amounts per meeting, which made it possible to take into account each director's actual attendance at the meetings of the Board of Directors and its Committees.

To take into account the creation of the Strategic Committee, the Board of Directors decided at its meeting of October 27, 2011, to set out the allocation of fees and the fixed and variable amounts per meeting as follows:

- a fixed amount of €20,000 is to be paid to each director (calculated *pro rata temporis* in case of a change during the period), apart from the Chairman of the Audit Committee, who is to be paid €30,000 and the other Audit Committee members, who are to be paid €25,000;

- an amount of €5,000 per director for each Board of Directors' meeting actually attended;
- an amount of €3,500 per director for each Compensation Committee, Nominating & Governance Committee or Strategic Committee meeting actually attended;
- an amount of €7,000 per director for each Audit Committee meeting actually attended;
- a premium of €2,000 for travel from a country outside of France to attend a Board of Directors or Committee meeting;
- the Chairman and Chief Executive Officer does not receive directors' fees as director 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 in paragraph 5.7.3 of this Chapter.

## 5.2. Directors' attendance at Board and Committee meetings in 2011

	Board of Directors	Audit Committee	Compensation Committee	Nominating & Governance Committee	Strategic Committee <sup>(a)</sup>
<b>Number of meetings in 2011</b>	<b>8</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>1</b>
Christophe de Margerie	8	-	-	-	1
Thierry Desmarest	8	-	2	2	1
Patrick Artus	7	-	2	-	1
Patricia Barbizet	8	6	-	-	1
Daniel Bouton	8	-	-	-	1
Gunnar Brock	8	-	-	-	1
Claude Clément	7	-	-	-	1
Marie-Christine Coisne-Roquette <sup>(b)</sup>	3	2	-	-	1
Bertrand Collomb	7	-	2	2	1
Paul Desmarais Jr	5	-	-	-	-
Bertrand Jacquillat <sup>(c)</sup>	5	3	-	-	-
Barbara Kux <sup>(d)</sup>	2	-	-	-	-
Anne Lauvergeon	8	-	-	-	1
Peter Levene of Portsoken <sup>(e)</sup>	2	-	-	-	-
Claude Mandil	8	-	-	-	1
Michel Pébereau	8	-	2	2	1
Thierry de Rudder	8	6	-	-	1

(a) Committee decided upon and created following approval by the Board of Directors on April 28, 2011. The committee met for the first time on September 14, 2011.

(b) Director and member of the Audit Committee from May 13, 2011.

(c) Director and member of the Audit Committee until May 13, 2011.

(d) Director from May 13, 2011.

(e) Director until May 13, 2011.

## 5.3. Compensation of the Chairman and Chief Executive Officer

(See also summary tables in paragraph 5.7 of this Chapter)

The compensation paid to Mr. de Margerie for his duties as Chairman and Chief Executive Officer was set by the Board of Directors of TOTAL S.A., based on a recommendation by the Compensation Committee in line with the guidance of the AFEP-MEDEF Corporate Governance Code.

It includes an annual fixed base salary of €1,500,000, and a variable portion not to exceed 165% of the fixed base salary. The fixed base salary was set by comparison with the compensation paid to the Chairman and Chief Executive Officer of other French companies included in the CAC 40 index. The maximum percentage of the fixed base salary represented by the variable portion is based on equivalent practice at a reference sample of companies, including oil and gas companies.

The variable portion is based on criteria determined by the Board of Directors. The equivalent of up to 100% of the fixed base salary is linked to economic criteria, which varies on a straight-line basis to avoid threshold effects. The criteria based on the Chairman and Chief Executive Officer's personal contribution account for an additional amount that cannot exceed 65% of the fixed base salary.

The economic criteria were selected so as to not only reward short-term performance in terms of return on investment for shareholders, but also the progress made by the Group toward medium-term objectives by comparison with data for the oil and gas industry as a whole. They include:

- return on equity for a maximum of 50% of the base salary;
- the Company's earnings performance compared with that of the four other major international oil companies that are its competitors<sup>(1)</sup>, assessed by reference to the average growth over three years of two indicators, earnings per share and consolidated net income. Each indicator represents a maximum of 25% of the base salary.

The Chairman and Chief Executive Officer's personal contribution is evaluated on the basis of objective, mainly operational criteria related to the Group's business segments and established in line with its strategy, including health, safety and environment (HSE) performance and oil and gas production and reserves growth.

With respect to the fiscal year 2011, the Board of Directors at its meeting of February 9, 2012, after having found that the Chairman and Chief Executive Officer's objectives related to personal contribution were deemed to be substantially fulfilled and assessed to what extent financial performance criteria had been met, the Board set the variable portion payable to Mr. de Margerie in 2012 at €1,530,000 for his contribution in 2011, equivalent to 102% of his fixed base salary.

The total gross compensation paid to Mr. de Margerie in his role as Chairman and Chief Executive Officer was made up of a fixed base salary of €1,500,000 and a variable portion of €1,530,000 for the 2011 fiscal year, to be paid in 2012.

Mr. de Margerie's total gross compensation as Chief Executive Officer for the period between January 1, 2010 and May 21, 2010 was €1,030,359, composed of a fixed base salary of €507,097 and a variable portion of €523,262 paid in 2011. Mr. de Margerie's

(1) ExxonMobil, BP, Shell and Chevron.

total gross compensation as Chairman and Chief Executive Officer for the period between May 22, 2010 and December 31, 2010 was €1,977,763, composed of a fixed base salary of €919,355 and a variable portion of €1,058,408 paid in 2011.

As Chairman and Chief Executive Officer, Mr. de Margerie has the use of a company car, receives the health coverage provided for Group employees and is eligible for the life insurance plan open to the Group's executive officers (see paragraph 5.5 of this Chapter).

## 5.4. Executive officers' compensation

In 2011, the aggregate amount paid directly or indirectly by the French and foreign companies belonging to the Group of the Company as compensation to the executive officers of TOTAL in office at December 31, 2011 (members of the Management Committee

and the Treasurer) as a group was €20.4 million (twenty-nine individuals), including €9 million paid to the six members of the Executive Committee. Variable compensation accounted for 42.4% of the aggregate amount of €20.4 million paid to executive officers.

The following individuals were executive officers of the Group at December 31, 2011 (twenty-nine individuals at year-end 2011, compared with twenty-five at year-end 2010):

### Management Committee

Christophe de Margerie <sup>(1)</sup>	Michel Hourcard
François Cornélis <sup>(2)</sup>	Jean-Marc Jaubert
Michel Bénézit <sup>(2)</sup>	Manoelle Lepoutre
Yves-Louis Darricarrère <sup>(2)</sup>	Françoise Leroy
Jean-Jacques Guilbaud <sup>(2)</sup>	Jacques Maigné
Patrick de La Chevardière <sup>(2)</sup>	Jacques Marraud des Grottes
Pierre Barbé	Éric de Menten
Marc Blaizot	Jean-François Minster
Philippe Boisseau	Jean-Jacques Mosconi
Arnaud Breuillac	Bernard Pinatel
Alain Champeaux	Patrick Pouyanné
René Chappaz	Jacques-Emmanuel Saulnier
Bertrand Deroubaix	André Tricoire
Peter Herbel	François Viaud

### Treasurer

Jérôme Schmitt

## 5.5. Pensions and other commitments (Article L. 225-102-1, paragraph 3, of the French Commercial Code)

1) Pursuant to applicable law, the Chairman and Chief Executive Officer is eligible for the basic French social security pension and for pension benefits under the ARRCO (*Association pour le Régime de Retraite Complémentaire des Salariés*) and AGIRC (*Association Générale des Institutions de Retraite des Cadres*) government-sponsored supplementary pension schemes. He also participates in the internal defined contribution pension plan and the defined benefit supplementary pension plan, known as RECOUP, created by the Company. This supplementary pension plan, which is not limited to the Chairman and Chief Executive Officer, is described in point 2 below.

The sum of the supplementary pension plan benefits and external pension plan benefits may not exceed 45% of the compensation used as the calculation basis. In the event this percentage is exceeded, the supplementary pension is reduced accordingly.

The compensation taken into account when calculating the supplementary pension is the retiree's final three-year average gross compensation (fixed and variable portions).

As of December 31, 2011, Mr. de Margerie's aggregate benefit entitlement under all of the above pension plans would amount to 22.31% of his gross annual compensation received in 2011

(2011 fixed base salary and variable portion for 2010, paid in 2011).

2) The Chairman and Chief Executive Officer participates in a defined benefit supplementary pension plan financed and managed by TOTAL S.A. and open to all employees of the Group whose annual compensation is greater than eight times the ceiling for calculating French social security contributions (€36,372 in 2012). Compensation above this amount does not qualify as pensionable compensation under either government-sponsored or contractual pension schemes.

To be eligible for this supplementary pension plan, participants must meet specific age and length of service criteria. They must also still be employed by the Company upon retirement, unless they retire due to disability or had taken early retirement at the Group's initiative after the age of 55.

The plan provides participants with a pension equal to the sum of 1.8% of the portion of the reference compensation between eight and forty times the annual ceiling for calculating French social security contributions, and 1% of the reference compensation between forty and sixty times the annual ceiling for calculating French social security contributions, which is multiplied by the

(1) Chairman and Chief Executive Officer and Chairman of the Executive Committee.  
 (2) Member of the Executive Committee.

number of years of service (up to twenty years). It is adjusted in line with changes in the value of the ARRCO pension point and strictly capped as described in point 1 above.

As of December 31, 2011, the Group's pension obligations to Mr. de Margerie under the defined benefit supplementary pension plan represented the equivalent of 18.01% of his gross annual compensation paid in 2011.

3) The Chairman and Chief Executive Officer is also entitled to a lump-sum retirement benefit equal to that available to eligible members of the Group under the French National Collective Bargaining Agreement for the Petroleum Industry. This benefit amounts to 25% of the gross annual compensation (fixed and variable portions) received in the 12-month period preceding retirement. Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, such benefit is subject to the performance conditions detailed in point 7 below.

This retirement benefit cannot be combined with the compensation for loss of office described in point 5 below.

4) The Chairman and Chief Executive Officer also participates in the same life insurance plan as the Group's employees, covering supplementary benefits or annuities in the event of temporary incapacity for work and disability, together with a life insurance plan funded by the Company and open to the executive officers of the Group. Upon death, the plan guarantees a payment equal to two years' gross compensation (fixed and variable portions), increased to three years upon accidental death, as well as, in the event of disability, a payment proportional to the degree of disability.

5) If the Chairman and Chief Executive Officer is removed from office or his term of office is not renewed by the Company, he is entitled to compensation for loss of office equal to two years' gross annual compensation. The calculation will be based on the gross compensation (including both fixed and variable portions) paid in the 12-month period preceding the termination or non-renewal of his term of office.

This compensation for loss of office to be paid in the event of a change of control or a change of strategy of the Company would not be due in cases of gross negligence or willful misconduct or if the Chairman and 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.

Pursuant to the provisions of Article L. 225-42-1 of the French Commercial Code, this benefit is subject to the performance conditions detailed in point 7 below.

6) Commitments with regard to the pension and life insurance plans for the Chairman and Chief Executive Officer and the retirement benefit and compensation for loss of office arrangements set out in point 5 were approved on May 21, 2010, by the Board of Directors and by the Shareholders' Meeting.

7) In addition, in compliance with Article L. 225-42-1 of the French Commercial Code, the commitments described in points 3 and 5 are subject to performance conditions that are deemed to be met if at least two of the following three 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%;
- TOTAL'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 rate of the four other major international oil companies that are its competitors: ExxonMobil, Shell, BP and Chevron.

In compliance with the AFEP-MEDEF Corporate Governance Code, the Board of Directors decided that payment of the lump-sum retirement benefit or compensation for loss of office shall be subject to demanding performance conditions combining both internal and external performance criteria.

The three criteria were selected to take into account the Company's general interest, shareholder interests and standard market practices, especially in the oil and gas industry.

More specifically, ROE enables the payment of the retirement benefit or compensation for loss of office to be tied to the Company's overall shareholder return. Shareholders can use ROE to gauge the Company's ability to generate profit from the capital they have invested and from prior years' earnings reinvested in the Company.

ROACE is used by most oil and gas companies to assess the operational performance of average capital employed, regardless of whether it is funded by equity or debt. ROACE is an indicator of the return on capital employed by the Company for operational activities and, as a result, makes it possible to tie the payment of the retirement benefit or compensation for loss of office to the value created for the Company.

The third and last criterion used by the Board of Directors is the Group's oil and gas production growth compared with that of its competitors. This indicator is widely used in the industry to measure operational performance and the ability to ensure the sustainable development of the Group, most of whose capital expenditure is allocated to exploration and production activities.

8) In addition, regarding the implementation of the pension commitments described in points 1 and 2 above made by the Company for directors for fiscal year 2011, the annual supplementary pension received by Mr. Desmarest in relation to his previous employment by the Group was approximately €562,354 (December 31, 2011 value), adjusted in line with changes in the value of the ARRCO pension point.

9) As of December 31, 2011, the total amount of the Group's commitments under pension plans and similar for company officers is equal to €31.2 million.

Chairman and Chief Executive Officer Summary table at February 29, 2012	Employment contract	Retirement benefit and supplementary pension plans	Benefits or advantages due or likely to be due upon termination or change of office	Benefits related to a non-compete agreement
<b>Christophe de Margerie</b> Chairman and Chief Executive Officer Start of the office: February 2007 <sup>(a)</sup> Term of current office: The Shareholders' Meeting called in 2012 to approve the financial statements for the year ending December 31, 2011	NO	YES (retirement benefit) <sup>(b)</sup> (internal defined supplementary pension plan <sup>(c)</sup> and corporate RECO SUP defined contribution pension plan <sup>(d)</sup> also applicable to certain Group employees)	YES (compensation for loss of office) <sup>(e)</sup>	NO

- (a) Chief Executive Officer since February 13, 2007, and Chairman and Chief Executive Officer since May 21, 2010.  
 (b) Payment subject to performance conditions 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 and May 21, 2010. Details of these commitments are set out in points 3 and 7 above. This retirement benefit cannot be combined with the compensation for loss of office described below.  
 (c) Representing an annual pension that would be equivalent, as of December 31, 2011, to 18.01% of the annual compensation for 2011.  
 (d) Mr. de Margerie's pension benefit represented a booked expense of €2,121 for fiscal year 2011.  
 (e) Payment subject to performance conditions 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 and May 21, 2010. Details of these commitments are set out in points 5 and 7 above.

## 5.6. Stock options and performance share grants policy

### 5.6.1. General policy

Stock options and performance share grants put in place by TOTAL S.A. concern only TOTAL shares. No options for or grants of performance shares of any of the Group's listed subsidiaries are awarded by TOTAL S.A.

All grants are approved by the Board of Directors, based on recommendations by the Compensation Committee. For each plan, the Compensation Committee recommends a list of beneficiaries, the conditions and the number of options or performance shares awarded to each beneficiary. The Board of Directors then gives final approval for this list and the grant conditions.

Stock options have a term of eight years, with an exercise price set at the average of the closing TOTAL share prices on Euronext Paris during the twenty trading days prior to the grant date, without any discount. The exercising of the options is subject to a presence condition and performance conditions based on the return on equity (ROE) of the Group, that vary depending on the plan and beneficiary category. As of 2011, all options granted are subject to performance conditions. Subject to the presence condition and applicable performance conditions being met, options may only be exercised after an initial two-year vesting period and the shares issued upon exercise are subject to a two-year mandatory holding period. However, for the 2007 to 2011 option plans, options awarded to beneficiaries employed by non-French subsidiaries at the grant date can be converted to bearer form or transferred after the 2-year vesting period at the end of which the options may be exercised.

Performance shares awarded under selective plans become final after a two-year vesting period, subject to a presence condition and a performance condition based on the return on equity (ROE) of the Group. At the end of this vesting period, and provided that the conditions set are satisfied, the performance share grants are finally awarded. However, these shares may not be transferred prior to the end of an additional two-year mandatory holding period. For beneficiaries employed by non-French subsidiaries on the grant date, the vesting period for performance shares may be increased to four years; in such cases, there would be no mandatory holding period. As of 2011, all performance shares granted to executive officers are subject to performance conditions.

The grant of these options or performance shares is used to extend, based upon individual performance assessments at the time of each plan, the Group-wide policy of developing employee shareholding (for further information, see paragraph 6.2 of this Chapter).

Stock options and performance share grants to the Chairman and Chief Executive Officer are subject to specific performance conditions set out in paragraph 5.6.2 below.

### 5.6.2. Grants to the Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer has been awarded share subscription options, the exercise of which has been subject, since 2007, to a presence condition and performance conditions based on the Group's ROE and ROACE. The reasons for selecting these criteria are detailed in point 7 of paragraph 5.5 above.

Pursuant to Article L. 225-185 of the French Commercial Code, the Board of Directors decided that, for the 2007 to 2011 share subscription option plans, the corporate officers (the Chairman of the Board and the Chief Executive Officer, and as from May 21, 2010 the Chairman and Chief Executive Officer) are required to hold for as long as they remain in office, a number of TOTAL shares representing 50% of the capital gains, net of tax and other deductions, resulting from the exercise of stock options under these plans. Once the Chairman and Chief Executive Officer holds a number of shares (directly or through collective investment funds invested in Company stock) corresponding to more than five times his current gross annual fixed compensation, 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.

As of 2011, the Chairman and Chief Executive Officer receives performance share grants, the final awarding of which is subject to a presence condition and performance conditions.

On the September 14, 2011 grant of TOTAL performance shares, the Board of Directors decided that the Chairman and Chief Executive Officer will have to hold for as long as he remains in office, 50% of the capital gains, net of tax and other deductions, from shares granted under performance share grant plans. Once the Chairman and Chief Executive Officer holds a number of shares (directly



or through collective investment funds invested in Company stock) corresponding to more than five times his gross annual fixed compensation at that time, 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.

In light of this holding requirement, this acquisition of the performance shares is not subject to an additional purchase of the company's shares.

The Chairman and Chief Executive Officer has given a commitment not to hedge the price risk on the TOTAL stock options and shares he has been granted to date, and on the shares he holds.

**2011 share subscription option plan:** the Board of Directors decided that, provided the presence condition within the Group is satisfied, the number of options finally granted to the Chairman and Chief Executive Officer 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. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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 based on the average ROACE of the Group. The average ROACE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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%.

**2010 share subscription option plan:** the Board of Directors decided that, provided the presence condition within the Group is satisfied, the number of options finally granted to the Chairman and Chief Executive Officer 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. The average ROE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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 based on the average ROACE of the Group calculated based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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%.

**2009 share subscription option plan:** the Board of Directors decided that, provided the presence condition within the Group is satisfied, the number of options finally granted to the Chief

Executive Officer 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 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%.

The acquisition rate applicable to the subscription options that were subject to the performance condition of the 2009 Plan was 100%.

**2011 performance share plan:** the Board of Directors decided that, provided the presence condition within the Group is satisfied, the number of shares finally granted to the Chairman and Chief Executive Officer will be subject to two performance conditions:

- For 50% of the shares granted, the performance condition states that the number of shares finally granted is based on the average ROE of the Group. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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 shares granted, the performance condition states that the number of shares finally granted is based on the average ROACE of the Group. The average ROACE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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%.

The Chairman and Chief Executive Officer was not awarded any performance shares as part of the plans in the period 2006 to 2010.

### 5.6.3. Grants to employees

#### Share subscription option plan

**2011 share subscription option plan:** The Board of Directors decided that, provided the presence condition within the Group is satisfied, for each grantee other than the Chairman and Chief Executive Officer, the options will be finally granted to the beneficiary provided that the performance condition is fulfilled. The performance condition states that the number of options finally granted is based on the average of the ROE of the Group. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012.

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%.

**2010 share subscription option plan:** the Board of Directors decided that, provided the presence condition within the Group was satisfied:

- for each grantee of up to 3,000 options, other than the Chairman and Chief Executive Officer, the options will be finally granted;
- for each grantee of more than 3,000 options and less than or equal to 50,000 options (other than the Chairman and Chief Executive Officer):
  - the first 3,000 options and two-thirds of the options in excess of this number will be finally granted to their beneficiary;
  - the outstanding options, that is one-third of the options in excess of the first 3,000 options, will be granted provided that the performance condition described below is fulfilled;
- For each grantee of more than 50,000 options, other than the Chairman and Chief Executive Officer:
  - the first 3,000 options, two-thirds of the options above the first 3,000 options and below the first 50,000 options, and one-third of the options in excess of the first 50,000 options, will be finally granted to their beneficiary;
  - the remaining options, that is one-third of the options above the first 3,000 options and below the first 50,000 options, and two-thirds of the options in excess of the first 50,000 options, will be finally granted provided that the performance condition is fulfilled.

This condition states that the number of options finally granted is based on the average ROE of the Group. The average ROE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011.

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%.

**2009 share subscription option plan:** the Board of Directors decided that, provided the presence condition within the Group was met, for each beneficiary, other than the Chief Executive Officer, 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%.

The acquisition rate applicable to the subscription options that were subject to the performance condition of the 2009 Plan was 100%.

## Performance share plan

**2011 performance share plan:** the Board of Directors decided that, provided that the presence condition within the Group is satisfied, for executives officers<sup>(1)</sup> other than the Chairman and Chief Executive Officer, the number of shares finally granted will be subject to the performance condition set out below. This condition is based on the average ROE as published by the Group and calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2011 and 2012.

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%.

Furthermore, the Board of Directors decided that, for each beneficiary (other than the Chairman and Chief Executive Officer and the executive officers) of more than 100 shares, the shares in excess of this number will be finally granted subject to a performance condition. This condition is based on the average ROE as published by the Group and calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2011 and 2012.

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%.

**2010 performance share plan:** the Board of Directors decided that, provided that the presence condition within the Group is satisfied, 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 calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011.

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%.

**2009 performance share plan:** the Board of Directors decided that, provided that the presence condition within the Group is satisfied, 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%.

Due to the application of the performance condition, the acquisition rate was 100% for the 2009 Plan.

(1) Executive officers, excluding the Chairman and Chief Executive Officer, are employees other than directors.

In addition, the Board of Directors decided at its meeting of May 21, 2010 to implement a global free share plan intended for the Group's employees, that is more than 100,000 employees. On June 30, 2010, rights to twenty-five free shares were granted

to every employee. The shares are subject to a vesting period of two to four years depending on the case. The shares granted are not subject to any performance condition. They will be issued at the end of the vesting period.

## 5.7. Summary table for the corporate executive officers (AFEP-MEDEF Code for corporate governance of listed companies)

### 5.7.1. Summary of compensation, stock options and performance shares awarded to the Chairman and Chief Executive Officer

For the year ended

(€)	2011	2010
<b>Christophe de Margerie</b>		
<b>Chairman and Chief Executive Officer</b> (since May 21, 2010)		
Compensation due for fiscal year as Chairman and Chief Executive Officer <sup>(a)</sup>	3,030,000	3,008,122
In-kind benefits <sup>(b)</sup>	6,991	6,908
Value of options awarded <sup>(c)</sup>	702,400	1,387,200
Value of performance shares awarded <sup>(d)</sup>	437,440	-
<b>Total</b>	<b>4,176,831</b>	<b>4,402,230</b>

(a) Compensation detailed in the following table. For the 2010 fiscal year, Mr. de Margerie received compensation of €1,030,359 as Chief Executive Officer for the period from January 1 to May 21, 2010, and compensation of €1,977,763 as Chairman and Chief Executive Officer for the period from May 22 to December 31, 2010.

(b) Mr. de Margerie has the use of a company car; he receives the health coverage provided for Group employees and is eligible for the life insurance plan open to the Group's executive officers (see paragraph 5.5 of this Chapter).

(c) Options awarded in 2011 are detailed in paragraph 5.7.4 of this Chapter. The value of options awarded was calculated on the day when they were awarded using the Black-Scholes model based on the assumptions used for the consolidated accounts (see Note 25 to the Consolidated Financial Statements).

(d) The value of performance shares was calculated on the day when they were awarded.

### 5.7.2. Chairman and Chief Executive Officer's compensation

(€)	For the year ended 2011		For the year ended 2010	
	Amount due	Amount paid <sup>(a)</sup>	Amount due	Amount paid <sup>(a)</sup>
<b>Christophe de Margerie</b>				
<b>Chairman and Chief Executive Officer</b> (since May 21, 2010)				
Fixed compensation	1,500,000	1,500,000	1,426,452 <sup>(b)</sup>	1,426,452 <sup>(b)</sup>
Variable compensation <sup>(c)</sup>	1,530,000	1,581,670	1,581,670 <sup>(d)</sup>	1,356,991
Extraordinary compensation	-	-	-	-
Directors' fees	-	-	-	-
In-kind benefits <sup>(e)</sup>	6,991	6,991	6,908	6,908
<b>Total</b>	<b>3,036,991</b>	<b>3,088,661</b>	<b>3,015,030</b>	<b>2,790,351</b>

(a) Variable portion paid for prior fiscal year. For more detailed information about these criteria, see paragraph 5.3 of this Chapter.

(b) Includes a fixed portion of €507,097 for the period between January 1 and May 21, 2010 and €919,355 for the period between May 22 and December 31, 2010.

(c) The variable portion for the Chairman and 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 the other major international oil companies that are its competitors as well as the Chairman and Chief Executive Officer's personal contribution based on operational target criteria. The variable portion can reach a maximum amount of 165% of the fixed base salary. The objectives related to personal contribution were considered to have been substantially fulfilled.

(d) Including a variable portion of €523,262 for the period between January 1 to May 21 2010, and €1,058,408 for the period between May 22 and December 31, 2010.

(e) Mr. de Margerie has the use of a company car, receives the health coverage provided for Group employees and is eligible for the life insurance plan open to the Group's executive officers (see paragraph 5.5 of this Chapter).

### 5.7.3. 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)

Gross amount (€)	2011	2010
Christophe de Margerie <sup>(a)</sup>	(b)	(b)
Thierry Desmarest <sup>(a)(b)</sup>	639,854 <sup>(d)</sup>	1,604,039 <sup>(d)</sup>
Patrick Artus <sup>(c)</sup>	65,500	55,000
Patricia Barbizet <sup>(a)</sup>	115,500	107,000
Daniel Bouton	63,500	55,000
Gunnar Brock <sup>(a)(e)</sup>	75,500	39,328
Claude Clément <sup>(e)</sup>	156,365 <sup>(f)</sup>	127,929 <sup>(f)</sup>
Marie-Christine Coisne-Roquette <sup>(g)</sup>	48,460	-
Bertrand Collomb	72,500	71,000
Paul Desmarais Jr.	51,000	45,000
Bertrand Jacquillat <sup>(h)</sup>	55,040	95,000
Barbara Kux <sup>(a)(i)</sup>	26,770	-
Anne Lauvergeon <sup>(a)</sup>	63,500	45,000
Peter Levene of Portsoken <sup>(j)</sup>	19,230	79,000
Claude Mandil <sup>(a)</sup>	63,500	55,000
Michel Pébereau	77,500	71,000
Thierry de Rudder <sup>(a)</sup>	138,500	142,000

(a) Member of the Strategic Committee.

(b) For the Chairman and Chief Executive Officer, see the summary compensation tables given in paragraph 5.7.2 of this Chapter. The Chairman and Chief Executive Officer did not receive any directors' fees.

(c) Member of the Compensation Committee since May 21, 2010.

(d) Including for 2011, fees received (€77,500) and pension benefits received (€562,354), and including for 2010, fees received (€39,328), fixed and variable compensation for his role as Chairman of the Board of Directors up to May 21, 2010 (€751,407), the retirement benefit (€492,963) and pension benefits received (€320,341).

(e) Director since May 21, 2010.

(f) Including for 2011, the directors' fees received, representing €58,500, as well as the compensation received from Total Raffinage Marketing (a subsidiary of TOTAL S.A.), representing €97,865 and including for 2010, directors' fees received, representing €32,328 as well as the compensation received from Total Raffinage Marketing, representing €95,601.

(g) Director and member of the Audit Committee from May 13, 2011.

(h) Director and member of the Audit Committee until May 13, 2011.

(i) Director since May 13, 2011.

(j) Director until May 13, 2011.

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. Clément, who is an employee of Total Raffinage Marketing, and Mr. Desmarest, Chairman of the Board of Directors until May 21, 2010. The compensation indicated in the table above (except for that of the Chairman and Chief Executive Officer and Messrs. Desmarest and Clément) consists solely of directors' fees (gross amount) paid during the relevant period. None of the directors have service contracts linking them to TOTAL S.A. or any of its subsidiaries that provide for benefits upon termination of employment.

### 5.7.4. Stock options awarded in 2011 to the Chairman and Chief Executive Officer

The stock options awarded to the Chairman and Chief Executive Officer are detailed in paragraph 5.9.3 of this Chapter.

	Date of Plan	Type of options	Value of options (€) <sup>(a)</sup>	Number of options awarded during fiscal year <sup>(b)</sup>	Exercise price (€)	Exercise period	Performance condition
<b>Christophe de Margerie</b> Chairman and Chief Executive Officer	2011 Plan 09/14/2011	Subscription options	702,400	160,000	33.00	09/15/2013 09/14/2019	For 50% of the options, the condition is based on the average ROE for the Group's 2011 and 2012 fiscal years. For 50% of the options, the condition is based on the average ROACE for the Group's 2011 and 2012 fiscal years.
<b>Total</b>			<b>702,400</b>	<b>160,000</b>			

(a) The value of options awarded was calculated on the day they were awarded using the Black-Scholes model based on the assumptions used for the consolidated accounts (see Note 25 to the Consolidated Financial Statements).

(b) As part of the share subscription option plan awarded on September 14, 2011, the Board of Directors decided that, for the Chairman and Chief Executive Officer, the number of share subscription options that are likely to be exercised at the end of the two-year vesting period will be subject to performance conditions being met (see paragraph 5.6.2 of this Chapter).

### 5.7.5. Stock options exercised in 2011 by the Chairman and Chief Executive Officer

The stock options awarded to the Chairman and Chief Executive Officer are detailed in paragraph 5.9.3 of this Chapter.

	Date of Plan	Number of options exercised during fiscal year	Exercise price (€)
<b>Christophe de Margerie</b> Chairman and Chief Executive Officer	2003 Plan 07/16/2003	113,576	32.84
<b>Total</b>		<b>113,576</b>	

### 5.7.6. Performance shares awarded in 2011 to the Chairman and Chief Executive Officer or any director

	Date of Plan	Number of shares awarded during fiscal year	Value of shares (€) <sup>(a)</sup>	Acquisition date	Availability date	Performance condition
<b>Christophe de Margerie</b> Chairman and Chief Executive Officer	2011 Plan 09/14/2011	16,000	437,440	09/15/2013	09/15/2015	For 50% of the shares, the condition is based on the average ROE for the Group's 2011 and 2012 fiscal years. For 50% of the shares, the condition is based on the average ROACE for the Group's 2011 and 2012 fiscal year.
<b>Claude Clément</b> Director representing employee shareholders	2011 Plan 09/14/2011	240	6,562	09/15/2013	09/15/2015	Shares in excess of the first 100 shares are subject to a condition based on the average ROE for the Group's 2011 and 2012 fiscal years.
<b>Total</b>		<b>16,240</b>				

(a) The value of performance shares was calculated on the day when they were awarded.

### 5.7.7. Performance shares finally awarded in 2011 for the Chairman and Chief Executive Officer or any director

	Date of Plan	Number of shares finally awarded during fiscal year	Acquisition condition
<b>Christophe de Margerie</b> Chairman and Chief Executive Officer	2009 Plan 09/15/2009	-	-
<b>Claude Clément</b> Director representing employee shareholders	2009 Plan 09/15/2009	-	-
<b>Total</b>		<b>-</b>	<b>-</b>

## 5.8. TOTAL stock option grants

The following table gives a breakdown of stock options awarded by category of beneficiaries (main executive officers, other executive officers and other employees) for the plans in effect during 2011.

		Number of beneficiaries	Number of options awarded <sup>(a)</sup>	Percentage	Average number of options per beneficiary <sup>(a)</sup>
<b>2003 Plan<sup>(b)(d)</sup>: Subscription options</b>					
Decision of the Board on July 16, 2003	Main executive officers <sup>(c)</sup>	28	356,500	12.2%	12,732
Exercise price: € 133.20; discount: 0.0%	Other executive officers	319	749,206	25.5%	2,349
Exercise price as of May 24, 2006: € 32.84 <sup>(a)</sup>	Other employees	3,603	1,829,600	62.3%	508
	<b>Total</b>	<b>3,950</b>	<b>2,935,306</b>	<b>100%</b>	<b>743</b>
<b>2004 Plan<sup>(d)</sup>: Subscription options</b>					
Decision of the Board on July 20, 2004	Main executive officers <sup>(c)</sup>	30	423,500	12.6%	14,117
Exercise price: € 159.40; discount: 0.0%	Other executive officers	319	902,400	26.8%	2,829
Exercise price as of May 24, 2006: € 39.30 <sup>(a)</sup>	Other employees	3,997	2,039,730	60.6%	510
	<b>Total</b>	<b>4,346</b>	<b>3,365,630</b>	<b>100%</b>	<b>774</b>
<b>2005 Plan<sup>(d)</sup>: Subscription options</b>					
Decision of the Board on July 19, 2005	Main executive officers <sup>(c)</sup>	30	370,040	24.3%	12,335
Exercise price: € 198.90; discount: 0.0%	Other executive officers	330	574,140	37.6%	1,740
Exercise price as of May 24, 2006: € 49.04 <sup>(a)</sup>	Other employees	2,361	581,940	38.1%	246
	<b>Total</b>	<b>2,721</b>	<b>1,526,120</b>	<b>100%</b>	<b>561</b>
<b>2006 Plan<sup>(d)</sup>: Subscription options</b>					
Decision of the Board on July 18, 2006	Main executive officers <sup>(c)</sup>	28	1,447,000	25.3%	51,679
Exercise price: € 50.60; discount: 0.0%	Other executive officers	304	2,120,640	37.0%	6,976
	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>(d)(e)</sup>: Subscription options</b>					
Decision of the Board on July 17, 2007	Main executive officers <sup>(c)</sup>	27	1,329,360	22.8%	49,236
Exercise price: € 60.10; discount: 0.0%	Other executive officers	298	2,162,270	37.1%	7,256
	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>(d)(e)(f)</sup>: Subscription options</b>					
Awarded on October 9, 2008, by decision of the Board of Directors on September 9, 2008	Main executive officers <sup>(c)</sup>	26	1,227,500	27.6%	47,212
Exercise price: € 42.90; discount: 0.0%	Other executive officers	298	1,988,420	44.7%	6,673
	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>(d)(e)(g)</sup>: Subscription options</b>					
Decision of the Board on September 15, 2009	Main executive officers <sup>(c)</sup>	26	1,227,500	27.6%	47,212
Exercise price: € 39.90; discount: 0.0%	Other executive officers	284	1,825,540	41.6%	6,428
	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>
<b>2010 Plan<sup>(d)(e)</sup>: Subscription options</b>					
Decision of the Board on September 14, 2010	Main executive officers <sup>(c)</sup>	25	1,348,100	28.2%	53,924
Exercise price: € 38.20; discount: 0.0%	Other executive officers	282	2,047,600	42.8%	7,261
	Other employees	1,790	1,392,720	29.0%	778
	<b>Total</b>	<b>2,097</b>	<b>4,788,420</b>	<b>100%</b>	<b>2,283</b>
<b>2011 Plan<sup>(d)(e)</sup>: Subscription options</b>					
Decision of the Board on September 14, 2011	Main executive officers <sup>(c)</sup>	29	846,600	55.7%	29,193
Exercise price: € 33.00; discount: 0.0%	Other executive officers	177	672,240	44.3%	3,798
	Other employees	-	-	-	-
	<b>Total</b>	<b>206</b>	<b>1,518,840</b>	<b>100%</b>	<b>7,373</b>

(a) To take into account the spin-off of Arkema, pursuant to the provisions in effect on 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 TOTAL stock options holders. 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) Certain employees of the Elf Aquitaine group in 1998 also benefited 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.
- (c) Members of the Management Committee and the Treasurer as of the date of the Board meeting awarding the options. Mr. Desmarest has not been a member of the Management Committee since February 14, 2007. Mr. Desmarest was awarded 110,000 options under the 2007 Plan and no options since 2008.
- (d) The options are exercisable, subject to a presence 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 (except for the 2008 Plan). The presence condition states that the termination of the employment contract will result in the employee losing the right to exercise the options.
- (e) 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.
- (f) For the 2008 Plan, the options acquisition rate, linked to the performance condition, was 60%.
- (g) For the 2009 Plan, the options acquisition rate, linked to the performance condition, was 100%.

## 5.9. TOTAL stock options as of December 31, 2011

### 5.9.1. Outstanding TOTAL stock option plans

	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan	Total
Type of options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	
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	05/21/2010	05/21/2010	
Grant date <sup>(a)</sup>	07/16/2003	07/20/2004	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010	09/14/2011	
<b>Total number of options awarded, including<sup>(b)</sup>:</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>4,788,420</b>	<b>1,518,840</b>	<b>58,117,264</b>
Directors <sup>(c)</sup>	240,000	240,000	240,720	400,720	310,840	200,660	200,000	240,000	160,000	2,232,940
- C. de Margerie	n/a	n/a	n/a	160,000	200,000	200,000	200,000	240,000	160,000	1,160,000
- C. Clément	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	-
- D. Boeuf	n/a	-	720	720	840	660	-	n/a	n/a	2,940
- T. Desmarest	240,000	240,000	240,000	240,000	110,000	-	-	-	n/a	1,070,000
<b>Additional grant</b>	<b>-</b>	<b>24,000</b>	<b>134,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158,400</b>
<b>Adjustments related to the spin-off of Arkema<sup>(d)</sup></b>	<b>163,180</b>	<b>196,448</b>	<b>90,280</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449,908</b>
Date as of which the options may be exercised	07/17/2005	07/21/2006	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	09/15/2012	09/15/2013	
Expiry date	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	09/14/2018	09/14/2019	
Exercise price (€) <sup>(e)</sup>	32.84	39.30	49.04	50.60	60.10	42.90	39.90	38.20	33.00	
<b>Cumulative number of options exercised as of 12/31/2011</b>	<b>11,068,508</b>	<b>1,266,293</b>	<b>38,497</b>	<b>8,620</b>	<b>-</b>	<b>200</b>	<b>1,080</b>	<b>2,040</b>	<b>9,400</b>	
<b>Cumulative number of options canceled as of 12/31/2011</b>	<b>835,896</b>	<b>322,151</b>	<b>128,127</b>	<b>95,114</b>	<b>86,865</b>	<b>113,912</b>	<b>28,740</b>	<b>86,337</b>	<b>1,000</b>	
Number of options:										
- outstanding as of										
January 1, 2011	5,734,444	12,338,847	6,178,856	5,640,886	5,866,445	4,349,158	4,371,890	4,787,300	-	49,267,826
- awarded in 2011	-	-	-	-	-	-	-	-	1,518,840	1,518,840
- canceled in 2011 <sup>(f)(g)</sup>	(738,534)	(28,208)	(16,320)	(17,380)	(16,080)	(13,260)	(14,090)	(85,217)	(1,000)	(930,089)
- exercised in 2011	(4,995,910)	(216,115)	-	-	-	(200)	-	(2,040)	(9,400)	(5,223,665)
<b>- Outstanding as of 12/31/2011</b>	<b>-</b>	<b>12,094,524</b>	<b>6,162,536</b>	<b>5,623,506</b>	<b>5,850,365</b>	<b>4,335,698</b>	<b>4,357,800</b>	<b>4,700,043</b>	<b>1,508,440</b>	<b>44,632,912</b>

- (a) The grant date is the date of the Board meeting awarding the options, except for the share subscription option plan of October 9, 2008, approved 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 grant.
- (d) Adjustments approved by the Board at its meeting on March 14, 2006, pursuant to the provisions 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 were made on May 22, 2006 effective as of May 24, 2006.
- (e) Exercise price as of May 24, 2006. The exercise prices of TOTAL subscription shares under 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 stock options under these plans were multiplied by an adjustment factor equal to 0.986147 effective as of May 24, 2006. The exercise prices effective before May 24, 2006 are given in Note 25, points A, B and C to the Consolidated Financial Statements (Chapter 9).
- (f) Out of the 930,089 options canceled in 2011, 738,534 options that were not exercised expired due to the expiry of the 2003 subscription option plan on July 16, 2011.
- (g) The acquisition rate applicable to the subscription options that were subject to the performance condition of the 2009 Plan was 100%.

If all the outstanding stock options as of December 31, 2011 were exercised, the corresponding shares would represent 1.85% <sup>(1)</sup> of the Company's potential share capital as of such date.

## 5.9.2. TOTAL stock options awarded to main executive officers (Management Committee and Treasurer) as of December 31, 2011

	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan	Total
Type of options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	
Expiry date	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	09/14/2018	09/14/2019	
Exercise price (€) <sup>(a)</sup>	32.84	39.30	49.04	50.60	60.10	42.90	39.90	38.20	33.00	
Options awarded by the Board <sup>(b)</sup>	680,904	848,800	711,440	851,240	1,032,120	1,138,300	1,215,300	1,406,400	846,600	8,731,104
Adjustments related to the spin-off of Arkema <sup>(c)</sup>	8,988	11,992	10,048	-	-	-	-	-	-	31,028
Options outstanding as of January 01, 2011	277,119	757,792	721,488	851,240	1,032,120	1,059,901	1,215,300	1,406,400		7,321,360
Options awarded in 2011	-	-	-	-	-	-	-	-	846,600	846,600
Options exercised in 2011	(277,119)	-	-	-	-	-	-	-	-	(277,119)
Options canceled in 2011	-	-	-	-	-	-	-	(59,000)	-	(59,000)
<b>Options outstanding as of December 31, 2011</b>	<b>-</b>	<b>757,792</b>	<b>721,488</b>	<b>851,240</b>	<b>1,032,120</b>	<b>1,059,901</b>	<b>1,215,300</b>	<b>1,347,400</b>	<b>846,600</b>	<b>7,831,841</b>

(a) Exercise price as of May 24, 2006. The exercise prices of TOTAL subscription shares under 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 stock options under these plans were multiplied by an adjustment factor equal to 0.986147 effective as of May 24, 2006. The exercise prices effective before May 24, 2006 are given in Note 25, points A, B and C to the Consolidated Financial Statements (Chapter 9).

(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 at its meeting on March 14, 2006, pursuant to the provisions in effect at the time of the Board meeting and of the Shareholders' Meeting on May 12, 2006, related to the spin-off of Arkema. These adjustments were made on May 22, 2006 effective as of May 24, 2006.

As part of the 2007, 2008 and 2009 share subscription option plans, the Board of Directors decided that for each beneficiary of more than 25,000 options, one-third of the options awarded in excess of this number be subject to a performance condition. For the 2010 share subscription option plan, beneficiaries of more than 3,000 options are subject to a performance condition for part of the options (see paragraph 5.6.2 of this Chapter). For the 2011 share subscription option plan, all of the options are subject to a performance condition.

In addition, Mr. Clément, the director representing employee shareholders, has not exercised any option in 2011 and has not been awarded any share subscription options under the 2011 Plan.

(1) Out of a total potential share capital of 2,408,400,225 shares (see paragraph 1.4 of Chapter 8).

### 5.9.3. TOTAL stock options awarded to Mr. de Margerie, Chairman and Chief Executive Officer of TOTAL S.A.

	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan	Total
Type of options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	Subscription options	
Expiry date	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	09/14/2018	09/14/2019	
Exercise price (€) <sup>(a)</sup>	32.84	39.30	49.04	50.60	60.10	42.90	39.90	38.20	33.00	
Options awarded by the Board <sup>(b)</sup>	112,000	128,000	130,000	160,000	200,000	200,000	200,000	240,000	160,000	1,530,000
Adjustments related to the spin-off of Arkema <sup>(c)</sup>	1,576	1,800	1,828	-	-	-	-	-	-	5,204
Options outstanding as of January 01, 2011	113,576	129,800	131,828	160,000	200,000	176,667	200,000	240,000	-	1,351,871
Options awarded in 2011	-	-	-	-	-	-	-	-	160,000	160,000
Options exercised in 2011	(113,576)	-	-	-	-	-	-	-	-	(113,576)
Options canceled in 2011	-	-	-	-	-	-	-	-	-	-
<b>Options outstanding as of December 31, 2011</b>	<b>-</b>	<b>129,800</b>	<b>131,828</b>	<b>160,000</b>	<b>200,000</b>	<b>176,667</b>	<b>200,000</b>	<b>240,000</b>	<b>160,000</b>	<b>1,398,295</b>

(a) Exercise price as of May 24, 2006. The exercise prices of TOTAL subscription shares under 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 stock options under these plans were multiplied by an adjustment factor equal to 0.986147 effective as of May 24, 2006. The exercise prices effective before May 24, 2006 are given in Note 25, points A, B and C to the Consolidated Financial Statements (Chapter 9).

(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 at its meeting on March 14, 2006, pursuant to the provisions in effect at the time of the Board meeting and of the Shareholders' Meeting on May 12, 2006, related to the spin-off of Arkema. These adjustments were made on May 22, 2006 effective as of May 24, 2006.

As part of the 2007 to 2011 Plans, the Board has made the grant of these options to the Chairman and Chief Executive Officer subject to performance conditions (see paragraph 5.6.2 of this Chapter). For the 2009 Plan, the acquisition rate, linked to the performance conditions, was 100%.

As of December 31, 2011, the outstanding options of the Chairman and Chief Executive Officer represented 0.058%<sup>(1)</sup> of the Company's potential share capital as of such date.

Mr. Desmarest, Chairman of the Board of Directors until May 21, 2010, was not awarded any share subscription options under the 2008, 2009, 2010 and 2011 plans. In addition, he was not awarded any performance shares under plans in the period 2005 to 2011.

(1) Out of a total potential share capital of 2,408,400,225 shares (see paragraph 1.4 of Chapter 8).

**5.9.4. Stock options awarded to the ten employees (other than corporate executive officers) receiving the largest awards/Stock options exercised by the ten employees (other than corporate executive officers) exercising the largest number of options**

	Total number of options awarded/ exercised	Exercise price (€)	Grant date <sup>(a)</sup>	Expiry date
Options awarded in 2011 to the ten employees of TOTAL S.A., or any company in the Group, receiving the largest number of options	430,400	33.00	09/14/2011	09/14/2019
Options exercised in 2011 by the ten employees of TOTAL S.A., or any company in the Group, exercising the largest number of options <sup>(b)</sup>	227,671 9,736	32.84 39.30	07/16/2003 07/20/2004	07/16/2011 07/20/2012
	<b>237,407</b>	<b>33.10<sup>(c)</sup></b>		

(a) The grant date is the date of the Board meeting awarding the options.

(b) Exercise price as of May 24, 2006. The exercise prices of TOTAL stock options under 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 stock options under these plans were multiplied by an adjustment factor equal to 0.986147 effective as of May 24, 2006. The exercise prices effective before May 24, 2006 are given in Note 25, points A, B and C to the Consolidated Financial Statements (Chapter 9).

(c) Weighted-average price.

## 5.10. TOTAL global free and performance share grants

### 5.10.1. TOTAL global free share plan

In addition to the performance shares granted, the Board of Directors decided at its meeting on May 21, 2010, to implement a global free share plan intended for all the Group employees, that, is more than 100,000 employees. On June 30, 2010, rights to 25 free shares were granted to every employee. The shares are subject to a vesting period of two to four years depending on the case. The shares granted are not subject to any performance condition. Following the vesting period, the shares will be issued.

### 5.10.2. Breakdown of TOTAL performance share grants

The following table gives a breakdown of TOTAL performance share grants by category of beneficiary (main executive officers, other executive officers and other employees).

		Number of beneficiaries	Number of shares awarded <sup>(a)</sup>	Percentage	Average number of shares per beneficiary
<b>2005 Plan<sup>(b)</sup></b>	Main executive officers <sup>(c)</sup>	29	13,692	2.4%	472
Decision of the Board on July 19, 2005	Other executive officers	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>	Main executive officers <sup>(c)</sup>	26	49,200	2.2%	1,892
Decision of the Board on July 18, 2006	Other executive officers	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>	Main executive officers <sup>(c)</sup>	26	48,928	2.1%	1,882
Decision of the Board on July 17, 2007	Other executive officers	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<sup>(b)</sup></b>	Main executive officers <sup>(c)</sup>	25	49,100	1.8%	1,964
Awarded on October 9, 2008, by decision of the Board of Directors on September 9, 2008	Other executive officers	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<sup>(b)</sup></b>	Main executive officers <sup>(c)</sup>	25	48,700	1.6%	1,948
Decision of the Board on September 15, 2009	Other executive officers	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>
<b>2010 Plan<sup>(b)</sup></b>	Main executive officers <sup>(c)</sup>	24	46,780	1.6%	1,949
Decision of the Board on September 14, 2010	Other executive officers	283	343,080	11.4%	1,212
	Other employees <sup>(d)</sup>	10,074	2,620,151	87.0%	260
	<b>Total</b>	<b>10,381</b>	<b>3,010,011</b>	<b>100%</b>	<b>290</b>
<b>2011 Plan</b>	Main executive officers <sup>(c)</sup>	29	184,900	5.1%	6,376
Decision of the Board on September 14, 2011	Other executive officers	274	624,000	17.1%	2,277
	Other employees <sup>(d)</sup>	9,658	2,840,870	77.8%	294
	<b>Total</b>	<b>9,961</b>	<b>3,649,770</b>	<b>100%</b>	<b>366</b>

- (a) The number of performance shares awarded shown in this table has not been adjusted to take into account the four-for-one stock split approved by the Shareholders' Meeting on May 12, 2006.  
(b) For the 2005, 2006, 2007 and 2009 Plans, the acquisition rates of the shares awarded, linked to the performance conditions, were 100%. For the 2008 Plan, the acquisition rate, linked to the performance condition, was 60%.  
(c) Members of the Management Committee and the Treasurer as of the date of the Board meeting granting the performance shares. The Chairman of the Board and the Chief Executive Officer were not awarded any performance shares, with the exception of the 2011 Plan. On September 14, 2011, the Board of Directors of TOTAL S.A. decided to grant 16,000 performance shares to Mr. de Margerie.  
(d) Mr. Clément, employee of Total Raffinage Marketing, a subsidiary of TOTAL S.A. and the director of TOTAL S.A. representing employee shareholders, was awarded 320 performance shares under the 2005 Plan, 200 performance shares under the 2007 Plan, 500 performance shares under the 2008 Plan, 240 performance shares under the 2010 Plan and 240 performance shares under the 2011 Plan.  
(e) Excluding free shares granted as part of the 2010 global free share plan.

The grant of these performance shares, which were bought back by the Company on the market, will become final after a 2-year vesting period. This final grant is subject to a presence condition and a performance condition (see paragraph 5.6.1 of this Chapter). Moreover, the transfer of the performance shares will not be permitted until the end of a 2-year mandatory holding period.

## 5.11. TOTAL global free and performance share plans as of December 31, 2011

### 5.11.1. Performance share plans as of December 31, 2011

	2005 Plan <sup>(a)</sup>	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan
<b>Date of the Shareholders' Meeting</b>	05/17/2005	05/17/2005	05/17/2005	05/16/2008	05/16/2008	05/16/2008	05/13/2011
<b>Grant date<sup>(b)</sup></b>	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010	09/14/2011
Closing price on grant date <sup>(c)</sup>	€52.13	€50.40	€61.62	€35.945	€41.615	€39.425	€32.69
Average repurchase price per share paid by the Company	€51.62	€51.91	€61.49	€41.63	€38.54	€39.11	€39.58
Total number of performance shares awarded, including to	2,280,520	2,275,364	2,366,365	2,791,968	2,972,018	3,010,011	3,649,770
- Directors <sup>(d)</sup>	416	416	432	588	-	240	16,240
- Ten employees with largest grants <sup>(e)</sup>	20,000	20,000	20,000	20,000	20,000	20,000	91,400
Start of the vesting period:	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010	09/14/2011
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	09/16/2011	09/15/2012	09/15/2013
Transfer possible from (end of the mandatory holding period)	07/20/2009	07/19/2010	07/18/2011	10/10/2012	09/16/2013	09/15/2014	09/15/2015
<b>Number of performance shares:</b>							
- Outstanding as of January 1, 2011	-	-	-	-	2,954,336	3,000,637	-
- Awarded in 2011	-	-	-	-	-	-	3,649,770
- Canceled in 2011	800 <sup>(g)</sup>	700 <sup>(g)</sup>	792 <sup>(g)</sup>	356 <sup>(g)</sup>	(26,214)	(10,750)	(19,579)
- Finally granted in 2011 <sup>(f)</sup>	(800) <sup>(g)</sup>	(700) <sup>(g)</sup>	(792) <sup>(g)</sup>	(356) <sup>(g)</sup>	(2,928,122)	(1,836)	-
- Outstanding as of December 31, 2011	-	-	-	-	-	2,988,051	3,630,191

(a) The number of performance shares awarded 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 grant date is the date of the Board meeting awarding the performance share grant, except for the performance shares awarded on October 9, 2008, approved 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) Mr. Desmarest, Chairman of the Board of Directors of TOTAL S.A. until May 21, 2010, and Mr. de Margerie, Chief Executive Officer since February 13, 2007 and Chairman and Chief Executive Officer since May 21, 2010, were not awarded performance shares under the plans approved by the Board of Directors of TOTAL S.A. on July 18, 2006, July 17, 2007, September 9, 2008, September 15, 2009 and September 14, 2010. Furthermore, Mr. Desmarest was not awarded performance shares under the plan approved by the Board of Directors of TOTAL S.A. on July 19, 2005. On September 14, 2011, the Board of Directors of TOTAL S.A. decided to grant 16,000 performance shares to Mr. de Margerie. In addition, Mr. Boeuf, director of TOTAL S.A. representing employee shareholders until December 31, 2009, was awarded performance shares under the plans approved by the Board of Directors of TOTAL S.A. on July 19, 2005, July 18, 2006, July 17, 2007 and September 9, 2008. Mr. Boeuf was not awarded any performance shares under the plan approved by the Board of Directors of TOTAL S.A. on September 15, 2009. Mr. Clément, director of TOTAL S.A. representing employee shareholders since May 21, 2010, was awarded 240 performance shares under the plan approved by the Board of Directors of TOTAL S.A. on September 14, 2011. In addition, Mr. Clément was awarded 240 performance shares under the plan approved by the Board of Directors of TOTAL S.A. on September 14, 2010.

(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 2010 Plans, final grants following the death of the beneficiary.

(g) Performance shares finally awarded for which the entitlement right had been canceled erroneously.

In case of a final grant of the outstanding performance shares as of December 31, 2011, the corresponding shares would represent 0.27%<sup>(1)</sup> of the Company's potential share capital as of such date.

(1) Out of a total potential share capital of 2,408,400,225 shares (see paragraph 1.4 of Chapter 8).



### 5.11.2. Follow-up of the global free share plan

	2010 Plan (2+2) <sup>(b)</sup>	2010 Plan (4+0) <sup>(c)</sup>	Total
Date of the Shareholders' Meeting	05/16/2008	05/16/2008	
Grant date <sup>(a)</sup>	06/30/2010	06/30/2010	
Final grant date	07/01/2012	07/01/2014	
Transfer possible from	07/01/2014	07/01/2014	
<b>Number of shares</b>			
<b>Outstanding as of January 1, 2010</b>			
Awarded	1,508,850	1,070,650	2,579,500
Canceled	(125)	(75)	(200)
Finally granted <sup>(d)</sup>	(75)		(75)
<b>Outstanding as of January 1, 2011</b>	<b>1,508,650</b>	<b>1,070,575</b>	<b>2,579,225</b>
Awarded	-	-	-
Canceled	(29,175)	(54,625)	(83,800)
Finally granted <sup>(d)</sup>	(475)	(425)	(900)
<b>Outstanding as of December 31, 2011</b>	<b>1,479,000</b>	<b>1,015,525</b>	<b>2,494,525</b>

- (a) The June 30, 2010 grant was decided by the Board of Directors on May 21, 2010.  
 (b) Vesting period of two years followed by a holding period of 2 years.  
 (c) Vesting period of four years without a holding period.  
 (d) Final grant following the death or disability of the beneficiary of the shares.

In case of a final grant of the outstanding shares as of December 31, 2011, the corresponding shares would represent 0.10%<sup>(1)</sup> of the Company's potential share capital as of such date.

### 5.11.3. Performance share grants to the ten employees (other than corporate executive officers) receiving the largest number of performance shares

	Number of performance shares granted/finally awarded	Grant date	Date of final grant (end of vesting period)	End of mandatory holding period
Performance share grants approved by the Board meeting on September 14, 2011 to the ten TOTAL S.A. employees (other than corporate executive officers) receiving the largest number of performance shares <sup>(a)</sup>	91,400	09/14/2011	09/15/2013	09/15/2015
Performance shares finally awarded in 2011 following the performance share plan approved by the Board meeting on September 15, 2009, to the ten employees (other than corporate executive officers) at the time of such approval receiving the largest number of performance shares <sup>(b)</sup>	20,000	09/15/2009	09/16/2011	09/16/2013

- (a) Grant approved by the Board on September 14, 2011. Grants of these performance shares will become final, subject to a performance condition, after a 2-year vesting period (i.e., on September 15, 2013) (see paragraph 5.6.1 of this Chapter). Moreover, the transfer of the performance shares will not be permitted until the end of a 2-year mandatory holding period (i.e., on September 15, 2015).  
 (b) This final grant is subject to a performance condition (see paragraph 5.6.1 of this Chapter). The acquisition rate of the shares awarded, linked to the performance condition, was 100%. Moreover, the transfer of the performance shares finally awarded will only be permitted after the end of a 2-year mandatory holding period (i.e., from September 16, 2013).

(1) Out of a total potential share capital of 2,408,400,225 shares (see paragraph 1.4 of Chapter 8).

## 6. Employees, share ownership

### 6.1. 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>2011</b>	<b>23,563</b>	<b>29,423</b>	<b>41,665</b>	<b>1,453</b>	<b>96,104</b>
2010	17,192	32,631	41,658	1,374	92,855
2009	16,628	33,760	44,667	1,332	96,387

	France	Rest of Europe	Rest of the World	Total
<b>2011</b>	<b>35,037</b>	<b>22,453</b>	<b>38,614</b>	<b>96,104</b>
2010	35,169	24,931	32,755	92,855
2009	36,407	26,299	33,681	96,387

### 6.2. 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 having adhered to these plans. 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.

#### 6.2.1. Company savings plans

The various Company savings plans (PEGT, PEC) give the employees of French Group 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 American Depositary Receipts (ADRs) and Italian employees (as well as German employees starting in 2011) may participate by directly subscribing to new shares at the Group Caisse Autonome in Belgium.

#### 6.2.2. Profit-sharing agreements

Under the June 26, 2009 profit-sharing agreements concerning ten Group companies, the amount available for employees profit-sharing is determined, when permitted by local law, based on the return on equity (ROE) performance of the Group (for additional information, see paragraph 3.1 "Employee incentives and profit-sharing" of Chapter 8).

#### 6.2.3. Employee shareholding

The total number of TOTAL shares held by employees as of December 31, 2011, is as follows:

"TOTAL ACTIONNARIAT FRANCE"	78,607,765
"TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION"	19,691,590
ELF PRIVATISATION N°1	929,494
Shares held by U.S. employees	454,305
Group Caisse Autonome (Belgium)	436,431
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>	3,293,822
<b>Total shares held by employee shareholder funds</b>	<b>103,413,407</b>

(a) Company savings plans.

As of December 31, 2011, the employees of the Group held, on the basis of the definition of employee shareholding contained in Article L. 225-102 of the French Commercial Code, 103,413,407 TOTAL shares, representing 4.37% of the Company's share capital and 8.01% of the voting rights that could be exercised at a Shareholders' Meeting on that date.

The management of each of the three collective investment funds mentioned above is controlled by a dedicated supervisory board, two-third 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 liquidations, 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-third plus one related to a change in a fund's rules and procedures, its conversion or 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 table above, voting rights are exercised individually.

### 6.3. Shares held by the administration and management bodies

As of December 31, 2011, based on 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 Chief Executive Officer): 317,306 shares;
- Chairman and Chief Executive Officer: 105,556 shares and 53,869 shares of the "TOTAL ACTIONNARIAT FRANCE" collective investment plan;
- Management Committee (including the Chief Executive Officer) and Treasurer: 623,449 shares.

### 6.2.4. Capital increase reserved for Group employees

At the Shareholders' Meeting held on May 21, 2010, 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, reserving subscriptions for such issuance to the Group employees participating in a company savings plan in accordance with the provisions of Articles L. 3332-2 and L. 3332-18 and following of the French Labor Code, and Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code. The number of ordinary shares that are likely to be issued pursuant to this delegation of authority will not exceed 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.

Pursuant to this delegation of authority, the Board of Directors decided on October 28, 2010 to proceed with a capital increase of a maximum of 12 million shares reserved for TOTAL employees in 2011, bearing dividends as of January 1, 2010. The Board of Directors decided to delegate the authority to set the subscription period to the Chairman and Chief Executive Officer.

On March 14, 2011, the Chairman and Chief Executive Officer decided that the subscription period would be set from March 16 to April 1, 2011 and acknowledged that the subscription price per ordinary share would be set at €34.80.

The subscription resulted in the issuance in 2011 of 8,902,717 TOTAL shares.

By decision of the Board of Directors:

- The Chairman and the 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 invested in TOTAL shares.

### 6.3.1. 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 2011 by the individuals concerned under paragraphs a) through c) of Article L. 621-18-2 of the French Monetary and Financial Code.

Year 2011		Acquisition	Subscription	Transfer	Exchange	Exercise of stock options
Christophe de Margerie <sup>(a)</sup>	TOTAL shares	-	-	93,250	-	113,576
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	5,340.09	-	-	-	-
Michel Bénézit <sup>(a)</sup>	TOTAL shares	-	-	-	-	-
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	626.95	13,341.83	6,828.94	-	-
François Cornélis <sup>(a)</sup>	TOTAL shares	-	-	9,000	-	-
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	1,883.86	11,440.06	5,876.63	-	-
Yves-Louis Darricarrère <sup>(a)</sup>	TOTAL shares	-	-	14,412	-	6,412
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	901.20	20,088.29	10,319.28	-	-
Jean-Jacques Guilbaud <sup>(a)</sup>	TOTAL shares	-	-	29,163	-	29,163
	Shares in collective investment plans (FCPE), and other related financial instruments <sup>(b)</sup>	1,008.85	14,320.92	8,636.03	-	-
Bertrand Jacquillat <sup>(a)(c)</sup>	TOTAL shares	300	-	33	-	-
	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>	756.08	14,998.66	7,587.71	-	-

(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 invested in Company shares.

(c) Director and member of the Audit Committee until May 13, 2011.



# TOTAL and its shareholders

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# 1. Listing details

## 1.1. Listing

### 1.1.1. Exchanges

Paris, Brussels, London and New York

### 1.1.2. Codes

ISIN	FR0000120271
Reuters	TOTF.PA
Bloomberg	FP FP
Datastream	F:TAL
Mnémono	FP

### 1.1.3. Included in the following stock indexes

CAC 40, Euro Stoxx 50, Stoxx Europe 50, DJ Global Titans

### 1.1.4. Included in the following ESG indexes (Environment, Social, Governance)

DJSI World, DJSI Europe, FTSE4Good, ASPI

### 1.1.5. Weight in indexes as of December 31, 2011

CAC 40	14.4%	1 <sup>st</sup> position
EURO STOXX 50	6.6%	1 <sup>st</sup> position
STOXX EUROPE 50	3.5%	9 <sup>th</sup> position
DJ GLOBAL TITANS	1.8%	25 <sup>th</sup> position

### 1.1.6. Largest market capitalization on Euronext Paris and in the euro zone as of December 31, 2011

TOTAL is the largest capitalization on the Euronext Paris regulated market. The largest companies by market capitalization in the euro zone<sup>(a)</sup> are:

As of December 31, 2011  
(B€)

<b>TOTAL</b>	<b>93.4</b>
Sanofi	76.1
Anheuser-Busch InBev	76.0
Siemens	67.6
ENI	64.1

(a) Based on the Euro Stoxx 50. Source: Bloomberg for companies other than TOTAL.

### 1.1.7. Market capitalization as of December 31, 2011<sup>(1)</sup>

€93.4 billion<sup>(2)</sup>

\$120.8 billion<sup>(3)</sup>

### 1.1.8. Percentage of free float

90%<sup>(4)</sup>

### 1.1.9. Par value

€2.50

### 1.1.10. Credit ratings of the long-term and short-term debt (long term/outlook/short term)

as of December 31	2011	2010
Standard & Poor's	AA-/Stable/A-1+	AA/Negative/A-1+
Moody's	Aa1/Stable/P-1	Aa1/Stable/P-1
DBRS	AA/Stable/R-1 (middle)	AA/Stable/R-1 (middle)

(1) Shares outstanding as of December 31, 2011: 2,363,767,313.

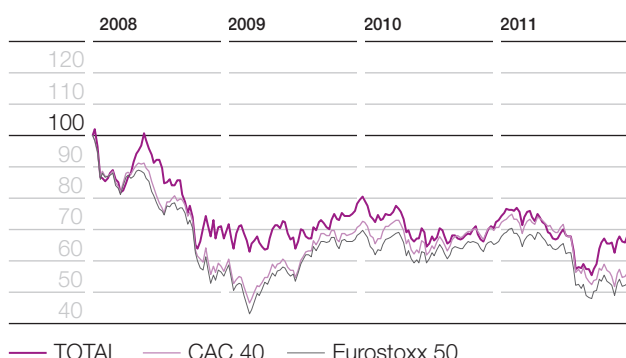
(2) TOTAL share price in Paris as of December 31, 2011: €39.50.

(3) TOTAL ADR price in New York as of December 31, 2011: \$51.11.

(4) Source: Euronext.

## 1.2. Share performance

**TOTAL share price (in euros)  
in Paris (2008-2011)<sup>(a)</sup>**



Source: Bloomberg - Share price as of December 31, 2011: €39.50.  
(a) Base 100 as of January 1, 2008.

**TOTAL ADR price (in dollars)  
in New York (2008-2011)<sup>(a)</sup>**



Source: Bloomberg - ADR price as of December 31, 2011: \$51.11.  
(a) Base 100 as of January 1, 2008.

### 1.2.1. 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 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.

### 1.2.2. Change in share prices in Europe of the major European oil companies between January 1, 2011 and December 31, 2011 (closing price in local currency)

<b>TOTAL (€)</b>	<b>-0.4%</b>
Royal Dutch Shell A (€)	+13.8%
Royal Dutch Shell B (pound sterling)	+16.0%
BP (pound sterling)	-1.1%
ENI (€)	-2.0%

Source: Bloomberg

### 1.2.3. Change in share prices in the United States (ADR quotes in dollars for European companies) of the major international oil companies between January 1, 2011 and December 31, 2011 (closing price in dollars)

<b>TOTAL</b>	<b>-4.4%</b>
ExxonMobil	+15.9%
Royal Dutch Shell A	+9.4%
Royal Dutch Shell B	+14.0%
Chevron	+16.6%
BP	-3.2%
ConocoPhillips	+7.0%
ENI	-5.6%

Source: Bloomberg

## 1.2.4. Appreciation of a portfolio invested in TOTAL shares

Net yield of 4.4% per year over ten years (excluding tax credit).

## 1.2.5. Multiplication of the initial investment by 1.5 over ten years

As of December 31, 2011, for every €1,000 invested in TOTAL shares 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		Value, as of December 31, 2011 of €1,000 invested	
	TOTAL <sup>(a)</sup>	CAC 40 <sup>(b)</sup>	TOTAL	CAC 40
1 year January 1, 2011	5.5%	-14.3%	1,055	857
5 years January 1, 2007	-1.7%	-7.5%	918	677
10 years January 1, 2002	4.4%	-0.9%	1,538	914
15 years January 1, 1997	11.3%	4.6%	4,982	1,963

(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 in 2006 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.

## 1.2.6. Information summary

### Share price

(€)	2011	2010	2009	2008	2007
Highest (during regular trading session)	44.55	46.74	45.79	59.50	63.40
Lowest (during regular trading session)	29.40	35.66	34.25	31.52	48.33
End of the year (closing)	39.50	39.65	45.01	38.91	56.83
Average of the last 30 trading sessions of the year (closing)	37.65	39.16	43.19	39.58	55.31
<b>Trading volume (average per session) <sup>(a)</sup></b>					
Euronext Paris	6,565,732	6,808,245	7,014,959	11,005,751	10,568,310
New York Stock Exchange (number of ADRs)	4,245,743	3,329,778	2,396,192	2,911,002	1,882,072
Dividend <sup>(b)</sup>	2.28	2.28	2.28	2.28	2.07

(a) Number of shares traded.

(b) The 2011 dividend is subject to the approval by the Shareholders' Meeting on May 11, 2012. This amount includes the three quarterly 2011 dividends, each of €0.57 per share, paid on September 22, 2011, December 22, 2011 and March 22, 2012, 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.

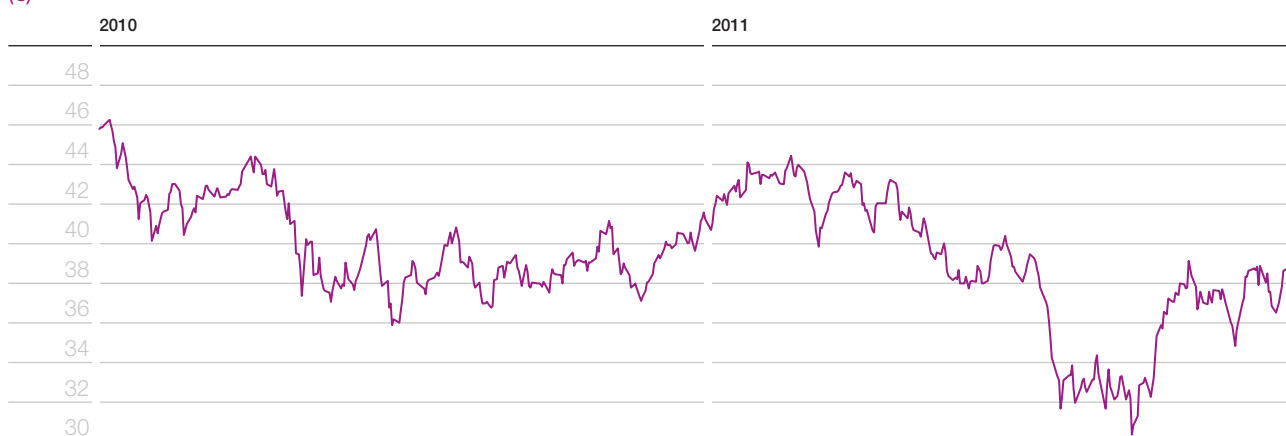
### 1.2.7. TOTAL share price over the past eighteen months (Euronext Paris)<sup>(a)</sup>

	Average daily volume <sup>(b)</sup>	Highest price quoted <sup>(b)</sup> (€)	Lowest price quoted (€)
September 2010	6,210,487	39.670	36.770
October 2010	5,822,245	39.720	37.520
November 2010	6,719,213	41.275	36.910
December 2010	5,162,212	40.790	37.195
January 2011	6,530,899	43.575	40.010
February 2011	6,214,549	44.470	42.325
March 2011	6,666,577	44.550	39.710
April 2011	5,194,138	43.730	40.340
May 2011	5,806,592	43.605	39.050
June 2011	5,538,109	40.235	37.305
July 2011	5,512,239	40.895	37.385
August 2011	9,087,194	38.110	30.335
September 2011	8,892,990	34.820	29.400
October 2011	7,406,110	39.810	31.730
November 2011	6,225,062	38.705	34.570
December 2011	5,307,713	39.605	35.940
January 2012	5,924,309	40.890	38.570
February 2012	4,675,941	42.400	40.225
<b>Maximum for the period</b>		<b>44.550</b>	
<b>Minimum for the period</b>			<b>29.400</b>

(a) Source: Euronext Paris.  
(b) Number of shares traded.

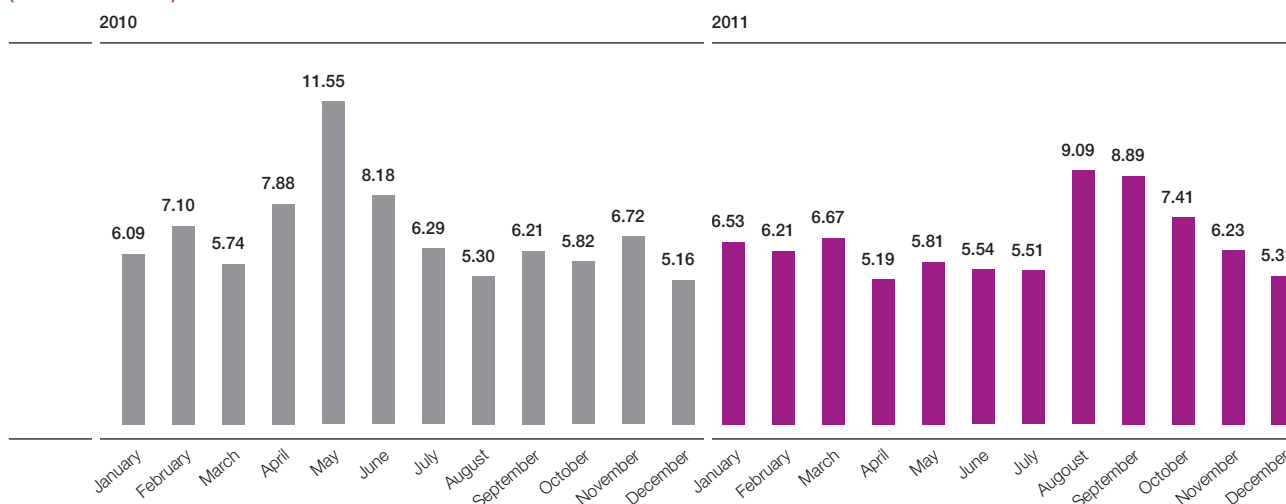
#### TOTAL share price at closing (Euronext Paris)

(€)



#### TOTAL average daily volume traded (Euronext Paris)

(in millions of shares)



## 2. Dividend

### 2.1. Dividend policy

#### 2.1.1. Dividend payment policy

Until the payment of the 2010 dividend, the Company paid an interim dividend in November and the remainder after the Shareholders' Meeting held in May of each year. Consequently, for 2010, an interim dividend of €1.14 per share and the remainder of €1.14 per share were paid respectively on November 17, 2010 and May 26, 2011.

On October 28, 2010, the Board of Directors decided to change its interim dividend policy and to adopt a new policy based on quarterly dividend payments, starting in 2011.

#### 2.1.2. 2011 and 2012 dividends

TOTAL paid three quarterly interim dividends for 2011:

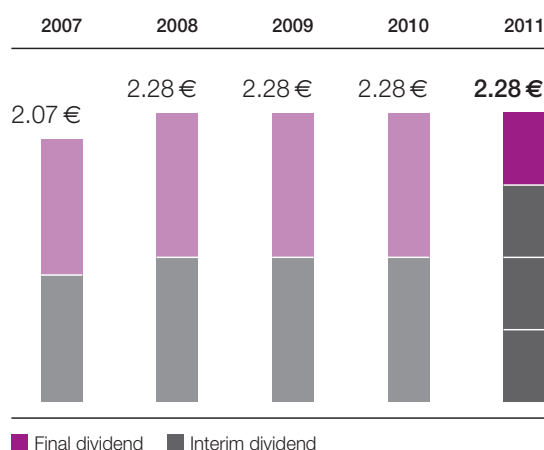
- the Board of Directors decided on the first quarterly interim dividend of €0.57 on April 28, 2011, with an ex-dividend date on September 19, 2011 and a payment date on September 22, 2011;
- the Board of Directors decided on the second quarterly interim dividend of €0.57 on July 28, 2011, with an ex-dividend date on December 19, 2011 and a payment date on December 22, 2011;
- the Board of Directors decided on the third quarterly interim dividend of €0.57 on October 27, 2011, with an ex-dividend date on March 19, 2012 and a payment date on March 22, 2012.

For 2011, TOTAL plans to continue its dividend policy by proposing a dividend of €2.28 per share at the Shareholders' Meeting on May 11, 2012, including a remainder of €0.57 per share, with an ex-dividend date on June 18, 2012, and a payment on June 21, 2012. This €2.28 per share dividend is stable compared to the previous year.

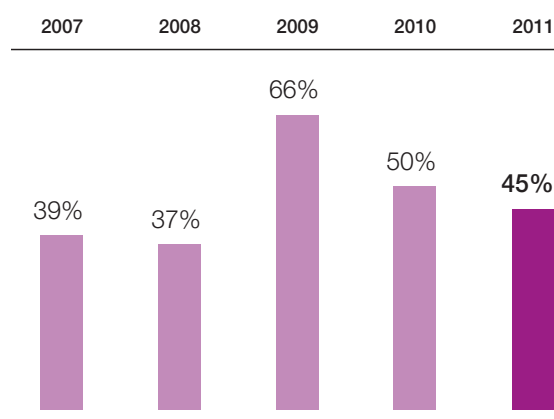
Subject to the applicable legislative and regulatory provisions, and pending the approval by the Board of Directors for the interim dividends and by the shareholders at the Shareholders' Meeting for the accounts and the final dividend, the ex-date calendar for the interim quarterly dividends and the final dividend for 2012 should be as follows:

- 1<sup>st</sup> interim dividend: September 24, 2012;
- 2<sup>nd</sup> interim dividend: December 17, 2012;
- 3<sup>rd</sup> interim dividend: March 18, 2013;
- remainder: June 24, 2013.

The provisional ex-dividend dates above relate to the TOTAL shares traded on the Euronext Paris.



In 2011, TOTAL's pay-out ratio was 45%<sup>(1)</sup>. Changes in the pay-out ratio<sup>(2)</sup> for the past five years are as follow:



(1) Based on adjusted fully-diluted earnings per share of €5.06.

(2) Based on adjusted fully-diluted earnings for the relevant year.

## 2.2. 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).

### 2.2.1. 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, or registered in a custody account. It 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. In addition, 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

### 2.2.2. Strips-VVPR TOTAL

Strips-VVPR are securities that allow a shareholder residing in Belgium to reduce the Belgian withholding tax applicable to securities income on the dividend paid by TOTAL from 25% to 21%. However, when the sum of all securities income which are subject to the 21% withholding tax exceeds €20,020 per year, an additional 4% withholding tax is charged on the dividends subject to the 21% withholding tax. 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. In compliance with 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, 2011.

## 2.3. Coupons

For the year ended	Ex-dividend date	Payment date	Expiration date	Nature and amount of the coupon	Net amount (€)	Net amount (€) <sup>(a)</sup>
2004	11/24/2004	11/24/2004	11/24/2009	Interim dividend (n°7)	2.4	0.6
	05/24/2005	05/24/2005	05/24/2010	Remainder (n°8)	3	0.75
2005	11/24/2005	11/24/2005	11/24/2010	Interim dividend (n°9)	3	0.75
	05/18/2006 <sup>(b)</sup>	05/18/2006 <sup>(b)</sup>	05/18/2011	Remainder (n°11)	3.48	0.87
2006	11/17/2006	11/17/2006	11/17/2011	Interim dividend (n°19)	0.87	0.87
	05/18/2007	05/18/2007	05/18/2012	Remainder (n°20)	1	1
2007	11/16/2007	11/16/2007	11/16/2012	Interim dividend (n°21)	1	1
	05/20/2008	05/20/2008	05/20/2013	Remainder (n°22)	1.07	1.07
2008	11/14/2008	11/19/2008	11/19/2013	Interim dividend (n°23)	1.14	1.14
	05/19/2009	05/22/2009	05/22/2014	Remainder (n°24)	1.14	1.14
2009	11/13/2009	18/11/2009	18/11/2014	Interim dividend (n°25)	1.14	1.14
	05/27/2010	06/01/2010	06/01/2015	Remainder (n°26)	1.14	1.14
2010	11/12/2010	11/17/2010	11/17/2015	Interim dividend (n°27)	1.14	1.14
	05/23/2011	05/26/2011	05/26/2016	Remainder (n°28)	1.14	1.14
2011 <sup>(c)</sup>	09/19/2011	09/22/2011	09/22/2016	Interim dividend (n°29)	0.57	0.57
	12/19/2011	12/22/2011	12/22/2016	Interim dividend (n°30)	0.57	0.57
	03/19/2012	03/22/2012	03/22/2017	Interim dividend (n°31)	0.57	0.57
	06/18/2012	06/21/2012	06/21/2017	Remainder (n°32)	0.57	0.57

(a) Net amounts adjusted to take into account the four-for-one stock split on May 18, 2006.

(b) In addition, on May 18, 2006, each TOTAL share was granted an allotment right for an Arkema share, with ten allotment rights entitling the holder to one Arkema share.

(c) A resolution will be submitted to the Shareholder's Meeting on May 11, 2012 to pay a cash dividend of €2.28 per share for fiscal year 2011, including a remainder of €0.57 per share, with an ex-dividend date on June 18, 2012 and a payment date on June 21, 2012.



## 3. Share buybacks

The Shareholders' Meeting of May 13, 2011, 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, to buy and sell the Company's shares within the framework of a share buyback program. The maximum purchase price was set at €70 per share. The number of shares acquired may not exceed 10% of the share capital. This authorization was granted for a period

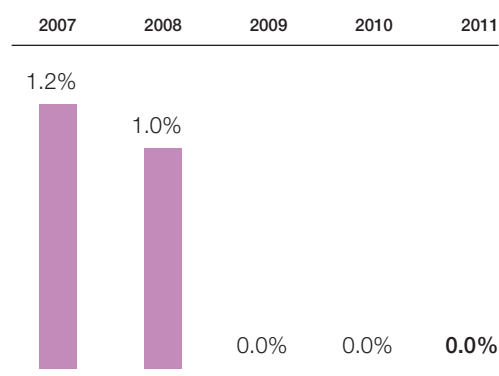
of eighteen months and replaced the previous authorization granted by the Shareholders' Meeting of May 21, 2010.

A resolution will be submitted to the Shareholders' Meeting on May 11, 2012 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 European Regulation 2273/2003 dated December 22, 2003. This program is described in paragraph 3.3 of this Chapter.

### 3.1. Share buybacks and cancellations in 2011

In 2011, TOTAL did not buy back any shares.

Percentage of share capital bought back<sup>(1)</sup>



### 3.2. Board's report on share buybacks and sales

#### 3.2.1. Share buybacks during 2011

In 2011, TOTAL did not buy back any shares.

#### 3.2.2. Shares registered in the name of the Company and its subsidiaries as of December 31, 2011

As of December 31, 2011, the Company held 9,222,905 treasury shares, representing 0.39% 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, 2011 was 109,554,173, representing 4.63% of TOTAL's share capital, comprised of, on the one hand, 9,222,905 treasury shares, including 6,712,528 shares held to cover restricted share grants and 2,510,377 shares to cover new share purchase option plans or new restricted share grants and, on the other hand, 100,331,268 shares held by subsidiaries.

For shares bought back to be allocated to Company or Group employees pursuant to of the objectives 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.

#### 3.2.3. Sale of shares during 2011

2,933,506 TOTAL shares were sold in 2011 further to the final grant of shares as part of the share grant plans.

#### 3.2.4. Cancellation of Company shares during 2009, 2010, 2011 and 2012

Pursuant to the authorization granted by the Shareholders' Meeting of May 11, 2007 to reduce the share capital by up to 10% by canceling shares held by the Company during a 24-month period,

(1) Average share capital of year N = (share capital as of December 31, N-1 + share capital as of December 31, N) / 2. Excluding share buybacks related to the restricted shares granted under the 2005, 2006, 2007 and 2008 plans.

the Board of Directors decided on July 30, 2009 to cancel 24,800,000 shares 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 held to approve the financial statements for the year ended December 31, 2011.

Based on 2,363,767,313 shares outstanding as of December 31, 2011, and until the end of the Shareholders' Meeting called to approve the accounts for the financial year ending on December 31, 2011, the Company may cancel a maximum of 236,376,731 shares up to and including December 31, 2011, before reaching the cancellation threshold of 10% of share capital canceled during a 24-month period.

### 3.2.5. Reallocation for other approved purposes during fiscal year 2011

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 2011 to purposes other than those initially specified at the time of purchase.

### 3.2.6. Conditions for the buyback and use of derivative products

Between January 1, 2011 and February 29, 2012, the Company did not use any derivative products on the financial markets as part of the share buyback programs successively authorized by the Shareholders' Meeting on May 21, 2010 and the Shareholders' Meeting on May 13, 2011.

### 3.2.7. Shares held in the name of the Company and its subsidiaries as of February 29, 2012

As of February 29, 2012, the Company held 9,221,513 treasury shares, representing 0.39% 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 29, 2012 was 109,552,781, representing 4.63% of TOTAL's share capital, comprised of, on the one hand, 9,221,513 treasury shares, including 6,711,356 shares held to cover restricted share grants and 2,510,157 shares to cover new share purchase option plans or new restricted share grants and, on the other hand, 100,331,268 shares held by subsidiaries.

Summary table of transactions completed by the Company involving its own shares from March 1, 2011 to February 29, 2012<sup>(a)</sup>:

	Gross cumulated flows		Open positions as of February 29, 2012			
	Purchases	Sales	Open buy positions		Open sell positions	
Number of shares	-	-	Bought calls	Forward purchases	Sold calls	Forward sells
Number of shares	-	-	-	-	-	-
Average maximum maturity date	-	-	-	-	-	-
Average transaction price (€)	-	-	-	-	-	-
Average exercise price	-	-	-	-	-	-
Amounts (M€)	-	-	-	-	-	-

(a) In compliance with the applicable regulations as of February 29, 2012, the period indicated commenced the day after the date used as a reference for the publication of information regarding the previous program (Registration Document 2010).

Moreover, 2,934,047 TOTAL shares were sold between March 1, 2011 and February 29, 2012 further to the final grant of shares as part of the share grant plans.

#### As of February 29, 2012

<b>Percentage of share capital held by TOTAL S.A.</b>	<b>0.39%</b>
Number of shares held in portfolio <sup>(a)</sup>	9,221,513
Book value of portfolio (at purchase price) (M€)	364
Market value of the portfolio (M€) <sup>(b)</sup>	387
<b>Percentage of capital held by the entire Group <sup>(c)</sup></b>	<b>4.63%</b>
Number of shares held in portfolio	109,552,781
Book value of portfolio (at purchase price) (M€)	3,390
Market value of the portfolio (M€) <sup>(b)</sup>	4,600

(a) TOTAL S.A. did not buy back any shares during the 3 business days preceding February 29, 2012. As a result, TOTAL S.A. owns all the shares held in portfolio as of this date.

(b) Based on a closing price of €41.99 per share as of February 29, 2012.

(c) TOTAL S.A., Total Nucléaire, Financière Valorgest, Sogapar and Fingestval.

### 3.3. 2012-2013 share buyback program

#### 3.3.1. 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 the Company's management and employees of the Company or Group Companies;
- deliver shares (by exchange payment or otherwise) in case of external growth operations;
- animate the secondary market or the liquidity of the TOTAL share as part of a liquidity agreement.

#### 3.3.2. 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 is subject to approval by TOTAL S.A. Shareholders' Meeting of May 11, 2012, through the fourth resolution, which reads as follows:

"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 pursuant to the provisions of Article L. 225-209 of the French Commercial Code and of Council Regulation No. 2273/2003 dated December 22, 2003, and voting under conditions for quorum and majority required for ordinary general meetings, the shareholders hereby authorize the Board of Directors to buy or sell shares of the company within the framework of a share buyback program.

The purchase, sale or transfer of these shares can be completed by any means on regulated markets, multilateral trading facilities or over the counter, including the purchase or sale of blocks of shares under the conditions authorized by the relevant market authorities. Within this framework, this includes using any financial derivative instrument traded on regulated markets, multilateral trading facilities 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, 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.

As of December 31, 2011, of the 2,363,767,313 shares outstanding at this date, the Company held 9,222,905 shares directly and 100,331,268 shares indirectly through its subsidiaries, for a total of 109,554,173 shares. Under these circumstances, the maximum number of shares that the Company could buy back is 126,822,558 shares, and the maximum amount that the Company may spend to acquire such shares is €8,877,579,060.

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,
- 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).

Share buybacks could be motivated by a market practice recognized by the French Financial Market Authority, knowingly:

- deliver shares (by exchange payment or otherwise) in case of external growth, merger, spin-off or contribution operations, without exceeding the limit stipulated in article L.225-209, paragraph 6 of the French Commercial Code, in the merger, spin-off or contribution operation; or
- animate the secondary market or the liquidity of the TOTAL share by an investment service provider as part of a liquidity agreement compliant with the ethical rules recognized by the French Financial Market Authority.

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.

According to the intended purpose, the treasury shares that are acquired by the Company through this program may be:

- canceled 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 purchase 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;
- used in any other manner that is consistent with the purpose stated in this resolution.

While they are held by the Company, such shares will be deprived of voting rights and dividend rights.

This authorization is granted for an 18-month period from the date of this meeting.

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 renders ineffective, up to unused portion, the fifth resolution of the Shareholders' Meeting held on May 13, 2011."

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. As this authorization is valid until May 11, 2012 only, it is subject to the new approval of the TOTAL S.A. Shareholders' Meeting of May 11, 2012, through the twentieth resolution, which reads as follows:

"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 and following of the French Commercial Code and Article L. 225-213 of the same Code, to reduce the company's capital on one or more occasions by canceling shares that the Company holds within the legal limits.

The maximum number of shares that may be cancelled under this authorization may not exceed 10% of the total number of shares outstanding, during a 24-month period, with this limit applying to a number of shares that will be adjusted, if necessary, to include transactions affecting the share capital subsequent to this meeting.

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 conditions of the capital reduction operations and confirm their execution, 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 is granted for five years will no longer be valid from the date of the Shareholders' Meeting held to approve the financial statements for the year ending December 31, 2016."

### 3.3.3. 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 11, 2012, 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, 2011 (2,363,767,313 shares), and given the 109,554,173 shares held by the Group as of February 29, 2012, representing 4.63% of the share capital, the maximum number of shares that may be purchased would be 126,822,558 shares, representing a theoretical maximum investment of €8,877,579,060 based on the maximum purchase price of €70.

#### Conditions for buybacks

Such shares may be bought back by any means on regulated markets, multilateral trading facilities or over the counter, including the purchase or sale of blocks of shares under the conditions authorized by the relevant 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 fourth resolution, which will be subject to approval of the Shareholders' Meeting of May 11, 2012, the share buyback program may be implemented over an 18-month period following the date of this meeting, expiring therefore on November 11, 2013.

#### 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 paragraph 3.2 of this Chapter).

## 4. Shareholders

### 4.1. 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.

### 4.2. 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 exchange ratio 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 exchange ratio 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 equity stake 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.

In May 2003, minority PetroFina shareholders, holding 4,938 shares, brought a complaint against Total Chimie S.A. and PetroFina S.A. before the Commercial Court of Brussels contesting, in particular, the price offered by Total Chimie in the squeeze-out procedure. In June 2006, TOTAL S.A. became party to this lawsuit. At the end of 2011, these minority shareholders voluntarily withdrew their lawsuit, thereby definitively terminating the legal proceedings they had initiated.

### 4.3. 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.

Pursuant to the public tender offer followed by a squeeze out announced on March 24, 2010, TOTAL S.A. now owns 100% of the securities issued by Elf Aquitaine.

The offer, which took place from April 16 to 29, 2010, at the price of €305 per share (including the remaining 2009 dividend), targeted

all of the Elf Aquitaine shares that were not held directly or indirectly by TOTAL S.A., representing 1,468,725 Elf Aquitaine shares (0.52% of the share capital and 0.27% of the company's voting rights).

The squeeze out procedure was implemented on April 30, 2010 to acquire all the Elf Aquitaine shares targeted by the offer and which had not been tendered to the offer by the minority shareholders upon payment of a compensation per share set at the price of the offer, *i.e.*, €305 per Elf Aquitaine share (including the remaining 2009 dividend).

Elf Aquitaine shares were delisted from Euronext Paris on April 30, 2010 (AMF notice No. 210C0376).

(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.

## 4.4. Major shareholders

### 4.4.1. Changes in major shareholders' holdings

The major shareholders of TOTAL as of December 31, 2011, 2010 and 2009 are set forth in the table below:

As of December 31	2011			2010		2009	
	% of share capital	% of voting rights	% of theoretical voting rights <sup>(a)</sup>	% of share capital	% of voting rights	% of share capital	% of voting rights
Groupe Bruxelles Lambert <sup>(b) (c)</sup>	4.0	4.0	3.7	4.0	4.0	4.0	4.0
Compagnie Nationale à Portefeuille <sup>(b) (c)</sup>	1.5	1.6	1.4	1.6	1.6	1.4	1.4
BNP Paribas <sup>(b)</sup>	0.2	0.2	0.1	0.2	0.2	0.2	0.2
Group employees <sup>(b) (d)</sup>	4.4	8.0	7.4	4.0	7.7	3.9	7.5
Other registered shareholders (non-Group)	1.7	2.8	2.6	1.4	2.5	1.4	2.4
Treasury shares	4.6	-	8.1	4.8	-	4.9	-
Of which TOTAL S.A.	0.4	-	0.4	0.5	-	0.6	-
Of which Total Nucléaire	0.1	-	0.2	0.1	-	0.1	-
Of which subsidiaries of Elf Aquitaine	4.2	-	7.6	4.2	-	4.2	-
Other bearer shareholders	83.6	83.5	76.7	84.0	84.0	84.2	84.5
of which holders of ADS <sup>(e)</sup>	8.7	8.7	8.0	8.0	8.0	7.5	7.6

(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) or director 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. In addition, Groupe Bruxelles Lambert and Compagnie Nationale à Portefeuille declared their acting in concert.

(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, 2011, the holdings of the major shareholders were calculated based on 2,363,767,313 shares, representing 2,368,716,634 voting rights exercisable at Shareholders' Meetings or 2,578,602,075 theoretical voting rights<sup>(1)</sup> including:

- 9,222,905 voting rights attached to the 9,222,905 TOTAL shares held by TOTAL S.A. that are deprived of voting rights; and
- 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.

For prior years, the holdings of the major shareholders were established on the basis of 2,349,640,931 shares, to which were attached 2,350,274,592 voting rights that could be exercised at the Shareholders' Meeting, as of December 31, 2010, and of 2,348,422,884 shares to which were attached 2,339,384,550 voting rights that could be exercised at the Shareholders' Meeting, as of December 31, 2009.

### 4.4.2. 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.

### 4.4.3. Temporary transfer of securities

Pursuant to legal obligations, any legal entity or individual (with the exception of those described in paragraph IV-3° of Article L. 233-7 of the French Commercial Code) holding alone or together a number of shares representing more than 0.5% of the Company's

voting rights pursuant to one or several temporary transfers or similar operations as described by Article L. 225-126 of the French Commercial Code is required to inform the Company and the French Financial Markets Authority of the number of shares temporarily held no later than the third business day preceding the shareholders' meeting at midnight.

Declarations are to be e-mailed to the Company at: [holding.df-shareholdingnotification@total.com](mailto:holding.df-shareholdingnotification@total.com)

Failing to declare such information, any share bought under any of the above described temporary transfer operations shall be deprived of voting rights at the relevant Shareholders' Meeting and at any Shareholders' Meeting that would be held until such shares are transferred again or returned.

(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.



#### 4.4.4. Thresholds notifications

In addition to the legal obligation to inform the Company and the French Financial Markets Authority within four business days when thresholds representing 5%, 10%, 15%, 20%, 25%, 30%, 1/3, 50%, 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 comes to hold 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 undeclared shares held in excess of the threshold and 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.

Declarations are to be sent to the Vice President of the Investor Relations department in Paris (contact details in paragraph 6.8 of this Chapter).

#### 4.4.5. Legal threshold notifications in 2011

##### Société Générale reported that it had passed:

- on May 6, 2011, above the thresholds of 5% of the share capital and the voting rights of the Company, and that it held after crossing the thresholds 6.86% of the share capital and 6.29% of the voting rights of the Company;
- on May 25, 2011, below the thresholds of 5% of the share capital and the voting rights of the Company, and that it held after crossing the thresholds 4.92% of the share capital and 4.50% of the voting rights of the Company.

### 4.5. Treasury shares

As of December 31, 2011, the Company held 109,554,173 TOTAL shares either directly or through its indirect subsidiaries, which represented 4.63% of the share capital, as of this date. By law, these shares are also deprived of voting rights.

Refer to Chapter 8 paragraph 1.5 of this registration document for more information.

#### 4.5.1. TOTAL shares held directly by the Company (treasury shares)

The Company held 9,222,905 treasury shares as of December 31, 2011, representing 0.39% of the share capital, as of that date.

#### 4.4.6. 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 in concert, holds 5% or more of TOTAL's share capital at year-end 2011<sup>(2)</sup>.

In addition, two known shareholders held 5% or more of the voting rights exercisable at TOTAL Shareholders' Meetings at year-end 2011:

##### – CNP jointly with GBL

In the AMF notice No. 209C1156 dated September 2, 2009, CNP and GBL acting in concert 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>(3)</sup> (based on 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, 2011, 5.52% of the share capital representing 5.53% of the voting rights exercisable at Shareholders' Meetings and 5.08% of the theoretical voting rights<sup>(3)</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, 2011, 3.33% of the share capital representing 6.12% of the voting rights exercisable at a Shareholders' Meeting and 5.62% of the theoretical voting rights<sup>(3)</sup>.

#### 4.4.7. Shareholders' agreements

TOTAL is not aware of any agreements among its shareholders.

#### 4.5.2. TOTAL shares held by Group companies

As of December 31, 2011, Total Nucléaire, a Group company wholly-owned indirectly by TOTAL held 2,023,672 TOTAL shares. As of December 31, 2011, 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, 2011, the Company held through its indirect subsidiaries, 4.24% of the share capital.

(1) Pursuant to Article 223-11 of the AMF General Regulation, the number of 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

(3) 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.

## 4.6. Shares held by members of the administrative and management bodies

This information appears in points 1 and 6 of Chapter 5.

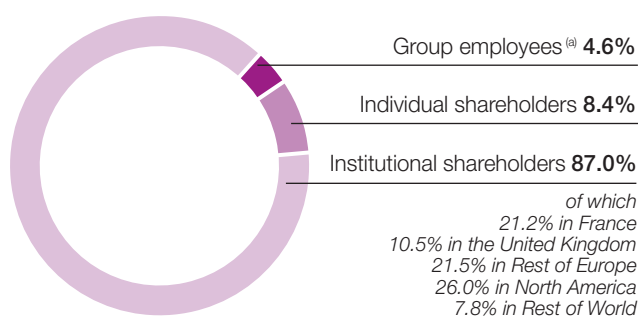
## 4.7. Employee shareholding

This information appears in paragraph 6.2 of Chapter 5 and paragraph 3.1 of Chapter 8.

## 4.8. Shareholding structure

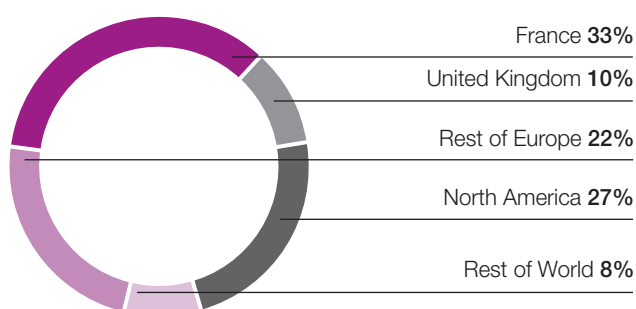
Estimates as of November 30, 2011, excluding treasury shares.

### 4.8.1. By shareholder type



(a) Based on the definition of employee shareholding pursuant to Article L. 225-102 of the French Commercial code

### 4.8.2. By region



The number of French individual TOTAL shareholders is estimated at approximately 520,000.

## 4.9. Regulated agreements and undertakings and related party transactions

### 4.9.1. Regulated agreements and undertakings

The special report of the statutory auditors of TOTAL S.A. on regulated agreements and undertakings in accordance with Articles L. 225-38 and following of the French Commercial Code for fiscal year 2011 appears point 1 of Chapter 11.

### 4.9.2. Related party transactions

Details of transactions with related parties as required by the regulations adopted under EC regulation No. 1606/2002, entered into by the Group Companies during fiscal years 2009, 2010 or 2011, appear in Note 24 to the Consolidated Financial Statements (see point 7, Chapter 9).

These transactions primarily concern equity affiliates and non-consolidated companies in which TOTAL exercises significant influence.

## 5. Information for overseas shareholders

### 5.1. 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, 2011.

### 5.2. 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.

### 5.3. Dividends

Dividends paid to non-French resident shareholders are generally subject to French withholding tax at a rate of 30%.

This withholding tax is reduced to 21% with respect to dividends received as from January 1, 2012 by individuals who are residents within the European Union, in Iceland and in Norway.

Dividends paid to not-for-profit organizations that are residents of the European Union, Iceland or Norway are generally subject to the French withholding tax rate of 15% under certain conditions provided for by an Administrative guideline B.O.I 4 H-2-10.

Besides, future court cases may take position on whether or not the application of French withholding tax on French-source-dividends paid to non French investment/pension funds is contrary to the EU principle of freedom of movement of capital.

This summary does not address the specific withholding tax regime at a rate of 55% applicable to dividends transferred in so called "Non Cooperative Countries and Territories" or NCCTs within the meaning of the new Section 238-0A of the French Tax Code. A list of NCCTs is established annually and updated 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 immediate 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.

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.

The "simplified procedure" is not applicable to Swiss corporate holders and Singapore resident holders.

For an Eligible Holder that is not entitled to the so-called "simplified procedure", the 30% 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 forms (Forms N° 5000 and 5001 or any other relevant form to be issued by the French tax authorities) before December 31 of the second year following the date of payment of the withholding tax at the 30% rate. Any French withholding tax refund is generally expected to be paid within 12 months from the filing of the abovementioned forms. However, it will not be paid before January 15 of the year following the year in which the dividend was paid. Copies of the French forms mentioned above are, in principle, available from the French non-resident tax office, at the following internet address: [www.impots.gouv.fr](http://www.impots.gouv.fr) (click on "Recherche de formulaires").

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 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.

### Taxation of Disposition of Shares

In general, a non-French resident Holder will not be subject to French tax on any capital gain from the sale of shares in a French company unless the shares form part of a business property of a permanent establishment or a fixed base that the non-French residents has in France.

A Holder may recognize capital gain or loss upon the sale of shares in its country of tax residence.

A French transfer tax assessed on the higher of the purchase price and the market value of the shares applies to certain transfer of shares in French companies. However, the transfer tax does not apply to transfer of shares of publicly traded shares such as shares

in TOTAL provided that the transfer is not evidenced by a written agreement.

But, on 8 February 2012, a proposal for the Amending Finance Law for 2012 (*Projet de Loi de Finances rectificative pour 2012*, PLFR), was adopted by the French Council of Ministers and will be submitted to the Parliament. One key element of this proposal is the introduction of a financial transaction tax on the acquisition of shares of publicly traded companies established in France whose capital is over 1 billion euros, which would be taxable at a rate of 0,1% on the value of the shares. This new tax will be applicable as from 1 August 2012, if the proposal is adopted.

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.

## 6. Investor Relations

### 6.1. Communication policy

In addition to the French version of 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. This English version of the Document de référence (Registration Document) is provided for information purposes only.

The Company also files an annual report on Form 20-F, in English, with the United States Securities and Exchange Commission (SEC) (see paragraph 3.4 in Chapter 8).

The Group holds regular information sessions and participates in conferences for shareholders, investors and financial analysts, both in France and abroad.

### 6.2. 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 lapsed 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 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).

In 2011, 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 Social Responsibility (CSR) through:

- annual publication of the Society and Environment report.
- with a dedicated team, the Investor Relations department is

available to investors and CSR analysts and provides responses to their questions about the Group's CSR (ethics, governance, safety, health and environmental protection, contribution to the development of local communities, future energies, measures to combat climate change).

- meetings focused on these issues are organized in France and worldwide. Nearly sixty meetings were held in 2011. To better meet the investors' expectations, the Group also organized its second CSR day for the financial community, focusing on the incorporation of CSR in the Group's business model. This event, which took place on June 24, 2011 in Paris, provided an opportunity for investors to exchange opinions with TOTAL's representatives, who included Christophe de Margerie (Chairman and Chief Executive Officer), Patrick de La Chevardière (Chief Financial Officer), Philippe Boisseau (President of Gas and Power) and Manoelle Lepoutre (Vice President Sustainable Development and the Environment). Issues addressed included water management, major accident prevention and the acceptability of the Group's activities.

For the first time, this year's Registration Document contains a new Chapter dedicated to CSR (see Chapter 12).

### 6.3. A quality relationship serving Individual Shareholders

TOTAL's Individual Shareholder Relations Department is the only ISO 9001 version 2008 certified-shareholder service in France 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.

Follow-up audits are conducted on a yearly basis. This certification of TOTAL's Individual Shareholder Relations Department demonstrates the Group's strong commitment to providing individual shareholders with valuable financial information over the long term.

As part of this quality assurance certification, three satisfaction surveys have been made available on the Group's website ([www.total.com](http://www.total.com), heading Individual Shareholders/Individual Shareholder Relations).

For the second year in succession row, the Individual Shareholder Relations Department won one of the Boursoscan awards, organized by Boursorama. After winning the prize for best financial communication in 2010, TOTAL received the Shareholders' award in 2011.

In 2011, TOTAL also continued to organize meetings and information sessions with individual shareholders, in particular as part of different events:

- The Shareholders' Meeting, held on May 13, 2011, gathered 4,000 attendees at the *Palais des Congrès* in Paris. 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. Registered shareholders were able to vote over the Internet for the first time.
- On May 25, 2011, in Lyon, the Group's Chief Financial Officer presented the Group's results, strategy and outlook, and answered shareholders' questions.
- At the Actionaria Trade Show, held in the *Palais des Congrès* in Paris in November 2011, almost 3,500 people visited TOTAL's stand, which presented the Group's activity in the field of solar energy. The trade show provided shareholders with an opportunity to meet the Group representatives present on the stand and to attend conferences.
- 2011 saw five other meetings with individual shareholders in Antwerp (Belgium), and in Aix-en-Provence, Annecy, Strasbourg and Nantes (France). These meetings were attended by almost 3,000 people. In 2012, meetings are planned in Antwerp, Caen, Nice, Nancy and Bordeaux.

- The Consultative Shareholders Committee, comprised of twelve members, held four meetings in 2011:
  - in March, during a meeting with Mr. Christophe de Margerie, Chairman and Chief Executive Officer of TOTAL;
  - in May, following the Shareholders' Meeting;
  - in September, on the occasion of a visit to the Total Petrochemicals research center in Feluy, Belgium;
  - in November, with the Group Chief Financial Officer, at Paris 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, the program of the Shareholders' Circle, the webzine and the electronic version of the Shareholders' notebook.

In 2011, the Consultative Shareholders Committee brought its contribution to different projects concerning individual shareholders, such as the preparation of the annual Shareholders' Meeting and the Actionaria trade show. The Consultative Shareholders Committee contributed to the setting up of the e-notice and the e-vote for the Shareholders' Meeting and voiced its opinion on the form of the notice. The Committee also gave its feedback on the Shareholders' Meeting. It was also consulted on the planned new format of the Consultative Shareholders Committee, which will be introduced from April 2012. The format of the committee is to be changed after twenty years, by becoming broader and even more interactive.

The new Shareholders' Circle organized twenty-five events in 2011, to which more than 2,800 individual shareholders belonging to the Circle were invited, 1,000 more than in 2010. They visited industrial facilities, cultural and natural sites supported by the Total Foundation and attended seminars dedicated to better understanding the Group's different businesses. Finally, they attended cultural events within the framework of the Total Foundation sponsorship policy.

In this context, almost 14,000 individual shareholders met with Group representatives in 2011, 3,000 more than in 2010.

## 6.4. Registered shareholding

TOTAL shares, which are generally bearer instruments, can be registered shares. 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 keeping the register of the registered shares of the shareholders.

### 6.4.1. Registration

There are two forms of registration:

- **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.
- **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.

- the possibility of receiving notice of the Shareholders' Meeting over the Internet and voting over the Internet before the Meeting takes place;

- the ability to join the TOTAL Shareholders' Circle by holding at least fifty shares.

The advantages of pure registered shares, in addition to those of administered registered shares, include:

- no custodial fees;
- easier placement of market orders<sup>(1)</sup> (phone, mail, fax, internet);
- 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;
- possibility to check share holdings on the internet.

### 6.4.2. Main advantages of registered shares

The advantages of registered shares include:

- double voting rights if the shares are held continuously for two successive years (see paragraph 2.4.1 of Chapter 8);
- a specific toll-free number for all contacts with BNP Paribas Securities Services (a toll-free call within France from a landline): 0 800 117 000 or +33 1 40 14 80 61 (from outside France); from Monday to Friday (working days), 8:45 a.m. - 6:00 p.m., GMT+1 (fax: +33 1 55 77 34 17);
- the shareholder receives, at home, all information published by the Group for its shareholders;

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 on a registered account, a certificate of account registration is sent and the following are requested to be sent to it:

- a bank account number (or a postal account or savings account number) for payment of dividends; and
- a market service agreement to facilitate trading TOTAL shares on the stock exchange.

## 6.5. 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  
Tour Coupole  
2, place Jean Millier  
Arche Nord Coupole/Regnault  
92078 Paris La Défense Cedex, France

Phone	From France: 0 800 039 039 (toll-free number from a landline in France) Outside France: +33 1 47 44 24 02 From Monday to Friday, 9:00 a.m. to 12:30 p.m. and 1:30 p.m. to 5:30 p.m. (GMT+1)
Fax	From France: 01 47 44 20 14 Outside France: +33 1 47 44 20 14
E-mail	from the contact form available at <a href="http://www.total.com">www.total.com</a> , heading Shareholders
Contact	Jean-Marie Rossini (Head of Individual Shareholders Relations Department)

(1) Subject to having entered into a brokerage services contract, which is free of charge.



## 6.6. 2012 Schedule

February 10	Results for the fourth quarter and full year 2011 and outlook	July 27	Results for the second quarter and the first half 2012
March 19	Ex-dividend date for the 2011 third interim dividend	September 24	Ex-dividend date for the 2012 first interim dividend <sup>(2)</sup>
April 21	VFB-Happening, Antwerp (Belgium)	September 24	Investor Day - London
April 27	Results for the first quarter 2012	October 16	Meeting with individual shareholders in Nancy (France)
May 11	2012 Shareholders' Meeting in Paris ( <i>Palais des Congrès</i> in Paris)	October 31	Results for the third quarter 2012
May 21	Meeting with individual shareholders in Caen (France)	November 23-24	Actionaria Trade Show in Paris ( <i>Palais des Congrès</i> in Paris)
June 18	Ex-dividend date for the 2011 remainder dividend <sup>(1)</sup>	November 29	Meeting with individual shareholders in Bordeaux (France)
June 28	Meeting with individual shareholders in Nice (France)	December 17	Ex-dividend date for the 2012 second interim dividend <sup>(2)</sup>

## 6.7. 2013 Schedule

March 18	Ex-dividend date for the 2012 third interim dividend <sup>(2)</sup>	May 17	Shareholders' Meeting in Paris ( <i>Palais des Congrès</i> in Paris)
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## 6.8. Investor Relations Department contacts

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Vice President Investor Relations  
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(1) Subject to the approval of the Shareholders' Meeting of May 11, 2012.

(2) Subject to approval by the Board of Directors.

# Financial information

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## 1. Historical financial information

### 1.1. 2011, 2010 and 2009 Consolidated Financial Statements

The Consolidated Financial Statements of TOTAL S.A. and its consolidated subsidiaries (the Group) for the years ended December 31, 2011, 2010 and 2009 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union as of December 31, 2011.

### 1.2. Statutory Financial Statements of TOTAL S.A.

The Statutory Financial Statements of TOTAL S.A., the parent company of the Group, for the years ended December 31, 2011, 2010 and 2009 were prepared in accordance with French accounting standards as applicable on December 31, 2011.

## 2. Audit of the historical financial information

The Consolidated Financial Statements for the fiscal year 2011 which appear in Chapter 9 to this Registration Document were certified by the Company's auditors. A translation of the auditors' report on the Consolidated Financial Statements is provided in point 1 of Chapter 9, for information purposes only.

TOTAL's Statutory Financial Statements for the fiscal year 2011 (under French accounting standards) which appear in Chapter 11 to this Registration Document were also certified by the Company's auditors. A translation of the auditors' report on the 2011 Statutory Financial Statements is provided in point 2 of the Chapter 11, for information purposes only.

Pursuant to Article 28 of EC Regulation No 809/2004, are incorporated by reference in this Registration Document:

- the Consolidated and Statutory Financial Statements for fiscal year 2010, together with the statutory auditors' reports on the

Consolidated Financial Statements and the Statutory Financial Statements which appear on pages 172 and 280 of the French version of the Registration Document for fiscal year 2010 which was filed with the French Financial Markets Authority on March 28, 2011 (and a translation is reproduced on pages 174 and 272 of the English version of such Registration Document for information purposes only);

- the Consolidated and Statutory Financial Statement for fiscal year 2009, together with the statutory auditors' reports on the Consolidated Financial Statements and the Statutory Financial Statements which appear on pages 182 and 290 of the French version of the Registration Document for fiscal year 2009 which was filed with the French Financial Markets Authority (*Autorité des marchés financiers*) on April 1, 2010 (and a translation is reproduced on pages 180 and 284 of the English version of such Registration Document for information purposes only).

## 3. Other information

Financial information other than that contained in Chapter 9 or 11 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 Chapter 10 of 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 EC Regulation No. 809/2004 dated April 29, 2004, for the period after December 31, 2011.

## 4. Dividend policy

The Company's dividend policy is described in point 2, Chapter 6 of this Registration Document.

## 5. Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings, including any proceeding that the Company is aware of, threatened with or even pending (including the main legal proceedings described hereafter) that could have a material impact on the Group's financial situation or profitability.

The main legal proceedings in which the Group's companies are involved are described below.

### 5.1. Antitrust investigations

The principal antitrust proceedings in which the Group's companies are involved are described below.

#### 5.1.1. Chemicals

- As part of the spin-off of Arkema<sup>(1)</sup> in 2006, TOTAL S.A. or certain other Group companies agreed to grant Arkema a guarantee for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

This guarantee covers, for a period of ten years from the date of the spin-off, 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 related to anti-competition violations in Europe applies to amounts above a €176.5 million threshold. 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 this guarantee, in Europe.

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, this guarantee will become void.

- In the United States, civil liability lawsuits, for which TOTAL S.A. has been named as the parent company, are closed without significant impact on the Group's financial position.
- In Europe, since 2006, the European Commission has fined companies of the Group in its configuration prior to the spin-off an overall amount of €385.47 million, of which Elf Aquitaine and/or TOTAL S.A. were held jointly liable for €280.17 million, Elf Aquitaine being personally fined €23.6 million for deterrence. These fines are entirely settled as of today.

As a result, since the spin-off, the Group has paid the overall amount of €188.07 million<sup>(2)</sup>, corresponding to 90% of the fines overall amount once the threshold provided for by the guarantee is deducted to which an amount of €31.31 million of interest has been added as explained hereinafter.

The European Commission imposed these fines following investigations between 2000 and 2004 into commercial practices involving eight products sold by Arkema. Five of these investigations resulted in prosecutions from the European Commission for which Elf Aquitaine has been named as the parent company, and two of these investigations named TOTAL S.A. as the ultimate parent company of the Group.

TOTAL S.A. and Elf Aquitaine are contesting their liability based solely on their status as parent companies and appealed for cancellation and reformation of the rulings that are still pending before the relevant EU court of appeals or supreme court of appeals.

During the year 2011, four of the proceedings have evolved and are closed as far as Arkema is concerned:

- In one of these proceedings, the Court of Justice of the European Union (CJEU) has rejected the action of Arkema while the decisions of the European Commission and of the General Court of the European Union against the parent companies have been squashed. Consequently, this proceeding is definitively closed regarding Arkema as well as the parent companies.
- In two other proceedings, previous decisions against Arkema and the parent companies have been upheld by the General Court of the European Union. While the parent companies have introduced an appeal before the CJEU, Arkema did not appeal to the CJEU.
- Finally, in a last proceeding, the General Court has decided to reduce the amount of the fine initially ordered against Arkema while, in parallel, it has rejected the actions of the parent companies that have remained obliged to pay the whole amount of the fine initially ordered by the European Commission. Arkema has accepted this decision while the parent companies have introduced an appeal before the CJEU.

(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.

(2) This amount does not take into account a case that led to Arkema, prior to Arkema's spin-off from TOTAL, and Elf Aquitaine being fined jointly €45 million and Arkema being fined €13.5 million.

With the exception of the €31.31 million of interest charged by the European Commission to the parent companies, which has been required to pay in accordance with the decision concerning the last proceeding referred hereinabove, the evolution of the proceedings during the year 2011 did not modify the global amount assumed by the Group in execution of the guarantee.

In addition, civil proceedings against Arkema and other groups of companies were initiated in 2009 and 2011, respectively, before the German and Dutch courts by third parties for alleged damages pursuant to two of the above mentioned legal proceedings. TOTAL S.A. was summoned to serve notice of the dispute before the German court. At this point, the probability of a favorable verdict and the financial impacts of these proceedings are uncertain due to the number of legal difficulties they give rise to, the lack of documented claims and evaluations of the alleged damages.

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 regarding events prior to the spin-off, as well as Elf Aquitaine and/or TOTAL S.A. based on their status as parent company.

Within the framework of all of the legal proceedings described above, a €17 million reserve remains booked in the Group's consolidated financial statements as of December 31, 2011.

## 5.2. 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.

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.

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

### 5.1.2. Downstream

- Pursuant to a statement of objections received by Total Nederland N.V. and TOTAL S.A. (based on its status as parent company) from the European Commission, Total Nederland N.V. was fined €20.25 million in 2006, for which TOTAL S.A. was held jointly liable for €13.5 million. TOTAL S.A. appealed this decision before the relevant court and this appeal is still pending.
- In addition, pursuant to a statement of objections received by Total Raffinage Marketing (formerly Total France) and TOTAL S.A. from the European Commission regarding another product line of the Refining & Marketing division, Total Raffinage Marketing was fined €128.2 million in 2008, which has been paid, and for which TOTAL S.A. was held jointly liable based on its status as parent company. TOTAL S.A. also appealed this decision before the relevant court and this appeal is still pending.
- In addition, civil proceedings against TOTAL S.A. and Total Raffinage Marketing and other companies were initiated before U.K. and Dutch courts by third parties for alleged damages in connection with the prosecutions brought by the European Commission in this case. At this point, the probability to have a favorable verdict and the financial impacts of these procedures are uncertain due to the number of legal difficulties they gave rise to, the lack of documented claims and evaluations of the alleged damages.

Within the framework of the legal proceedings described above, a €30 million reserve is booked in the Group's consolidated financial statements as of December 31, 2011.

Whatever the evolution of the proceedings described above, the Group believes that their outcome should not have a material adverse effect on the Group's financial situation or consolidated results.

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 on appeal. 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.

All the requests for additional investigations that were submitted by Grande Paroisse, the former site manager and various plaintiffs were denied on appeal 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 Mr. 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.

### 5.3. 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 was 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 injuries, most of which were 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 TOTAL's UK subsidiary liable for the accident and solely liable for indemnifying the victims. The subsidiary appealed the decision. The appeal trial took place in January 2010. The Court of Appeals, by a decision handed down on March 4, 2010, confirmed the prior judgment. The Supreme Court of United Kingdom has partially authorized TOTAL's UK subsidiary to contest the decision.

### 5.4. 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, and ordering TOTAL S.A. to pay a fine of €375,000. The Court also ordered compensation to be paid to those affected by the 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 has appealed the verdict of January 16, 2008. In the meantime, it nevertheless proposed to pay third parties who so requested definitive compensation as determined by the Court. Forty-two third parties have been compensated for an aggregate amount of €171.5 million.

By a decision dated March 30, 2010, the Court of Appeal of Paris upheld the lower Court verdict pursuant to which TOTAL S.A. was convicted of marine pollution and fined €375,000.

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 before the Court of Appeal of Toulouse was completed on March 16, 2012. The decision is expected on September 24, 2012.

A compensation mechanism for victims was set up immediately following the explosion. €2.3 billion was paid for the compensation of claims and related expenses amounts. As of December 31, 2011, a €21 million reserve was recorded in the Group's consolidated balance sheet.

TOTAL's UK subsidiary finally decided to withdraw from this recourse due to settlement agreements reached in mid-February 2011.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The provision for the civil liability that appears in the Group's consolidated financial statements as of December 31, 2011, stands at €80 million after taking into account the payments previously made.

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.

In addition, 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. By a judgment on July 16, 2010, the subsidiary was fined £3.6 million and paid it. The decision takes into account a number of elements that have mitigated the impact of the charges brought against it.

However, the Court of Appeal ruled that TOTAL S.A. bears no civil liability according to the applicable international conventions and consequently ruled that TOTAL S.A. be not convicted.

TOTAL challenged the criminal law-related issues of this decision before the French Supreme Court (*Cour de cassation*).

To facilitate the payment of damages awarded by the Court of Appeal in Paris to third parties against Erika's controlling and classification firm, the ship-owner and the ship-manager, a global settlement agreement was signed late 2011 between these parties and TOTAL S.A. under the auspices of the IOPC Fund. Under this global settlement agreement, each party agreed to the withdrawal of all civil proceedings initiated against all other parties to the agreement.

TOTAL S.A. believes that, based on the information currently available, the case should not have a significant impact on the Group's financial situation or consolidated results.



## 5.5. Blue Rapid and the Russian Olympic Committee - Russian regions and Interneft

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine, alleging a so-called non-completion by a former subsidiary of Elf Aquitaine of a contract related to an exploration and production project in Russia negotiated in the early 1990s. Elf Aquitaine believed this claim to be unfounded and opposed it. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim against Elf Aquitaine and found that the Russian Olympic Committee did not have standing in the matter. Blue Rapid and the Russian Olympic Committee appealed this decision. On June 30, 2011, the Court of Appeal of Paris dismissed as inadmissible the claim of Blue Rapid and the Russian Olympic Committee against Elf Aquitaine, notably on the grounds of the contract's termination. Blue Rapid and the Russian Olympic Committee appealed this decision to the French Supreme Court.

In connection with the same facts, and fifteen years after the termination of the exploration and production contract, a Russian company, which was held not to be the contracting party to the contract, and two regions of the Russian Federation which were not even parties to the contract, have launched an arbitration procedure against the aforementioned former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming alleged damages of U.S.\$ 22.4 billion. For the same reasons as those successfully adjudicated by Elf Aquitaine against Blue Rapid and the Russian Olympic Committee, the Group considers this claim to be unfounded as to a matter of law or fact. The Group has lodged a criminal complaint to denounce the fraudulent claim which the Group believes it is a victim of and, has taken and reserved its rights to take other actions and measures to defend its interests.

## 5.6. Iran

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran, by certain oil companies including, among others, TOTAL.

The inquiry concerns an agreement concluded by the Company with a consultant concerning a gas field in Iran and aims to verify whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations.

Investigations are still pending and the Company is cooperating with the SEC and the DoJ. In 2010, the Company opened talks with U.S. authorities, without any acknowledgement of facts, to consider an out-of-court settlement as it is often the case in this kind of proceeding.

Late in 2011, the SEC and the DoJ proposed to TOTAL out-of-court settlements that would close their inquiries, in exchange for TOTAL's committing to a number of obligations and paying fines.

As TOTAL was unable to agree to several substantial elements of the proposal, the Company is continuing discussions with the U.S. authorities. The Company is free not to accept an out-of-court settlement solution, in which case it would be exposed to the risk of prosecution in the United States.

In this same affair, a parallel judicial inquiry related to TOTAL was initiated in France in 2006. 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 Company has not been notified of any significant developments in the proceedings since the formal investigation was launched.

At this point, the Company cannot determine when these investigations will terminate, and cannot predict their results, or the outcome of the talks that have been initiated. Resolving these cases is not expected to have a significant impact on the Group's financial situation or consequences on its future planned operations.

## 5.7. Libya

In June 2011, the United States Securities and Exchange Commission (SEC) issued to certain oil companies - including, among others, TOTAL - a formal request for information related to their operations in Libya. TOTAL is cooperating with this non-public investigation.

## 5.8. Oil-for-Food Program

Several countries have launched 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 Chairman and 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 to the investigating judge that the case against the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued.

In early 2010, despite the recommendation of the Prosecutor's office, a new investigating judge, having taken over the case, decided to indict TOTAL S.A. on bribery charges as well as complicity and influence peddling. The indictment was brought eight years after the beginning of the investigation without any new evidence being introduced.

In October 2010, the Prosecutor's office recommended to the investigating judge that the case against TOTAL S.A. the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued. However, by ordinance notified in early August 2011, the investigating judge on the matter decided to send the case to trial. The hearings are expected in the first quarter of 2013.

## 5.9. Italy

As part of an investigation led by the Prosecutor of the Republic of the Potenza Court, Total Italia and certain Group's employees are the subject of an investigation related to certain calls for tenders that Total Italia 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 dated April 8, 2009, the Court reversed the suspension of the Gorgoglione concession and appointed for one year, *i.e.* until February 16, 2010,

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 Volcker 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 with respect to TOTAL.

a judicial administrator to supervise the operations related to the development of the concession, allowing the Tempa Rossa project to continue.

The criminal investigation was closed in the first half of 2010. The preliminary hearing judge, who will decide whether the case shall be returned to the Criminal Court to be judged on the merits, held the first hearing on December 6, 2010. The proceedings before the Judge of the preliminary hearing are still pending.

In 2010, Total Italia's exploration and production operations were transferred to Total E&P Italia and refining and marketing operations were merged with those of Erg Petroli.

## 6. Significant changes

Except for the recent events mentioned, in the Management Report of the Board of Directors (Chapter 3) or in the Business overview (Chapter 2), no significant changes in the Group's financial or commercial position have occurred since December 31, 2011, the end of the last fiscal year for which audited financial statements have been published by the Company.



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# 1. Share capital

## 1.1. Share capital as of December 31, 2011

€5,909,418,282.50 consisting of 2,363,767,313 fully paid ordinary shares.

## 1.2. 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 paragraph 2.4.1 of this Chapter). The shares are in bearer or registered form at the shareholder's discretion. The shares are in book-entry form and registered in an account.

## 1.3. Authorized share capital not issued as of December 31, 2011

A table summarizing the currently valid delegations and authorizations to increase share capital that have been granted by the Shareholders' Meeting to the Board of Directors, and the uses made of those delegations and authorizations in fiscal year 2011, appears in paragraph 1.3.8 of this Chapter.

### 1.3.1. Seventeenth resolution of the Shareholders' Meeting held on May 21, 2010

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, *i.e.*, 1 billion shares (delegation of authority valid for twenty-six months).

Furthermore, the maximum nominal amount of the debt securities granting rights to the Company's share capital that may be issued pursuant to the seventeenth resolution and the eighteenth resolution (mentioned below) may not exceed €10 billion, or their exchange value, on the date of issuance.

### 1.3.2. Eighteenth resolution of the Shareholders' Meeting held on May 21, 2010

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, canceling 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 authority to grant 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 €850 million, *i.e.*, 340 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 seventeenth resolution of the Shareholders' Meeting held on May 21, 2010.

Furthermore, the maximum nominal amount of the debt securities granting rights to the Company's share capital that may be issued pursuant to the above mentioned seventeenth and eighteenth resolutions may not exceed €10 billion, or their exchange value, on the date of issuance.

### 1.3.3. Nineteenth resolution of the Shareholders' Meeting held on May 21, 2010

Delegation of power 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 as compensation of in-kind contribution granted to the Company, by an amount not exceeding 10% of the share capital outstanding at the date of the Shareholders' Meeting on May 21, 2010 (delegation of authority valid for twenty-six months). The nominal amount of the capital increases is counted against the maximum aggregate nominal amount of €850 million authorized by the eighteenth resolution of the Shareholders' Meeting held on May 21, 2010.

### 1.3.4. Twentieth resolution of the Shareholders' Meeting held on May 21, 2010

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 seventeenth resolution of the Shareholders' Meeting held on May 21, 2010.

Given that the Board of Directors made use of this delegation of authority on October 28, 2010, under which 8,902,717 new TOTAL shares were issued in 2011, the authorized share capital not issued with respect to capital increases reserved for employees participating in a Company Savings Plan was €66,384,480 as of December 31, 2011, representing 26,553,792 shares.

As a result of the use of the delegation authorizing capital increases reserved for employees decided by the Board on October 28, 2010, and given that the Board of Directors did not make use of the

delegations of authority granted by the seventeenth, eighteenth and nineteenth resolutions of the Shareholders' Meeting held on May 21, 2010, the authorized capital not issued was €2.48 billion as of December 31, 2011, representing 991 million shares.

### **1.3.5. Eleventh resolution of the Shareholders' Meeting held on May 13, 2011**

Authority to grant restricted outstanding or new TOTAL shares to employees of the Group and to executive 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. In addition, the shares granted to the Company's executive officers cannot exceed 0.01% of the outstanding share capital on the date of the meeting of the Board of Directors that approves the grants (authorization valid for thirty-eight months).

Pursuant to this authorization:

- 3,700,000 outstanding shares were awarded by the Board of Directors on September 14, 2011, including 16,000 outstanding shares awarded to the Chairman and Chief Executive.

As of December 31, 2011, 15,210,138 shares, including 220,376 to the Company's corporate executive officers could, therefore, still be awarded pursuant to this authorization.

### **1.3.6. Twenty-first resolution of the Shareholders' Meeting held on May 21, 2010**

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. In addition,

the options granted to the Company's corporate executive officers cannot exceed 0.1% of the outstanding share capital on the date of the meeting of the Board of Directors that approves the grants (authorization valid for thirty-eight months).

Pursuant to this authorization:

- 4,925,000 stock options were awarded by the Board of Directors at its meeting on September 14, 2010, including 240,000 stock options to the Chairman and Chief Executive Officer;
- 1,600,000 stock options were awarded by the Board of Directors at its meeting on September 14, 2011, including 160,000 stock options to the Chairman and Chief Executive Officer.

As of December 31, 2011, 28,931,509 stock options, including 1,963,767 to the Company's corporate executive officers, could still be awarded pursuant to this authorization.

### **1.3.7. 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 twenty-four-month period. This authorization is effective until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2011. The Board did not make use of this delegation of authority during fiscal year 2011.

Based on 2,363,767,313 shares outstanding on December 31, 2011, the Company may, up until the conclusion of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending on December 31, 2011, cancel a maximum of 236,376,731 shares before reaching the cancellation threshold of 10% of share capital canceled during a twenty-four-month period.



### 1.3.8. Table compiled in accordance with Article L 225-100 of the French Commercial Code summarizing the use of delegations of authority and powers granted to the Board of Directors with respect to capital increases as of December 31, 2011

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 2011, par value, or number of shares	Available balance as of 12/31/2011 par value, or number of shares	Date of delegation of authority or authorization	Term of authorization granted to the Board of Directors	
Maximum cap for the issuance of securities granting immediate or future rights to share capital	Debt securities representing rights to capital	€ 10 billion In securities	-	€ 10 billion	ESM <sup>(a)</sup> of May 21, 2010 (Resolutions 17 and 18)	26 months
		€ 2.5 billion, i.e. a maximum of 1 billion shares issued with a pre-emptive subscription right, of which	8.9 million shares (within the specific cap 2/below)	€ 2.48 billion <sup>(a)</sup> (i.e. 991 million shares)	ESM <sup>(a)</sup> of May 21, 2010 (Resolution 17)	26 months
		1/ a specific cap of € 850 million, i.e. a maximum of 340 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, of which:	-	€ 850 million	ESM <sup>(a)</sup> of May 21, 2010 (Resolution 18)	26 months
	Nominal share capital	1/a sub-cap of 10% of the share capital on the date of the Shareholders' Meeting on May 21, 2010 <sup>(b)</sup> through in-kind contributions when provisions of Article L. 225-148 of the French Commercial Code are not applicable	-	€ 587.1 million	ESM <sup>(a)</sup> of May 21, 2010 (Resolution 19)	26 months
		2/ a specific 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	8.9 million shares <sup>(d)</sup>	26.5 million shares <sup>(d)</sup>	ESM <sup>(a)</sup> of May 21, 2010 (Resolution 20)	26 months
Stock options	1.5% of share capital <sup>(e)</sup> on the date of Board decision to grant options	1.6 million shares <sup>(e)</sup>	28.9 million shares <sup>(e)</sup>	ESM <sup>(a)</sup> of May 21, 2010 (Resolution 21)	38 months	
Restricted/free shares awarded to Group employees and to executives and officers	0.8% of share capital <sup>(e)</sup> on the date of Board decision to grant the restricted/free shares	3.7 million shares <sup>(f)</sup>	15.2 million shares <sup>(f)</sup>	ESM <sup>(a)</sup> of May 13, 2011 (Resolution 11)	38 months	

(a) The number of new shares authorized under the 17<sup>th</sup> resolution of the ESM held on May 21, 2010, cannot exceed 1 billion shares. The Board of Directors decided on October 28, 2010 to proceed with a capital increase reserved for employees. 8,902,717 new TOTAL shares were subscribed and issued. As a result, the balance available under this authorization was 991,097,283 million new shares as of December 31, 2011, i.e., 1 billion shares, minus the 8,902,717 shares.

(b) Share capital as of May 21, 2010: 2,348,674,735 shares.

(c) Share capital as of December 31, 2011: 2,363,767,313 shares.

(d) The number of shares authorized under the 20<sup>th</sup> resolution of the May 21, 2010, ESM may not exceed 1.5% of the share capital on the date when the Board of Directors decided to use the delegation of authority. The Board of Directors decided on October 28, 2010 to proceed with a capital increase reserved for employees in 2011. 8,902,717 new TOTAL shares were issued. As a result, the balance available under this authorization was 26,553,792 new shares as of December 31, 2011, i.e. 1.5% of the 2,363,767,313 outstanding shares at year-end, minus the 8,902,717 shares.

(e) The number of stock options authorized under the 21<sup>st</sup> resolution of the May 21, 2010 ESM may not exceed 1.5% of the share capital on the date the options are awarded by the Board of Directors. Since 4,925,000 TOTAL share subscription options were awarded by the Board of Directors on September 14, 2010 and 1,600,000 stock options were granted by the Board of Directors on September 14, 2011, the number of options that may still be awarded as of December 31, 2011, was 28,931,509, which represents 1.5% of the 2,363,767,313 outstanding shares at year-end, minus 6,525,000 options already awarded and representing the same number of shares. In addition, the options awarded to the Company's corporate executive officers under the 21<sup>st</sup> resolution of the ESM held on May 21, 2010, cannot exceed 0.1% of the outstanding share capital on the date of the decision of the Board of Directors to proceed with the grant. Given the 240,000 subscription options awarded to the Chairman and Chief Executive Officer by the Board of Directors at its meeting on September 14, 2010, and the 160,000 stock options awarded to the Chairman and Chief Executive Officer on September 14, 2011, the number of options that may still be awarded to the Company's corporate executive officers was 1,963,767, i.e., 0.1% of the 2,363,767,313 outstanding shares at year-end, minus the 400,000 options already awarded and representing the same number of shares.

(f) The number of outstanding shares that may be awarded as restricted share grants under the 11<sup>th</sup> resolution of the May 13, 2011 ESM may not exceed 0.8% of the share capital on the date when the restricted shares are awarded by the Board of Directors. As the Board of Directors awarded 3,700,000 outstanding shares on September 14, 2011, the number of shares that may still be awarded as of December 31, 2011 is 15,210,138 shares, which represents 0.8% of the outstanding 2,363,767,313 shares at year-end, minus the 3,700,000 shares already awarded. In addition, the outstanding shares awarded to the Company's corporate executive officers under the 11<sup>th</sup> resolution of the ESM held on May 13, 2011, cannot exceed 0.01% of the outstanding share capital on the date of the decision of the Board of Directors to proceed with the grant. Given the 16,000 outstanding shares awarded to the Chairman and Chief Executive Officer by the Board of Directors at its meeting on September 14, 2011, the number of outstanding shares that may still be awarded to the Company's corporate executive officers was 220,376, representing 0.01% of the 2,363,767,313 outstanding shares at year-end, minus the 16,000 outstanding shares already awarded.

(g) ESM = Extraordinary Shareholders' Meeting.

## 1.4. Potential share capital as of December 31, 2011

Securities granting rights to TOTAL shares, through exercise or redemption, are TOTAL share subscription options amounting to 44,632,912 share subscription options as of December 31, 2011, divided into 12,094,524 options for the plan awarded by the Board of Directors at its meeting on July 20, 2004, 6,162,536 options<sup>(1)</sup> for the plan awarded by the Board of Directors at its meeting on July 19, 2005, 5,623,506 options for the plan awarded by the Board of Directors at its meeting on July 18, 2006, 5,850,365 options for the plan awarded by the Board of Directors at its meeting on July 17, 2007, 4,335,698 options for the October 9, 2008 plan awarded by the Board of Directors at its meeting on September 9, 2008, 4,357,800 options for the plan awarded by the Board of Directors at its meeting on September 15, 2009, 4,700,043 options for the plan awarded by the Board of Directors at its meeting on

September 14, 2010 and 1,508,440 options for the plan awarded by the Board of Directors at its meeting on September 14, 2011.

The potential share capital (existing share capital plus securities granting rights to TOTAL shares, through exercise or redemption) of 2,408,400,225 shares, represents 101.89% of the share capital as of December 31, 2011, on the basis of 2,363,767,313 TOTAL shares constituting the share capital as of December 31, 2011, and of 44,632,912 TOTAL shares that could be issued upon the exercise of TOTAL options.

In addition, the global free TOTAL share plan intended for all Group employees awarded by the Board of Directors at its meeting on May 21, 2010, is likely to result in the issuance of a maximum of 2,494,525 shares as of December 31, 2011.

## 1.5. TOTAL shares held by the Companies or its subsidiaries

As of December 31, 2011

<b>Percentage of share capital held by TOTAL S.A.</b>	<b>0.39%</b>
Number of shares held in portfolio	9,222,905
Book value of portfolio (at purchase price) (M€)	364
Market value of portfolio (M€) <sup>(a)</sup>	364
<b>Percentage of capital held by the entire Group<sup>(b)</sup></b>	<b>4.63%</b>
Number of shares held in portfolio	109,554,173
Book value of portfolio (at purchase price) (M€)	3,390
Market value of portfolio (M€) <sup>(a)</sup>	4,327

(a) Based on a market price of €39.50 per share as of December 31, 2011.  
(b) TOTAL S.A., Total Nucléaire, Financière Valorgest, Sogapar and Fingestval.

## 1.6. Share capital history

(Since January 1, 2009)

### 1.6.1. For Fiscal Year 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.
January 1, 2010	Certification of the issuance of 1,414,810 new shares, par value €2.50 per share, between January 1 and December 31, 2009, raising the share capital by €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).

### 1.6.2. For Fiscal Year 2010

January 12, 2011	Certification of the issuance of 1,218,047 new shares, par value €2.50, through the exercise of the Company's stock options between January 1 and December 31, 2010, raising the share capital by €3,045,117.50 from €5,871,057,210 to €5,874,102,327.50.
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(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.



## General information

Articles of incorporation and by-laws; other information

### 1.6.3. Fiscal Year 2011

April 28, 2011	Certification of the subscription to 8,902,717 new shares, par value €2.50, as part of the capital increase reserved for Group employees approved by the Board of Directors on October 28, 2010, raising the share capital by €22,256,792.50, from €5,874,102,327.50 to €5,896,359,120.
January 12, 2012	Certification of the issuance of 5,223,665 new shares, par value €2.50, through the exercise of the Company's stock options between January 1 and December 31, 2011, raising the share capital by €13,059,162.50 from €5,896,359,120 to €5,909,418,282.50.

## 2. Articles of incorporation and by-laws; other information

### 2.1. General information concerning the Company

#### 2.1.1. Name

TOTAL S.A.

#### 2.1.2. Headquarters

2, place Jean Millier, La Défense 6, 92400 Courbevoie (France)

#### 2.1.3. Legal form and nationality

A French *société anonyme* (limited liability company)

#### 2.1.4. Trade Registry

542 051 180 RCS Nanterre

#### 2.1.5. EC Registration Number

FR 59 542 051 180

#### 2.1.6. By-laws

On file with K.L. Associés, Notaries in Paris

#### 2.1.7. APE Code (NAF)

111Z until January 7, 2008

741J since January 8, 2008

#### 2.1.8. Term

99 years from March 22, 2000, to expire on March 22, 2099, unless dissolved prior to this date or extended

#### 2.1.9. Fiscal year

From January 1 to December 31 of each year

### 2.2. Summary of the 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.

## 2.3. Provisions of the by-laws governing the administration and management bodies

### 2.3.1. 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.

### 2.3.2. 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.

### 2.3.3. Age limit of the Chairman and the Chief Executive Officer

The duties of the Chairman of the Board and the Chief Executive Officer automatically cease on their 65th 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.

### 2.3.4. 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.

### 2.3.5. 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.

### 2.3.6. Rules of procedure of the Board and Committees of the Board of Directors

See Chapter 5, point 1 (Corporate Governance – Report of the Chairman of the Board of Directors) of this Registration Document.

### 2.3.7. 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 May 21, 2010, the Board of Directors decided to reunify the positions of Chairman and Chief Executive Officer and appointed the Chief Executive Officer in the position of Chairman and Chief Executive Officer.

The management form selected remains in effect until a decision to the contrary is made by the Board of Directors.



## 2.4. 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.

### 2.4.1. 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.

### 2.4.2. 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, in the case of double voting rights, this limit may be extended to 20%.

Moreover, Article 18 of the 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-thirds of the Company's 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-thirds of the Company's shares.

### 2.4.3. 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.

### 2.4.4. 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 based on 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.

## 2.5. 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.

<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).

## 2.6. Shareholders' meetings

### 2.6.1. Notice of meetings

Shareholders' Meetings are convened and conducted under the conditions provided for by law.

### 2.6.2. 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) the third business days preceding 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 canceled and the votes sent by mail or proxies granted to the Company for such shares will be canceled 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.

## 2.7. 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 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. 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.

## 2.8. Changes in the share capital

The Company's share capital may be changed only under the conditions stipulated by the legal and regulatory provisions in force. No provision of the by-laws, charter, or internal regulations provide

for more stringent conditions than the law governing changes in the Company's share capital.

# 3. Other matters

## 3.1. 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 2011 would total approximately €126 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 paragraph 6.2 of Chapter 5).

The Group made gross additional contributions ("abondement") to various savings plans that totaled €72 million in 2011.

## 3.2. 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 incentives bonuses and/or profit-sharing.



### 3.3. 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.

### 3.4. 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 Chairman and Chief Executive Officer and the Chief Financial Officer of the Company

have conducted, with the assistance of the General 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 2011, the Chairman and Chief Executive Officer and the Chief Financial Officer concluded that the disclosure controls and procedures were effective.

## 4. 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, 2011 or for previous fiscal years may be consulted at the Company's registered office pursuant to the legal and regulatory provisions in force.

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).

## 5. Information on holdings

### 5.1. General information

As of December 31, 2011, there were 870 consolidated subsidiaries, of which 783 were fully consolidated and 87 were accounted for under the equity method.

TOTAL S.A.'s scope of consolidation includes at least 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 (point 7, Chapter 9).

### 5.2. TOTAL's interest in Sanofi

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 in concert regarding Sanofi<sup>(1)</sup> 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's 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.

(1) Listed company that has been deconsolidated since July 1, 2010.

In 2011, TOTAL's holdings in Sanofi, held indirectly through its subsidiary Elf Aquitaine, decreased from 5.51% of the share capital and 9.15% of the voting rights (*i.e.* 72,186,832 shares for 139,195,845 voting rights) as of December 31, 2010<sup>(1)</sup>, to 3.22% of the share capital and 5.46% of the voting rights (*i.e.* 43,196,815 shares for 83,205,828 voting rights) as of December 31, 2011<sup>(2)</sup>.

On April 29, 2011, TOTAL S.A. declared in the AMF notice No. 211C0548, that its capital interest in Sanofi indirectly fell below the 5% threshold on April 28, 2011, pursuant to the disposal of Sanofi shares on the market, such that the Group held 4.99% of the share capital and 8.59% of the voting rights of the company.

On February 16, 2012, TOTAL S.A. declared in the AMF notice No. 212C0276 that on February 15, 2012, its voting rights in Sanofi indirectly fell below the 5% threshold and that it holds 2.83% of the share capital and 4.69% of the voting rights of the company,

pursuant to the conversion of registered Sanofi shares to bearer shares, which caused a decrease in the number of voting rights, and to the disposal of Sanofi shares on the market.

Over the years 2009 and 2010, TOTAL's interest in Sanofi successively changed from 11.29% of the share capital and 18.16% of the voting rights to 7.33% of the share capital and 12.29% of the voting rights, and then from 7.33% of the share capital and 12.29% of the voting rights to 5.51% of the share capital and 9.15% of the voting rights.

The gradual selling of the Sanofi 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, please consult the publications issued by that company.

### 5.3. TOTAL's interest in CEPSA

TOTAL has been a shareholder of the Spanish oil and gas company CEPSA since 1990.

In July 2011, TOTAL finalized the sale of its entire 48.83% capital interest in CEPSA to International Petroleum Investment Company (IPIIC). This sale took place upon the occasion of the public takeover bid launched by IPIIC over the entire share capital of CEPSA, at a price of €28 per share, in accordance with the

agreement signed by TOTAL and IPIIC on February 15, 2011. TOTAL received €3.7 billion from this transaction.

As of December 31, 2011, TOTAL no longer holds CEPSA shares, directly or indirectly. As of December 31, 2010, TOTAL held (through its indirectly-owned subsidiary Odival) 130,668,240 CEPSA shares out of a total of 267,574,941 outstanding shares, representing 48.83% of CEPSA's share capital and voting rights.

### 5.4. TOTAL's interest in Novatek

On March 2, 2011, TOTAL announced the signing of an agreement in principle to acquire a 12.09% capital interest in Novatek, with both parties intending TOTAL to increase its stake to 15% within 12 months and to 19.40% within 36 months.

TOTAL acquired its 12.09% capital interest in Novatek on April 1, 2011 by purchasing shares from Novatek's two major shareholders. Further to this transaction, TOTAL is now represented on the Novatek Board of Directors.

TOTAL raised its stake to 14.09% on December 8, 2011, by acquiring an additional 2% capital interest in Novatek from its two major shareholders, in the framework of the agreement concluded in March 2011.

As of December 31, 2011, TOTAL held (through its subsidiary Total E&P Arctic Russia) 427,722,893 shares out of a total of 3,036,306,000 outstanding shares, representing 14.09% of Novatek's share capital and voting rights.

### 5.5. TOTAL's interest in SunPower

On April 28, 2011, SunPower and TOTAL announced the signing of a strategic agreement for the acquisition by TOTAL, through a friendly takeover bid (TOB), of 60% of SunPower's outstanding shares for a price of \$23.25 per share, totaling around \$1.4 billion. The friendly TOB was concluded successfully on June 21, 2011.

TOTAL also signed in 2011 a five-year financial guarantee agreement with SunPower for a maximum amount of \$1 billion, as well as a liquidity support agreement for a maximum amount of \$600 million for a maximum five-year term.

As of December 31, 2011, TOTAL held (through its subsidiary Total Gas & Power USA) 59,976,682 shares out of a total of 99,961,091 outstanding shares, representing 60% of SunPower's share capital and voting rights.

In January 2012, TOTAL's interest in SunPower increased to 66% as results of the Tenesol transaction (see paragraph 2.9.6.1, Chapter 2).

(1) Based on 1,310,997,785 Sanofi shares to which are attached 1,520,994,059 voting rights as of December 31, 2010.

(2) Based on 1,340,918,811 Sanofi shares to which are attached 1,524,116,740 voting rights as of December 31, 2011.



# Consolidated Financial Statements

The Consolidated Financial Statements were approved by the Board of Directors on February 9, 2012, and have not been updated with subsequent events.

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# 1. Statutory auditor's 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, 2011

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 2011, 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 December 31, 2011 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.

## II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the 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. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. 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. These assumptions and estimates are 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.

In order to assess the reasonableness of management's estimates, we performed audit procedures, using sampling techniques, that entailed the review of the assumptions and calculations on which the estimates are based on, the comparison of prior years' actual results to their related estimates and the review of management's process for approving the estimates. Additionally, the notes to the financial statements were reviewed to ensure that appropriate information regarding the estimates used by management had been disclosed.

These assessments were made as part of our audit of the consolidated 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 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 as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, March 7, 2012

The statutory auditors

*French original signed by*

KPMG Audit  
A division of KPMG S.A.  
Jay Nirsimloo

ERNST & YOUNG Audit  
Pascal Macioce  
Laurent Vitse

## 2. Consolidated statement of income

### TOTAL

For the year ended December 31,  
 (M€)<sup>(a)</sup>

		2011	2010	2009
<b>Sales</b>	<i>(notes 4 and 5)</i>	<b>184,693</b>	<b>159,269</b>	<b>131,327</b>
Excise taxes		(18,143)	(18,793)	(19,174)
Revenues from sales		166,550	140,476	112,153
Purchases net of inventory variation	<i>(note 6)</i>	(113,892)	(93,171)	(71,058)
Other operating expenses	<i>(note 6)</i>	(19,843)	(19,135)	(18,591)
Exploration costs	<i>(note 6)</i>	(1,019)	(864)	(698)
Depreciation, depletion and amortization of tangible assets and mineral interests		(7,506)	(8,421)	(6,682)
Other income	<i>(note 7)</i>	1,946	1,396	314
Other expense	<i>(note 7)</i>	(1,247)	(900)	(600)
Financial interest on debt		(713)	(465)	(530)
Financial income from marketable securities & cash equivalents		273	131	132
Cost of net debt	<i>(note 29)</i>	(440)	(334)	(398)
Other financial income	<i>(note 8)</i>	609	442	643
Other financial expense	<i>(note 8)</i>	(429)	(407)	(345)
Equity in income (loss) of affiliates	<i>(note 12)</i>	1,925	1,953	1,642
Income taxes	<i>(note 9)</i>	(14,073)	(10,228)	(7,751)
<b>Consolidated net income</b>		<b>12,581</b>	<b>10,807</b>	<b>8,629</b>
Group share		12,276	10,571	8,447
Non-controlling interests		305	236	182
Earnings per share (€)		5.46	4.73	3.79
Fully-diluted earnings per share (€)		5.44	4.71	3.78

(a) Except for per share amounts.



### 3. Consolidated statement of comprehensive income

#### TOTAL

For the year ended December 31,  
(M€)

	2011	2010	2009
<b>Consolidated net income</b>	<b>12,581</b>	<b>10,807</b>	<b>8,629</b>
<b>Other comprehensive income</b>			
Currency translation adjustment	1,498	2,231	(244)
Available for sale financial assets	337	(100)	38
Cash flow hedge	(84)	(80)	128
Share of other comprehensive income of associates, net amount	(15)	302	234
Other	(2)	(7)	(5)
Tax effect	(55)	28	(38)
<b>Total other comprehensive income (net amount) (note 17)</b>	<b>1,679</b>	<b>2,374</b>	<b>113</b>
<b>Comprehensive income</b>	<b>14,260</b>	<b>13,181</b>	<b>8,742</b>
Group share	13,911	12,936	8,500
Non-controlling interests	349	245	242

## 4. Consolidated balance sheet

### TOTAL

As of December 31,

(M€)

ASSETS		2011	2010	2009
<b>Non-current assets</b>				
Intangible assets, net	(notes 5 and 10)	12,413	8,917	7,514
Property, plant and equipment, net	(notes 5 and 11)	64,457	54,964	51,590
Equity affiliates: investments and loans	(note 12)	12,995	11,516	13,624
Other investments	(note 13)	3,674	4,590	1,162
Hedging instruments of non-current financial debt	(note 20)	1,976	1,870	1,025
Other non-current assets	(note 14)	4,871	3,655	3,081
<b>Total non-current assets</b>		<b>100,386</b>	<b>85,512</b>	<b>77,996</b>
<b>Current assets</b>				
Inventories, net	(note 15)	18,122	15,600	13,867
Accounts receivable, net	(note 16)	20,049	18,159	15,719
Other current assets	(note 16)	10,767	7,483	8,198
Current financial assets	(note 20)	700	1,205	311
Cash and cash equivalents	(note 27)	14,025	14,489	11,662
<b>Total current assets</b>		<b>63,663</b>	<b>56,936</b>	<b>49,757</b>
<b>Assets classified as held for sale</b>	(note 34)	<b>-</b>	<b>1,270</b>	<b>-</b>
<b>Total assets</b>		<b>164,049</b>	<b>143,718</b>	<b>127,753</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
<b>Shareholders' equity</b>				
Common shares		5,909	5,874	5,871
Paid-in surplus and retained earnings		66,506	60,538	55,372
Currency translation adjustment		(988)	(2,495)	(5,069)
Treasury shares		(3,390)	(3,503)	(3,622)
<b>Total shareholders' equity - Group share</b>	(note 17)	<b>68,037</b>	<b>60,414</b>	<b>52,552</b>
<b>Non-controlling interests</b>		<b>1,352</b>	<b>857</b>	<b>987</b>
<b>Total shareholders' equity</b>		<b>69,389</b>	<b>61,271</b>	<b>53,539</b>
<b>Non-current liabilities</b>				
Deferred income taxes	(note 9)	12,260	9,947	8,948
Employee benefits	(note 18)	2,232	2,171	2,040
Provisions and other non-current liabilities	(note 19)	10,909	9,098	9,381
Non-current financial debt	(note 20)	22,557	20,783	19,437
<b>Total non-current liabilities</b>		<b>47,958</b>	<b>41,999</b>	<b>39,806</b>
<b>Current liabilities</b>				
Accounts payable		22,086	18,450	15,383
Other creditors and accrued liabilities	(note 21)	14,774	11,989	11,908
Current borrowings	(note 20)	9,675	9,653	6,994
Other current financial liabilities	(note 20)	167	159	123
<b>Total current liabilities</b>		<b>46,702</b>	<b>40,251</b>	<b>34,408</b>
<b>Liabilities directly associated with the assets classified as held for sale</b>	(note 34)	<b>-</b>	<b>197</b>	<b>-</b>
<b>Total liabilities and shareholders' equity</b>		<b>164,049</b>	<b>143,718</b>	<b>127,753</b>

## 5. Consolidated statement of cash flow

### TOTAL

(note 27)

For the year ended December 31,  
(M€)

	2011	2010	2009
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Consolidated net income	12,581	10,807	8,629
Depreciation, depletion and amortization	8,628	9,117	7,107
Non-current liabilities, valuation allowances, and deferred taxes	1,665	527	441
Impact of coverage of pension benefit plans	-	(60)	-
(Gains) losses on disposals of assets	(1,590)	(1,046)	(200)
Undistributed affiliates' equity earnings	(107)	(470)	(378)
(Increase) decrease in working capital	(1,739)	(496)	(3,316)
Other changes, net	98	114	77
<b>Cash flow from operating activities</b>	<b>19,536</b>	<b>18,493</b>	<b>12,360</b>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>			
Intangible assets and property, plant and equipment additions	(17,950)	(13,812)	(11,849)
Acquisitions of subsidiaries, net of cash acquired	(854)	(862)	(160)
Investments in equity affiliates and other securities	(4,525)	(654)	(400)
Increase in non-current loans	(1,212)	(945)	(940)
<b>Total expenditures</b>	<b>(24,541)</b>	<b>(16,273)</b>	<b>(13,349)</b>
Proceeds from disposals of intangible assets and property, plant and equipment	1,439	1,534	138
Proceeds from disposals of subsidiaries, net of cash sold	575	310	-
Proceeds from disposals of non-current investments	5,691	1,608	2,525
Repayment of non-current loans	873	864	418
<b>Total divestments</b>	<b>8,578</b>	<b>4,316</b>	<b>3,081</b>
<b>Cash flow used in investing activities</b>	<b>(15,963)</b>	<b>(11,957)</b>	<b>(10,268)</b>
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>			
Issuance (repayment) of shares:			
– Parent company shareholders	481	41	41
– Treasury shares	-	49	22
Dividends paid:			
– Parent company shareholders	(5,140)	(5,098)	(5,086)
– Non-controlling interests	(172)	(152)	(189)
Other transactions with non-controlling interests	(573)	(429)	-
Net issuance (repayment) of non-current debt	4,069	3,789	5,522
Increase (decrease) in current borrowings	(3,870)	(731)	(3,124)
Increase (decrease) in current financial assets and liabilities	896	(817)	(54)
<b>Cash flow used in financing activities</b>	<b>(4,309)</b>	<b>(3,348)</b>	<b>(2,868)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(736)</b>	<b>3,188</b>	<b>(776)</b>
Effect of exchange rates	272	(361)	117
Cash and cash equivalents at the beginning of the period	14,489	11,662	12,321
<b>Cash and cash equivalents at the end of the period</b>	<b>14,025</b>	<b>14,489</b>	<b>11,662</b>

## 6. 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	Non- controlling interests	Total shareholders' equity
	Number	Amount			Number	Amount			
<b>As of January 1, 2009</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
Share cancellation (note 17)	(24,800,000)	(62)	(1,160)	-	24,800,000	1,222	-	-	-
Other operations with non-controlling interests	-	-	(23)	-	-	-	(23)	(24)	(47)
Other items	-	-	-	-	-	-	-	-	-
<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>
Net income 2010	-	-	10,571	-	-	-	10,571	236	10,807
Other comprehensive income (note 17)	-	-	(216)	2,581	-	-	2,365	9	2,374
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>10,355</b>	<b>2,581</b>	<b>-</b>	<b>-</b>	<b>12,936</b>	<b>245</b>	<b>13,181</b>
Dividend	-	-	(5,098)	-	-	-	(5,098)	(152)	(5,250)
Issuance of common shares (note 17)	1,218,047	3	38	-	-	-	41	-	41
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(a)</sup>	-	-	(70)	-	2,919,511	119	49	-	49
Share-based payments (note 25)	-	-	140	-	-	-	140	-	140
Share cancellation (note 17)	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	(199)	(7)	-	-	(206)	(223)	(429)
Other items	-	-	-	-	-	-	-	-	-
<b>As of December 31, 2010</b>	<b>2,349,640,931</b>	<b>5,874</b>	<b>60,538</b>	<b>(2,495)</b>	<b>(112,487,679)</b>	<b>(3,503)</b>	<b>60,414</b>	<b>857</b>	<b>61,271</b>
Net income 2011	-	-	12,276	-	-	-	12,276	305	12,581
Other comprehensive income (note 17)	-	-	231	1,404	-	-	1,635	44	1,679
<b>Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>12,507</b>	<b>1,404</b>	<b>-</b>	<b>-</b>	<b>13,911</b>	<b>349</b>	<b>14,260</b>
Dividend	-	-	(6,457)	-	-	-	(6,457)	(172)	(6,629)
Issuance of common shares (note 17)	14,126,382	35	446	-	-	-	481	-	481
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Sale of treasury shares <sup>(a)</sup>	-	-	(113)	-	2,933,506	113	-	-	-
Share-based payments (note 25)	-	-	161	-	-	-	161	-	161
Share cancellation (note 17)	-	-	-	-	-	-	-	-	-
Other operations with non-controlling interests	-	-	(553)	103	-	-	(450)	(123)	(573)
Other items	-	-	(23)	-	-	-	(23)	441	418
<b>As of December 31, 2011</b>	<b>2,363,767,313</b>	<b>5,909</b>	<b>66,506</b>	<b>(988)</b>	<b>(109,554,173)</b>	<b>(3,390)</b>	<b>68,037</b>	<b>1,352</b>	<b>69,389</b>

(a) Treasury shares related to the stock option purchase plans and restricted stock grants.

## 7. Notes to the Consolidated Financial Statements

On February 9, 2012, the Board of Directors established and authorized the publication of the Consolidated Financial Statements of TOTAL S.A. for the year ended December 31, 2011, which will be submitted for approval to the shareholders' meeting to be held on May 11, 2012.

### Introduction

The Consolidated Financial Statements of TOTAL S.A. and its subsidiaries (the Group) are presented in Euros and 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, 2011.

The accounting principles applied in the Consolidated Financial Statements as of December 31, 2011 were the same as those that were used as of December 31, 2010 except for amendments and interpretations of IFRS which were mandatory for the periods beginning after January 1, 2011 (and not early adopted). Their adoption has no material impact on the Consolidated Financial Statements as of December 31, 2011.

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. Assets and liabilities are measured at fair value when required by the standards.

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 consolidated under the equity method. The Group accounts for jointly-controlled operations and jointly-controlled assets by recognising its share of assets, liabilities, income and expenses.

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 are eliminated.

#### B) Business combinations

Business combinations are accounted for using the acquisition method. This method implies the recognition of the acquired identifiable assets, assumed liabilities and any non-controlling interests in the companies acquired by the Group at their fair value.

The acquirer shall recognize goodwill at the acquisition date, being the excess of:

- The consideration transferred, the amount of non-controlling interests and, in business combinations achieved in stages, the fair value at the acquisition date of the investment previously held in the acquired company;
- Over the fair value at the acquisition date of acquired identifiable assets and assumed liabilities.

If the consideration transferred is lower than the fair value of acquired identifiable assets and assumed liabilities, an additional analysis is performed on the identification and valuation of the identifiable elements of the assets and liabilities. Any residual goodwill is recorded as income.

In transactions with non-controlling interests, the difference between the price paid (received) and the book value of non-controlling interests acquired (sold) is recognized directly in equity.

The purchase price allocation is finalized within one year from the acquisition date.

Non-monetary contributions by venturers to a jointly-controlled entity in exchange for an equity interest in the jointly-controlled entity are accounted for by applying guidance provided in SIC 13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”. A gain or loss on disposal of the previously held investment is recorded up to the share of the co-venturer in the jointly controlled entity.

### 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 other than the functional currency of the entity 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 the statement of income.

#### (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 “Non-controlling interests” (for the share of non-controlling interests) as deemed appropriate.

### D) Sales and revenues from sales

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.

#### (i) Sale of goods

Revenues from sales are recognized when the significant risks and rewards of ownership have been passed to the buyer and when the amount is recoverable and can be reasonably measured.

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, is recognized as “Crude oil and natural gas inventories” or “Other current assets” or “Other creditors and accrued liabilities”, as appropriate.

Quantities delivered that represent production royalties and taxes, when paid in cash, are included in oil and gas sales, except for 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.

#### (ii) Sale of services

Revenues from services are recognized when the services have been rendered.

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.

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.

### 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 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).

## 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, excluding TOTAL shares held by TOTAL S.A. (Treasury shares) and TOTAL shares held by the Group subsidiaries which are deducted from consolidated shareholders' equity.

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, 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 and mining activity

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 future 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, development and production 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.

### (iii) Mining activity

Before an assessment can be made on the existence of resources, exploration costs, including studies and core drilling campaigns as a whole, are expensed.

When the assessment concludes that resources exist, the costs engaged subsequently to this assessment are capitalized temporarily while waiting for the field final development decision, if a positive decision is highly probable. Otherwise, these costs are expensed.

Once the development decision is taken, the predevelopment costs capitalized temporarily are integrated with the cost of development and depreciated from the start of production at the same pace than development assets.

Mining development costs include the initial stripping costs and all costs incurred to access resources, and particularly the costs of:

- Surface infrastructures;
- Machinery and mobile equipment which are significantly costly;
- Utilities and off-sites.

These costs are capitalized and depreciated either on a straight line basis or depleted using the UOP method from the start of production.

## I) Goodwill and other intangible assets excluding mineral interests

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.

Guidance for calculating goodwill is presented in Note 1 paragraph B to the Consolidated Financial Statements. 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).

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 3 to 20 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:

- the technical feasibility of the project and the availability of the adequate resources for the completion of the intangible asset;
- the ability of the asset to generate probable future economic benefits;
- the ability to measure reliably the expenditures attributable to the asset; and
- 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:

- if the project benefits from a specific funding, the capitalization of borrowing costs is based on the borrowing rate;
- 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:

Furniture, office equipment, machinery and tools	3-12 years
Transportation equipments	5-20 years
Storage tanks and related equipment	10-15 years
Specialized complex installations and pipelines	10-30 years
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. When this value is less than the carrying amount of the CGU, an impairment loss is recorded. It is allocated first to goodwill in counterpart of "Other expenses". These impairment losses are then allocated to "Depreciation, depletion and amortization of tangible assets and mineral interests" for property, plant and mineral interests and to "Other expenses" for other intangible assets.

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) Other investments

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

impairment loss, a loss is recorded in the Statement of Income. This impairment is reversed in the statement of income only when the securities are sold.

**(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:

• **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".

• **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 underlying 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 only when the hedged transaction affects profit or loss.

• **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".

• **Financial instruments related to commodity contracts**

Financial instruments related to commodity contracts, including crude oil, petroleum products, gas, power and coal purchase/sales contracts within 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. According to the industry practice, these instruments are considered 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:

• **Financial debts, swaps**

The market value of swaps and of bonds that are hedged by those swaps has been determined on an individual basis by discounting future cash flows with the zero coupon interest rate curves existing at year-end.

• **Financial instruments related to commodity contracts**

The valuation methodology is to mark to market all open positions for both physical and paper 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.

• **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.

• **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 at the opening balance sheet date, 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 are 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 are applied:

- Emission rights are managed as a cost of production and as such are recognized in inventories:
  - emission rights allocated for free are booked in inventories with a nil carrying amount;
  - purchased emission rights are booked at acquisition cost;
  - sales or annual restorations of emission rights consist of decreases in inventories recognized based on a weighted average cost;
  - if the carrying amount of inventories at closing date is higher than the market value, an impairment loss is recorded.
- At each closing, a provision is recorded in order to materialize the obligation of emission rights restoration related to the emissions of the period. This provision is calculated based on estimated emissions of the period, valued at weighted average cost of the inventories at the end of the period. It is reversed when the emission rights are restored.
- If emission rights to be delivered at the end of the compliance period are higher than emission rights (allocated and purchased) booked in inventories, the shortage is accounted for as a liability at market value.
- Forward transactions are recognized at their fair market value in the balance sheet. Changes in the fair value of such forward transactions are recognized in the statement of 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 under the equity method, as provided for in the alternative method of 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 and not adopted by the European Union at December 31, 2011, are as follows:

- In November 2009, the IASB issued standard IFRS 9 "Financial Instruments" that introduces new requirements for the classification and measurement of financial assets, and included in October 2010 requirements regarding classification and measurement of financial liabilities. This standard shall be completed with texts on impairment and hedge accounting. Under standard IFRS 9, financial assets and liabilities are generally measured either at fair value through profit or loss or at amortised cost if certain conditions are met. The standard should be applicable for annual periods starting on or after January 1, 2015. The application of the standard as published in 2010 should not have any material effect on the Group's consolidated balance sheet, statement of income and shareholder's equity.
- In May 2011, the IASB issued a package of standards on consolidation: standard IFRS 10 "Consolidated financial statements", standard IFRS 11 "Joint arrangements", standard IFRS 12 "Disclosure of interests in other entities", revised standard IAS 27 "Separate financial statements" and revised standard IAS 28 "Investments in associates and joint ventures". These standards are applicable for annual periods beginning on or after January 1, 2013. The impact of the application of these standards is currently assessed by the Group.



- In June 2011, the IASB issued revised standard IAS 19 “Employee benefits”, which leads in particular to the full recognition of the net position in respect of employee benefits obligations (liabilities net of assets) in the balance sheet, to the elimination of the corridor approach currently used by the Group and to the obligation to evaluate the expected return on plan assets on a normative basis (via the discount rate used to value the debt). This standard is applicable for annual periods beginning on or after January 1, 2013. The impact of the application of this standard is currently assessed by the Group.
- In addition, the IASB published in May 2011 standard IFRS 13 “Fair value measurement”, applicable for annual periods beginning on or after January 1, 2013, and in June 2011 revised standard IAS 1 “Presentation of financial statements”, applicable for annual periods beginning on or after July 1, 2012. The application of these standards 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, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

#### (iii) Effect of changes in fair value

As from January 1, 2011, the effect of changes in fair value presented as adjustment item reflects for some transactions differences between internal measure of performance used by TOTAL’s management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period end spot prices. In order to best reflect the management of economic exposure through derivative

transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group’s internal economic performance. IFRS precludes recognition of this fair value effect.

**(iv) Until June 30, 2010, TOTAL’s equity share of adjustment items reconciling “Business net income” to Net income attributable to equity holders of Sanofi (see Note 3, paragraph on the sales of Sanofi shares and loss of significant influence over Sanofi)**

### 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 non-controlling interests.

#### (iii) Adjusted income

Operating income, net operating income, or net income excluding the effect of adjustment items described above.

#### (iv) Fully-diluted adjusted earnings per share

Adjusted net income divided by the fully-diluted weighted-average number of common shares.

**(v) Capital employed**

Non-current assets and working capital, at replacement cost, net of deferred income taxes and non-current liabilities.

**(vi) 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.

**(vii) ROE (Return on Equity)**

Ratio of adjusted consolidated net income to average adjusted shareholders' equity (after distribution) between the beginning and the end of the period.

**(viii) 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

During 2011, 2010 and 2009, main changes in the Group structure and main acquisitions and divestments were as follows:

#### 2011

• **Upstream**

- TOTAL finalized in March 2011 the acquisition from Santos of an additional 7.5% interest in Australia's GLNG project. This increases TOTAL's overall stake in the project to 27.5%.

The acquisition cost amounts to €202 million (\$281 million) and mainly corresponds to the value of mineral interests that have been recognized as intangible assets in the consolidated balance sheet for €227 million.

- In March 2011, Total E&P Canada Ltd., a TOTAL subsidiary, and Suncor Energy Inc. (Suncor) have finalized a strategic oil sands alliance encompassing the Suncor-operated Fort Hills mining project, the TOTAL-operated Joslyn mining project and the Suncor-operated Voyageur upgrader project. All three assets are located in the Athabasca region of the province of Alberta, in Canada.

TOTAL acquired 19.2% of Suncor's interest in the Fort Hills project, increasing TOTAL's overall interest in the project to 39.2%. Suncor, as operator, holds 40.8%. TOTAL also acquired a 49% stake in the Suncor-operated Voyageur upgrader project. For those two acquisitions, the Group paid €1,937 million (CAD 2,666 million) mainly representing the value of intangible assets for €474 million and the value of tangible assets for €1,550 million.

Furthermore, TOTAL sold to Suncor 36.75% interest in the Joslyn project for €612 million (CAD 842 million). The Group, as operator, retains a 38.25% interest in the project.

- TOTAL finalized in April 2011 the sale of its 75.8% interest in its upstream Cameroonian affiliate Total E&P Cameroun to Perenco, for an amount of €172 million (\$247 million), net of cash sold.
- TOTAL and the Russian company Novatek signed in March 2011 two Memorandums of Cooperation to develop the cooperation between TOTAL on one side, and Novatek and its main shareholders on the other side.

This cooperation is developed around the two following axes:

- In April 2011, TOTAL took a 12.09% shareholding in Novatek for an amount of €2,901 million (\$4,108 million). In December 2011, TOTAL finalized the acquisition of an additional 2% interest in Novatek for an amount of €596 million (\$796 million), increasing TOTAL's overall interest in Novatek to 14.09%. TOTAL considers that it has a significant influence especially through its representation on the Board of Directors of Novatek and its participation in the major Yamal LNG project. Therefore, the interest in Novatek has been accounted for by the equity method since the second quarter of 2011.
- In October 2011, TOTAL finalized the acquisition of a 20% interest in the Yamal LNG project and has become Novatek's partner in this project.

- After the all-cash tender of \$23.25 per share launched on April 28, 2011 and completed on June 21, 2011, TOTAL has acquired a 60% stake in SunPower Corp., a U.S. company listed on Nasdaq with headquarters in San Jose (California), one of the most established players in the American solar industry. Shares of SunPower Corp. continue to be traded on the Nasdaq.

The acquisition cost, whose cash payment occurred on June 21, 2011, amounts to €974 million (\$1,394 million). In accordance with revised IFRS 3, TOTAL is currently assessing the fair value of identifiable acquired assets, liabilities and contingent liabilities. Based on available information, provisional fair value of net assets acquired at 100% amounts to \$1,512 million.

Given the estimated fair value of instruments that are likely to confer rights to non-controlling interests, provisional goodwill amounts to \$533 million. This goodwill must be allocated within twelve months from the acquisition date.



Provisional allocation of the acquisition price and the amount of non-controlling interests at the acquisition date are as follows:

(M\$)	Fair value at the acquisition date
Intangible assets	465
Tangible assets	589
Accounts receivable, net	396
Other current assets	223
Other capital employed	292
Net debt	(453)
<b>Net assets of SunPower (100%) as of June 21, 2011</b>	<b>1,512</b>
Share attributable at 100% to non-controlling interests	(76)
<b>Net assets of SunPower (100%) as of June 21, 2011 to share</b>	<b>1,436</b>
Group share 60%	861
Goodwill	533
<b>Acquisition cost of SunPower's shares</b>	<b>1,394</b>
Non-controlling interests (40%)	575
Reinclusion of the share attributable at 100% to non-controlling interests	76
<b>Non-controlling interests as of June 21, 2011</b>	<b>651</b>

Since the acquisition date, sales and net income Group share (before impairment of goodwill) realized by SunPower amount respectively to \$1,447 million and \$(56) million. The goodwill arising from the acquisition of SunPower has been impaired in 2011 (see Note 4E to the Consolidated Financial Statements).

Acquisition-related costs recognized in the statement of income for the period amount to €9 million.

As part of the transaction, various agreements were signed, including a financial guarantee agreement through which TOTAL guarantees up to \$1 billion SunPower's repayments obligations under letters of credit that would be issued during the next five years for the development of solar power plants and large roofs activities. Furthermore, SunPower's off-balance sheet commitments and contractual obligations are now included in TOTAL's notes to the Consolidated Financial Statements (see Note 23 to the Consolidated Financial Statements).

- TOTAL finalized in July 2011 the sale of 10% of its interest in the Colombian pipeline OCENSA. The Group still holds a 5.2% interest in this asset.
- TOTAL finalized in September 2011 the acquisition of Esso Italiana's interests respectively in the Gorgoglione concession (25% interest), which contains the Tempa Rossa field, and in two exploration licenses located in the same area (51.7% for each one). The acquisition increases TOTAL's interest in the operated Tempa Rossa field to 75%.
- TOTAL finalized in December 2011 the sale to Silex Gas Norway AS, a wholly owned subsidiary of Allianz, of its entire stake in Gassled (6.4%) and related entities for an amount of €477 million (NOK 3.7 billion).
- Total E&P USA Inc. signed in December 2011 an agreement to enter into a Joint Venture with Chesapeake Exploration L.L.C., a subsidiary of Chesapeake Energy Corporation, and its partner

EnerVest Ltd. Under the terms of this agreement, TOTAL acquired a 25% share in Chesapeake's and EnerVest's liquids-rich area of the Utica shale play. TOTAL paid to Chesapeake and EnerVest €500 million (\$696 million) in cash for the acquisition of these assets. TOTAL will also be committed to pay additional amounts up to \$1.63 billion over a maximum period of 7 years in the form of a 60% carry of Chesapeake and EnerVest's future capital expenditures on drilling and completion of wells within the Joint Venture. Furthermore, TOTAL will also acquire a 25% share in any new acreage which will be acquired by Chesapeake in the liquids-rich area of the Utica shale play.

#### • Downstream

- TOTAL and International Petroleum Investment Company (a company wholly-owned by the Government of Abu Dhabi) entered into an agreement on February 15, 2011 for the sale, to International Petroleum Investment Company (IPIC), of the 48.83% equity interest held by TOTAL in the share capital of CEPESA, to be completed within the framework of a public tender offer being launched by IPIC for all the CEPESA shares not yet held by IPIC, at a unit purchase price of €28 per CEPESA share. TOTAL sold to IPIC all of its equity interest in CEPESA and received, as of July 29, 2011, an amount of €3,659 million.
- TOTAL finalized in October 2011 the sale of most of its Marketing assets in the United Kingdom, the Channel Islands and the Isle of Man, to Rontec Investments LLP, a consortium led by Snax 24, one of the leading independent forecourt operators in the United Kingdom, for an amount of €424 million (£368 million).

#### • Chemicals

- TOTAL finalized in July 2011 the sale of its photocure and coatings resins businesses to Arkema for an amount of €520 million, net of cash sold.

## 2010

### • Upstream

- Total E&P Canada Ltd., a TOTAL subsidiary, signed in July 2010 an agreement with UTS Energy Corporation (UTS) to acquire UTS Corporation with its main asset, a 20% interest in the Fort Hills mining project in the Athabasca region of the Canadian province of Alberta.

Total E&P Canada completed on September 30, 2010 the acquisition of all UTS shares for a cash amount of 3.08 Canadian dollars per share. Taking into account the cash held by UTS and acquired by TOTAL (€232 million), the cost of the acquisition for TOTAL amounted to €862 million. This amount mainly represented the value of mineral interests that have been recognized as intangible assets in the consolidated balance sheet for €646 million and the value of tangible assets that have been recognized in the consolidated balance sheet for €217 million.

- TOTAL completed in September 2010 an agreement for the sale to BP and Hess of its interests in the Valhall (15.72%) and Hod (25%) fields, in the Norwegian North Sea, for an amount of €800 million.
- TOTAL signed in September 2010 an agreement with Santos and Petronas to acquire a 20% interest in the GLNG project in Australia. Upon completion of this transaction finalised in October 2010, the project brought together Santos (45%, operator), Petronas (35%) and TOTAL (20%).

The acquisition cost amounted to €566 million and it mainly represented the value of mineral interests that have been recognized as intangible assets in the consolidated balance sheet for €617 million.

In addition, TOTAL announced in December 2010 the signature of an agreement to acquire an additional 7.5% interest in this project.

- TOTAL sold in December 2010 its 5% interest in Block 31, located in the Angolan ultra deep offshore, to the company China Sonangol International Holding Limited.

### • Downstream

- TOTAL and ERG announced in January 2010 that they signed an agreement to create a joint venture, named TotalErg, by contribution of the major part of their activities in the refining and marketing business in Italy. TotalErg has been operational since October 1<sup>st</sup>, 2010. The shareholder pact calls for joint governance as well as operating independence for the new entity. TOTAL's interest in TotalErg is 49% and is accounted for by the equity method (see Note 12 to the Consolidated Financial Statements).

### • Chemicals

- TOTAL closed on April 1, 2010 the sale of its consumer specialty chemicals business, Mapa Spontex, to U.S.-based Jarden Corporation for an enterprise value of €335 million.

### • Corporate

- On March 24, 2010, TOTAL S.A. 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 did not already hold, representing 0.52% of Elf

Aquitaine's share capital and 0.27% of its voting rights, at a price of €305 per share (including the remaining 2009 dividend). On April 13, 2010, the French Autorité des marchés financiers (AMF) issued its clearance decision for this offer.

The public tender offer was open from April 16 to April 29, 2010 inclusive. The Elf Aquitaine shares targeted by the offer which were not tendered to the offer have been transferred to TOTAL S.A. under the squeeze out upon payment to the shareholders equal to the offer price on the first trading day after the offer closing date, *i.e.* on April 30, 2010.

On April 30, 2010, TOTAL S.A. announced that, following the squeeze out, it held 100% of Elf Aquitaine shares, with the transaction amounting to €450 million.

In application of revised standard IAS 27 "Consolidated and Separate Financial Statements", effective for annual periods beginning on or after January 1, 2010, transactions with non-controlling interests are accounted for as equity transactions, *i.e.* in consolidated shareholder's equity.

As a consequence, following the squeeze out of the Elf Aquitaine shares by TOTAL S.A., the difference between the consideration paid and the book value of non-controlling interests acquired was recognized directly as a decrease in equity.

- During 2010, TOTAL progressively sold 1.88% of Sanofi's share capital, thus reducing its interest to 5.51%.

As from July 1, 2010, given its reduced representation on the Board of Directors and the decrease in the percentage of voting rights, TOTAL ceased to have a significant influence over Sanofi-Aventis and no longer consolidated this investment under the equity method. The investment in Sanofi is accounted for as a financial asset available for sale in the line "Other investments" of the consolidated balance sheet at its fair value, *i.e.* at the stock price.

Net income as of December 31, 2010 included a €135 million gain relating to this change in the accounting treatment.

## 2009

### • Upstream

- 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 represented the value of mineral interests that have been recognized as intangible assets in the consolidated balance sheet for €1,449 million and the value of tangible assets that have been recognized in 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.

### • Corporate

- 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 for the year ended December 31, 2009.

## 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:

- the Upstream segment includes the activities of the Exploration & Production division and the Gas & Power division;
- the Downstream segment includes activities of the Refining & Marketing division and the Trading & Shipping division; and
- 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).

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.

Furthermore, the Group announced in October 2011 a plan of reorganization of its business segments Downstream and Chemicals. The consultation and notification process towards employee representatives is finished and this reorganization became effective as of January 1<sup>st</sup>, 2012.

This plan changed the organization through the creation of:

- a Refining & Chemicals segment that is a major production hub combining TOTAL's refining, petrochemicals, fertilizers and specialty chemicals operations. This segment also includes Trading & Shipping activities;
- a Supply & Marketing segment that is dedicated to the global supply and marketing of petroleum products.

## A) Information by business segment

For the year ended December 31, 2011

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	23,298	141,907	19,477	11	-	184,693
Intersegment sales	27,301	5,983	1,234	185	(34,703)	-
Excise taxes	-	(18,143)	-	-	-	(18,143)
<b>Revenues from sales</b>	<b>50,599</b>	<b>129,747</b>	<b>20,711</b>	<b>196</b>	<b>(34,703)</b>	<b>166,550</b>
Operating expenses	(23,079)	(126,145)	(19,566)	(667)	34,703	(134,754)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,076)	(1,908)	(487)	(35)	-	(7,506)
<b>Operating income</b>	<b>22,444</b>	<b>1,694</b>	<b>658</b>	<b>(506)</b>	<b>-</b>	<b>24,290</b>
Equity in income (loss) of affiliates and other items	1,596	401	471	336	-	2,804
Tax on net operating income	(13,506)	(409)	(225)	(38)	-	(14,178)
<b>Net operating income</b>	<b>10,534</b>	<b>1,686</b>	<b>904</b>	<b>(208)</b>	<b>-</b>	<b>12,916</b>
Net cost of net debt	-	-	-	-	-	(335)
Non-controlling interests	-	-	-	-	-	(305)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,276</b>

For the year ended December 31, 2011

(adjustments<sup>(a)</sup>)

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	45	-	-	-	-	45
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>
Operating expenses	-	1,156	(33)	-	-	1,123
Depreciation, depletion and amortization of tangible assets and mineral interests	(75)	(700)	(6)	-	-	(781)
<b>Operating income<sup>(b)</sup></b>	<b>(30)</b>	<b>456</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>387</b>
Equity in income (loss) of affiliates and other items	191	256	209	90	-	746
Tax on net operating income	(32)	(109)	(41)	(80)	-	(262)
<b>Net operating income<sup>(b)</sup></b>	<b>129</b>	<b>603</b>	<b>129</b>	<b>10</b>	<b>-</b>	<b>871</b>
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	(19)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>852</b>

(a) Adjustments include special items, inventory valuation effect and, as from January 1<sup>st</sup>, 2011, the effect of changes in fair value.

(b) Of which inventory valuation effect

	Upstream	Downstream	Chemicals	Corporate
- on operating income	-	1,224	(9)	-
- on net operating income	-	859	10	-

**For the year ended December 31, 2011 (adjusted)**

(M€) <sup>(a)</sup>	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	23,253	141,907	19,477	11	-	184,648
Intersegment sales	27,301	5,983	1,234	185	(34,703)	-
Excise taxes	-	(18,143)	-	-	-	(18,143)
<b>Revenues from sales</b>	<b>50,554</b>	<b>129,747</b>	<b>20,711</b>	<b>196</b>	<b>(34,703)</b>	<b>166,505</b>
Operating expenses	(23,079)	(127,301)	(19,533)	(667)	34,703	(135,877)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,001)	(1,208)	(481)	(35)	-	(6,725)
<b>Adjusted operating income</b>	<b>22,474</b>	<b>1,238</b>	<b>697</b>	<b>(506)</b>	<b>-</b>	<b>23,903</b>
Equity in income (loss) of affiliates and other items	1,405	145	262	246	-	2,058
Tax on net operating income	(13,474)	(300)	(184)	42	-	(13,916)
<b>Adjusted net operating income</b>	<b>10,405</b>	<b>1,083</b>	<b>775</b>	<b>(218)</b>	<b>-</b>	<b>12,045</b>
Net cost of net debt	-	-	-	-	-	(335)
Non-controlling interests	-	-	-	-	-	(286)
<b>Adjusted net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,424</b>
<b>Adjusted fully-diluted earnings per share (€)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.06</b>

(a) Except for earnings per share.

**For the year ended December 31, 2011**

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	21,689	1,870	847	135	-	24,541
Total divestments	2,656	3,235	1,164	1,523	-	8,578
Cash flow from operating activities	17,054	2,165	512	(195)	-	19,536
<b>Balance sheet as of December 31, 2011</b>						
Property, plant and equipment, intangible assets, net	64,069	7,918	4,638	245	-	76,870
Investments in equity affiliates	8,932	699	1,118	-	-	10,749
Loans to equity affiliates and other non-current assets	4,793	1,749	1,144	3,105	-	10,791
Working capital	1,240	9,627	2,585	(1,374)	-	12,078
Provisions and other non-current liabilities	(20,095)	(2,577)	(1,593)	(1,136)	-	(25,401)
Assets and liabilities classified as held for sale	-	-	-	-	-	-
<b>Capital Employed (balance sheet)</b>	<b>58,939</b>	<b>17,416</b>	<b>7,892</b>	<b>840</b>	<b>-</b>	<b>85,087</b>
Less inventory valuation effect	-	(3,615)	(419)	13	-	(4,021)
<b>Capital Employed (Business segment information)</b>	<b>58,939</b>	<b>13,801</b>	<b>7,473</b>	<b>853</b>	<b>-</b>	<b>81,066</b>
<b>ROACE as a percentage</b>	<b>20%</b>	<b>7%</b>	<b>10%</b>	<b>-</b>	<b>-</b>	<b>16%</b>

For the year ended December 31, 2010

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	18,527	123,245	17,490	7	-	159,269
Intersegment sales	22,540	4,693	981	186	(28,400)	-
Excise taxes	-	(18,793)	-	-	-	(18,793)
<b>Revenues from sales</b>	<b>41,067</b>	<b>109,145</b>	<b>18,471</b>	<b>193</b>	<b>(28,400)</b>	<b>140,476</b>
Operating expenses	(18,271)	(105,660)	(16,974)	(665)	28,400	(113,170)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,346)	(2,503)	(533)	(39)	-	(8,421)
<b>Operating income</b>	<b>17,450</b>	<b>982</b>	<b>964</b>	<b>(511)</b>	<b>-</b>	<b>18,885</b>
Equity in income (loss) of affiliates and other items	1,533	141	215	595	-	2,484
Tax on net operating income	(10,131)	(201)	(267)	263	-	(10,336)
<b>Net operating income</b>	<b>8,852</b>	<b>922</b>	<b>912</b>	<b>347</b>	<b>-</b>	<b>11,033</b>
Net cost of net debt	-	-	-	-	-	(226)
Non-controlling interests	-	-	-	-	-	(236)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,571</b>

For the year ended December 31, 2010

(adjustments<sup>(a)</sup>)

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	-	-	-	-	-	-
Intersegment sales	-	-	-	-	-	-
Excise taxes	-	-	-	-	-	-
<b>Revenues from sales</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating expenses	-	923	92	-	-	1,015
Depreciation, depletion and amortization of tangible assets and mineral interests	(203)	(1,192)	(21)	-	-	(1,416)
<b>Operating income<sup>(b)</sup></b>	<b>(203)</b>	<b>(269)</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>(401)</b>
Equity in income (loss) of affiliates and other items <sup>(c)</sup>	183	(126)	(16)	227	-	268
Tax on net operating income	275	149	-	(6)	-	418
<b>Net operating income<sup>(b)</sup></b>	<b>255</b>	<b>(246)</b>	<b>55</b>	<b>221</b>	<b>-</b>	<b>285</b>
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	(2)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283</b>

(a) Adjustments include special items, inventory valuation effect and, until June 30, 2010, equity share of adjustments related to Sanofi.

(b) Of which inventory valuation effect

	Upstream	Downstream	Chemicals	Corporate
- on operating income	-	863	130	-
- on net operating income	-	640	113	-

(c) Of which equity share of adjustments related to Sanofi

	-	-	-	(81)
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For the year ended December 31, 2010 (adjusted)

(M€) <sup>(a)</sup>	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	18,527	123,245	17,490	7	-	159,269
Intersegment sales	22,540	4,693	981	186	(28,400)	-
Excise taxes	-	(18,793)	-	-	-	(18,793)
<b>Revenues from sales</b>	<b>41,067</b>	<b>109,145</b>	<b>18,471</b>	<b>193</b>	<b>(28,400)</b>	<b>140,476</b>
Operating expenses	(18,271)	(106,583)	(17,066)	(665)	28,400	(114,185)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,143)	(1,311)	(512)	(39)	-	(7,005)
<b>Adjusted operating income</b>	<b>17,653</b>	<b>1,251</b>	<b>893</b>	<b>(511)</b>	<b>-</b>	<b>19,286</b>
Equity in income (loss) of affiliates and other items	1,350	267	231	368	-	2,216
Tax on net operating income	(10,406)	(350)	(267)	269	-	(10,754)
<b>Adjusted net operating income</b>	<b>8,597</b>	<b>1,168</b>	<b>857</b>	<b>126</b>	<b>-</b>	<b>10,748</b>
Net cost of net debt	-	-	-	-	-	(226)
Non-controlling interests	-	-	-	-	-	(234)
<b>Adjusted net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,288</b>
<b>Adjusted fully-diluted earnings per share (€)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.58</b>

(a) Except for earnings per share.

For the year ended December 31, 2010

(M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	13,208	2,343	641	81	-	16,273
Total divestments	2,067	499	347	1,403	-	4,316
Cash flow from operating activities	15,573	1,441	934	545	-	18,493
<b>Balance sheet as of December 31, 2010</b>						
Property, plant and equipment, intangible assets, net	50,565	8,675	4,388	253	-	63,881
Investments in equity affiliates	5,002	2,782	1,349	-	-	9,133
Loans to equity affiliates and other non-current assets	4,184	1,366	979	4,099	-	10,628
Working capital	(363)	9,154	2,223	(211)	-	10,803
Provisions and other non-current liabilities	(16,076)	(2,328)	(1,631)	(1,181)	-	(21,216)
Assets and liabilities classified as held for sale	660	-	413	-	-	1,073
<b>Capital Employed (balance sheet)</b>	<b>43,972</b>	<b>19,649</b>	<b>7,721</b>	<b>2,960</b>	<b>-</b>	<b>74,302</b>
Less inventory valuation effect	-	(4,088)	(409)	1,061	-	(3,436)
<b>Capital Employed (Business segment information)</b>	<b>43,972</b>	<b>15,561</b>	<b>7,312</b>	<b>4,021</b>	<b>-</b>	<b>70,866</b>
<b>ROACE as a percentage</b>	<b>21%</b>	<b>8%</b>	<b>12%</b>	<b>-</b>	<b>-</b>	<b>16%</b>

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)
Non-controlling interests	-	-	-	-	-	(182)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>-</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>-</b>	<b>667</b>
Net cost of net debt	-	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	(4)
<b>Net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>663</b>

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi.

(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 related to Sanofi

	Corporate
	(300)

**For the year ended December 31, 2009 (adjusted)**

(M€) <sup>(a)</sup>	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)
Non-controlling interests	-	-	-	-	-	(178)
<b>Adjusted net income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,784</b>
<b>Adjusted fully-diluted earnings per share (€)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.48</b>

(a) Except for earnings per share.

**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)
Assets and liabilities classified as held for sale	-	-	-	-	-	-
<b>Capital Employed (balance sheet)</b>	<b>37,397</b>	<b>18,501</b>	<b>7,180</b>	<b>4,017</b>	<b>-</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>-</b>	<b>64,451</b>
<b>ROACE as a percentage</b>	<b>18%</b>	<b>7%</b>	<b>4%</b>	<b>-</b>	<b>-</b>	<b>13%</b>

## B) ROE (Return on Equity)

The Group evaluates the return on equity as the ratio of adjusted consolidated net income to average adjusted shareholders' equity between the beginning and the end of the period. Thus, adjusted shareholders' equity for the year ended December 31, 2011 is calculated after payment of a dividend of €2.28 per share, subject to approval by the shareholders' meeting on May 11, 2012.

The ROE is calculated as follows:

For the year ended December 31,  
(M€)

	2011	2010	2009
Adjusted net income - Group share	11,424	10,288	7,784
Adjusted non-controlling interests	286	234	178
<b>Adjusted consolidated net income</b>	<b>11,710</b>	<b>10,522</b>	<b>7,962</b>
Shareholders' equity - Group share	68,037	60,414	52,552
Distribution of the income based on existing shares at the closing date	(1,255)	(2,553)	(2,546)
Non-controlling interests	1,352	857	987
<b>Adjusted shareholders' equity<sup>(a)</sup></b>	<b>68,134</b>	<b>58,718</b>	<b>50,993</b>
<b>ROE</b>	<b>18%</b>	<b>19%</b>	<b>16%</b>

(a) Adjusted shareholders' equity as of December 31, 2008 amounted to €47,410 million.

## C) Reconciliation of the information by business segment with consolidated financial statements

The table below presents the impact of adjustment items on the Consolidated Statement of Income:

For the year ended December 31, 2011  
(M€)

	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
Sales	184,648	45	184,693
Excise taxes	(18,143)	-	(18,143)
Revenues from sales	166,505	45	166,550
Purchases, net of inventory variation	(115,107)	1,215	(113,892)
Other operating expenses	(19,751)	(92)	(19,843)
Exploration costs	(1,019)	-	(1,019)
Depreciation, depletion and amortization of tangible assets and mineral interests	(6,725)	(781)	(7,506)
Other income	430	1,516	1,946
Other expense	(536)	(711)	(1,247)
Financial interest on debt	(713)	-	(713)
Financial income from marketable securities & cash equivalents	273	-	273
Cost of net debt	(440)	-	(440)
Other financial income	609	-	609
Other financial expense	(429)	-	(429)
Equity in income (loss) of affiliates	1,984	(59)	1,925
Income taxes	(13,811)	(262)	(14,073)
<b>Consolidated net income</b>	<b>11,710</b>	<b>871</b>	<b>12,581</b>
Group share	11,424	852	12,276
Non-controlling interests	286	19	305

(a) Adjustments include special items, inventory valuation effect and, as from January 1<sup>st</sup>, 2011, the effect of changes in fair value.

**For the year ended December 31, 2010**  
(M€)

	Adjusted	Adjustments <sup>(a)</sup>	Consolidated statement of income
Sales	159,269	-	159,269
Excise taxes	(18,793)	-	(18,793)
Revenues from sales	140,476	-	140,476
Purchases, net of inventory variation	(94,286)	1,115	(93,171)
Other operating expenses	(19,035)	(100)	(19,135)
Exploration costs	(864)	-	(864)
Depreciation, depletion and amortization of tangible assets and mineral interests	(7,005)	(1,416)	(8,421)
Other income	524	872	1,396
Other expense	(346)	(554)	(900)
Financial interest on debt	(465)	-	(465)
Financial income from marketable securities & cash equivalents	131	-	131
Cost of net debt	(334)	-	(334)
Other financial income	442	-	442
Other financial expense	(407)	-	(407)
Equity in income (loss) of affiliates	2,003	(50)	1,953
Income taxes	(10,646)	418	(10,228)
<b>Consolidated net income</b>	<b>10,522</b>	<b>285</b>	<b>10,807</b>
Group share	10,288	283	10,571
Non-controlling interests	234	2	236

(a) Adjustments include special items, inventory valuation effect and, until June 30, 2010, equity share of adjustments related to Sanofi.

**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
Non-controlling interests	178	4	182

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi.

## D) 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, 2011

(M€)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	1,224	(9)	-	1,215
Effect of changes in fair value	45	-	-	-	45
Restructuring charges	-	-	-	-	-
Asset impairment charges	(75)	(700)	(6)	-	(781)
Other items	-	(68)	(24)	-	(92)
<b>Total</b>	<b>(30)</b>	<b>456</b>	<b>(39)</b>	<b>-</b>	<b>387</b>

### Adjustments to net income, Group share

For the year ended December 31, 2011

(M€)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	824	10	-	834
Effect of changes in fair value	32	-	-	-	32
Restructuring charges	-	(113)	(9)	-	(122)
Asset impairment charges	(531)	(478)	(5)	-	(1,014)
Gains (losses) on disposals of assets	843	412	209	74	1,538
Other items	(202)	(74)	(76)	(64)	(416)
<b>Total</b>	<b>142</b>	<b>571</b>	<b>129</b>	<b>10</b>	<b>852</b>

### Adjustments to operating income

For the year ended December 31, 2010

(M€)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	863	130	-	993
Restructuring charges	-	-	-	-	-
Asset impairment charges	(203)	(1,192)	(21)	-	(1,416)
Other items	-	60	(38)	-	22
<b>Total</b>	<b>(203)</b>	<b>(269)</b>	<b>71</b>	<b>-</b>	<b>(401)</b>

### Adjustments to net income, Group share

For the year ended December 31, 2010

(M€)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect	-	635	113	-	748
TOTAL's equity share of adjustments related to Sanofi	-	-	-	(81)	(81)
Restructuring charges	-	(12)	(41)	-	(53)
Asset impairment charges	(297)	(913)	(14)	-	(1,224)
Gains (losses) on disposals of assets	589	122	33	302	1,046
Other items	(37)	(83)	(33)	-	(153)
<b>Total</b>	<b>255</b>	<b>(251)</b>	<b>58</b>	<b>221</b>	<b>283</b>

### 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 related to Sanofi	-	-	-	(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>

### E) Additional information on impairments

In the Upstream, Downstream and Chemicals segments, impairments of assets have been recognized for the year ended December 31, 2011, with an impact of €781 million in operating income and €1,014 million in net income, Group share. These impairments have been disclosed as adjustments to operating income and adjustments to net income, Group share. These items are identified in paragraph 4D 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:

- 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";
- 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;
- future cash flows, based on the long-term plan, are prepared over a period consistent with the life of the assets within the CGU. They are prepared post-tax and include specific risks attached to CGU assets. They are discounted using a 8% post-tax discount rate, this rate being a weighted-average capital cost estimated from historical market data. This rate has been applied consistently for the years ending in 2009, 2010 and 2011.

SunPower is a CGU acquired in 2011 for which specific assumptions were applied because of its own financing and its listing on Nasdaq. Thus, future cash flows of this CGU have been discounted using a 14% post-tax discount rate, corresponding to the weighted-average capital cost of this CGU.

- value in use calculated by discounting the above post-tax cash flows using a 8% post-tax discount rate is not materially different from value in use calculated by discounting pre-tax cash flows using a pre-tax discount rate determined by an iterative computation from the post-tax value in use. These pre-tax discount rates are in a range from 10% to 13% in 2011. SunPower's pre-tax discount rate is 16%.

The CGUs of the Upstream segment affected by these impairments are oil fields, assets in solar energy and investments in associates accounted for by the equity method. For the year ended

December 31, 2011, the Group has recognized impairments with an impact of €75 million in operating income and €531 million in net income, Group share. A 10% decrease in hydrocarbons prices would not lead to additional impairment losses. In 2011, impairment losses accounted for mainly include the impairment of the whole goodwill arising from the acquisition of SunPower for €383 million. Indeed, the stress on public debt markets of some European states during the second half of 2011, successive austerity plans adopted by these states and their impact on financial incentives specific to the solar industry have greatly worsened the financial situation and forecasts of future cash flows of the solar industry companies, including SunPower. The market capitalization of these companies fell sharply in 2011, thus the share price of SunPower as of December 31, 2011 stood at \$6.23 per share, down 73% compared to the share price at the acquisition date.

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. For the refining activities, the unfavorable trends observed in 2010 have continued in 2011, with a worldwide context of surplus in refining capacities compared to the demand for petroleum products. This surplus is still based in Europe with a falling demand, whereas the emerging countries (Middle East and Asia) report a strong growth in the consumption of petroleum products. In this persistent context of deteriorated margins, the refining CGUs in France and in the United Kingdom have suffered substantial operating losses despite the constant efforts to improve operations. This situation, coupled with less favorable outlooks, led the Group to recognize impairments within the CGUs Refining France and United Kingdom with an impact of €700 million in operating income and €478 million in net income, Group share. A variation of +5% of projections of gross margin in identical operating conditions would have a positive impact of €676 million in operating income and €443 million in net income, Group share. A variation of (1)% of the discount rate would have a positive impact of €335 million in operating income and €219 million in net income, Group share. Inverse variations of projections of gross margin and discount rate would have impacts of respectively €(683) million and €(249) million in operating income and €(448) million and €(164) million in net income, Group share.

The CGUs of the Chemicals segment are worldwide business units, including activities or products with common strategic, commercial and industrial characteristics. The different scenarios of sensitivity would not lead to additional impairment losses.

For the year ended December 31, 2010, impairments of assets have been recognized in the Upstream, Downstream and Chemicals segments with an impact of €1,416 million in operating income and €1,224 million in net income, Group share. These

impairments have been disclosed as adjustments to operating income and adjustments to net income, Group share.

For the year ended December 31, 2009, impairments of assets have been recognized in the Upstream, Downstream and Chemicals segments 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 adjustments to net income, Group share for €333 million.

For the years ended December 31, 2011, 2010 and 2009, no reversal of impairment has been recognized.

## 5) Information by geographical area

(M€)	France	Rest of Europe	North America	Africa	Rest of the world	Total
<b>For the year ended December 31, 2011</b>						
Non-Group sales	42,626	81,453	15,917	15,077	29,620	184,693
Property, plant and equipment, intangible assets, net	5,637	15,576	14,518	23,546	17,593	76,870
Capital expenditures	1,530	3,802	5,245	5,264	8,700	24,541
<b>For the year ended December 31, 2010</b>						
Non-Group sales	36,820	72,636	12,432	12,561	24,820	159,269
Property, plant and equipment, intangible assets, net	5,666	14,568	9,584	20,166	13,897	63,881
Capital expenditures	1,062	2,629	3,626	4,855	4,101	16,273
<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

## 6) Operating expenses

For the year ended December 31,

(M€)	2011	2010	2009
Purchases, net of inventory variation <sup>(a)</sup>	(113,892) <sup>(b)</sup>	(93,171)	(71,058)
Exploration costs	(1,019)	(864)	(698)
Other operating expenses <sup>(c)</sup>	(19,843)	(19,135)	(18,591)
<i>of which non-current operating liabilities (allowances) reversals</i>	615	387	515
<i>of which current operating liabilities (allowances) reversals</i>	(150)	(101)	(43)
<b>Operating expenses</b>	<b>(134,754)</b>	<b>(113,170)</b>	<b>(90,347)</b>

(a) Includes taxes paid on oil and gas production in the Upstream segment, namely royalties.

(b) As of December 31, 2011, the Group valued under/over lifting at market value. The impact in operating expenses is €577 million and €103 million in net income, Group share as of December 31, 2011.

(c) 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€)	2011	2010	2009
Gains (losses) on disposal of assets	1,650	1,117	200
Foreign exchange gains	118	-	-
Other	178	279	114
<b>Other income</b>	<b>1,946</b>	<b>1,396</b>	<b>314</b>
Foreign exchange losses	-	-	(32)
Amortization of other intangible assets (excl. mineral interests)	(592)	(267)	(142)
Other	(655)	(633)	(426)
<b>Other expense</b>	<b>(1,247)</b>	<b>(900)</b>	<b>(600)</b>

### Other income

In 2011, gains and losses on disposal of assets are mainly related to the sale of the interest in CEPSA, to the sale of assets in the Upstream segment (especially the sale of 10% Group's interest in the Colombian pipeline OCENSA) and to the sale of photocure and coatings resins businesses. These disposals are described in Note 3 to the Consolidated Financial Statements.

In 2010, gains and losses on disposal of assets were mainly related to sales of assets in the Upstream segment (sale of the interests in the Valhall and Hod fields in Norway and sale of the interest in Block 31 in Angola, see Note 3 to the Consolidated Financial Statements), as well as the change in the accounting treatment and the disposal of shares of Sanofi (see Note 3 to the Consolidated Financial Statements).

In 2009, gains and losses on disposal of assets were mainly related to the disposal of shares of Sanofi.

### Other expense

In 2011, the heading "Other" is mainly comprised of €243 million of restructuring charges in the Upstream, Downstream and Chemicals segments.

In 2010, the heading "Other" was mainly comprised of €248 million of restructuring charges in the Downstream and Chemicals segments.

In 2009, the heading "Other" was mainly comprised of €190 million of restructuring charges in the Downstream and Chemicals segments.

## 8) Other financial income and expense

As of December 31,

(M€)	2011	2010	2009
Dividend income on non-consolidated subsidiaries	330	255	210
Capitalized financial expenses	171	113	117
Other	108	74	316
<b>Other financial income</b>	<b>609</b>	<b>442</b>	<b>643</b>
Accretion of asset retirement obligations	(344)	(338)	(283)
Other	(85)	(69)	(62)
<b>Other financial expense</b>	<b>(429)</b>	<b>(407)</b>	<b>(345)</b>

## 9) Income taxes

Since 1966, the Group had been taxed in accordance with the consolidated income tax treatment approved on a three-year renewable basis by the French Ministry of Economy, Finance and Industry. The approval for the period 2008-2010 expired on December 31, 2010 and TOTAL S.A. announced in July 2011 that it took the decision not to proceed with its initial application for the renewal of this agreement.

As a consequence, TOTAL S.A. is taxed in accordance with the common tax regime as from 2011. The exit of the consolidated income tax treatment has no significant impact, neither on the Group's financial situation nor on the consolidated results.

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 €27,444 million as of December 31, 2011. 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 €22,585 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€)

	2011	2010	2009
Current income taxes	(12,495)	(9,934)	(7,213)
Deferred income taxes	(1,578)	(294)	(538)
<b>Total income taxes</b>	<b>(14,073)</b>	<b>(10,228)</b>	<b>(7,751)</b>

Before netting deferred tax assets and liabilities by fiscal entity, the components of deferred tax balances are as follows:

**As of December 31,**  
(M€)

	2011	2010	2009
Net operating losses and tax carry forwards	1,584	1,145	1,114
Employee benefits	621	535	517
Other temporary non-deductible provisions	3,521	2,757	2,184
<b>Gross deferred tax assets</b>	<b>5,726</b>	<b>4,437</b>	<b>3,815</b>
Valuation allowance	(667)	(576)	(484)
<b>Net deferred tax assets</b>	<b>5,059</b>	<b>3,861</b>	<b>3,331</b>
Excess tax over book depreciation	(12,831)	(10,966)	(9,791)
Other temporary tax deductions	(2,721)	(1,339)	(1,179)
<b>Gross deferred tax liability</b>	<b>(15,552)</b>	<b>(12,305)</b>	<b>(10,970)</b>
<b>Net deferred tax liability</b>	<b>(10,493)</b>	<b>(8,444)</b>	<b>(7,639)</b>

Net operating losses and tax carry forwards only come from foreign subsidiaries.

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€)

	2011	2010	2009
Deferred tax assets, non-current ( <i>note 14</i> )	1,767	1,378	1,164
Deferred tax assets, current ( <i>note 16</i> )	-	151	214
Deferred tax liabilities, non-current	(12,260)	(9,947)	(8,948)
Deferred tax liabilities, current	-	(26)	(69)
<b>Net amount</b>	<b>(10,493)</b>	<b>(8,444)</b>	<b>(7,639)</b>

The net deferred tax variation in the balance sheet is analyzed as follows:

As of December 31,  
(M€)

	2011	2010	2009
<b>Opening balance</b>	<b>(8,444)</b>	<b>(7,639)</b>	<b>(6,857)</b>
Deferred tax on income	(1,578)	(294)	(538)
Deferred tax on shareholders' equity <sup>(a)</sup>	(55)	28	(38)
Changes in scope of consolidation	(17)	(59)	(1)
Currency translation adjustment	(399)	(480)	(205)
<b>Closing balance</b>	<b>(10,493)</b>	<b>(8,444)</b>	<b>(7,639)</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

For the year ended December 31,  
(M€)

	2011	2010	2009
Consolidated net income	12,581	10,807	8,629
Provision for income taxes	14,073	10,228	7,751
<b>Pre-tax income</b>	<b>26,654</b>	<b>21,035</b>	<b>16,380</b>
French statutory tax rate	36.10%	34.43%	34.43%
<b>Theoretical tax charge</b>	<b>(9,622)</b>	<b>(7,242)</b>	<b>(5,640)</b>
Difference between French and foreign income tax rates	(5,740)	(4,921)	(3,214)
Tax effect of equity in income (loss) of affiliates	695	672	565
Permanent differences	889	1,375	597
Adjustments on prior years income taxes	(19)	(45)	(47)
Adjustments on deferred tax related to changes in tax rates	(201)	2	(1)
Changes in valuation allowance of deferred tax assets	(71)	(65)	(6)
Other	(4)	(4)	(5)
<b>Net provision for income taxes</b>	<b>(14,073)</b>	<b>(10,228)</b>	<b>(7,751)</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 36.10% in 2011 (versus 34.43% in 2010 and 2009).

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.

## Net operating losses and tax credit carryforwards

Deferred tax assets related to net operating losses and tax carryforwards expire in the following years:

As of December 31, (M€)	2011		2010		2009	
	Basis	Tax	Basis	Tax	Basis	Tax
2010	-	-	-	-	258	126
2011	-	-	225	110	170	83
2012	242	115	177	80	121	52
2013	171	81	146	59	133	43
2014 <sup>(a)</sup>	104	47	1,807	602	1,804	599
2015 <sup>(b)</sup>	8	2	190	62	-	-
2016 and after	2,095	688	-	-	-	-
Unlimited	2,119	651	774	232	661	211
<b>Total</b>	<b>4,739</b>	<b>1,584</b>	<b>3,319</b>	<b>1,145</b>	<b>3,147</b>	<b>1,114</b>

(a) Net operating losses and tax credit carryforwards in 2014 and after for 2009.

(b) Net operating losses and tax credit carryforwards in 2015 and after for 2010.

## 10) Intangible assets

As of December 31, 2011 (M€)	Cost	Amortization and impairment	Net
Goodwill	1,903	(993)	910
Proved and unproved mineral interests	13,719	(3,181)	10,538
Other intangible assets	3,377	(2,412)	965
<b>Total intangible assets</b>	<b>18,999</b>	<b>(6,586)</b>	<b>12,413</b>
As of December 31, 2010 (M€)	Cost	Amortization and impairment	Net
Goodwill	1,498	(596)	902
Proved and unproved mineral interests	10,099	(2,712)	7,387
Other intangible assets	2,803	(2,175)	628
<b>Total intangible assets</b>	<b>14,400</b>	<b>(5,483)</b>	<b>8,917</b>
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>

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>2011</b>	<b>8,917</b>	<b>2,504</b>	<b>(428)</b>	<b>(991)</b>	<b>358</b>	<b>2,053</b>	<b>12,413</b>
2010	7,514	2,466	(62)	(553)	491	(939)	8,917
2009	5,341	629	(64)	(345)	2	1,951	7,514

In 2011, the heading "Other" mainly includes Chesapeake's Barnett shale mineral interests reclassified into the acquisitions for €(649) million, the not yet paid part of the acquisition of Chesapeake's mineral interests in Utica for €1,216 million, the reclassification of Joslyn's mineral interests sold in 2011 and formerly classified in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" for €384 million, and €697 million related to the acquisition of SunPower.

In 2010, the heading "Other" mainly included Chesapeake's Barnett shale mineral interests reclassified into the acquisitions for €(975) million and the reclassification of Joslyn's mineral interests in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" for €(390) million, including the currency translation adjustment, partially compensated by the acquisition of UTS for €646 million (see Note 3 to the Consolidated Financial Statements).

In 2009, the heading "Other" mainly included Chesapeake's Barnett shale mineral interests for €1,449 million (see Note 3 to the Consolidated Financial Statements).

A summary of changes in the carrying amount of goodwill by business segment for the year ended December 31, 2011 is as follows:

(M€)	Net goodwill as of January 1, 2011	Increases	Impairments	Other	Net goodwill as of December 31, 2011
Upstream	78	396	(383)	(2)	89
Downstream	82	-	(1)	(12)	69
Chemicals	717	23	(4)	(9)	727
Corporate	25	-	-	-	25
<b>Total</b>	<b>902</b>	<b>419</b>	<b>(388)</b>	<b>(23)</b>	<b>910</b>

In 2011, impairments of goodwill in the Upstream segment amount to €383 million and correspond to the impairment of the whole goodwill arising from the acquisition of SunPower (see Note 4E to the Consolidated Financial Statements).

## 11) Property, plant and equipment

As of December 31, 2011 (M€)	Cost	Depreciation and impairment	Net
<b>Upstream properties</b>			
Proved properties	84,222	(54,589)	29,633
Unproved properties	209	-	209
Work in progress	21,190	(15)	21,175
<b>Subtotal</b>	<b>105,621</b>	<b>(54,604)</b>	<b>51,017</b>
<b>Other property, plant and equipment</b>			
Land	1,346	(398)	948
Machinery, plant and equipment (including transportation equipment)	25,838	(18,349)	7,489
Buildings	6,241	(4,131)	2,110
Work in progress	1,534	(306)	1,228
Other	6,564	(4,899)	1,665
<b>Subtotal</b>	<b>41,523</b>	<b>(28,083)</b>	<b>13,440</b>
<b>Total property, plant and equipment</b>	<b>147,144</b>	<b>(82,687)</b>	<b>64,457</b>
<b>As of December 31, 2010 (M€)</b>			
<b>Upstream properties</b>			
Proved properties	77,183	(50,582)	26,601
Unproved properties	347	(1)	346
Work in progress	14,712	(37)	14,675
<b>Subtotal</b>	<b>92,242</b>	<b>(50,620)</b>	<b>41,622</b>
<b>Other property, plant and equipment</b>			
Land	1,304	(393)	911
Machinery, plant and equipment (including transportation equipment)	23,831	(17,010)	6,821
Buildings	6,029	(3,758)	2,271
Work in progress	2,350	(488)	1,862
Other	6,164	(4,687)	1,477
<b>Subtotal</b>	<b>39,678</b>	<b>(26,336)</b>	<b>13,342</b>
<b>Total property, plant and equipment</b>	<b>131,920</b>	<b>(76,956)</b>	<b>54,964</b>
<b>As of December 31, 2009 (M€)</b>			
<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>



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,
<b>2011</b>	<b>54,964</b>	<b>15,443</b>	<b>(1,489)</b>	<b>(7,636)</b>	<b>1,692</b>	<b>1,483</b>	<b>64,457</b>
2010	51,590	11,346	(1,269)	(8,564)	2,974	(1,113)	54,964
2009	46,142	11,212	(65)	(6,765)	397	669	51,590

In 2011, the heading "Disposals" mainly includes the impact of sales of assets in the Upstream segment (disposal of the interests in Gassled in Norway and in Joslyn's field in Canada) and in the Downstream segment (disposal of Marketing assets in the United Kingdom) (see Note 3 to the Consolidated Financial Statements).

In 2011, the heading "Depreciation and impairment" includes the impact of impairments of assets recognized for €781 million (see Note 4D to the Consolidated Financial Statements).

In 2011, the heading "Other" corresponds to the increase of the asset for sites restitution for an amount of €653 million. It also includes €428 million related to the reclassification of tangible assets of Joslyn and resins businesses sold in 2011 and formerly classified in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations".

In 2010, the heading "Disposals" mainly included the impact of sales of assets in the Upstream segment (sale of the interests in the Valhall and Hod fields in Norway and sale of the interest in Block 31 in Angola, see Note 3 to the Consolidated Financial Statements).

In 2010, the heading "Depreciation and impairment" included the impact of impairments of assets recognized for €1,416 million (see Note 4D to the Consolidated Financial Statements).

In 2010, the heading "Other" mainly corresponded to the change in the consolidation method of Samsung Total Petrochemicals (see Note 12 to the Consolidated Financial Statements) for €(541) million and the reclassification for €(537) million, including the currency translation adjustment, of property, plant and equipment related to Joslyn, Total E&P Cameroun, and resins businesses subject to a disposal project in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", partially compensated by the acquisition of UTS for €217 million (see Note 3 to the Consolidated Financial Statements).

In 2009, the heading "Other" mainly included 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).

Property, plant and equipment presented above include the following amounts for facilities and equipment under finance leases that have been capitalized:

As of December 31, 2011 (M€)	Cost	Depreciation and impairment	Net
Machinery, plant and equipment	414	(284)	130
Buildings	54	(25)	29
Other	-	-	-
<b>Total</b>	<b>468</b>	<b>(309)</b>	<b>159</b>
<b>As of December 31, 2010 (M€)</b>	<b>Cost</b>	<b>Depreciation and impairment</b>	<b>Net</b>
Machinery, plant and equipment	480	(332)	148
Buildings	54	(24)	30
Other	-	-	-
<b>Total</b>	<b>534</b>	<b>(356)</b>	<b>178</b>
<b>As of December 31, 2009 (M€)</b>	<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>

## 12) Equity affiliates: investments and loans

Equity value As of December 31, (M€)	2011			2010			2009		
	% owned			Equity value					
NLNG	15.00%	15.00%	15.00%	953	1,108	1,136			
PetroCedeño - EM	30.32%	30.32%	30.32%	1,233	1,136	874			
CEPSA (Upstream share) <sup>(d)</sup>	-	48.83%	48.83%	-	340	385			
Angola LNG Ltd.	13.60%	13.60%	13.60%	869	710	490			
Qatargas	10.00%	10.00%	10.00%	97	85	83			
Société du Terminal Méthanier de Fos Cavaou	27.60%	28.03%	28.79%	119	125	124			
Dolphin Energy Ltd. (Del) Abu Dhabi	24.50%	24.50%	24.50%	208	172	118			
Qatar Liquefied Gas Company Limited II (Train B)	16.70%	16.70%	16.70%	209	184	143			
Yemen LNG Co	39.62%	39.62%	39.62%	169	25	(15)			
Shtokman Development AG	25.00%	25.00%	25.00%	248	214	162			
AMYRIS <sup>(a)</sup>	21.37%	22.03%	-	79	101	-			
Novatek <sup>(e)</sup>	14.09%	-	-	3,368	-	-			
Other	-	-	-	803	724	760			
<b>Total associates</b>				<b>8,355</b>	<b>4,924</b>	<b>4,260</b>			
Yamal LNG <sup>(e)</sup>	20.01%	-	-	495	-	-			
Ichthys LNG Ltd. <sup>(e)</sup>	24.00%	-	-	82	-	-			
Other	-	-	-	-	78	-			
<b>Total jointly-controlled entities</b>				<b>577</b>	<b>78</b>	<b>-</b>			
<b>Total Upstream</b>				<b>8,932</b>	<b>5,002</b>	<b>4,260</b>			
CEPSA (Downstream share) <sup>(d)</sup>	-	48.83%	48.83%	-	2,151	1,927			
Saudi Aramco Total Refining & Petrochemicals (Downstream share)	37.50%	37.50%	37.50%	112	47	60			
Other	-	-	-	166	159	123			
<b>Total associates</b>				<b>278</b>	<b>2,357</b>	<b>2,110</b>			
SARA <sup>(c)</sup>	50.00%	50.00%	-	125	134	-			
TotalErg <sup>(a)</sup>	49.00%	49.00%	-	296	289	-			
Other	-	-	-	-	2	-			
<b>Total jointly-controlled entities</b>				<b>421</b>	<b>425</b>	<b>-</b>			
<b>Total Downstream</b>				<b>699</b>	<b>2,782</b>	<b>2,110</b>			
CEPSA (Chemicals share) <sup>(d)</sup>	-	48.83%	48.83%	-	411	396			
Qatar Petrochemical Company Ltd.	20.00%	20.00%	20.00%	240	221	205			
Saudi Aramco Total Refining & Petrochemicals (Chemicals share)	37.50%	37.50%	37.50%	9	4	5			
Qatofin Company Limited	36.36%	36.36%	36.36%	136	27	9			
Other	-	-	-	27	41	37			
<b>Total associates</b>				<b>412</b>	<b>704</b>	<b>652</b>			
Samsung Total Petrochemicals <sup>(c)</sup>	50.00%	50.00%	-	706	645	-			
<b>Total jointly-controlled entities</b>				<b>706</b>	<b>645</b>	<b>-</b>			
<b>Total Chemicals</b>				<b>1,118</b>	<b>1,349</b>	<b>652</b>			
Sanofi <sup>(b)</sup>	-	-	7.39%	-	-	4,235			
<b>Total associates</b>				<b>-</b>	<b>-</b>	<b>4,235</b>			
<b>Total jointly-controlled entities</b>				<b>-</b>	<b>-</b>	<b>-</b>			
<b>Total Corporate</b>				<b>-</b>	<b>-</b>	<b>4,235</b>			
<b>Total investments</b>				<b>10,749</b>	<b>9,133</b>	<b>11,257</b>			
Loans				2,246	2,383	2,367			
<b>Total investments and loans</b>				<b>12,995</b>	<b>11,516</b>	<b>13,624</b>			

(a) Investment accounted for by the equity method as from 2010.

(b) End of the accounting for by the equity method of Sanofi as of July 1<sup>st</sup>, 2010 (see Note 3 to the Consolidated Financial Statements).

(c) Change in the consolidation method as of January 1<sup>st</sup>, 2010.

(d) Sale of CEPSA on July 29<sup>th</sup>, 2011.

(e) Investment accounted for by the equity method as from 2011.

Equity in income (loss) (M€)	As of December 31,			For the year ended December 31,		
	2011	2010	2009	2011	2010	2009
	% owned			Equity in income (loss)		
NLNG	15.00%	15.00%	15.00%	374	207	227
PetroCedeño - EM	30.32%	30.32%	30.32%	55	195	166
CEPSA (Upstream share) <sup>(d)</sup>	-	48.83%	48.83%	15	57	23
Angola LNG Ltd.	13.60%	13.60%	13.60%	6	8	9
Qatargas	10.00%	10.00%	10.00%	196	136	114
Société du Terminal Méthanier de Fos Cavaou	27.60%	28.03%	28.79%	13	-	-
Dolphin Energy Ltd. (Del) Abu Dhabi	24.50%	24.50%	24.50%	131	121	94
Qatar Liquefied Gas Company Limited II (Train B)	16.70%	16.70%	16.70%	446	288	8
Yemen LNG Co	39.62%	39.62%	39.62%	130	37	34
Shtokman Development AG	25.00%	25.00%	25.00%	1	(5)	4
AMYRIS <sup>(e)</sup>	21.37%	22.03%	-	(23)	(3)	-
Novatek <sup>(e)</sup>	14.09%	-	-	24	-	-
Other	-	-	-	274	140	180
<b>Total associates</b>				<b>1,642</b>	<b>1,181</b>	<b>859</b>
Yamal LNG <sup>(e)</sup>	20.01%	-	-	-	-	-
Ichthys LNG Ltd. <sup>(e)</sup>	24.00%	-	-	(7)	-	-
Other	-	-	-	(56)	6	-
<b>Total jointly-controlled entities</b>				<b>(63)</b>	<b>6</b>	<b>-</b>
<b>Total Upstream</b>				<b>1,579</b>	<b>1,187</b>	<b>859</b>
CEPSA (Downstream share) <sup>(d)</sup>	-	48.83%	48.83%	26	172	149
Saudi Aramco Total Refining & Petrochemicals (Downstream share)	37.50%	37.50%	37.50%	(27)	(19)	(12)
Other	-	-	-	24	76	81
<b>Total associates</b>				<b>23</b>	<b>229</b>	<b>218</b>
SARA <sup>(c)</sup>	50.00%	50.00%	-	11	31	-
TotalErg <sup>(a)</sup>	49.00%	49.00%	-	7	(11)	-
Other	-	-	-	1	2	-
<b>Total jointly-controlled entities</b>				<b>19</b>	<b>22</b>	<b>-</b>
<b>Total Downstream</b>				<b>42</b>	<b>251</b>	<b>218</b>
CEPSA (Chemicals share) <sup>(d)</sup>	-	48.83%	48.83%	19	78	10
Qatar Petrochemical Company Ltd.	20.00%	20.00%	20.00%	89	84	74
Saudi Aramco Total Refining & Petrochemicals (Chemicals share)	37.50%	37.50%	37.50%	(3)	(1)	(1)
Qatofin Company Limited	36.36%	36.36%	36.36%	98	36	(5)
Other	-	-	-	(13)	5	1
<b>Total associates</b>				<b>190</b>	<b>202</b>	<b>79</b>
Samsung Total Petrochemicals <sup>(c)</sup>	50.00%	50.00%	-	114	104	-
<b>Total jointly-controlled entities</b>				<b>114</b>	<b>104</b>	<b>-</b>
<b>Total Chemicals</b>				<b>304</b>	<b>306</b>	<b>79</b>
Sanofi <sup>(b)</sup>	-	-	7.39%	-	209	486
<b>Total associates</b>				<b>-</b>	<b>209</b>	<b>486</b>
<b>Total jointly-controlled entities</b>				<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Corporate</b>				<b>-</b>	<b>209</b>	<b>486</b>
<b>Total investments</b>				<b>1,925</b>	<b>1,953</b>	<b>1,642</b>

(a) Investment accounted for by the equity method as from 2010.

(b) End of the accounting for by the equity method of Sanofi as of July 1<sup>st</sup>, 2010 (see Note 3 to the Consolidated Financial Statements).

(c) Change in the consolidation method as of January 1<sup>st</sup>, 2010.

(d) Sale of CEPSA on July 29<sup>th</sup>, 2011.

(e) Investment accounted for by the equity method as from 2011.

The market value of the Group's share in Novatek amounts to €4,034 million as of December 31, 2011 for an equity value of €3,368 million.

In Group share, the main financial items of the equity affiliates are as follows:

As of December 31, (M€)	2011		2010		2009	
	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities
Assets	18,088	3,679	19,192	2,770	22,681	-
Shareholders' equity	9,045	1,704	7,985	1,148	11,257	-
Liabilities	9,043	1,975	11,207	1,622	11,424	-

For the year ended December 31, (M€)	2011		2010		2009	
	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities
Revenues from sales	9,948	5,631	16,529	2,575	14,434	-
Pre-tax income	2,449	119	2,389	166	2,168	-
Income tax	(594)	(49)	(568)	(34)	(526)	-
<b>Net income</b>	<b>1,855</b>	<b>70</b>	<b>1,821</b>	<b>132</b>	<b>1,642</b>	<b>-</b>

### 13) Other investments

The investments detailed below are classified as "Financial assets available for sale" (see Note 1 paragraph M(ii) to the Consolidated Financial Statements).

As of December 31, 2011 (M€)	Carrying amount	Unrealized gain (loss)	Balance sheet value
Sanofi <sup>(a)</sup>	2,100	351	2,451
Areva <sup>(b)</sup>	69	1	70
Arkema	-	-	-
Chicago Mercantile Exchange Group	1	6	7
Olympia Energy Fund - energy investment fund	38	(5)	33
Gevo	15	(3)	12
Other publicly traded equity securities	3	(1)	2
<b>Total publicly traded equity securities <sup>(c)</sup></b>	<b>2,226</b>	<b>349</b>	<b>2,575</b>
BBPP	62	-	62
Ocensa <sup>(d)</sup>	85	-	85
BTC Limited	132	-	132
Other equity securities	820	-	820
<b>Total other equity securities <sup>(c)</sup></b>	<b>1,099</b>	<b>-</b>	<b>1,099</b>
<b>Other investments</b>	<b>3,325</b>	<b>349</b>	<b>3,674</b>

As of December 31, 2010 (M€)	Carrying amount	Unrealized gain (loss)	Balance sheet value
Sanofi <sup>(a)</sup>	3,510	(56)	3,454
Areva <sup>(b)</sup>	69	63	132
Arkema	-	-	-
Chicago Mercantile Exchange Group	1	9	10
Olympia Energy Fund - energy investment fund	37	(3)	34
Other publicly traded equity securities	2	(1)	1
<b>Total publicly traded equity securities <sup>(c)</sup></b>	<b>3,619</b>	<b>12</b>	<b>3,631</b>
BBPP	60	-	60
BTC Limited	141	-	141
Other equity securities	758	-	758
<b>Total other equity securities <sup>(c)</sup></b>	<b>959</b>	<b>-</b>	<b>959</b>
<b>Other investments</b>	<b>4,578</b>	<b>12</b>	<b>4,590</b>

As of December 31, 2009 (M€)	Carrying amount	Unrealized gain (loss)	Balance sheet value
Areva <sup>(b)</sup>	69	58	127
Arkema	15	47	62
Chicago Mercantile Exchange Group	1	9	10
Olympia Energy Fund - energy investment fund	35	(2)	33
Other publicly traded equity securities	-	-	-
<b>Total publicly traded equity securities<sup>(c)</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>(c)</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>

- (a) End of the accounting for by the equity method of Sanofi as of July 1<sup>st</sup>, 2010 (see Note 3 to the Consolidated Financial Statements).  
(b) Unrealized gain based on the investment certificate.  
(c) Including cumulative impairments of €604 million in 2011, €597 million in 2010 and €599 million in 2009.  
(d) End of the accounting for by the equity method of Ocesa in July 2011 (see Note 3 to the Consolidated Financial Statements).

## 14) Other non-current assets

As of December 31, 2011 (M€)	Gross value	Valuation allowance	Net value
Deferred income tax assets	1,767	-	1,767
Loans and advances <sup>(a)</sup>	2,454	(399)	2,055
Other	1,049	-	1,049
<b>Total</b>	<b>5,270</b>	<b>(399)</b>	<b>4,871</b>

As of December 31, 2010 (M€)	Gross value	Valuation allowance	Net value
Deferred income tax assets	1,378	-	1,378
Loans and advances <sup>(a)</sup>	2,060	(464)	1,596
Other	681	-	681
<b>Total</b>	<b>4,119</b>	<b>(464)</b>	<b>3,655</b>

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>

(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,
<b>2011</b>	<b>(464)</b>	<b>(25)</b>	<b>122</b>	<b>(32)</b>	<b>(399)</b>
2010	(587)	(33)	220	(64)	(464)
2009	(529)	(19)	29	(68)	(587)

## 15) Inventories

### As of December 31, 2011

(M€)	Gross value	Valuation allowance	Net value
Crude oil and natural gas	4,735	(24)	4,711
Refined products	9,706	(36)	9,670
Chemicals products	1,489	(103)	1,386
Other inventories	2,761	(406)	2,355
<b>Total</b>	<b>18,691</b>	<b>(569)</b>	<b>18,122</b>

### As of December 31, 2010

(M€)	Gross value	Valuation allowance	Net value
Crude oil and natural gas	4,990	-	4,990
Refined products	7,794	(28)	7,766
Chemicals products	1,350	(99)	1,251
Other inventories	1,911	(318)	1,593
<b>Total</b>	<b>16,045</b>	<b>(445)</b>	<b>15,600</b>

### 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>

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>2011</b>	<b>(445)</b>	<b>(83)</b>	<b>(41)</b>	<b>(569)</b>
2010	(417)	(39)	11	(445)
2009	(1,115)	700	(2)	(417)

## 16) Accounts receivable and other current assets

As of December 31, 2011

(M€)	Gross value	Valuation allowance	Net value
<b>Accounts receivable</b>	<b>20,532</b>	<b>(483)</b>	<b>20,049</b>
Recoverable taxes	2,398	-	2,398
Other operating receivables	7,750	(283)	7,467
Deferred income tax	-	-	-
Prepaid expenses	840	-	840
Other current assets	62	-	62
<b>Other current assets</b>	<b>11,050</b>	<b>(283)</b>	<b>10,767</b>

As of December 31, 2010

(M€)	Gross value	Valuation allowance	Net value
<b>Accounts receivable</b>	<b>18,635</b>	<b>(476)</b>	<b>18,159</b>
Recoverable taxes	2,227	-	2,227
Other operating receivables	4,543	(136)	4,407
Deferred income tax	151	-	151
Prepaid expenses	657	-	657
Other current assets	41	-	41
<b>Other current assets</b>	<b>7,619</b>	<b>(136)</b>	<b>7,483</b>

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>

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>2011</b>	<b>(476)</b>	<b>4</b>	<b>(11)</b>	<b>(483)</b>
2010	(468)	(31)	23	(476)
2009	(460)	(17)	9	(468)
<b>Other current assets</b>				
<b>2011</b>	<b>(136)</b>	<b>(132)</b>	<b>(15)</b>	<b>(283)</b>
2010	(69)	(66)	(1)	(136)
2009	(19)	(14)	(36)	(69)

As of December 31, 2011, the net portion of the overdue receivables included in "Accounts receivable" and "Other current assets" is €3,556 million, of which €1,857 million has expired for less than 90 days, €365 million has expired between 90 days and 6 months, €746 million has expired between 6 and 12 months and €588 million has expired for more than 12 months.

As of December 31, 2010, the net portion of the overdue receivables included in "Accounts receivable" and "Other current assets" is €3,141 million, of which €1,885 million has expired for

less than 90 days, €292 million has expired between 90 days and 6 months, €299 million has expired between 6 and 12 months and €665 million has expired for more than 12 months.

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.



## 17) Shareholders' equity

### Number of TOTAL shares

The Company's common shares, par value €2.50, as of December 31, 2011 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 3,446,401,650 shares as of December 31, 2011 compared to 3,439,391,697 shares as of December 31, 2010 and 3,381,921,458 as of December 31, 2009.

### Variation of the share capital

<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>(a)</sup>	(24,800,000)
<b>As of January 1, 2010</b>	<b>2,348,422,884</b>
Shares issued in connection with: Exercise of TOTAL share subscription options	1,218,047
<b>As of January 1, 2011</b>	<b>2,349,640,931</b>
Shares issued in connection with: Capital increase reserved for employees	8,902,717
Exercise of TOTAL share subscription options	5,223,665
<b>As of December 31, 2011<sup>(b)</sup></b>	<b>2,363,767,313</b>

(a) Decided by the Board of Directors on July 30, 2009.

(b) Including 109,554,173 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:

	2011	2010	2009
<b>Number of shares as of January 1,</b>	<b>2,349,640,931</b>	<b>2,348,422,884</b>	<b>2,371,808,074</b>
<i>Number of shares issued during the year (pro rated)</i>			-
Exercise of TOTAL share subscription options	3,412,123	412,114	221,393
Exercise of TOTAL share purchase options	-	984,800	93,827
Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	-	-	393,623
TOTAL performance shares	978,503	416,420	1,164,389
Global free TOTAL share plan <sup>(a)</sup>	506	15	-
Capital increase reserved for employees	5,935,145	-	-
TOTAL shares held by TOTAL S.A. or by its subsidiaries and deducted from shareholders' equity	(112,487,679)	(115,407,190)	(143,082,095)
<b>Weighted-average number of shares</b>	<b>2,247,479,529</b>	<b>2,234,829,043</b>	<b>2,230,599,211</b>
<i>Dilutive effect</i>			-
TOTAL share subscription and purchase options	470,095	1,758,006	1,711,961
TOTAL performance shares	6,174,808	6,031,963	4,920,599
Global free TOTAL share plan <sup>(a)</sup>	2,523,233	1,504,071	-
Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	-	-	60,428
Capital increase reserved for employees	303,738	371,493	-
<b>Weighted-average number of diluted shares</b>	<b>2,256,951,403</b>	<b>2,244,494,576</b>	<b>2,237,292,199</b>

(a) The Board of Directors approved on May 21, 2010 the implementation and conditions of a global free share plan intended for the Group employees.

## Capital increase reserved for Group employees

At the shareholders' meeting held on May 21, 2010, 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 21, 2010 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with preferential subscription rights (€2.5 billion in nominal value).

Pursuant to this delegation of authorization, the Board of Directors, during its October 28, 2010 meeting, decided to proceed with a capital increase reserved for employees in 2011 within the limit of 12 million shares with dividend rights as of January 1, 2010 and delegated to the Chairman and Chief Executive Officer all powers to determine the opening and closing of the subscription period and the subscription price.

On March 14, 2011, the Chairman and Chief Executive Officer decided that the subscription period would be set from March 16, 2011 to April 1, 2011 included, and acknowledged that the subscription price per ordinary share would be set at €34.80. With respect to this capital increase, 8,902,717 TOTAL shares were subscribed and created on April 28, 2011.

## 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, 2011, TOTAL S.A. holds 9,222,905 of its own shares, representing 0.39% of its share capital, detailed as follows:

- 6,712,528 shares allocated to TOTAL share grant plans for Group employees;
- 2,510,377 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares are deducted from the consolidated shareholders' equity.

As of December 31, 2010, TOTAL S.A. held 12,156,411 of its own shares, representing 0.52% of its share capital, detailed as follows:

- 6,012,460 shares allocated to TOTAL share grant plans for Group employees;
- 6,143,951 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares were deducted from the consolidated shareholders' equity.

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 share grant plans for Group employees; and
- 3,259,023 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares were deducted from the consolidated shareholders' equity.

## TOTAL shares held by Group subsidiaries

As of December 31, 2011, 2010 and 2009, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.24% of its share capital as of December 31, 2011, 4.27% of its share capital as of December 31, 2010 and 4.27% of its share capital as of December 31, 2009 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), 100% indirectly controlled by TOTAL S.A.

These shares are deducted from the consolidated shareholders' equity.

## Dividend

TOTAL S.A. paid on May 26, 2011 the balance of the dividend of €1.14 per share for the 2010 fiscal year (the ex-dividend date was May 23, 2011). In addition, TOTAL S.A. paid two quarterly interim dividends for the fiscal year 2011:

- The first quarterly interim dividend of €0.57 per share for the fiscal year 2011, decided by the Board of Directors on April 28, 2011, was paid on September 22, 2011 (the ex-dividend date was September 19, 2011);
- The second quarterly interim dividend of €0.57 per share for the fiscal year 2011, decided by the Board of Directors on July 28, 2011, was paid on December 22, 2011 (the ex-dividend date was December 19, 2011).

The Board of Directors, during its October 27, 2011 meeting, decided to set the third quarterly interim dividend for the fiscal year 2011 at €0.57 per share. This interim dividend will be paid on March 22, 2012 (the ex-dividend date will be March 19, 2012).

A resolution will be submitted at the shareholders' meeting on May 11, 2012 to pay a dividend of €2.28 per share for the 2011 fiscal year, *i.e.* a balance of €0.57 per share to be distributed after deducting the three quarterly interim dividends of €0.57 per share that will have already been 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, 2011, paid-in surplus amounted to €27,655 million (€27,208 million as of December 31, 2010 and €27,171 million as of December 31, 2009).

## 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 €539 million as of December 31, 2011 (€514 million as of December 31, 2010 and 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€)

	2011	2010	2009
<b>Currency translation adjustment</b>	<b>1,498</b>	<b>2,231</b>	<b>(244)</b>
Unrealized gain/(loss) of the period	1,435	2,234	(243)
Less gain/(loss) included in net income	(63)	3	1
<b>Available for sale financial assets</b>	<b>337</b>	<b>(100)</b>	<b>38</b>
Unrealized gain/(loss) of the period	382	(50)	38
Less gain/(loss) included in net income	45	50	-
<b>Cash flow hedge</b>	<b>(84)</b>	<b>(80)</b>	<b>128</b>
Unrealized gain/(loss) of the period	(131)	(195)	349
Less gain/(loss) included in net income	(47)	(115)	221
<b>Share of other comprehensive income of equity affiliates, net amount</b>	<b>(15)</b>	<b>302</b>	<b>234</b>
<b>Other</b>	<b>(2)</b>	<b>(7)</b>	<b>(5)</b>
Unrealized gain/(loss) of the period	(2)	(7)	(5)
Less gain/(loss) included in net income	-	-	-
<b>Tax effect</b>	<b>(55)</b>	<b>28</b>	<b>(38)</b>
<b>Total other comprehensive income, net amount</b>	<b>1,679</b>	<b>2,374</b>	<b>113</b>

Tax effects relating to each component of other comprehensive income are as follows:

For the year ended December 31,  
(M€)

	2011			2010			2009		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Currency translation adjustment	1,498	-	1,498	2,231	-	2,231	(244)	-	(244)
Available for sale financial assets	337	(93)	244	(100)	2	(98)	38	4	42
Cash flow hedge	(84)	38	(46)	(80)	26	(54)	128	(42)	86
Share of other comprehensive income of equity affiliates, net amount	(15)	-	(15)	302	-	302	234	-	234
Other	(2)	-	(2)	(7)	-	(7)	(5)	-	(5)
<b>Total other comprehensive income</b>	<b>1,734</b>	<b>(55)</b>	<b>1,679</b>	<b>2,346</b>	<b>28</b>	<b>2,374</b>	<b>151</b>	<b>(38)</b>	<b>113</b>

## 18) Employee benefits obligations

Liabilities for employee benefits obligations consist of the following:

As of December 31,  
(M€)

	2011	2010	2009
Pension benefits liabilities	1,268	1,268	1,236
Other benefits liabilities	620	605	592
Restructuring reserves (early retirement plans)	344	298	212
<b>Total</b>	<b>2,232</b>	<b>2,171</b>	<b>2,040</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:

- The benefits are usually based on the final salary and seniority;
- They are usually funded (pension fund or insurer); and
- 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		
	2011	2010	2009	2011	2010	2009
<b>Change in benefit obligation</b>						
Benefit obligation at beginning of year	8,740	8,169	7,405	623	547	544
Service cost	163	159	134	13	11	10
Interest cost	420	441	428	28	29	30
Curtailments	(24)	(4)	(5)	(1)	(3)	(1)
Settlements	(111)	(60)	(3)	-	-	-
Special termination benefits	-	-	-	-	1	-
Plan participants' contributions	9	11	10	-	-	-
Benefits paid	(451)	(471)	(484)	(34)	(33)	(33)
Plan amendments	33	28	118	4	1	(2)
Actuarial losses (gains)	435	330	446	(9)	57	-
Foreign currency translation and other	108	137	120	4	13	(1)
<b>Benefit obligation at year-end</b>	<b>9,322</b>	<b>8,740</b>	<b>8,169</b>	<b>628</b>	<b>623</b>	<b>547</b>
<b>Change in fair value of plan assets</b>						
Fair value of plan assets at beginning of year	(6,809)	(6,286)	(5,764)	-	-	-
Expected return on plan assets	(385)	(396)	(343)	-	-	-
Actuarial losses (gains)	155	(163)	(317)	-	-	-
Settlements	80	56	2	-	-	-
Plan participants' contributions	(9)	(11)	(10)	-	-	-
Employer contributions	(347)	(269)	(126)	-	-	-
Benefits paid	386	394	396	-	-	-
Foreign currency translation and other	(99)	(134)	(124)	-	-	-
<b>Fair value of plan assets at year-end</b>	<b>(7,028)</b>	<b>(6,809)</b>	<b>(6,286)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unfunded status</b>	<b>2,294</b>	<b>1,931</b>	<b>1,883</b>	<b>628</b>	<b>623</b>	<b>547</b>
Unrecognized prior service cost	(78)	(105)	(153)	9	10	15
Unrecognized actuarial (losses) gains	(1,713)	(1,170)	(1,045)	(17)	(28)	30
Asset ceiling	10	9	9	-	-	-
<b>Net recognized amount</b>	<b>513</b>	<b>665</b>	<b>694</b>	<b>620</b>	<b>605</b>	<b>592</b>
Pension benefits and other benefits liabilities	1,268	1,268	1,236	620	605	592
Other non-current assets	(755)	(603)	(542)	-	-	-

As of December 31, 2011, the fair value of pension benefits and other pension benefits which are entirely or partially funded amounts to €8,277 million and the present value of the unfunded benefits amounts to €1,673 million (against €7,727 million and €1,636 million respectively as of December 31, 2010 and €7,206 million and €1,510 million respectively as of December 31, 2009).

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€)	2011	2010	2009	2008	2007
Experience actuarial (gains) losses related to the defined benefit obligation	(58)	(54)	(108)	12	80
Experience actuarial (gains) losses related to the fair value of plan assets	155	(163)	(317)	1,099	140

**As of December 31,**

(M€)	2011	2010	2009	2008	2007
<b>Pension benefits</b>					
Benefit obligation	9,322	8,740	8,169	7,405	8,129
Fair value of plan assets	(7,028)	(6,809)	(6,286)	(5,764)	(6,604)
<b>Unfunded status</b>	<b>2,294</b>	<b>1,931</b>	<b>1,883</b>	<b>1,641</b>	<b>1,525</b>
<b>Other benefits</b>					
Benefits obligation	628	623	547	544	583
Fair value of plan assets	-	-	-	-	-
<b>Unfunded status</b>	<b>628</b>	<b>623</b>	<b>547</b>	<b>544</b>	<b>583</b>

The Group expects to contribute €182 million to its pension plans in 2012.

**Estimated future payments**

(M€)	Pension benefits	Other benefits
2012	479	35
2013	467	35
2014	505	35
2015	511	35
2016	512	37
2017-2021	2,767	191

**Asset allocation**

As of December 31,	Pension benefits		
	2011	2010	2009
Equity securities	29%	34%	31%
Debt securities	64%	60%	62%
Monetary	4%	3%	3%
Real estate	3%	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		
	2011	2010	2009	2011	2010	2009
Discount rate (weighted average for all regions)	4.61%	5.01%	5.41%	4.70%	5.00%	5.60%
<i>Of which Euro zone</i>	4.21%	4.58%	5.12%	4.25%	4.55%	5.18%
<i>Of which United States</i>	5.00%	5.49%	6.00%	4.97%	5.42%	5.99%
<i>Of which United Kingdom</i>	4.75%	5.50%	5.50%	-	-	-
Average expected rate of salary increase	4.69%	4.55%	4.50%	-	-	-
Expected rate of healthcare inflation						
- initial rate	-	-	-	4.82%	4.82%	4.91%
- ultimate rate	-	-	-	3.77%	3.75%	3.79%

**Assumptions used to determine the net periodic benefit cost (income)**

For the year ended December 31,	Pension benefits			Other benefits		
	2011	2010	2009	2011	2010	2009
Discount rate (weighted average for all regions)	5.01%	5.41%	5.93%	5.00%	5.60%	6.00%
<i>Of which Euro zone</i>	4.58%	5.12%	5.72%	4.55%	5.18%	5.74%
<i>Of which United States</i>	5.49%	6.00%	6.23%	5.42%	5.99%	6.21%
<i>Of which United Kingdom</i>	5.50%	5.50%	6.00%	-	-	6.00%
Average expected rate of salary increase	4.55%	4.50%	4.56%	-	-	-
Expected return on plan assets	5.90%	6.39%	6.14%	-	-	-
Expected rate of healthcare inflation						
- initial rate	-	-	-	4.82%	4.91%	4.88%
- ultimate rate	-	-	-	3.75%	3.79%	3.64%

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, 2011	(513)	551
2012 net periodic benefit cost (income)	(41)	56

A 0.5% increase or decrease in expected return on plan assets rate - all other things being equal - would have an impact of €31 million on 2012 net periodic benefit cost (income).

The components of the net periodic benefit cost (income) in 2011, 2010 and 2009 are:

For the year ended December 31, (M€)	Pension benefits			Other benefits		
	2011	2010	2009	2011	2010	2009
Service cost	163	159	134	13	11	10
Interest cost	420	441	428	28	29	30
Expected return on plan assets	(385)	(396)	(343)	-	-	-
Amortization of prior service cost	58	74	13	2	(5)	(7)
Amortization of actuarial losses (gains)	46	66	50	-	(4)	(6)
Asset ceiling	2	(3)	4	-	-	-
Curtailments	(22)	(3)	(4)	(1)	(3)	(1)
Settlements	(9)	7	(1)	-	-	-
Special termination benefits	-	-	-	-	1	-
<b>Net periodic benefit cost (income)</b>	<b>273</b>	<b>345</b>	<b>281</b>	<b>42</b>	<b>29</b>	<b>26</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, 2011	53	(63)
2011 net periodic benefit cost (income)	5	(5)

## 19) Provisions and other non-current liabilities

As of December 31,  
(M€)

	2011	2010	2009
Litigations and accrued penalty claims	572	485	423
Provisions for environmental contingencies	600	644	623
Asset retirement obligations	6,884	5,917	5,469
Other non-current provisions	1,099	1,116	1,331
Other non-current liabilities	1,754	936	1,535
<b>Total</b>	<b>10,909</b>	<b>9,098</b>	<b>9,381</b>

In 2011, litigation reserves mainly include a provision covering risks concerning antitrust investigations related to Arkema amounting to €17 million as of December 31, 2011. Other risks and commitments that give rise to contingent liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2011, other non-current provisions mainly include:

- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for €21 million as of December 31, 2011;
- Provisions related to restructuring activities in the Downstream and Chemicals segments for €211 million as of December 31, 2011; and
- The contingency reserve related to the Buncefield depot explosion (civil liability) for €80 million as of December 31, 2011.

In 2011, 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 €991 million debt related to the acquisition of an interest in the liquids-rich area of the Utica shale play (see Note 3 to the Consolidated Financial Statements).

In 2010, litigation reserves mainly included a provision covering risks concerning antitrust investigations related to Arkema amounting to €17 million as of December 31, 2010. Other risks and commitments that give rise to contingent liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2010, other non-current provisions mainly included:

- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for €31 million as of December 31, 2010;

- Provisions related to restructuring activities in the Downstream and Chemicals segments for €261 million as of December 31, 2010; and
- The contingency reserve related to the Buncefield depot explosion (civil liability) for €194 million as of December 31, 2010.

In 2010, other non-current liabilities mainly included debts (whose maturity is more than one year) related to fixed assets acquisitions.

In 2009, litigation reserves mainly included 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 included:

- 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 included debts (whose maturity is more than one year) related to fixed assets acquisitions. This heading was mainly composed of a €818 million debt related to Chesapeake acquisition (see Note 3 to the Consolidated Financial Statements).

### Changes in provisions and other non-current liabilities

Changes in provisions and other non-current liabilities are as follows:

(M€)	As of January 1,	Allowances	Reversals	Currency translation adjustment	Other	As of December 31,
<b>2011</b>	<b>9,098</b>	<b>921</b>	<b>(798)</b>	<b>227</b>	<b>1,461</b>	<b>10,909</b>
2010	9,381	1,052	(971)	497	(861)	9,098
2009	7,858	1,254	(1,413)	202	1,480	9,381



## Allowances

In 2011, allowances of the period (€921 million) mainly include:

- Asset retirement obligations for €344 million (accretion);
- Environmental contingencies for €100 million in the Downstream and Chemicals segments; and
- Provisions related to restructuring of activities for €79 million.

In 2010, allowances of the period (€1,052 million) mainly included:

- Asset retirement obligations for €338 million (accretion);
- Environmental contingencies for €88 million in the Downstream and Chemicals segments;
- The contingency reserve related to the Buncefield depot explosion (civil liability) for €79 million; and
- Provisions related to restructuring of activities for €226 million.

In 2009, allowances of the period (€1,254 million) mainly included:

- 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.

## Reversals

In 2011, reversals of the period (€798 million) are mainly related to the following incurred expenses:

- Provisions for asset retirement obligations for €189 million;
- Environmental contingencies written back for €70 million;
- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for €10 million;

- The contingency reserve related to the Buncefield depot explosion (civil liability), written back for €116 million; and
- Provisions for restructuring and social plans written back for €164 million.

In 2010, reversals of the period (€971 million) were mainly related to the following incurred expenses:

- Provisions for asset retirement obligations for €214 million;
- €26 million for litigation reserves in connection with antitrust investigations;
- Environmental contingencies written back for €66 million;
- The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for €9 million;
- The contingency reserve related to the Buncefield depot explosion (civil liability), written back for €190 million; and
- Provisions for restructuring and social plans written back for €60 million.

In 2009, reversals of the period (€1,413 million) were mainly related 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.

## Changes in the asset retirement obligation

Changes in the asset retirement obligation are as follows:

(M€)	As of January 1,	Accretion	Revision in estimates	New obligations	Spending on existing obligations	Currency translation adjustment	Other	As of December 31,
<b>2011</b>	<b>5,917</b>	<b>344</b>	<b>330</b>	<b>323</b>	<b>(189)</b>	<b>150</b>	<b>9</b>	<b>6,884</b>
2010	5,469	338	79	175	(214)	316	(246)	5,917
2009	4,500	283	447	179	(191)	232	19	5,469

## 20) Financial debt and related financial instruments

### A) Non-current financial debt and related financial instruments

As of December 31, 2011

(M€)

(Assets)/Liabilities	Secured	Unsecured	Total
Non-current financial debt	349	22,208	22,557
<i>of which hedging instruments of non-current financial debt (liabilities)</i>	-	146	146
Hedging instruments of non-current financial debt (assets) <sup>(a)</sup>	-	(1,976)	(1,976)
<b>Non-current financial debt - net of hedging instruments</b>	<b>349</b>	<b>20,232</b>	<b>20,581</b>
Bonds after fair value hedge	-	15,148	15,148
Fixed rate bonds and bonds after cash flow hedge	-	4,424	4,424
Bank and other, floating rate	129	446	575
Bank and other, fixed rate	76	206	282
Financial lease obligations	144	8	152
<b>Non-current financial debt - net of hedging instruments</b>	<b>349</b>	<b>20,232</b>	<b>20,581</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, 2010

(M€)

(Assets)/Liabilities	Secured	Unsecured	Total
Non-current financial debt	287	20,496	20,783
<i>of which hedging instruments of non-current financial debt (liabilities)</i>	-	178	178
Hedging instruments of non-current financial debt (assets) <sup>(a)</sup>	-	(1,870)	(1,870)
<b>Non-current financial debt - net of hedging instruments</b>	<b>287</b>	<b>18,626</b>	<b>18,913</b>
Bonds after fair value hedge	-	15,491	15,491
Fixed rate bonds and bonds after cash flow hedge	-	2,836	2,836
Bank and other, floating rate	47	189	236
Bank and other, fixed rate	65	110	175
Financial lease obligations	175	-	175
<b>Non-current financial debt - net of hedging instruments</b>	<b>287</b>	<b>18,626</b>	<b>18,913</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, 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 after fair value hedge	-	15,884	15,884
Fixed rate bonds and bonds after cash flow hedge	-	1,700	1,700
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.

Fair value of bonds, as of December 31, 2011, after taking into account currency and interest rates swaps, is detailed as follows:

Bonds after fair value hedge	Year of issue	Fair value after hedging as of December 31, 2011	Fair value after hedging as of December 31, 2010	Fair value after hedging as of December 31, 2009	Currency	Maturity	Initial rate before hedging instruments
(M€)							
<b>Parent company</b>							
Bond	1998	129	125	116	FRF	2013	5.000%
Bond	2000	-	-	61	EUR	2010	5.650%
Current portion (less than one year)		-	-	(61)			
<b>Total parent company</b>		<b>129</b>	<b>125</b>	<b>116</b>			
<b>TOTAL CAPITAL<sup>(a)</sup></b>							
Bond	2002	15	15	14	USD	2012	5.890%
Bond	2003	-	-	160	CHF	2010	2.385%
Bond	2003	23	22	21	USD	2013	4.500%
Bond	2004	-	-	53	CAD	2010	4.000%
Bond	2004	-	-	113	CHF	2010	2.385%
Bond	2004	-	-	438	EUR	2010	3.750%
Bond	2004	-	-	322	GBP	2010	4.875%
Bond	2004	-	-	128	GBP	2010	4.875%
Bond	2004	-	-	185	GBP	2010	4.875%
Bond	2004	-	57	53	AUD	2011	5.750%
Bond	2004	-	116	107	CAD	2011	4.875%
Bond	2004	-	235	203	USD	2011	4.125%
Bond	2004	-	75	69	USD	2011	4.125%
Bond	2004	129	125	116	CHF	2012	2.375%
Bond	2004	52	51	47	NZD	2014	6.750%
Bond	2005	-	57	53	AUD	2011	5.750%
Bond	2005	-	60	56	CAD	2011	4.000%
Bond	2005	-	120	112	CHF	2011	1.625%
Bond	2005	-	226	226	CHF	2011	1.625%
Bond	2005	-	139	144	USD	2011	4.125%
Bond	2005	63	63	63	AUD	2012	5.750%
Bond	2005	200	194	180	CHF	2012	2.135%
Bond	2005	65	65	65	CHF	2012	2.135%
Bond	2005	97	97	97	CHF	2012	2.375%
Bond	2005	404	391	363	EUR	2012	3.250%
Bond	2005	57	57	57	NZD	2012	6.500%
Bond	2006	-	-	75	GBP	2010	4.875%
Bond	2006	-	-	50	EUR	2010	3.750%
Bond	2006	-	-	50	EUR	2010	3.750%
Bond	2006	-	-	100	EUR	2010	3.750%
Bond	2006	-	42	42	EUR	2011	EURIBOR 3 months +0.040%
Bond	2006	-	300	300	EUR	2011	3.875%
Bond	2006	-	150	150	EUR	2011	3.875%
Bond	2006	-	300	300	EUR	2011	3.875%
Bond	2006	-	120	120	USD	2011	5.000%
Bond	2006	-	300	300	EUR	2011	3.875%
Bond	2006	-	472	472	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	125	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	63	63	CHF	2016	2.385%

Bonds after fair value hedge	Year of issue	Fair value after hedging as of December 31, 2011	Fair value after hedging as of December 31, 2010	Fair value after hedging as of December 31, 2009	Currency	Maturity	Initial rate before hedging instruments
(M€)							
<b>TOTAL CAPITAL<sup>(a)</sup> (continued)</b>							
Bond	2006	129	129	129	CHF	2018	3.135%
Bond	2007	-	-	60	CHF	2010	2.385%
Bond	2007	-	-	74	GBP	2010	4.875%
Bond	2007	-	77	77	USD	2011	5.000%
Bond	2007	370	370	370	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	300	EUR	2013	4.125%
Bond	2007	73	73	73	GBP	2013	5.500%
Bond	2007	306	306	306	GBP	2013	5.500%
Bond	2007	72	72	72	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	121	CHF	2015	3.125%
Bond	2007	300	300	300	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	GBP	2010	4.875%
Bond	2008	-	-	66	GBP	2010	4.875%
Bond	2008	-	92	92	AUD	2011	7.500%
Bond	2008	-	100	100	EUR	2011	3.875%
Bond	2008	-	150	150	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	62	CHF	2012	2.135%
Bond	2008	124	124	124	CHF	2012	3.635%
Bond	2008	46	46	46	CHF	2012	2.385%
Bond	2008	92	92	92	CHF	2012	2.385%
Bond	2008	64	64	64	CHF	2012	2.385%
Bond	2008	50	50	50	EUR	2012	3.250%
Bond	2008	63	63	63	GBP	2012	4.625%
Bond	2008	63	63	63	GBP	2012	4.625%
Bond	2008	63	63	63	GBP	2012	4.625%
Bond	2008	62	62	62	NOK	2012	6.000%
Bond	2008	69	69	69	USD	2012	5.000%
Bond	2008	60	60	60	AUD	2013	7.500%
Bond	2008	61	61	61	AUD	2013	7.500%
Bond	2008	128	127	127	CHF	2013	3.135%
Bond	2008	62	62	62	CHF	2013	3.135%
Bond	2008	200	200	200	EUR	2013	4.125%
Bond	2008	100	100	100	EUR	2013	4.125%
Bond	2008	1,000	1,000	1,000	EUR	2013	4.750%
Bond	2008	63	63	63	GBP	2013	5.500%
Bond	2008	149	149	149	JPY	2013	EURIBOR 6 months +0.008%
Bond	2008	191	191	191	USD	2013	4.000%
Bond	2008	61	61	61	CHF	2015	3.135%
Bond	2008	62	62	62	CHF	2015	3.135%
Bond	2008	61	61	61	CHF	2015	3.135%
Bond	2008	62	62	62	CHF	2018	3.135%
Bond	2009	56	56	56	AUD	2013	5.500%
Bond	2009	54	54	54	AUD	2013	5.500%
Bond	2009	236	236	236	CHF	2013	2.500%

Bonds after fair value hedge (M€)	Year of issue	Fair value after hedging as of December 31, 2011	Fair value after hedging as of December 31, 2010	Fair value after hedging as of December 31, 2009	Currency	Maturity	Initial rate before hedging instruments
<b>TOTAL CAPITAL<sup>(a)</sup> (continued)</b>							
Bond	2009	77	77	77	USD	2013	4.000%
Bond	2009	131	131	131	CHF	2014	2.625%
Bond	2009	998	997	998	EUR	2014	3.500%
Bond	2009	150	150	150	EUR	2014	3.500%
Bond	2009	40	40	40	HKD	2014	3.240%
Bond	2009	107	103	96	AUD	2015	6.000%
Bond	2009	550	550	550	EUR	2015	3.625%
Bond	2009	684	684	684	USD	2015	3.125%
Bond	2009	232	224	208	USD	2015	3.125%
Bond	2009	99	99	99	CHF	2016	2.385%
Bond	2009	115	115	115	GBP	2017	4.250%
Bond	2009	225	225	225	GBP	2017	4.250%
Bond	2009	448	448	448	EUR	2019	4.875%
Bond	2009	69	69	69	HKD	2019	4.180%
Bond	2009	-	374	347	USD	2021	4.250%
Bond	2010	105	102	-	AUD	2014	5.750%
Bond	2010	111	108	-	CAD	2014	2.500%
Bond	2010	54	53	-	NZD	2014	4.750%
Bond	2010	193	187	-	USD	2015	2.875%
Bond	2010	966	935	-	USD	2015	3.000%
Bond	2010	70	68	-	AUD	2015	6.000%
Bond	2010	71	69	-	AUD	2015	6.000%
Bond	2010	64	64	-	AUD	2015	6.000%
Bond	2010	773	748	-	USD	2016	2.300%
Bond	2010	491	476	-	EUR	2022	3.125%
Bond	2011	116	-	-	USD	2016	6.500%
Bond	2011	597	-	-	USD	2018	3.875%
Current portion (less than one year)		(2,992)	(3,450)	(1,937)			
<b>Total TOTAL CAPITAL</b>		<b>12,617</b>	<b>15,143</b>	<b>15,615</b>			
<b>TOTAL CAPITAL CANADA Ltd.<sup>(b)</sup></b>							
Bond	2011	565	-	-	CAD	2014	1.625%
Bond	2011	565	-	-	CAD	2014	USLIBOR 3 months +0.38%
Bond	2011	75	-	-	CAD	2014	5.750%
Bond	2011	738	-	-	CAD	2013	USLIBOR 3 months +0.09%
Bond	2011	82	-	-	CAD	2016	4.000%
Bond	2011	69	-	-	CAD	2016	3.625%
Current portion (less than one year)		-	-	-			
<b>Total TOTAL CAPITAL CANADA Ltd.</b>		<b>2,094</b>					
<b>TOTAL CAPITAL INTERNATIONAL<sup>(c)</sup></b>		<b>-</b>	<b>-</b>	<b>-</b>			
<b>Other consolidated subsidiaries</b>		<b>308</b>	<b>223</b>	<b>153</b>			
<b>Total bonds after fair value hedge</b>		<b>15,148</b>	<b>15,491</b>	<b>15,884</b>			

Bonds after cash flow hedge and fix rate bonds (M€)	Year of issue	Amount after hedging as of December 31, 2011	Amount after hedging as of December 31, 2010	Amount after hedging as of December 31, 2009	Currency	Maturity	Initial rate before hedging instruments
<b>TOTAL CAPITAL<sup>(a)</sup></b>							
Bond	2005	294	293	292	GBP	2012	4.625%
Bond	2009	744	691	602	EUR	2019	4.875%
Bond	2009	386	-	-	USD	2021	4.250%
Bond	2009	1,016	917	806	EUR	2024	5.125%
Bond	2010	966	935	-	USD	2020	4.450%
Bond	2011	386	-	-	USD	2021	4.125%
Current portion (less than one year)		(294)	-	-			
<b>Total TOTAL CAPITAL</b>		<b>3,498</b>	<b>2,836</b>	<b>1,700</b>			
<b>Other consolidated subsidiaries<sup>(d)</sup></b>		<b>926</b>	<b>-</b>	<b>-</b>			
<b>Total Bonds after cash flow hedge</b>		<b>4,424</b>	<b>2,836</b>	<b>1,700</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.
- (b) TOTAL CAPITAL CANADA Ltd. is a wholly-owned direct subsidiary of TOTAL S.A. It acts as a financing vehicle for the activities of the Group in Canada. 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.
- (c) TOTAL CAPITAL INTERNATIONAL is a wholly-owned direct subsidiary of TOTAL S.A. 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.
- (d) This amount includes SunPower's convertible bonds for an amount of €355 million.

### Loan repayment schedule (excluding current portion)

As of December 31, 2011 (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	%
2013	5,021	80	(529)	4,492	22%
2014	4,020	3	(390)	3,630	18%
2015	4,070	6	(456)	3,614	18%
2016	1,712	9	(193)	1,519	7%
2017 and beyond	7,734	48	(408)	7,326	35%
<b>Total</b>	<b>22,557</b>	<b>146</b>	<b>(1,976)</b>	<b>20,581</b>	<b>100%</b>

As of December 31, 2010 (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	%
2012	3,756	34	(401)	3,355	18%
2013	4,017	76	(473)	3,544	19%
2014	2,508	1	(290)	2,218	12%
2015	3,706	2	(302)	3,404	18%
2016 and beyond	6,796	65	(404)	6,392	33%
<b>Total</b>	<b>20,783</b>	<b>178</b>	<b>(1,870)</b>	<b>18,913</b>	<b>100%</b>

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>

## 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€)	2011	%	2010	%	2009	%
U.S. Dollar	8,645	42%	7,248	39%	3,962	21%
Euro	9,582	47%	11,417	60%	14,110	77%
Other currencies	2,354	11%	248	1%	340	2%
<b>Total</b>	<b>20,581</b>	<b>100%</b>	<b>18,913</b>	<b>100%</b>	<b>18,412</b>	<b>100%</b>

As of December 31,

(M€)	2011	%	2010	%	2009	%
Fixed rate	4,854	24%	3,177	17%	2,064	11%
Floating rate	15,727	76%	15,736	83%	16,348	89%
<b>Total</b>	<b>20,581</b>	<b>100%</b>	<b>18,913</b>	<b>100%</b>	<b>18,412</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€)	2011	2010	2009
<b>(Assets)/Liabilities</b>			
Current financial debt <sup>(a)</sup>	5,819	5,867	4,761
Current portion of non-current financial debt	3,856	3,786	2,233
<b>Current borrowings (note 28)</b>	<b>9,675</b>	<b>9,653</b>	<b>6,994</b>
Current portion of hedging instruments of debt (liabilities)	40	12	97
Other current financial instruments (liabilities)	127	147	26
<b>Other current financial liabilities (note 28)</b>	<b>167</b>	<b>159</b>	<b>123</b>
Current deposits beyond three months	(101)	(869)	(55)
Current portion of hedging instruments of debt (assets)	(383)	(292)	(197)
Other current financial instruments (assets)	(216)	(44)	(59)
<b>Current financial assets (note 28)</b>	<b>(700)</b>	<b>(1,205)</b>	<b>(311)</b>
<b>Current borrowings and related financial assets and liabilities, net</b>	<b>9,142</b>	<b>8,607</b>	<b>6,806</b>

(a) As of December 31, 2011 and as of December 31, 2010, the current financial debt includes a commercial paper program in Total Capital Canada Ltd. Total Capital Canada Ltd. is a wholly-owned direct subsidiary of TOTAL S.A. It acts as a financing vehicle for the activities of the Group in Canada. 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.



## 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. Adjusted shareholders' equity for the year ended December 31, 2011 is calculated after payment of a dividend of €2.28 per share, subject to approval by the shareholders' meeting on May 11, 2012.

The net-debt-to-equity ratio is calculated as follows:

As of December 31,  
(M€)

(Assets)/Liabilities	2011	2010	2009
Current borrowings	9,675	9,653	6,994
Other current financial liabilities	167	159	123
Current financial assets	(700)	(1,205)	(311)
Non-current financial debt	22,557	20,783	19,437
Hedging instruments on non-current financial debt	(1,976)	(1,870)	(1,025)
Cash and cash equivalents	(14,025)	(14,489)	(11,662)
<b>Net financial debt</b>	<b>15,698</b>	<b>13,031</b>	<b>13,556</b>
Shareholders' equity - Group share	68,037	60,414	52,552
Distribution of the income based on existing shares at the closing date	(1,255)	(2,553)	(2,546)
Non-controlling interests	1,352	857	987
<b>Adjusted shareholders' equity</b>	<b>68,134</b>	<b>58,718</b>	<b>50,993</b>
<b>Net-debt-to-equity ratio</b>	<b>23.0%</b>	<b>22.2%</b>	<b>26.6%</b>

## 21) Other creditors and accrued liabilities

As of December 31,  
(M€)

	2011	2010	2009
Accruals and deferred income	231	184	223
Payable to States (including taxes and duties)	8,040	7,235	6,024
Payroll	1,062	996	955
Other operating liabilities	5,441	3,574	4,706
<b>Total</b>	<b>14,774</b>	<b>11,989</b>	<b>11,908</b>

As of December 31, 2011, the heading "Other operating liabilities" mainly includes the third quarterly interim dividend for the fiscal year 2011 for €1,317 million. This interim dividend will be paid on March 2012.

As of December 31, 2009, the heading "Other operating liabilities" mainly included €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, 2011

(M€)	Operating leases	Finance leases
2012	762	41
2013	552	40
2014	416	37
2015	335	36
2016	316	34
2017 and beyond	940	20
<b>Total minimum payments</b>	<b>3,321</b>	<b>208</b>
Less financial expenses	-	(31)
<b>Nominal value of contracts</b>	<b>-</b>	<b>177</b>
Less current portion of finance lease contracts	-	(25)
<b>Outstanding liability of finance lease contracts</b>	<b>-</b>	<b>152</b>

### For the year ended December 31, 2010

(M€)	Operating leases	Finance leases
2011	582	39
2012	422	39
2013	335	39
2014	274	35
2015	230	35
2016 and beyond	1,105	54
<b>Total minimum payments</b>	<b>2,948</b>	<b>241</b>
Less financial expenses	-	(43)
<b>Nominal value of contracts</b>	<b>-</b>	<b>198</b>
Less current portion of finance lease contracts	-	(23)
<b>Outstanding liability of finance lease contracts</b>	<b>-</b>	<b>175</b>

### 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>

Net rental expense incurred under operating leases for the year ended December 31, 2011 is €645 million (against €605 million in 2010 and €613 million in 2009).

## 23) Commitments and contingencies

As of December 31, 2011

(M€)

	Total	Maturity and installments		
		Less than 1 year	Between 1 and 5 years	More than 5 years
Non-current debt obligations net of hedging instruments (note 20)	20,429	-	13,121	7,308
Current portion of non-current debt obligations net of hedging instruments (note 20)	3,488	3,488	-	-
Finance lease obligations (note 22)	177	25	134	18
Asset retirement obligations (note 19)	6,884	272	804	5,808
<b>Contractual obligations recorded in the balance sheet</b>	<b>30,978</b>	<b>3,785</b>	<b>14,059</b>	<b>13,134</b>
Operating lease obligations (note 22)	3,321	762	1,619	940
Purchase obligations	77,353	11,049	20,534	45,770
<b>Contractual obligations not recorded in the balance sheet</b>	<b>80,674</b>	<b>11,811</b>	<b>22,153</b>	<b>46,710</b>
<b>Total of contractual obligations</b>	<b>111,652</b>	<b>15,596</b>	<b>36,212</b>	<b>59,844</b>
Guarantees given for excise taxes	1,765	1,594	73	98
Guarantees given against borrowings	4,778	3,501	323	954
Indemnities related to sales of businesses	39	-	34	5
Guarantees of current liabilities	376	262	35	79
Guarantees to customers/suppliers	3,265	1,634	57	1,574
Letters of credit	2,408	1,898	301	209
Other operating commitments	2,477	433	697	1,347
<b>Total of other commitments given</b>	<b>15,108</b>	<b>9,322</b>	<b>1,520</b>	<b>4,266</b>
Mortgages and liens received	408	7	119	282
Goods and services sale obligations <sup>(a)</sup>	62,216	4,221	17,161	40,834
Other commitments received	6,740	4,415	757	1,568
<b>Total of commitments received</b>	<b>69,364</b>	<b>8,643</b>	<b>18,037</b>	<b>42,684</b>

(a) As from December 31, 2011, the Group discloses its goods and services sale obligations.

As of December 31, 2010

(M€)

	Total	Maturity and installments		
		Less than 1 year	Between 1 and 5 years	More than 5 years
Non-current debt obligations net of hedging instruments (note 20)	18,738	-	12,392	6,346
Current portion of non-current debt obligations net of hedging instruments (note 20)	3,483	3,483	-	-
Finance lease obligations (note 22)	198	23	129	46
Asset retirement obligations (note 19)	5,917	177	872	4,868
<b>Contractual obligations recorded in the balance sheet</b>	<b>28,336</b>	<b>3,683</b>	<b>13,393</b>	<b>11,260</b>
Operating lease obligations (note 22)	2,948	582	1,261	1,105
Purchase obligations	61,293	6,347	14,427	40,519
<b>Contractual obligations not recorded in the balance sheet</b>	<b>64,241</b>	<b>6,929</b>	<b>15,688</b>	<b>41,624</b>
<b>Total of contractual obligations</b>	<b>92,577</b>	<b>10,612</b>	<b>29,081</b>	<b>52,884</b>
Guarantees given for excise taxes	1,753	1,594	71	88
Guarantees given against borrowings	5,005	1,333	493	3,179
Indemnities related to sales of businesses	37	-	31	6
Guarantees of current liabilities	171	147	19	5
Guarantees to customers/suppliers	3,020	1,621	96	1,303
Letters of credit	1,250	1,247	-	3
Other operating commitments	2,057	467	220	1,370
<b>Total of other commitments given</b>	<b>13,293</b>	<b>6,409</b>	<b>930</b>	<b>5,954</b>
Mortgages and liens received	429	2	114	313
Other commitments received	6,387	3,878	679	1,830
<b>Total of commitments received</b>	<b>6,816</b>	<b>3,880</b>	<b>793</b>	<b>2,143</b>

As of December 31, 2009  
(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)	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>

## 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 €152 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 €25 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, 2011, the maturities of these guarantees are up to 2023.

Guarantees given against borrowings include the guarantee given in 2008 by TOTAL S.A. in connection with the financing of the Yemen LNG project for an amount of €1,208 million. In turn, certain partners involved in this project have given commitments that could, in the case of Total S.A.'s guarantees being called for the maximum amount, reduce the Group's exposure by up to €404 million, recorded under "Other commitments received".

In 2010, TOTAL S.A. provided guarantees in connection with the financing of the Jubail project (operated by SAUDI ARAMCO TOTAL Refining and Petrochemical Company (SATORP)) of up to €2,463 million, proportional to TOTAL's share in the project (37.5%). In addition, TOTAL S.A. provided in 2010 a guarantee in favor of its partner in the Jubail project (Saudi Arabian Oil Company) with respect to Total Refining Saudi Arabia SAS's obligations under the shareholders agreement with respect to SATORP. As of December 31, 2011, this guarantee is of up to €1,095 million and has been recorded under "Other operating commitments".

### **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.

### **C) Commitments received**

#### **Goods and services sale obligations**

These amounts represent binding obligations under contractual agreements to sell goods or services, including in particular hydrocarbon unconditional sale contracts (except when an active, highly-liquid market exists and volumes are re-sold shortly after purchase).

## 24) Related parties

The main transactions and balances with related parties (principally non-consolidated subsidiaries and equity affiliates) are detailed as follows:

### As of December 31,

(M€)	2011	2010	2009
<b>Balance sheet</b>			
<i>Receivables</i>			
Debtors and other debtors	585	432	293
Loans (excl. loans to equity affiliates)	331	315	438
<i>Payables</i>			
Creditors and other creditors	724	497	386
Debts	31	28	42

### For the year ended December 31,

(M€)	2011	2010	2009
<b>Statement of income</b>			
Sales	4,400	3,194	2,183
Purchases	5,508	5,576	2,958
Financial expense	-	69	1
Financial income	79	74	68

## Compensation for the administration and management bodies

The aggregate amount of direct and indirect compensation accounted for by the French and foreign affiliates of the Company for the executive officers of TOTAL (the members of the Management Committee and the Treasurer) and for the members of the Board of Directors who are employees of the Group, is detailed as follows:

### For the year ended December 31,

(M€)	2011	2010	2009
Number of people	30	26	27
Direct or indirect compensation received	20.4	20.8	19.4
Pension expenses <sup>(a)</sup>	9.4	12.2	10.6
Other long-term benefits expenses	-	-	-
Termination benefits expenses	4.8	-	-
Share-based payments expense (IFRS 2) <sup>(b)</sup>	10.2	10.0	11.2

(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 €139.7 million provisioned as of December 31, 2011 (against €113.8 million as of December 31, 2010 and €96.6 million as of December 31, 2009).

(b) 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.

The compensation allocated to members of the Board of Directors for directors' fees totaled €1.07 million in 2011 (€0.96 million in 2010 and €0.97 million in 2009).



## 25) Share-based payments

### A) TOTAL share subscription option plans

	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan	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	05/21/2010	05/21/2010	-	-
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	09/14/2010	09/14/2011	-	-
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	38.20	33.00	-	-
Expiry date	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	09/14/2018	09/14/2019	-	-
<b>Number of options<sup>(c)</sup></b>											
<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>-</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>-</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 January 1, 2010</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>-</b>	<b>-</b>	<b>45,828,769</b>	<b>44.12</b>
Granted	-	-	-	-	-	-	-	4,788,420	-	4,788,420	38.20
Cancelled <sup>(d)</sup>	(1,420)	(15,660)	(6,584)	(4,800)	(5,220)	(92,472)	(4,040)	(1,120)	-	(131,316)	43.50
Exercised	(1,075,765)	(141,202)	-	-	-	-	(1,080)	-	-	(1,218,047)	33.60
<b>Existing options as of January 1, 2011</b>	<b>5,734,444</b>	<b>12,338,847</b>	<b>6,178,856</b>	<b>5,640,886</b>	<b>5,866,445</b>	<b>4,349,158</b>	<b>4,371,890</b>	<b>4,787,300</b>	<b>-</b>	<b>49,267,826</b>	<b>43.80</b>
Granted	-	-	-	-	-	-	-	-	1,518,840	1,518,840	33.00
Cancelled <sup>(e)</sup>	(738,534)	(28,208)	(16,320)	(17,380)	(16,080)	(13,260)	(14,090)	(85,217)	(1,000)	(930,089)	34.86
Exercised	(4,995,910)	(216,115)	-	-	-	(200)	-	(2,040)	(9,400)	(5,223,665)	33.11
<b>Existing options as of December 31, 2011</b>	<b>-</b>	<b>12,094,524</b>	<b>6,162,536</b>	<b>5,623,506</b>	<b>5,850,365</b>	<b>4,335,698</b>	<b>4,357,800</b>	<b>4,700,043</b>	<b>1,508,440</b>	<b>44,632,912</b>	<b>44.87</b>

- (a) The grant date is the date of the Board meeting awarding the share subscription options, except for the grant of October 9, 2008, decided by the Board on September 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 effective as of May 24, 2006.
- (c) The number of options awarded, outstanding, canceled 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.
- (d) Out of 92,472 options awarded under the 2008 Plan that were canceled, 88,532 options were canceled due to the performance condition. The acquisition rate applicable to the subscription options that were subject to the performance condition of the 2008 Plan was 60%.
- (e) Out of the 930,089 options canceled in 2011, 738,534 options that were not exercised expired due to the expiry of the 2003 subscription option Plan on July 16, 2011.



Options are exercisable, subject to a continuous employment condition, after a 2-year 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 four years from the date of grant. For the 2007 to 2011 Plans, 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.

### 2011 Plan

For the 2011 Plan, the Board of Directors decided that for each grantee other than the Chairman and Chief Executive Officer, the options will be finally granted to their beneficiary provided that the performance condition is fulfilled.

The performance condition states that the number of options finally granted is based on the average of the Return On Equity (ROE) of the Group. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012.

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 more than 7% and less than 18%; and
- is equal to 100% if the average ROE is more than or equal to 18%.

In addition, as part of the 2011 Plan, the Board of Directors decided that the number of share subscription options finally awarded to the Chairman and Chief Executive Officer 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. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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 based on the average of the Return On Average Capital Employed (ROACE) of the Group. The average ROACE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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%.

### 2010 Plan

For the 2010 Plan, the Board of Directors decided that:

- For each grantee of up to 3,000 options, other than the Chairman and Chief Executive Officer, the options will be finally granted to their beneficiary.

- For each grantee of more than 3,000 options and less or equal to 50,000 options (other than the Chairman and Chief Executive Officer):
  - The first 3,000 options and two-thirds above the first 3,000 options will be finally granted to their beneficiary;
  - The outstanding options, that is one-third of the options above the first 3,000 options, will be finally granted provided that the performance condition described below is fulfilled.
- For each grantee of more than 50,000 options (other than the Chairman and Chief Executive Officer):
  - The first 3,000 options, two-thirds of the options above the first 3,000 options and below the first 50,000 options, and one-third of the options above the first 50,000 options, will be finally granted to their beneficiary;
  - The outstanding options, that is one-third of the options above the first 3,000 options and below the first 50,000 options and two-thirds of the options above the first 50,000 options, will be finally granted provided that the performance condition is fulfilled.

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 by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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 more than 7% and less than 18%; and
- is equal to 100% if the average ROE is more than or equal to 18%.

In addition, as part of the 2010 Plan, the Board of Directors decided that the number of share subscription options finally awarded to the Chairman and Chief Executive Officer 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. The average ROE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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 based on the average ROACE of the Group. The average ROACE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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%.

### 2009 Plan

For the 2009 Plan, the Board of Directors decided that for each beneficiary, other than the Chief Executive Officer, 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 states that the final 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 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%.

In addition, the Board of Directors decided 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 based on 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%.

Due to the application of the performance condition, the acquisition rates were 100% for the 2009 Plan.

## B) TOTAL share purchase option plans

	2001 Plan <sup>(a)</sup>	2002 Plan <sup>(b)</sup>	Total	Weighted average exercise price
Date of the shareholders' meeting	05/17/2001	05/17/2001		
Grant date <sup>(c)</sup>	07/10/2001	07/09/2002		
Exercise price until May 23, 2006 included <sup>(d)</sup>	42.05	39.58	-	-
Exercise price since May 24, 2006 <sup>(d)</sup>	41.47	39.03	-	-
Expiry date	07/10/2009	07/09/2010		
<b>Number of options<sup>(e)</sup></b>				
<b>Outstanding as of January 1, 2009</b>	<b>4,691,426</b>	<b>6,450,857</b>	<b>11,142,283</b>	<b>40.06</b>
Awarded	-	-	-	-
Canceled	(4,650,446)	(7,920)	(4,658,366)	41.47
Exercised	(40,980)	(507,676)	(548,656)	39.21
<b>Outstanding as of January 1, 2010</b>	<b>-</b>	<b>5,935,261</b>	<b>5,935,261</b>	<b>39.03</b>
Awarded	-	-	-	-
Canceled <sup>(f)</sup>	-	(4,671,989)	(4,671,989)	39.03
Exercised	-	(1,263,272)	(1,263,272)	39.03
<b>Outstanding as of January 1, 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Awarded	-	-	-	-
Canceled	-	-	-	-
Exercised	-	-	-	-
<b>Outstanding as of December 31, 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 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 8 years after this date. The underlying shares may not be transferred during the 4-year period from the date of the grant. This plan expired on July 10, 2009.

(b) Options were exercisable, subject to a continued employment condition, after a 2-year vesting period from the date of the Board meeting awarding the options and expired 8 years after this date. The underlying shares may not be transferred during the 4-year period from the date of the grant. This plan expired on July 9, 2010.

(c) The grant date is the date of the Board meeting awarding the options.

(d) 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 effective as of May 24, 2006.

(e) The number of options awarded, outstanding, canceled 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.

(f) Out of the 4,671,989 options canceled in 2010, 4,671,145 options that were not exercised expired due to the expiry of the 2002 purchase option Plan on July 9, 2010.

### 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.

This exchange guarantee expired on September 12, 2009, due to the expiry of the Elf Aquitaine share subscription option plan No. 2 of 1999. Subsequently, no Elf Aquitaine shares are covered by the exchange guarantee.

### D) TOTAL performance share grants

	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan	Total
Date of the shareholders' meeting	05/17/2005	05/17/2005	05/17/2005	05/16/2008	05/16/2008	05/16/2008	05/13/2011	
Grant date <sup>(a)</sup>	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010	09/14/2011	
Final grant date (end of the vesting period)	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	09/15/2012	09/15/2013	
Transfer possible from	07/20/2009	07/19/2010	07/18/2011	10/10/2012	09/16/2013	09/15/2014	09/15/2015	
<b>Number of performance shares</b>								
<b>Outstanding as of January 1, 2009</b>	-	-	2,333,217	2,772,748	-	-	-	5,105,965
Awarded	-	-	-	-	2,972,018	-	-	2,972,018
Canceled	1,928	2,922	(12,418)	(9,672)	(5,982)	-	-	(23,222)
Finally granted <sup>(b)(c)</sup>	(1,928)	(2,922)	(2,320,799)	(600)	-	-	-	(2,326,249)
<b>Outstanding as of January 1, 2010</b>	-	-	-	2,762,476	2,966,036	-	-	5,728,512
Awarded	-	-	-	-	-	3,010,011	-	3,010,011
Canceled <sup>(d)</sup>	1,024	3,034	552	(1,113,462)	(9,796)	(8,738)	-	(1,127,386)
Finally granted <sup>(b)(c)</sup>	(1,024)	(3,034)	(552)	(1,649,014)	(1,904)	(636)	-	(1,656,164)
<b>Outstanding as of January 1, 2011</b>	-	-	-	-	2,954,336	3,000,637	-	5,954,973
Awarded	-	-	-	-	-	-	3,649,770	3,649,770
Canceled	800	700	792	356	(26,214)	(10,750)	(19,579)	(53,895)
Finally granted <sup>(b)(c)(e)</sup>	(800)	(700)	(792)	(356)	(2,928,122)	(1,836)	-	(2,932,606)
<b>Outstanding as of December 31, 2011</b>	-	-	-	-	-	2,988,051	3,630,191	6,618,242

(a) The grant date is the date of the Board of Directors meeting that awarded the shares, except for the shares awarded by the Board of Directors at their meeting of September 9, 2008, and granted on October 9, 2008.

(b) Performance shares finally granted following the death of their beneficiaries.

(c) Including performance shares finally granted for which the entitlement right had been canceled erroneously.

(d) Out of the 1,113,462 canceled rights to the grant share under the 2008 Plan, 1,094,914 entitlement rights were canceled due to the performance condition. The acquisition rate for the 2008 Plan was 60%.

(e) The acquisition rate for the 2009 Plan was 100%.

The performance shares, which are 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. The final grant is subject to a continued employment condition and a performance condition. Moreover, the transfer of the performance shares finally granted will not be permitted until the end of a 2-year mandatory holding period from the date of the final grant.

#### 2011 Plan

For the 2011 Plan, the Board of Directors decided that, for each senior executives (other than the Chairman and Chief Executive Officer), the shares will be finally granted subject to a performance condition. This condition is based on the average ROE as published by the Group and calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2011 and 2012. 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%.

The Board of Directors decided also that, for each beneficiary (other than the Chairman and Chief Executive Officer and the senior executives) of more than 100 shares, the shares in excess of this number will be finally granted subject to the performance condition mentioned before.

In addition, as part of the 2011 plan, the Board of Directors decided that the number of performance share finally granted to the Chairman and Chief Executive Officer will be subject to two performance conditions:

- For 50% of the share granted, the performance condition states that the number of shares finally granted is based on the average ROE of the Group. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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 granted, the performance condition states that the number of shares finally granted is based on the average ROACE of the Group. The average ROACE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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%.

## E) Global free TOTAL share plan

The Board of Directors approved at its meeting on May 21, 2010 the implementation and conditions of a global free share plan intended for the Group employees. On June 30, 2010, entitlement rights to 25 free shares were granted to every employee. The final grant is subject to a continued employment condition during the plan's vesting period. The shares are not subject to any performance condition. Following the vesting period, the shares awarded will be new shares.

	2010 Plan (2 + 2)	2010 Plan (4 + 0)	Total
Date of the shareholders' meeting	05/16/2008	05/16/2008	-
Date of the award <sup>(a)</sup>	06/30/2010	06/30/2010	-
Date of the final award	07/01/2012	07/01/2014	-
Transfer authorized as from	07/01/2014	07/01/2014	-
<b>Number of free shares</b>			
<b>Outstanding as of January 1, 2010</b>	-	-	-
Notified	1,508,850	1,070,650	2,579,500
Cancelled	(125)	(75)	(200)
Finally granted <sup>(b)</sup>	(75)	-	(75)
<b>Outstanding as of January 1, 2011</b>	<b>1,508,650</b>	<b>1,070,575</b>	<b>2,579,225</b>
Notified	-	-	-
Cancelled	(29,175)	(54,625)	(83,800)
Finally granted <sup>(b)</sup>	(475)	(425)	(900)
<b>Outstanding as of December 31, 2011</b>	<b>1,479,000</b>	<b>1,015,525</b>	<b>2,494,525</b>

(a) The June 30, 2010, grant was decided by the Board of Directors on May 21, 2010.  
(b) Final grant following the death or disability of the beneficiary of the shares.

## 2010 Plan

For the 2010 Plan, the Board of Directors decided 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 calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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%.

## 2009 Plan

For the 2009 Plan, the Board of Directors decided 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 states that the number of shares finally granted is based on the average ROE as published by the Group and 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 greater than 7% and less than 18%; and
- is equal to 100% if the average ROE is greater than or equal to 18%.

Due to the application of the performance condition, the acquisition rate was 100% for the 2009 Plan.

## F) SunPower plans

SunPower has three stock incentive plans: the 1996 Stock Plan ("1996 Plan"), the Second Amended and Restated 2005 SunPower Corporation Stock Incentive Plan ("2005 Plan") and the PowerLight Corporation Common Stock Option and Common Stock Purchase Plan ("PowerLight Plan"). The PowerLight Plan was assumed by SunPower by way of the acquisition of PowerLight in fiscal 2007. Under the terms of all three plans, SunPower may issue incentive or non-statutory stock options or stock purchase rights to directors, employees and consultants to purchase common stock. The 2005 Plan was adopted by SunPower's Board of Directors in August 2005, and was approved by shareholders in November 2005. The 2005 Plan replaced the 1996 Plan and allows not only for the grant of options, but also for the grant of stock appreciation rights, restricted stock grants, restricted stock units and other equity rights. The 2005 Plan also allows for tax withholding obligations related to stock option exercises or restricted stock awards to be satisfied through the retention of shares otherwise released upon vesting. The PowerLight Plan was adopted by PowerLight's Board of Directors in October 2000.

In May 2008, SunPower's stockholders approved an automatic annual increase available for grant under the 2005 Plan, beginning in fiscal 2009. The automatic annual increase is equal to the lower of three percent of the outstanding shares of all classes of SunPower's common stock measured on the last day of the immediately preceding fiscal quarter, 6.0 million shares, or such

The following table summarizes SunPower's stock option activities:

other number of shares as determined by SunPower's Board of Directors. As of January 1, 2012, approximately 3.3 million shares were available for grant under the 2005 Plan. No new awards are being granted under the 1996 Plan or the PowerLight Plan.

Incentive stock options may be granted at no less than the fair value of the common stock on the date of grant. Non-statutory stock options and stock purchase rights may be granted at no less than 85% of the fair value of the common stock at the date of grant. The options and rights become exercisable when and as determined by SunPower's Board of Directors, although these terms generally do not exceed ten years for stock options. Under the 1996 and 2005 Plans, the options typically vest over five years with a one-year cliff and monthly vesting thereafter. Under the PowerLight Plan, the options typically vest over five years with yearly cliff vesting. Under the 2005 Plan, the restricted stock grants and restricted stock units typically vest in three equal installments annually over three years.

The majority of shares issued are net of the minimum statutory withholding requirements that SunPower pays on behalf of its employees. During the six months ended January 1, 2012 SunPower withheld 221,262 shares to satisfy the employees' tax obligations. SunPower pays such withholding requirements in cash to the appropriate taxing authorities. Shares withheld are treated as common stock repurchases for accounting and disclosure purposes and reduce the number of shares outstanding upon vesting.

### Outstanding Stock Options

	Shares (in thousands)	Weighted-Average Exercise Price Per Share (in dollars)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands dollars)
<b>Outstanding as of July 3, 2011</b>	<b>519</b>	<b>25.39</b>		
Exercised	(29)	3.93		
Forfeited	(6)	31.29		
<b>Outstanding as of January 1, 2012</b>	<b>484</b>	<b>26.62</b>	<b>4.71</b>	<b>480</b>
Exercisable as of January 1, 2012	441	24.52	4.53	480
Expected to vest after January 1, 2012	40	48.08	6.64	-

The intrinsic value of options exercised in the six months ended January 1, 2012 was \$0.3 million. There were no stock options granted in the six months ended January 1, 2012.

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value, based on SunPower's closing stock price of \$6.23 at December 30, 2011, which would have been received by the option holders had all option holders exercised their options as of that date. The total number of in-the-money options exercisable was 0.1 million shares as of January 1, 2012.



The following table summarizes SunPower's non-vested stock options and restricted stock activities thereafter:

	Stock Options		Restricted Stock Awards and Units	
	Shares (in thousands)	Weighted-Average Exercise Price Per Share (in dollars)	Shares (in thousands)	Weighted-Average Grant Date Fair Value Per Share (in dollars) <sup>(a)</sup>
<b>Outstanding as of July 3, 2011</b>	<b>67</b>	<b>41.34</b>	<b>7,198</b>	<b>16.03</b>
Granted	-	-	2,336	6.91
Vested <sup>(b)</sup>	(19)	28.73	(691)	18.96
Forfeited	(5)	31.29	(1,473)	14.10
<b>Outstanding as of December 31, 2011</b>	<b>43</b>	<b>48.33</b>	<b>7,370</b>	<b>13.25</b>

(a) The Company estimates the fair value of the restricted stock unit awards as the stock price on the grant date.

(b) Restricted stock awards and units vested include shares withheld on behalf of employees to satisfy the minimum statutory tax withholding requirements.

### G) Share-based payment expense

Share-based payment expense before tax for the year 2011 amounts to €178 million and is broken down as follows:

- €27 million for TOTAL share subscription plans;
- €134 million for TOTAL restricted shares plans; and
- €17 million for SunPower plans.

Share-based payment expense before tax for the year 2010 amounted to €140 million and was broken down as follows:

- €31 million for TOTAL share subscription plans; and
- €109 million for TOTAL restricted shares plans.

Share-based payment expense before tax for the year 2009 amounted to €106 million and was broken down as follows:

- €38 million for TOTAL share subscription plans; and
- €68 million for TOTAL restricted shares plans.

The fair value of the options granted in 2011, 2010 and 2009 has been measured according to the Black-Scholes method and based on the following assumptions:

For the year ended December 31,	2011	2010	2009
Risk free interest rate (%) <sup>(a)</sup>	2.0	2.1	2.9
Expected dividends (%) <sup>(b)</sup>	5.6	5.9	4.8
Expected volatility (%) <sup>(c)</sup>	27.5	25.0	31.0
Vesting period (years)	2	2	2
Exercise period (years)	8	8	8
Fair value of the granted options (€ per option)	4.4	5.8	8.4

(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.

At the shareholders' meeting held on May 21, 2010, 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 21, 2010 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with preferential subscription rights (€2.5 billion in nominal value).

Pursuant to this delegation of authorization, the Board of Directors, during its October 28, 2010 meeting, implemented a capital increase reserved for employees within the limit of 12 million shares, with dividend rights as of the January 1, 2010 and delegated all power to the Chairman and Chief Executive Officer to determine the opening and closing of subscription period and the subscription price.

On March 14, 2011, the Chairman and Chief Executive Officer decided that the subscription period would be set from March 16, 2011 to April 1, 2011 and acknowledged that the subscription price per ordinary share would be set at €34.80. During this capital increase, 8,902,717 TOTAL shares were subscribed and created on April 28, 2011.

The cost of capital increases reserved for employees is reduced to take into account the non transferability of the shares that could be subscribed by the employees over a period of five years. The valuation method of non transferability 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 2011, 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,	2011
Date of the Board of Directors meeting that decided the issue	October 28, 2010
Subscription price (€)	34.80
Share price at the reference date (€) <sup>(a)</sup>	41.60
Number of shares (in millions)	8.90
Risk free interest rate (%) <sup>(b)</sup>	2.82
Employees loan financing rate (%) <sup>(c)</sup>	7.23
Non transferability cost (% of the reference's share price)	17.6

(a) Share price at the date which the Chairman and Chief Executive Officer decided the subscription period.

(b) Zero coupon Euro swap rate at 5 years.

(c) The employees loan financing rate is based on a 5 year consumer's credit rate.

Due to the fact that the non transferability cost is higher than the discount, no cost has been accounted to the fiscal year 2011.

## 26) Payroll and staff

For the year ended December 31,	2011	2010	2009
<b>Personnel expenses (M€)</b>			
Wages and salaries (including social charges)	6,579	6,246	6,177
<b>Group employees</b>			
<i>France</i>			
Management	11,123	10,852	10,906
Other	23,914	24,317	25,501
<i>International</i>			
Management	15,713	15,146	15,243
Other	45,354	42,540	44,737
<b>Total</b>	<b>96,104</b>	<b>92,855</b>	<b>96,387</b>

The number of employees includes only employees of fully consolidated subsidiaries.

The increase in the number of employees between December 31, 2011 and December 31, 2010 is mainly explained by the acquisition of SunPower, partially compensated by the sale of the photocure and coatings resins businesses (see Note 3 to the Consolidated Financial Statements).



## 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€)	2011	2010	2009
Interests paid	(679)	(470)	(678)
Interests received	277	132	148
Income tax paid <sup>(a)</sup>	(12,061)	(8,848)	(7,027)
Dividends received	2,133	1,722	1,456

(a) These amounts include taxes paid in kind under production-sharing contracts in the exploration-production.

Changes in working capital are detailed as follows:

For the year ended December 31,

(M€)	2011	2010	2009
Inventories	(1,845)	(1,896)	(4,217)
Accounts receivable	(1,287)	(2,712)	(344)
Other current assets	(2,409)	911	1,505
Accounts payable	2,646	2,482	571
Other creditors and accrued liabilities	1,156	719	(831)
<b>Net amount</b>	<b>(1,739)</b>	<b>(496)</b>	<b>(3,316)</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:

For the year ended December 31,

(M€)	2011	2010	2009
Issuance of non-current debt	4,234	3,995	6,309
Repayment of non-current debt	(165)	(206)	(787)
<b>Net amount</b>	<b>4,069</b>	<b>3,789</b>	<b>5,522</b>

### C) Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

For the year ended December 31,

(M€)	2011	2010	2009
Cash	4,715	4,679	2,448
Cash equivalents	9,310	9,810	9,214
<b>Total</b>	<b>14,025</b>	<b>14,489</b>	<b>11,662</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 in the balance sheet are detailed as follows:

As of December 31, 2011 (M€)	Financial instruments related to financing and trading activities							Other financial instruments	Total	Fair value
	Amortized cost	Fair value								
		Available for sale <sup>(a)</sup>	Held for trading	Financial debt <sup>(b)</sup>	Hedging of financial debt	Cash flow hedge	Net investment hedge and other			
<b>Assets/(Liabilities)</b>										
Equity affiliates: loans	2,246	-	-	-	-	-	-	-	2,246	2,246
Other investments	-	3,674	-	-	-	-	-	-	3,674	3,674
Hedging instruments of non-current financial debt	-	-	-	-	1,971	5	-	-	1,976	1,976
Other non-current assets	2,055	-	-	-	-	-	-	-	2,055	2,055
Accounts receivable, net	-	-	-	-	-	-	-	20,049	20,049	20,049
Other operating receivables	-	-	1,074	-	-	-	-	6,393	7,467	7,467
Current financial assets	146	-	159	-	383	12	-	-	700	700
Cash and cash equivalents	-	-	-	-	-	-	-	14,025	14,025	14,025
<b>Total financial assets</b>	<b>4,447</b>	<b>3,674</b>	<b>1,233</b>	<b>-</b>	<b>2,354</b>	<b>17</b>	<b>-</b>	<b>40,467</b>	<b>52,192</b>	<b>52,192</b>
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,857</b>	<b>-</b>
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,049</b>	<b>-</b>
Non-current financial debt	(4,858)	-	-	(17,551)	(97)	(49)	-	(2)	(22,557)	(23,247)
Accounts payable	-	-	-	-	-	-	-	(22,086)	(22,086)	(22,086)
Other operating liabilities	-	-	(606)	-	-	-	-	(4,835)	(5,441)	(5,441)
Current borrowings	(6,158)	-	-	(3,517)	-	-	-	-	(9,675)	(9,675)
Other current financial liabilities	-	-	(87)	-	(40)	(14)	(26)	-	(167)	(167)
<b>Total financial liabilities</b>	<b>(11,016)</b>	<b>-</b>	<b>(693)</b>	<b>(21,068)</b>	<b>(137)</b>	<b>(63)</b>	<b>(26)</b>	<b>(26,923)</b>	<b>(59,926)</b>	<b>(60,616)</b>
<b>Total non-financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104,123)</b>	<b>-</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(164,049)</b>	<b>-</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, 2010 (M€)	Financial instruments related to financing and trading activities							Other financial instruments	Total	Fair value
	Amortized cost	Fair value								
		Available for sale <sup>(a)</sup>	Held for trading	Financial debt <sup>(b)</sup>	Hedging of financial debt	Cash flow hedge	Net investment hedge and other			
<b>Assets/(Liabilities)</b>										
Equity affiliates: loans	2,383	-	-	-	-	-	-	-	2,383	2,383
Other investments	-	4,590	-	-	-	-	-	-	4,590	4,590
Hedging instruments of non-current financial debt	-	-	-	1,814	56	-	-	-	1,870	1,870
Other non-current assets	1,596	-	-	-	-	-	-	-	1,596	1,596
Accounts receivable, net	-	-	-	-	-	-	18,159	-	18,159	18,159
Other operating receivables	-	-	499	-	-	-	-	3,908	4,407	4,407
Current financial assets	869	-	38	-	292	-	6	-	1,205	1,205
Cash and cash equivalents	-	-	-	-	-	-	-	14,489	14,489	14,489
<b>Total financial assets</b>	<b>4,848</b>	<b>4,590</b>	<b>537</b>	<b>-</b>	<b>2,106</b>	<b>56</b>	<b>6</b>	<b>36,556</b>	<b>48,699</b>	<b>48,699</b>
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,019</b>	<b>-</b>
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143,718</b>	<b>-</b>
Non-current financial debt	(3,186)	-	-	(17,419)	(178)	-	-	-	(20,783)	(21,172)
Accounts payable	-	-	-	-	-	-	-	(18,450)	(18,450)	(18,450)
Other operating liabilities	-	-	(559)	-	-	-	-	(3,015)	(3,574)	(3,574)
Current borrowings	(5,916)	-	-	(3,737)	-	-	-	-	(9,653)	(9,653)
Other current financial liabilities	-	-	(147)	-	(12)	-	-	-	(159)	(159)
<b>Total financial liabilities</b>	<b>(9,102)</b>	<b>-</b>	<b>(706)</b>	<b>(21,156)</b>	<b>(190)</b>	<b>-</b>	<b>-</b>	<b>(21,465)</b>	<b>(52,619)</b>	<b>(53,008)</b>
<b>Total non-financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(91,099)</b>	<b>-</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(143,718)</b>	<b>-</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, 2009 (M€)	Financial instruments related to financing and trading activities							Other financial instruments	Total	Fair value
	Amortized cost	Fair value								
		Available for sale <sup>(a)</sup>	Held for trading	Financial debt <sup>(b)</sup>	Hedging of financial debt	Cash flow hedge	Net investment hedge and other			
<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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,078</b>	<b>-</b>
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,753</b>	<b>-</b>
Non-current financial debt	(2,089)	-	-	(17,107)	(241)	-	-	-	(19,437)	(19,905)
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>(6,938)</b>	<b>-</b>	<b>(948)</b>	<b>(19,252)</b>	<b>(338)</b>	<b>-</b>	<b>(1)</b>	<b>(19,166)</b>	<b>(46,643)</b>	<b>(47,111)</b>
<b>Total non-financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81,110)</b>	<b>-</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(127,753)</b>	<b>-</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€)

	2011	2010	2009
Assets available for sale (investments):			
– dividend income on non-consolidated subsidiaries	330	255	210
– gains (losses) on disposal of assets	103	60	6
– other	(29)	(17)	(18)
Loans and receivables	(34)	90	41
<b>Impact on net operating income</b>	<b>370</b>	<b>388</b>	<b>239</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€)	2011	2010	2009
Loans and receivables	271	133	158
Financing liabilities and associated hedging instruments	(730)	(469)	(563)
Fair value hedge (ineffective portion)	17	4	33
Assets and liabilities held for trading	2	(2)	(26)
<b>Impact on the cost of net debt</b>	<b>(440)</b>	<b>(334)</b>	<b>(398)</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€)	2011	2010	2009
Revaluation at market value of bonds	(301)	(1,164)	(183)
Swap hedging of bonds	318	1,168	216
<b>Ineffective portion of the fair value hedge</b>	<b>17</b>	<b>4</b>	<b>33</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>2011</b>	<b>(243)</b>	<b>139</b>	<b>-</b>	<b>(104)</b>
2010	25	(268)	-	(243)
2009	124	(99)	-	25

As of December 31, 2011, the fair value of the open instruments amounts to €(26) million compared to €6 million in 2010 and €5 million in 2009.

## Cash flow hedge

The impact on the statement of income and on equity of the hedging instruments qualified as cash flow hedges is detailed as follows:

For the year ended December 31,

(M€)	2011	2010	2009
Profit (Loss) recorded in equity during the period	(84)	(80)	128
Recycled amount from equity to the income statement during the period	(47)	(115)	221

As of December 31, 2011, 2010 and 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, 2011 (M€)	Fair value	Notional value <sup>(a)</sup>						
		Total	2012	2013	2014	2015	2016	2017 and after
<b>Assets/(Liabilities)</b>								
<b>Fair value hedge</b>								
Swaps hedging fixed-rates bonds (liabilities)	(97)	1,478	-	-	-	-	-	-
Swaps hedging fixed-rates bonds (assets)	1,971	15,653	-	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>1,874</b>	<b>17,131</b>	<b>-</b>	<b>4,204</b>	<b>4,215</b>	<b>3,380</b>	<b>1,661</b>	<b>3,671</b>
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(40)	642	-	-	-	-	-	-
Swaps hedging fixed-rates bonds (current portion) (assets)	383	2,349	-	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>343</b>	<b>2,991</b>	<b>2,991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow hedge</b>								
Swaps hedging fixed-rates bonds (liabilities)	(49)	967	-	-	-	-	-	-
Swaps hedging fixed-rates bonds (assets)	5	749	-	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>(44)</b>	<b>1,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,716</b>
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(14)	582	-	-	-	-	-	-
Swaps hedging fixed-rates bonds (current portion) (assets)	12	908	-	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>(2)</b>	<b>1,490</b>	<b>1,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net investment hedge</b>								
Currency swaps and forward exchange contracts (assets)	-	-	-	-	-	-	-	-
Currency swaps and forward exchange contracts (liabilities)	(26)	881	-	-	-	-	-	-
<b>Total swaps hedging net investments</b>	<b>(26)</b>	<b>881</b>	<b>881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Held for trading</b>								
Other interest rate swaps (assets)	1	3,605	-	-	-	-	-	-
Other interest rate swaps (liabilities)	(2)	14,679	-	-	-	-	-	-
<b>Total other interest rate swaps (assets and liabilities)</b>	<b>(1)</b>	<b>18,284</b>	<b>18,284</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Currency swaps and forward exchange contracts (assets)	158	6,984	-	-	-	-	-	-
Currency swaps and forward exchange contracts (liabilities)	(85)	4,453	-	-	-	-	-	-
<b>Total currency swaps and forward exchange contracts (assets and liabilities)</b>	<b>73</b>	<b>11,437</b>	<b>11,176</b>	<b>80</b>	<b>58</b>	<b>36</b>	<b>31</b>	<b>56</b>

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.



As of December 31, 2010 (M€)	Fair value	Notional value <sup>(a)</sup>					
		Total	2011	2012	2013	2014	2015
<b>Assets/(Liabilities)</b>							
<b>Fair value hedge</b>							
Swaps hedging fixed-rates bonds (liabilities)	(178)	2,244	-	-	-	-	-
Swaps hedging fixed-rates bonds (assets)	1,814	13,939	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>1,636</b>	<b>16,183</b>	<b>-</b>	<b>2,967</b>	<b>3,461</b>	<b>2,421</b>	<b>3,328</b>
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(12)	592	-	-	-	-	-
Swaps hedging fixed-rates bonds (current portion) (assets)	292	2,815	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>280</b>	<b>3,407</b>	<b>3,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow hedge</b>							
Swaps hedging fixed-rates bonds (liabilities)	-	-	-	-	-	-	-
Swaps hedging fixed-rates bonds (assets)	56	1,957	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (assets and liabilities)</b>	<b>56</b>	<b>1,957</b>	<b>-</b>	<b>295</b>	<b>-</b>	<b>-</b>	<b>1,662</b>
Swaps hedging fixed-rates bonds (current portion) (liabilities)	-	-	-	-	-	-	-
Swaps hedging fixed-rates bonds (current portion) (assets)	-	-	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net investment hedge</b>							
Currency swaps and forward exchange contracts (assets)	6	381	-	-	-	-	-
Currency swaps and forward exchange contracts (liabilities)	-	-	-	-	-	-	-
<b>Total swaps hedging net investments</b>	<b>6</b>	<b>381</b>	<b>381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Held for trading</b>							
Other interest rate swaps (assets)	1	6,463	-	-	-	-	-
Other interest rate swaps (liabilities)	(3)	11,395	-	-	-	-	-
<b>Total other interest rate swaps (assets and liabilities)</b>	<b>(2)</b>	<b>17,858</b>	<b>17,667</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>2</b>
Currency swaps and forward exchange contracts (assets)	37	1,532	-	-	-	-	-
Currency swaps and forward exchange contracts (liabilities)	(144)	6,757	-	-	-	-	-
<b>Total currency swaps and forward exchange contracts (assets and liabilities)</b>	<b>(107)</b>	<b>8,289</b>	<b>8,102</b>	<b>-</b>	<b>25</b>	<b>49</b>	<b>31</b>

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.



As of December 31, 2009 (M€)	Fair value	Notional value <sup>(a)</sup>					
		Total	2010	2011	2012	2013	2014
<b>Assets/(Liabilities)</b>							
<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>	<b>-</b>	<b>3,345</b>	<b>2,914</b>	<b>3,450</b>	<b>1,884</b>
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>	<b>1,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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>-</b>	<b>-</b>	<b>295</b>	<b>-</b>	<b>1,542</b>
Swaps hedging fixed-rates bonds (current portion) (liabilities)	-	-	-	-	-	-	-
Swaps hedging fixed-rates bonds (current portion) (assets)	-	-	-	-	-	-	-
<b>Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</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>	<b>925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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>	<b>12,208</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>2</b>
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>	<b>7,224</b>	<b>-</b>	<b>52</b>	<b>50</b>	<b>47</b>
							<b>100</b>

(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, 2011 (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	-	2,217	-	2,217
Cash flow hedge instruments	-	(46)	-	(46)
Net investment hedge instruments	-	(26)	-	(26)
Assets and liabilities held for trading	-	72	-	72
Assets available for sale	2,575	-	-	2,575
<b>Total</b>	<b>2,575</b>	<b>2,217</b>	<b>-</b>	<b>4,792</b>
As of December 31, 2010 (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	-	1,916	-	1,916
Cash flow hedge instruments	-	56	-	56
Net investment hedge instruments	-	6	-	6
Assets and liabilities held for trading	-	(109)	-	(109)
Assets available for sale	3,631	-	-	3,631
<b>Total</b>	<b>3,631</b>	<b>1,869</b>	<b>-</b>	<b>5,500</b>
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, 2011

(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	3	3
Freight rate swaps	-	-
Forwards <sup>(a)</sup>	(16)	(16)
Options	(4)	(4)
Futures	(14)	(14)
Options on futures	(6)	(6)
<b>Total crude oil, petroleum products and freight rates</b>	<b>(37)</b>	<b>(37)</b>
<b>Gas &amp; Power activities</b>		
Swaps	57	57
Forwards <sup>(a)</sup>	452	452
Options	(3)	(3)
Futures	-	-
<b>Total Gas &amp; Power</b>	<b>506</b>	<b>506</b>
<b>Total</b>	<b>469</b>	<b>469</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) 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 in the balance sheet, this fair value is set to zero.

As of December 31, 2010

(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	(2)	(2)
Freight rate swaps	-	-
Forwards <sup>(a)</sup>	5	5
Options	51	51
Futures	(12)	(12)
Options on futures	(4)	(4)
<b>Total crude oil, petroleum products and freight rates</b>	<b>38</b>	<b>38</b>
<b>Gas &amp; Power activities</b>		
Swaps	(1)	(1)
Forwards <sup>(a)</sup>	(102)	(102)
Options	5	5
Futures	-	-
<b>Total Gas &amp; Power</b>	<b>(98)</b>	<b>(98)</b>
<b>Total</b>	<b>(60)</b>	<b>(60)</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) 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 in the balance sheet, this fair value is set to zero.

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) 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 in 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>2011</b>	<b>38</b>	<b>1,572</b>	<b>(1,648)</b>	<b>1</b>	<b>(37)</b>
2010	(28)	1,556	(1,488)	(2)	38
2009	39	1,713	(1,779)	(1)	(28)
<b>Gas &amp; Power activities</b>					
<b>2011</b>	<b>(98)</b>	<b>899</b>	<b>(295)</b>	<b>0</b>	<b>506</b>
2010	134	410	(648)	6	(98)
2009	592	327	(824)	39	134

The fair value hierarchy for financial instruments related to commodity contracts is as follows:

As of December 31, 2011 (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	(38)	1	-	(37)
Gas & Power activities	(44)	550	-	506
<b>Total</b>	<b>(82)</b>	<b>551</b>	<b>-</b>	<b>469</b>

As of December 31, 2010 (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	(10)	48	-	38
Gas & Power activities	50	(148)	-	(98)
<b>Total</b>	<b>40</b>	<b>(100)</b>	<b>-</b>	<b>(60)</b>

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) Financial risks management

### 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, power and coal. 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 organised 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>2011</b>	<b>10.6</b>	<b>3.7</b>	<b>6.1</b>	<b>6.3</b>
2010	23.1	3.4	8.9	3.8
2009	18.8	5.8	10.2	7.6

As part of its gas, power and coal trading activity, the Group also uses derivative instruments such as futures, forwards, swaps and options in both organised 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>2011</b>	<b>21.0</b>	<b>12.7</b>	<b>16.0</b>	<b>17.6</b>
2010	13.9	2.7	6.8	10.0
2009	9.8	1.9	5.0	4.8

The Group has implemented strict policies and procedures to manage and monitor these market risks. These are based on the separation of control and front-office 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 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, deposit banks, or major companies 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 results of the Front Office. This unit also prepares marked-to-market valuations of used financial instruments 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 Canadian 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, in euros or in Canadian dollars, 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, in Canadian 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 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, in euros or in Canadian dollars 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, 2011, 2010 and 2009.

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, 2011</b>				
Bonds (non-current portion, before swaps)	(21,402)	(22,092)	83	(83)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(146)	(146)	-	-
<i>Swaps hedging fixed-rates bonds (assets)</i>	1,976	1,976	-	-
Total swaps hedging fixed-rates bonds (assets and liabilities)	1,830	1,830	(49)	49
Current portion of non-current debt after swap (excluding capital lease obligations)	3,488	3,488	3	(3)
Other interest rates swaps	(1)	(1)	3	(3)
Currency swaps and forward exchange contracts	47	47	-	-
<b>As of December 31, 2010</b>				
Bonds (non-current portion, before swaps)	(20,019)	(20,408)	86	(84)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	(178)	(178)	-	-
<i>Swaps hedging fixed-rates bonds (assets)</i>	1,870	1,870	-	-
Total swaps hedging fixed-rates bonds (assets and liabilities)	1,692	1,692	(59)	59
Current portion of non-current debt after swap (excluding capital lease obligations)	3,483	3,483	4	(4)
Other interest rates swaps	(2)	(2)	3	(3)
Currency swaps and forward exchange contracts	(101)	(101)	-	-
<b>As of December 31, 2009</b>				
Bonds (non-current portion, before swaps)	(18,368)	(18,836)	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	-	-

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€)	2011	2010	2009
Cost of net debt	(440)	(334)	(398)
Interest rate translation of:			
+10 basis points	(10)	(11)	(11)
-10 basis points	10	11	11
+100 basis points	(103)	(107)	(108)
-100 basis points	103	107	108

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, the Norwegian krone and the Canadian dollar.



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
<b>As of December 31, 2011</b>	<b>1.29</b>	<b>0.84</b>
As of December 31, 2010	1.34	0.86
As of December 31, 2009	1.44	0.89

As of December 31, 2011 (M€)	Total	Euro	Dollar	Pound sterling	Other currencies and equity affiliates
Shareholders' equity at historical exchange rate	69,025	41,396	21,728	4,713	1,188
Currency translation adjustment before net investment hedge	(962)		127	(923)	(166)
Net investment hedge - open instruments	(26)		(25)	(1)	-
Shareholders' equity at exchange rate as of December 31, 2011	68,037	41,396	21,830	3,789	1,022

As of December 31, 2010 (M€)	Total	Euro	Dollar	Pound sterling	Other currencies and equity affiliates <sup>(a)</sup>
Shareholders' equity at historical exchange rate	62,909	32,894	22,242	4,997	2,776
Currency translation adjustment before net investment hedge	(2,501)	-	(1,237)	(1,274)	10
Net investment hedge - open instruments	6	-	6	-	-
Shareholders' equity at exchange rate as of December 31, 2010	60,414	32,894	21,011	3,723	2,786

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

(a) The decrease in the heading "Other currencies and equity affiliates" is mainly explained by the change in the consolidation method of Sanofi (see Note 3 to the Consolidated Financial Statements). The contribution to the shareholders' equity of this investment is now reclassified into the heading for the Eurozone.

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 (gain of €118 million in 2011, nil result in 2010, loss of €32 million in 2009).

### 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, 2011, these lines of credit amounted to \$10,139 million, of which \$10,096 million was 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, 2011, the aggregate amount of the principal confirmed lines of credit granted by international banks to Group companies, including TOTAL S.A., was \$11,447 million, of which \$11,154 million was 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, 2011, 2010 and 2009 (see Note 20 to the Consolidated Financial Statements).

**As of December 31, 2011**

Assets/(Liabilities) (M€)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)	-	(4,492)	(3,630)	(3,614)	(1,519)	(7,326)	(20,581)
Current borrowings	(9,675)	-	-	-	-	-	(9,675)
Other current financial liabilities	(167)	-	-	-	-	-	(167)
Current financial assets	700	-	-	-	-	-	700
Cash and cash equivalents	14,025	-	-	-	-	-	14,025
<b>Net amount before financial expense</b>	<b>4,883</b>	<b>(4,492)</b>	<b>(3,630)</b>	<b>(3,614)</b>	<b>(1,519)</b>	<b>(7,326)</b>	<b>(15,698)</b>
Financial expense on non-current financial debt	(785)	(691)	(521)	(417)	(302)	(1,075)	(3,791)
Interest differential on swaps	320	331	221	120	55	44	1,091
<b>Net amount</b>	<b>4,418</b>	<b>(4,852)</b>	<b>(3,930)</b>	<b>(3,911)</b>	<b>(1,766)</b>	<b>(8,357)</b>	<b>(18,398)</b>

**As of December 31, 2010**

Assets/(Liabilities) (M€)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)	-	(3,355)	(3,544)	(2,218)	(3,404)	(6,392)	(18,913)
Current borrowings	(9,653)	-	-	-	-	-	(9,653)
Other current financial liabilities	(159)	-	-	-	-	-	(159)
Current financial assets	1,205	-	-	-	-	-	1,205
Cash and cash equivalents	14,489	-	-	-	-	-	14,489
<b>Net amount before financial expense</b>	<b>5,882</b>	<b>(3,355)</b>	<b>(3,544)</b>	<b>(2,218)</b>	<b>(3,404)</b>	<b>(6,392)</b>	<b>(13,031)</b>
Financial expense on non-current financial debt	(843)	(729)	(605)	(450)	(358)	(1,195)	(4,180)
Interest differential on swaps	461	334	153	33	2	(78)	905
<b>Net amount</b>	<b>5,500</b>	<b>(3,750)</b>	<b>(3,996)</b>	<b>(2,635)</b>	<b>(3,760)</b>	<b>(7,665)</b>	<b>(16,306)</b>

**As of December 31, 2009**

Assets/(Liabilities) (M€)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Non-current financial debt (notional value excluding interests)	-	(3,658)	(3,277)	(3,545)	(2,109)	(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>(3,658)</b>	<b>(3,277)</b>	<b>(3,545)</b>	<b>(2,109)</b>	<b>(5,823)</b>	<b>(13,556)</b>
Financial expense on non-current financial debt	(768)	(697)	(561)	(448)	(301)	(1,112)	(3,887)
Interest differential on swaps	447	233	100	25	(16)	(55)	734
<b>Net amount</b>	<b>4,535</b>	<b>(4,122)</b>	<b>(3,738)</b>	<b>(3,968)</b>	<b>(2,426)</b>	<b>(6,990)</b>	<b>(16,709)</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, 2011, 2010 and 2009 (see Note 28 to the Consolidated Financial Statements).

**As of December 31,**  
(M€)

Assets/(Liabilities)	2011	2010	2009
Accounts payable	(22,086)	(18,450)	(15,383)
Other operating liabilities	(5,441)	(3,574)	(4,706)
<i>including financial instruments related to commodity contracts</i>	<i>(606)</i>	<i>(559)</i>	<i>(923)</i>
Accounts receivable, net	20,049	18,159	15,719
Other operating receivables	7,467	4,407	5,145
<i>including financial instruments related to commodity contracts</i>	<i>1,074</i>	<i>499</i>	<i>1,029</i>
<b>Total</b>	<b>(11)</b>	<b>542</b>	<b>775</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:

**As of December 31,**  
(M€)

Assets/(Liabilities)	2011	2010	2009
Loans to equity affiliates ( <i>note 12</i> )	2,246	2,383	2,367
Loans and advances ( <i>note 14</i> )	2,055	1,596	1,284
Hedging instruments of non-current financial debt ( <i>note 20</i> )	1,976	1,870	1,025
Accounts receivable ( <i>note 16</i> )	20,049	18,159	15,719
Other operating receivables ( <i>note 16</i> )	7,467	4,407	5,145
Current financial assets ( <i>note 20</i> )	700	1,205	311
Cash and cash equivalents ( <i>note 27</i> )	14,025	14,489	11,662
<b>Total</b>	<b>48,518</b>	<b>44,109</b>	<b>37,513</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, 2011, the net amount received as part of these margin calls was €1,682 million (against €1,560 million as of December 31, 2010 and €693 million as of December 31, 2009).

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. 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 authorisations.

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 subscription of credit insurance and/or 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 risk of credit loss.

##### - 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 (provisions may also be calculated based on statistics).

## 32) Other risks and contingent liabilities

TOTAL is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Group.

The contingent commitments and contractual obligations are detailed in note 23 to the consolidated financial statement.

### Antitrust investigations

The principal antitrust proceedings in which the Group's companies are involved are described thereafter.

#### Chemicals

- As part of the spin-off of Arkema<sup>(1)</sup> in 2006, TOTAL S.A. or certain other Group companies agreed to grant Arkema a guarantee for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

This guarantee covers, for a period of ten years from the date of the spin-off, 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 related to anti-competition violations in Europe applies to amounts above a €176.5 million threshold. 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 this guarantee, in Europe.

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

(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.

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, this guarantee will become void.

- In the United States, civil liability lawsuits, for which TOTAL S.A. has been named as the parent company, are closed without significant impact on the Group's financial position.
- In Europe, since 2006, the European Commission has fined companies of the Group in its configuration prior to the spin-off an overall amount of €385.47 million, of which Elf Aquitaine and/or TOTAL S.A. were held jointly liable for €280.17 million, Elf Aquitaine being personally fined €23.6 million for deterrence. These fines are entirely settled as of today.

As a result, since the spin-off, the Group has paid the overall amount of €188.07 million<sup>(1)</sup>, corresponding to 90% of the fines overall amount once the threshold provided for by the guarantee is deducted to which an amount of €31.31 million of interest has been added as explained hereinafter.

The European Commission imposed these fines following investigations between 2000 and 2004 into commercial practices involving eight products sold by Arkema. Five of these investigations resulted in prosecutions from the European Commission for which Elf Aquitaine has been named as the parent company, and two of these investigations named TOTAL S.A. as the ultimate parent company of the Group.

TOTAL S.A. and Elf Aquitaine are contesting their liability based solely on their status as parent companies and appealed for cancellation and reformation of the rulings that are still pending before the relevant EU court of appeals or supreme court of appeals.

During the year 2011, four of the proceedings have evolved and are closed as far as Arkema is concerned:

- In one of these proceedings, the Court of Justice of the European Union (CJEU) has rejected the action of Arkema while the decisions of the European Commission and of the General Court of the European Union against the parent companies have been squashed. Consequently, this proceeding is definitively closed regarding Arkema as well as the parent companies.
- In two other proceedings, previous decisions against Arkema and the parent companies have been upheld by the General Court of the European Union. While the parent companies have introduced an appeal before the CJEU, Arkema did not appeal to the CJEU.
- Finally, in a last proceeding, the General Court has decided to reduce the amount of the fine initially ordered against Arkema while, in parallel, it has rejected the actions of the parent companies that have remained obliged to pay the whole amount of the fine initially ordered by the European Commission. Arkema has accepted this decision while the parent companies have introduced an appeal before the CJEU.

With the exception of the €31.31 million of interest charged by the European Commission to the parent companies, which has been required to pay in accordance with the decision concerning the last proceeding referred hereinabove, the evolution of the proceedings during the year 2011 did not modify the global amount assumed by the Group in execution of the guarantee.

In addition, civil proceedings against Arkema and other groups of companies were initiated in 2009 and 2011, respectively, before German and Dutch courts by third parties for alleged damages pursuant to two of the above mentioned legal proceedings. TOTAL S.A. was summoned to serve notice of the dispute before the German court. At this point, the probability to have a favorable verdict and the financial impacts of these proceedings are uncertain due to the number of legal difficulties they give rise to, the lack of documented claims and evaluations of the alleged damages.

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 regarding events prior to the spin-off, as well as Elf Aquitaine and/or TOTAL S.A. based on their status as parent company.

Within the framework of all of the legal proceedings described above, a €17 million reserve remains booked in the Group's consolidated financial statements as of December 31, 2011.

#### Downstream

- Pursuant to a statement of objections received by Total Nederland N.V. and TOTAL S.A. (based on its status as parent company) from the European Commission, Total Nederland N.V. was fined €20.25 million in 2006, for which TOTAL S.A. was held jointly liable for €13.5 million. TOTAL S.A. appealed this decision before the relevant court and this appeal is still pending.
- In addition, pursuant to a statement of objections received by Total Raffinage Marketing (formerly Total France) and TOTAL S.A. from the European Commission regarding another product line of the Refining & Marketing division, Total Raffinage Marketing was fined €128.2 million in 2008, which has been paid, and for which TOTAL S.A. was held jointly liable based on its status as parent company. TOTAL S.A. also appealed this decision before the relevant court and this appeal is still pending.
- In addition, civil proceedings against TOTAL S.A. and Total Raffinage Marketing and other companies were initiated before U.K and Dutch courts by third parties for alleged damages in connection with the prosecutions brought by the European Commission in this case. At this point, the probability to have a favorable verdict and the financial impacts of these procedures are uncertain due to the number of legal difficulties they gave rise to, the lack of documented claims and evaluations of the alleged damages.

Within the framework of the legal proceedings described above, a €30 million reserve is booked in the Group's consolidated financial statements as of December 31, 2011.

Whatever the evolution of the proceedings described above, the Group believes that their outcome should not have a material adverse effect on the Group's financial situation or consolidated results.

#### 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

(1) This amount does not take into account a case that led to Arkema, prior to Arkema's spin-off from TOTAL, and Elf Aquitaine being fined jointly €45 million and Arkema being fined €13.5 million.



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.

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.

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 on appeal. 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.

All the requests for additional investigations that were submitted by Grande Paroisse, the former site manager and various plaintiffs were denied on appeal 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 Mr. 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 before the Court of Appeal of Toulouse started on November 3, 2011.

A compensation mechanism for victims was set up immediately following the explosion. €2.3 billion was paid for the compensation of claims and related expenses amounts. As of December 31, 2011, a €21 million reserve was recorded in the Group's consolidated balance sheet.

## 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 was 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 injuries, most of which were 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 TOTAL's UK subsidiary liable for the accident and solely liable for indemnifying the victims. The subsidiary appealed the decision. The appeal trial took place in January 2010. The Court of Appeals, by a decision handed down on March 4, 2010, confirmed the prior judgment. The Supreme Court of United Kingdom has partially authorized TOTAL's UK subsidiary to contest the decision. TOTAL's UK subsidiary finally decided to withdraw from this recourse due to settlement agreements reached in mid-February 2011.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The provision for the civil liability that appears in the Group's consolidated financial statements as of December 31, 2011, stands at €80 million after taking into account the payments previously made.

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.

In addition, 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. By a judgment on July 16, 2010, the subsidiary was fined £3.6 million and paid it. The decision takes into account a number of elements that have mitigated 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, and ordering TOTAL S.A. to pay a fine of €375,000. The Court also ordered compensation to

be paid to those affected by the 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 has appealed the verdict of January 16, 2008. In the meantime, it nevertheless proposed to pay third parties who so requested definitive compensation as determined by the Court. Forty-two third parties have been compensated for an aggregate amount of €171.5 million.

By a decision dated March 30, 2010, the Court of Appeal of Paris upheld the lower Court verdict pursuant to which TOTAL S.A. was convicted of marine pollution and fined €375,000. TOTAL appealed this decision to the French Supreme Court (*Cour de cassation*).

However, the Court of Appeal ruled that TOTAL S.A. bears no civil liability according to the applicable international conventions and consequently ruled that TOTAL S.A. be not convicted.

To facilitate the payment of damages awarded by the Court of Appeal in Paris to third parties against Erika's controlling and classification firm, the ship-owner and the ship-manager, a global settlement agreement was signed late 2011 between these parties and TOTAL S.A. under the auspices of the IOPC Fund. Under this global settlement agreement, each party agreed to the withdrawal of all civil proceedings initiated against all other parties to the agreement.

TOTAL S.A. believes that, based on the information currently available, the case should not have a significant impact on the Group's financial situation or consolidated results.

### **Blue Rapid and the Russian Olympic Committee - Russian regions and Interneft**

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine, alleging a so-called non-completion by a former subsidiary of Elf Aquitaine of a contract related to an exploration and production project in Russia negotiated in the early 1990s. Elf Aquitaine believed this claim to be unfounded and opposed it. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim against Elf Aquitaine and found that the Russian Olympic Committee did not have standing in the matter. Blue Rapid and the Russian Olympic Committee appealed this decision. On June 30, 2011, the Court of Appeal of Paris dismissed as inadmissible the claim of Blue Rapid and the Russian Olympic Committee against Elf Aquitaine, notably on the grounds of the contract's termination. Blue Rapid and the Russian Olympic Committee appealed this decision to the French Supreme Court.

In connection with the same facts, and fifteen years after the termination of the exploration and production contract, a Russian company, which was held not to be the contracting party to the contract, and two regions of the Russian Federation which were not even parties to the contract, have launched an arbitration procedure against the aforementioned former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming alleged damages of U.S.\$ 22.4 billion. For the same reasons as those successfully adjudicated by Elf Aquitaine against Blue Rapid and the Russian Olympic Committee, the Group considers this claim to be unfounded as to a matter of law or fact. The Group has lodged a criminal complaint to denounce the fraudulent claim which the Group believes it is a victim of and, has taken and reserved its

rights to take other actions and measures to defend its interests.

### **Iran**

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran, by certain oil companies including, among others, TOTAL.

The inquiry concerns an agreement concluded by the Company with a consultant concerning a gas field in Iran and aims to verify whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations.

Investigations are still pending and the Company is cooperating with the SEC and the DoJ. In 2010, the Company opened talks with U.S. authorities, without any acknowledgement of facts, to consider an out-of-court settlement as it is often the case in this kind of proceeding.

Late in 2011, the SEC and the DoJ proposed to TOTAL out-of-court settlements that would close their inquiries, in exchange for TOTAL's committing to a number of obligations and paying fines. As TOTAL was unable to agree to several substantial elements of the proposal, the Company is continuing discussions with the U.S. authorities. The Company is free not to accept an out-of-court settlement solution, in which case it would be exposed to the risk of prosecution in the United States.

In this same affair, a parallel judicial inquiry related to TOTAL was initiated in France in 2006. 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 Company has not been notified of any significant developments in the proceedings since the formal investigation was launched.

At this point, the Company cannot determine when these investigations will terminate, and cannot predict their results, or the outcome of the talks that have been initiated. Resolving these cases is not expected to have a significant impact on the Group's financial situation or consequences on its future planned operations.

### **Oil-for-Food Program**

Several countries have launched 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 Chairman and 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 to the investigating judge that the case against the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued.

In early 2010, despite the recommendation of the Prosecutor's office, a new investigating judge, having taken over the case,



decided to indict TOTAL S.A. on bribery charges as well as complicity and influence peddling. The indictment was brought eight years after the beginning of the investigation without any new evidence being introduced.

In October 2010, the Prosecutor's office recommended to the investigating judge that the case against TOTAL S.A., the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued. However, by ordinance notified in early August 2011, the investigating judge on the matter decided to send the case to trial.

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 Volcker 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 with respect to TOTAL.

### Italy

As part of an investigation led by the Prosecutor of the Republic of the Potenza Court, Total Italia and certain Group's employees are the subject of an investigation related to certain calls for tenders that Total Italia 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 dated 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.

The criminal investigation was closed in the first half of 2010. The preliminary hearing judge, who will decide whether the case shall be returned to the Criminal Court to be judged on the merits, held the first hearing on December 6, 2010. The proceedings before the Judge of the preliminary hearing are still pending.

In 2010, Total Italia's exploration and production operations were transferred to Total E&P Italia and refining and marketing operations were merged with those of Erg Petroli.

### Libya

During the financial year 2011, the Group's activities were affected by the security context in Libya, and the Group's production was gradually shut down as from the end of February. The Group's production started up again at the end of September 2011 on the offshore Al Jurf field located in zones 15, 16 & 32 (ex C137) at the level existing before the events, and has gradually restarted since October 2011 in onshore zones 129, 130 and 131. The restart of the Group's production on the other onshore zones is expected to occur progressively in 2012.

In June 2011, the United States Securities and Exchange Commission (SEC) issued to certain oil companies - including, among others, TOTAL - a formal request for information related to their operations in Libya. TOTAL is cooperating with this non public investigation.

### Yemen

During the financial year 2011, the Group's activities were not significantly impacted by the security context in Yemen, but the Group nevertheless reorganized locally to minimize the risks to its personnel. In addition, on October 15, 2011, the gas pipeline supplying Yemen LNG was sabotaged, and then repaired with no delay, enabling LNG production to resume as from October 26, 2011.

### Syria

In May 2011, the European Union adopted measures with criminal and financial penalties that prohibit the supply of certain equipment to Syria, as well as certain financial and asset transactions with respect to a list of named individuals and entities. These measures apply to European persons and to entities constituted under the laws of a EU Member State. In September 2011, the EU adopted further measures, including, notably, a prohibition on the purchase, import or transportation from Syria of crude oil and petroleum products. Since early September 2011, the Group ceased to purchase hydrocarbons from Syria. On December 1, 2011, the EU extended sanctions against, among others, three state-owned Syrian oil firms, including General Petroleum Corporation, the Group's co-contracting partner in PSA 1988 (Deir Es Zor license) and the Tabiyeh contract. Since early December 2011, TOTAL has ceased its activities that contribute to oil and gas production in Syria.

### 33) Other information

Research and development costs incurred by the Group in 2011 amounted to €776 million (€715 million in 2010 and €650 million in 2009), corresponding to 0.4% of the sales.

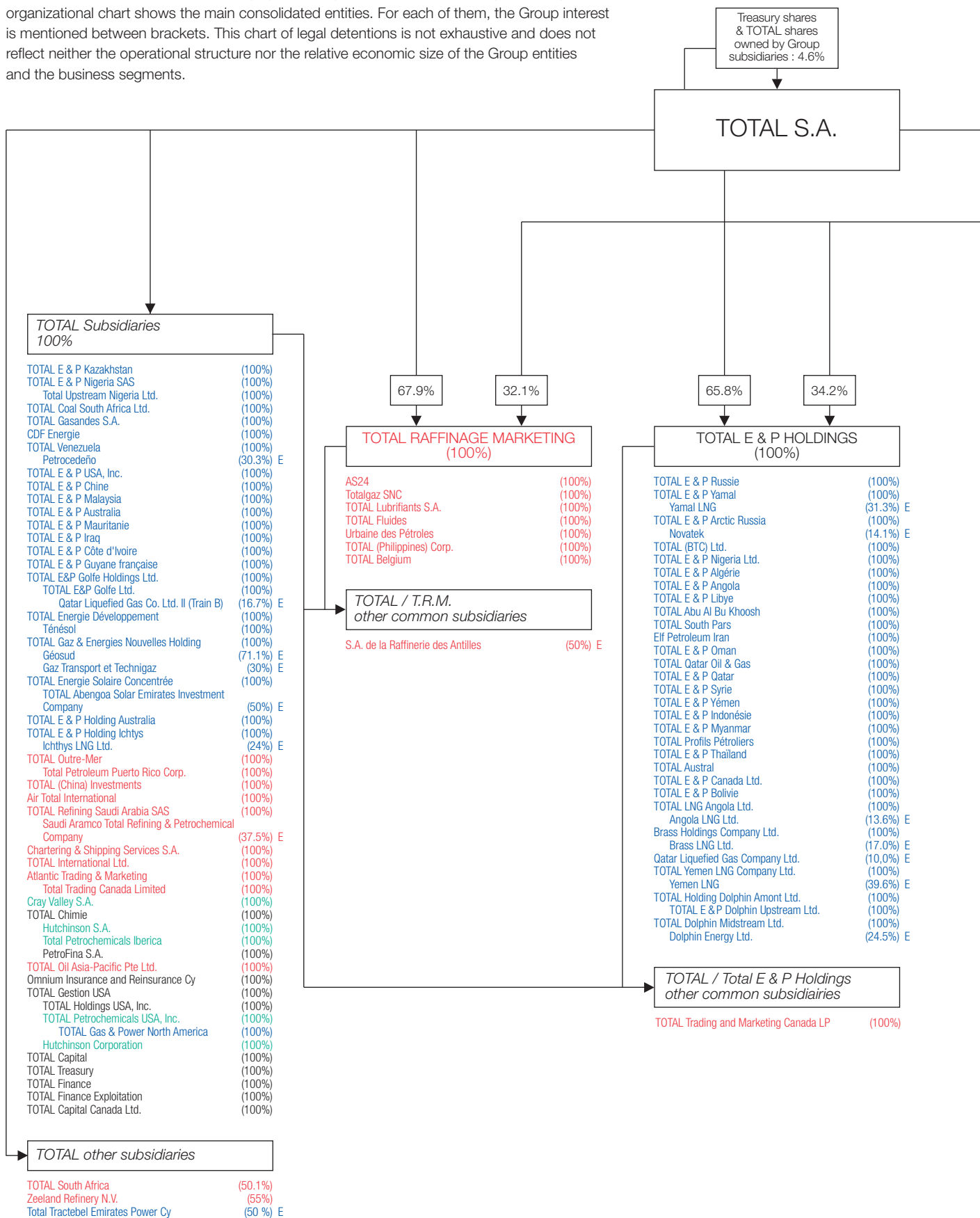
The staff dedicated in 2011 to these research and development activities are estimated at 3,946 people (4,087 in 2010 and 4,016 in 2009).

### 34) Changes in progress in the Group structure

- TOTAL signed in March 2011 agreements for the acquisition in Uganda of a one-third interest in Blocks 1, 2 and 3A held by Tullow Oil plc for \$1,467 million (amount as of January 1, 2010, to which will add costs of interim period). Following this acquisition, TOTAL would become an equal partner with Tullow and CNOOC in the blocks, each with a one-third interest and each being an operator of one of the blocks. Subject to the decision of the Authorities, TOTAL would be the operator of Block 1.
- TOTAL announced in February 2012 the signature of an agreement with Sinochem to sell its interests in the Cusiana field and in OAM and ODC pipelines. This transaction is subject to approval by the relevant authorities.
- As of December 31, 2010, the sections “Assets classified as held for sale” and “Liabilities directly associated with the assets classified as held for sale” included the assets and liabilities of Total E&P Cameroun, of Joslyn and of photocure and coatings resins businesses.

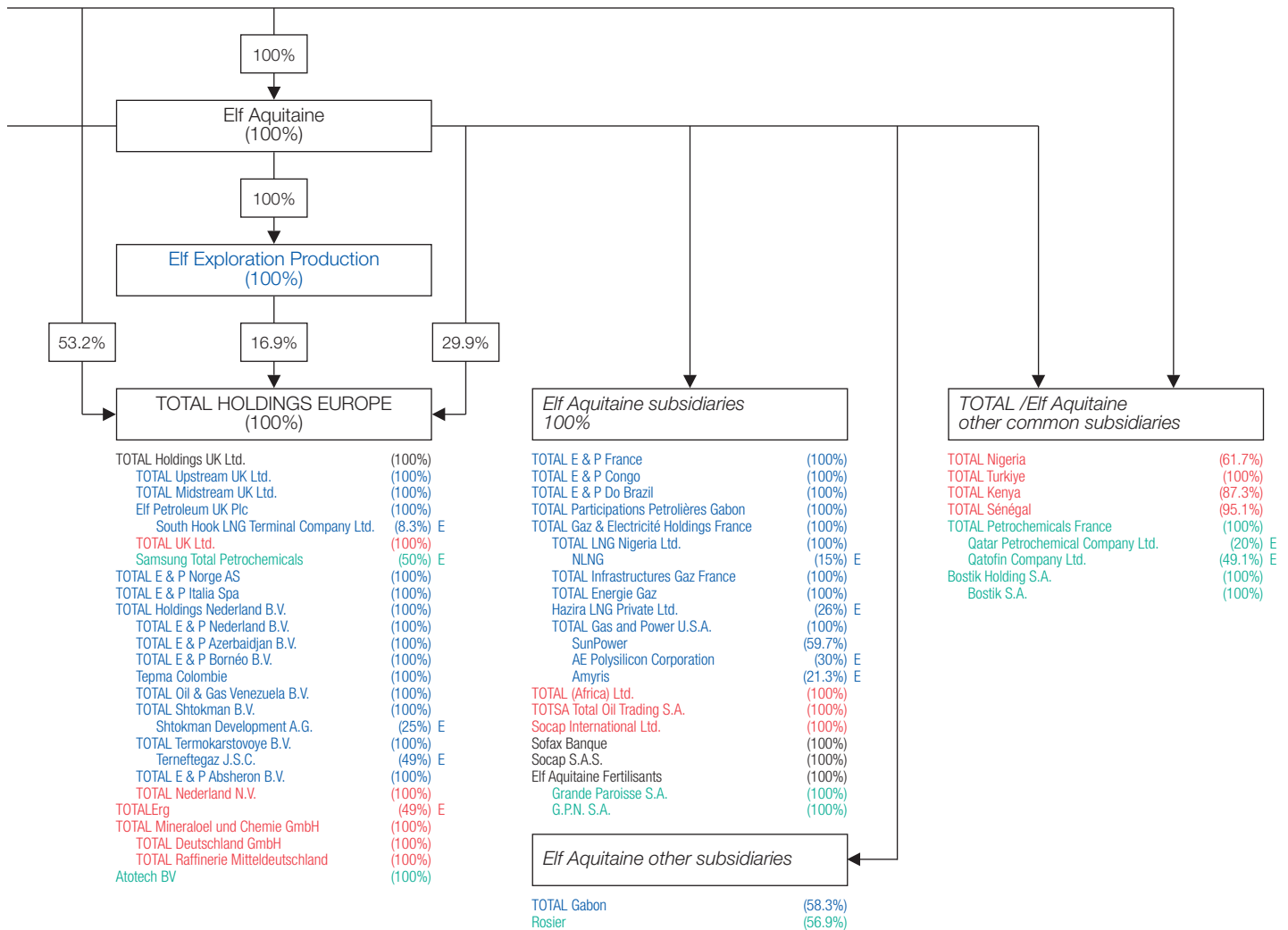
## 35) Consolidation scope

As of December 31, 2011, 870 entities are consolidated of which 783 are fully consolidated, and 87 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)

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# 1. Oil and gas information pursuant to FASB Accounting Standards Codification 932

As from 2009, the amendments to the 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. As a reminder, 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 2011, 2010 and 2009 year-end estimation of proved reserves.

## 1.1. 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 relies on a Technical Reserves 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 Technical Reserves Committee is appointed by the Senior Management of Exploration & Production and its members represent expertise in reservoir engineering, production geology, production geophysics, drilling, and development studies.

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 coherence 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 affiliates 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 Reserves Vice-president and composed of at least three Technical Reserves 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 Development Division, an SEC Reserves Committee chaired by the Exploration & Production Finance Senior Vice President and comprised of the Development, Exploration, Strategy and Legal Senior Vice Presidents, or their representatives, as well as the Chairman of the Technical Reserves Committee and the Reserves Vice-President, approves the SEC reserve booking proposals regarding criteria that are not dependent upon reservoir and geosciences 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’s internal auditors who verify the effectiveness of the reserves evaluation process and control procedures.

The reserves Vice-President (RVP) is the technical person responsible for preparing the reserves estimates for the Group. Appointed by the President of Exploration & Production, the RVP supervises the Reserve Entity, chairs the annual review of reserves, and is a member of the Technical Reserves Committee and the SEC Reserves Committee. The RVP has over thirty years of experience in the oil & gas industry. He previously held several management positions in the Group in reservoir engineering and geosciences, and has more than fifteen years of experience in the field of reserves evaluation and control process. He holds an engineering degree from *Institut National des Sciences Appliquées*, Lyon, France, and a petroleum engineering degree from *École Nationale Supérieure du Pétrole et des Moteurs* (IFP School), France. He is a past member and past chairman of the Society of Petroleum Engineering Oil and Gas Reserves Committee and a member of the UNECE (United Nations Economic Commission for Europe) Expert Group on Resource Classification.

## 1.2. Proved developed reserves

At the end of 2011, proved developed reserves of oil and gas were 6,046 Mboe and represented 53% of the proved reserves. At the end of 2010, proved developed reserves of oil and gas were 5,708 Mboe and represented 53% of the proved reserves. At the end of 2009, proved developed reserves of oil and gas

were 5,835 Mboe and represented 56% of the proved reserves. Over the past three years, the level of proved developed reserves has remained above 5.7 Bboe and over 53% of proved reserves, illustrating TOTAL’s ability to consistently transfer proved undeveloped reserves into developed status.



### 1.3. Proved undeveloped reserves

As of December 31, 2011, TOTAL's combined proved undeveloped reserves of oil and gas were 5,377 Mboe as compared to 4,987 Mboe at the end of 2010. The net increase of 390 Mboe of proved undeveloped reserves is due to the addition of +639 Mboe of undeveloped reserves related to extensions and discoveries, a net increase of +401 Mboe due to acquisitions/divestitures, the revision of -168 Mboe of previous estimates (partly resulting from negative price effects), and the transfer of 482 Mboe from proved undeveloped reserves to proved developed reserves. In 2011, the costs incurred to develop proved undeveloped reserves (PUDs) was €10.2 billion, which represents 84% of 2011 development costs incurred, and was related to projects located for the most part in Angola, Australia, Canada, Kazakhstan, Nigeria, Norway, United Kingdom and Russia.

Approximately 57% of the Group's proved undeveloped reserves are associated with producing projects and are located for the most part in Angola, Canada, Nigeria, Norway, and Venezuela. 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.

The Group's portfolio of projects includes a few large scale and complex developments for which it anticipates that it may take more than five years from the time of recording proved reserves to the start of production. These specific projects represent approximately 26% of the Group's proved undeveloped reserves and include the development of a giant field in Kazakhstan, deep

offshore developments in Angola, Nigeria and the United Kingdom and development of oil sands in Canada. These projects are highly complex to develop due to a combination of factors that include, among others, the nature of the reservoir rock and fluid properties, challenging operating environments and the size of the projects. In addition, some of these projects are generally designed and optimized for a given production capacity that controls the pace at which the field is developed and the wells are drilled. At production start-up, only a portion of the proved reserves are developed in order to deliver sufficient production potential to meet capacity constraints and contractual obligations. The remaining PUD's associated with the complete development plan will therefore remain undeveloped for more than five years following project approval and booking. Under these specific circumstances, the Group believes that it is justified to report as proved reserves the level of reserves used in connection with the approved project, despite the fact that some of these PUDs may remain undeveloped for more than five years. In addition, TOTAL has demonstrated in recent years the Group's ability to successfully develop and bring into production similar large scale and complex projects, including the development of deep-offshore fields in Angola, Nigeria, the Republic of Congo, HP/HT fields in the United Kingdom, heavy oil projects in Venezuela and LNG projects in Qatar, Yemen, Nigeria and Indonesia.

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).

### 1.4. 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, bitumen and gas quantities by geographic areas as of December 31, 2011, 2010 and 2009. Quantities shown concern proved developed and undeveloped reserves together with changes in quantities for 2011, 2010 and 2009.

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.

### 1.4.1. Changes in oil, bitumen and gas reserves

(in million barrels of oil equivalent)

Consolidated subsidiaries

Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<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>
Revisions of previous estimates	92	200	82	(10)	1	365
Extensions, discoveries and other	182	-	18	96	30	326
Acquisitions of reserves in place	23	-	425	-	9	457
Sales of reserves in place	(45)	(26)	(5)	-	(8)	(84)
Production for the year	(211)	(269)	(70)	(56)	(99)	(705)
<b>Balance as of December 31, 2010</b>	<b>1,706</b>	<b>3,371</b>	<b>1,540</b>	<b>574</b>	<b>1,099</b>	<b>8,290</b>
Revisions of previous estimates	117	(61)	(36)	(68)	(19)	(67)
Extensions, discoveries and other	57	6	-	-	588	651
Acquisitions of reserves in place	44	-	309	-	2	355
Sales of reserves in place	-	(65)	-	-	-	(65)
Production for the year	(187)	(237)	(75)	(56)	(93)	(648)
<b>Balance as of December 31, 2011</b>	<b>1,737</b>	<b>3,014</b>	<b>1,738</b>	<b>450</b>	<b>1,577</b>	<b>8,516</b>

Minority interest in proved developed and undeveloped reserves as of

December 31, 2009	26	98	-	-	-	124
December 31, 2010	26	100	-	-	-	126
<b>December 31, 2011</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98</b>

(in million barrels of oil equivalent)

Equity affiliates

Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<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>
Revisions of previous estimates	-	14	4	(2)	-	16
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	-	-	-	-
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	(7)	(20)	(136)	-	(163)
<b>Balance as of December 31, 2010</b>	<b>-</b>	<b>107</b>	<b>486</b>	<b>1,812</b>	<b>-</b>	<b>2,405</b>
Revisions of previous estimates	-	(1)	(8)	(20)	-	(29)
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	-	-	779	779
Sales of reserves in place	-	(24)	(4)	(11)	-	(39)
Production for the year	-	(4)	(18)	(152)	(35)	(209)
<b>Balance as of December 31, 2011</b>	<b>-</b>	<b>78</b>	<b>456</b>	<b>1,629</b>	<b>744</b>	<b>2,907</b>

(in million barrels of oil equivalent)

Consolidated subsidiaries and equity affiliates

	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2009</b>						
<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 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 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 affiliates	-	70	374	514	-	958
<b>As of December 31, 2010</b>						
<b>Proved developed and undeveloped reserves</b>	<b>1,706</b>	<b>3,478</b>	<b>2,026</b>	<b>2,386</b>	<b>1,099</b>	<b>10,695</b>
Consolidated subsidiaries	1,706	3,371	1,540	574	1,099	8,290
Equity affiliates	-	107	486	1,812	-	2,405
<b>Proved developed reserves</b>	<b>962</b>	<b>1,692</b>	<b>638</b>	<b>2,055</b>	<b>361</b>	<b>5,708</b>
Consolidated subsidiaries	962	1,666	505	427	361	3,921
Equity affiliates	-	26	133	1,628	-	1,787
<b>Proved undeveloped reserves</b>	<b>744</b>	<b>1,786</b>	<b>1,388</b>	<b>331</b>	<b>738</b>	<b>4,987</b>
Consolidated subsidiaries	744	1,705	1,035	147	738	4,369
Equity affiliates	-	81	353	184	-	618
<b>As of December 31, 2011</b>						
<b>Proved developed and undeveloped reserves</b>	<b>1,737</b>	<b>3,092</b>	<b>2,194</b>	<b>2,079</b>	<b>2,321</b>	<b>11,423</b>
Consolidated subsidiaries	1,737	3,014	1,738	450	1,577	8,516
Equity affiliates	-	78	456	1,629	744	2,907
<b>Proved developed reserves</b>	<b>894</b>	<b>1,660</b>	<b>647</b>	<b>1,869</b>	<b>976</b>	<b>6,046</b>
Consolidated subsidiaries	894	1,639	524	371	321	3,749
Equity affiliates	-	21	123	1,498	655	2,297
<b>Proved undeveloped reserves</b>	<b>843</b>	<b>1,432</b>	<b>1,547</b>	<b>210</b>	<b>1,345</b>	<b>5,377</b>
Consolidated subsidiaries	843	1,375	1,214	79	1,256	4,767
Equity affiliates	-	57	333	131	89	610

## 1.4.2. Changes in oil reserves

The oil reserves for the years prior to 2009 include crude oil, natural gas liquids (condensates, LPG) and bitumen reserves.

Bitumen reserves as from 2009 are shown separately.

(in million barrels)						Consolidated subsidiaries
Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<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>
Revisions of previous estimates	46	131	7	(2)	-	182
Extensions, discoveries and other	146	-	2	82	4	234
Acquisitions of reserves in place	2	-	-	-	-	2
Sales of reserves in place	(37)	(23)	(2)	-	(7)	(69)
Production for the year	(98)	(218)	(16)	(29)	(15)	(376)
<b>Balance as of December 31, 2010</b>	<b>792</b>	<b>2,350</b>	<b>79</b>	<b>239</b>	<b>554</b>	<b>4,014</b>
Revisions of previous estimates	49	(19)	9	(33)	(24)	(18)
Extensions, discoveries and other	17	6	-	-	58	81
Acquisitions of reserves in place	42	-	-	-	-	42
Sales of reserves in place	-	(57)	-	-	-	(57)
Production for the year	(88)	(185)	(15)	(25)	(15)	(328)
<b>Balance as of December 31, 2011</b>	<b>812</b>	<b>2,095</b>	<b>73</b>	<b>181</b>	<b>573</b>	<b>3,734</b>

### Minority interest in proved developed and undeveloped reserves as of

December 31, 2009	12	88	-	-	-	100
December 31, 2010	11	89	-	-	-	100
<b>December 31, 2011</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>

(in million barrels)						Equity affiliates
Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<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>
Revisions of previous estimates	-	4	4	3	-	11
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	-	-	-	-
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	(7)	(19)	(84)	-	(110)
<b>Balance as of December 31, 2010</b>	<b>-</b>	<b>34</b>	<b>470</b>	<b>680</b>	<b>-</b>	<b>1,184</b>
Revisions of previous estimates	-	2	(6)	(12)	-	(16)
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	-	-	51	51
Sales of reserves in place	-	(22)	(4)	(12)	-	(38)
Production for the year	-	(4)	(17)	(91)	(3)	(115)
<b>Balance as of December 31, 2011</b>	<b>-</b>	<b>10</b>	<b>443</b>	<b>565</b>	<b>48</b>	<b>1,066</b>

(in million barrels)

Consolidated subsidiaries and equity affiliates

	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2009</b>						
<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 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 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 affiliates	-	9	364	207	-	580
<b>As of December 31, 2010</b>						
<b>Proved developed and undeveloped reserves</b>	<b>792</b>	<b>2,384</b>	<b>549</b>	<b>919</b>	<b>554</b>	<b>5,198</b>
Consolidated subsidiaries	792	2,350	79	239	554	4,014
Equity affiliates	-	34	470	680	-	1,184
<b>Proved developed reserves</b>	<b>394</b>	<b>1,250</b>	<b>180</b>	<b>662</b>	<b>58</b>	<b>2,544</b>
Consolidated subsidiaries	394	1,226	53	151	58	1,882
Equity affiliates	-	24	127	511	-	662
<b>Proved undeveloped reserves</b>	<b>398</b>	<b>1,134</b>	<b>369</b>	<b>257</b>	<b>496</b>	<b>2,654</b>
Consolidated subsidiaries	398	1,124	26	88	496	2,132
Equity affiliates	-	10	343	169	-	522
<b>As of December 31, 2011</b>						
<b>Proved developed and undeveloped reserves</b>	<b>812</b>	<b>2,105</b>	<b>516</b>	<b>746</b>	<b>621</b>	<b>4,800</b>
Consolidated subsidiaries	812	2,095	73	181	573	3,734
Equity affiliates	-	10	443	565	48	1,066
<b>Proved developed reserves</b>	<b>351</b>	<b>1,206</b>	<b>165</b>	<b>565</b>	<b>91</b>	<b>2,378</b>
Consolidated subsidiaries	351	1,202	48	116	50	1,767
Equity affiliates	-	4	117	449	41	611
<b>Proved undeveloped reserves</b>	<b>461</b>	<b>899</b>	<b>351</b>	<b>181</b>	<b>530</b>	<b>2,422</b>
Consolidated subsidiaries	461	893	25	65	523	1,967
Equity affiliates	-	6	326	116	7	455

### 1.4.3. Changes in bitumen reserves

Bitumen reserves as of December 31, 2008 and before are included in oil reserves presented in the table "Changes in oil reserves".

Proved developed and undeveloped reserves	Consolidated subsidiaries					
	Europe	Africa	Americas	Middle East	Asia	Total
<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>	-	-	<b>365</b>	-	-	<b>365</b>
Revisions of previous estimates	-	-	3	-	-	3
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	425	-	-	425
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	-	(4)	-	-	(4)
<b>Balance as of December 31, 2010</b>	-	-	<b>789</b>	-	-	<b>789</b>
Revisions of previous estimates	-	-	(109)	-	-	(109)
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	308	-	-	308
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	-	(4)	-	-	(4)
<b>Balance as of December 31, 2011</b>	-	-	<b>984</b>	-	-	<b>984</b>
<b>Proved developed reserves as of</b>						
December 31, 2009	-	-	19	-	-	19
December 31, 2010	-	-	18	-	-	18
<b>December 31, 2011</b>	-	-	<b>21</b>	-	-	<b>21</b>
<b>Proved undeveloped reserves as of</b>						
December 31, 2009	-	-	346	-	-	346
December 31, 2010	-	-	771	-	-	771
<b>December 31, 2011</b>	-	-	<b>963</b>	-	-	<b>963</b>

There are no bitumen reserves for equity affiliates.

There are no minority interests for bitumen reserves.

### 1.4.4. Changes in gas reserves

(in billion cubic feet)

Consolidated subsidiaries

Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<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>
Revisions of previous estimates	271	346	415	(80)	15	967
Extensions, discoveries and other	193	-	88	70	138	489
Acquisitions of reserves in place	111	-	-	-	51	162
Sales of reserves in place	(43)	(20)	(16)	-	(4)	(83)
Production for the year	(617)	(258)	(278)	(151)	(472)	(1,776)
<b>Balance as of December 31, 2010</b>	<b>4,962</b>	<b>5,314</b>	<b>3,806</b>	<b>1,867</b>	<b>3,194</b>	<b>19,143</b>
Revisions of previous estimates	358	(216)	367	(180)	1	330
Extensions, discoveries and other	211	-	-	-	2,824	3,035
Acquisitions of reserves in place	11	-	7	-	13	31
Sales of reserves in place	-	(46)	-	-	-	(46)
Production for the year	(528)	(259)	(317)	(169)	(445)	(1,718)
<b>Balance as of December 31, 2011</b>	<b>5,014</b>	<b>4,793</b>	<b>3,863</b>	<b>1,518</b>	<b>5,587</b>	<b>20,775</b>

Minority interest in proved developed and undeveloped reserves as of

December 31, 2009	73	60	-	-	-	133
December 31, 2010	83	67	-	-	-	150
<b>December 31, 2011</b>	<b>-</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62</b>

(in billion cubic feet)

Equity affiliates

Proved developed and undeveloped reserves	Europe	Africa	Americas	Middle East	Asia	Total
<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>
Revisions of previous estimates	-	50	(2)	(52)	-	(4)
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	-	-	-	-
Sales of reserves in place	-	-	-	-	-	-
Production for the year	-	(1)	(2)	(282)	-	(285)
<b>Balance as of December 31, 2010</b>	<b>-</b>	<b>390</b>	<b>91</b>	<b>6,164</b>	<b>-</b>	<b>6,645</b>
Revisions of previous estimates	-	(16)	(10)	(31)	-	(57)
Extensions, discoveries and other	-	-	-	-	-	-
Acquisitions of reserves in place	-	-	-	-	3,865	3,865
Sales of reserves in place	-	(10)	-	-	-	(10)
Production for the year	-	(1)	(2)	(331)	(167)	(501)
<b>Balance as of December 31, 2011</b>	<b>-</b>	<b>363</b>	<b>79</b>	<b>5,802</b>	<b>3,698</b>	<b>9,942</b>



(in billion cubic feet)

Consolidated subsidiaries and equity affiliates

	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2009</b>						
<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 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 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 affiliates	-	330	50	1,665	-	2,045
<b>As of December 31, 2010</b>						
<b>Proved developed and undeveloped reserves</b>	<b>4,962</b>	<b>5,704</b>	<b>3,897</b>	<b>8,031</b>	<b>3,194</b>	<b>25,788</b>
Consolidated subsidiaries	4,962	5,314	3,806	1,867	3,194	19,143
Equity affiliates	-	390	91	6,164	-	6,645
<b>Proved developed reserves</b>	<b>3,089</b>	<b>2,240</b>	<b>2,474</b>	<b>7,649</b>	<b>1,790</b>	<b>17,242</b>
Consolidated subsidiaries	3,089	2,229	2,439	1,578	1,790	11,125
Equity affiliates	-	11	35	6,071	-	6,117
<b>Proved undeveloped reserves</b>	<b>1,873</b>	<b>3,464</b>	<b>1,423</b>	<b>382</b>	<b>1,404</b>	<b>8,546</b>
Consolidated subsidiaries	1,873	3,085	1,367	289	1,404	8,018
Equity affiliates	-	379	56	93	-	528
<b>As of December 31, 2011</b>						
<b>Proved developed and undeveloped reserves</b>	<b>5,014</b>	<b>5,156</b>	<b>3,942</b>	<b>7,320</b>	<b>9,285</b>	<b>30,717</b>
Consolidated subsidiaries	5,014	4,793	3,863	1,518	5,587	20,775
Equity affiliates	-	363	79	5,802	3,698	9,942
<b>Proved developed reserves</b>	<b>2,943</b>	<b>2,308</b>	<b>2,600</b>	<b>7,170</b>	<b>4,854</b>	<b>19,875</b>
Consolidated subsidiaries	2,943	2,216	2,567	1,450	1,594	10,770
Equity affiliates	-	92	33	5,720	3,260	9,105
<b>Proved undeveloped reserves</b>	<b>2,071</b>	<b>2,848</b>	<b>1,342</b>	<b>150</b>	<b>4,431</b>	<b>10,842</b>
Consolidated subsidiaries	2,071	2,577	1,296	68	3,993	10,005
Equity affiliates	-	271	46	82	438	837

## 1.5. 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.

(M€)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>2009</b>						
Non-Group sales	2,499	1,994	583	859	1,926	7,861
Group sales	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>
<b>2010</b>						
Non-Group sales	2,839	2,639	628	1,038	2,540	9,684
Group sales	5,599	9,894	540	644	683	17,360
<b>Total Revenues</b>	<b>8,438</b>	<b>12,533</b>	<b>1,168</b>	<b>1,682</b>	<b>3,223</b>	<b>27,044</b>
Production costs	(1,281)	(1,187)	(222)	(259)	(279)	(3,228)
Exploration expenses	(266)	(275)	(216)	(8)	(99)	(864)
Depreciation, depletion and amortization and valuation allowances	(1,404)	(1,848)	(368)	(264)	(830)	(4,714)
Other expenses <sup>(a)</sup>	(299)	(1,014)	(218)	(241)	(72)	(1,844)
<b>Pre-tax income from producing activities</b>	<b>5,188</b>	<b>8,209</b>	<b>144</b>	<b>910</b>	<b>1,943</b>	<b>16,394</b>
Income tax	(3,237)	(5,068)	(83)	(402)	(950)	(9,740)
<b>Results of oil and gas producing activities</b>	<b>1,951</b>	<b>3,141</b>	<b>61</b>	<b>508</b>	<b>993</b>	<b>6,654</b>
<b>2011</b>						
Non-Group sales	3,116	3,188	776	1,159	3,201	11,440
Group sales	7,057	11,365	764	737	712	20,635
<b>Total Revenues</b>	<b>10,173</b>	<b>14,553</b>	<b>1,540</b>	<b>1,896</b>	<b>3,913</b>	<b>32,075</b>
Production costs	(1,235)	(1,179)	(250)	(286)	(304)	(3,254)
Exploration expenses	(343)	(323)	(48)	(11)	(294)	(1,019)
Depreciation, depletion and amortization and valuation allowances	(1,336)	(1,845)	(352)	(278)	(791)	(4,602)
Other expenses <sup>(a)</sup>	(307)	(1,181)	(274)	(276)	(95)	(2,133)
<b>Pre-tax income from producing activities</b>	<b>6,952</b>	<b>10,025</b>	<b>616</b>	<b>1,045</b>	<b>2,429</b>	<b>21,067</b>
Income tax	(5,059)	(6,484)	(293)	(465)	(1,302)	(13,603)
<b>Results of oil and gas producing activities</b>	<b>1,893</b>	<b>3,541</b>	<b>323</b>	<b>580</b>	<b>1,127</b>	<b>7,464</b>

(a) Included production taxes and accretion expense as provided for by IAS 37 (€271 million in 2009, €326 million in 2010 and €338 million in 2011).

						Equity affiliates
	Europe	Africa	Americas	Middle East	Asia	Total
<b>2009</b>						
Non-Group sales	-	203	528	231	-	962
Group sales	-	-	-	3,382	-	3,382
<b>Total Revenues</b>	<b>-</b>	<b>203</b>	<b>528</b>	<b>3,613</b>	<b>-</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>-</b>	<b>121</b>	<b>192</b>	<b>295</b>	<b>-</b>	<b>608</b>
Income tax	-	(93)	(74)	(101)	-	(268)
<b>Results of oil and gas producing activities</b>	<b>-</b>	<b>28</b>	<b>118</b>	<b>194</b>	<b>-</b>	<b>340</b>
<b>2010</b>						
Non-Group sales	-	148	120	596	-	864
Group sales	-	3	565	4,646	-	5,214
<b>Total Revenues</b>	<b>-</b>	<b>151</b>	<b>685</b>	<b>5,242</b>	<b>-</b>	<b>6,078</b>
Production costs	-	(44)	(53)	(195)	(1)	(293)
Exploration expenses	-	(7)	(23)	-	-	(30)
Depreciation, depletion and amortization and valuation allowances	-	(44)	(89)	(259)	-	(392)
Other expenses	-	-	(268)	(4,034)	-	(4,302)
<b>Pre-tax income from producing activities</b>	<b>-</b>	<b>56</b>	<b>252</b>	<b>754</b>	<b>(1)</b>	<b>1,061</b>
Income tax	-	-	(44)	(142)	-	(186)
<b>Results of oil and gas producing activities</b>	<b>-</b>	<b>56</b>	<b>208</b>	<b>612</b>	<b>(1)</b>	<b>875</b>
<b>2011</b>						
Non-Group sales	-	26	15	1,080	256	1,377
Group sales	-	-	831	6,804	-	7,635
<b>Total Revenues</b>	<b>-</b>	<b>26</b>	<b>846</b>	<b>7,884</b>	<b>256</b>	<b>9,012</b>
Production costs	-	(7)	(48)	(250)	(28)	(333)
Exploration expenses	-	-	-	-	(4)	(4)
Depreciation, depletion and amortization and valuation allowances	-	(7)	(44)	(225)	(109)	(385)
Other expenses	-	-	(550)	(6,101)	(36)	(6,687)
<b>Pre-tax income from producing activities</b>	<b>-</b>	<b>12</b>	<b>204</b>	<b>1,308</b>	<b>79</b>	<b>1,603</b>
Income tax	-	-	(95)	(285)	(34)	(414)
<b>Results of oil and gas producing activities</b>	<b>-</b>	<b>12</b>	<b>109</b>	<b>1,023</b>	<b>45</b>	<b>1,189</b>

## 1.6. Cost incurred

The following tables set forth the costs incurred in the Group's oil and gas property acquisition, exploration and development activities, including both capitalized and expensed amounts. They do not include costs incurred related to oil and gas transportation and LNG liquefaction and transportation activities.

(M€)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>2009</b>						
Proved property acquisition	71	45	1,551	105	-	1,772
Unproved property acquisition	26	8	403	-	21	458
Exploration costs	284	475	222	87	123	1,191
Development costs <sup>(a)</sup>	1,658	3,288	618	250	1,852	7,666
<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>
<b>2010</b>						
Proved property acquisition	162	137	26	139	21	485
Unproved property acquisition	5	124	1,186	8	619	1,942
Exploration costs	361	407	276	17	250	1,311
Development costs <sup>(a)</sup>	1,565	3,105	718	247	2,007	7,642
<b>Total cost incurred</b>	<b>2,093</b>	<b>3,773</b>	<b>2,206</b>	<b>411</b>	<b>2,897</b>	<b>11,380</b>
<b>2011</b>						
Proved property acquisition	298	10	413	2	251	974
Unproved property acquisition	1	397	1,692	3	14	2,107
Exploration costs	505	384	239	17	417	1,562
Development costs <sup>(a)</sup>	2,352	3,895	1,329	329	2,823	10,728
<b>Total cost incurred</b>	<b>3,156</b>	<b>4,686</b>	<b>3,673</b>	<b>351</b>	<b>3,505</b>	<b>15,371</b>
(M€)	Equity affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>2009</b>						
Proved property acquisition	-	-	-	-	-	-
Unproved property acquisition	-	-	-	-	-	-
Exploration costs	-	-	22	3	-	25
Development costs <sup>(a)</sup>	-	28	93	293	23	437
<b>Total cost incurred</b>	<b>-</b>	<b>28</b>	<b>115</b>	<b>296</b>	<b>23</b>	<b>462</b>
<b>2010</b>						
Proved property acquisition	-	-	-	-	-	-
Unproved property acquisition	-	-	-	-	-	-
Exploration costs	-	4	30	4	-	38
Development costs <sup>(a)</sup>	-	20	99	476	73	668
<b>Total cost incurred</b>	<b>-</b>	<b>24</b>	<b>129</b>	<b>480</b>	<b>73</b>	<b>706</b>
<b>2011</b>						
Proved property acquisition	-	-	-	-	2,691	2,691
Unproved property acquisition	-	-	-	-	1,116	1,116
Exploration costs	-	-	2	-	-	2
Development costs <sup>(a)</sup>	-	2	106	314	939	1,361
<b>Total cost incurred</b>	<b>-</b>	<b>2</b>	<b>108</b>	<b>314</b>	<b>4,746</b>	<b>5,170</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.

## 1.7. Capitalized costs related to oil and gas producing activities

The following tables do not include capitalized costs related to oil and gas transportation and LNG liquefaction and transportation activities.

(M€)	Consolidated subsidiaries					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2009</b>						
Proved properties	30,613	27,557	7,123	5,148	10,102	80,543
Unproved properties	337	1,138	839	30	555	2,899
<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)	(44,004)
<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>
<b>As of December 31, 2010</b>						
Proved properties	31,735	32,494	7,588	5,715	12,750	90,282
Unproved properties	402	1,458	2,142	49	1,433	5,484
<b>Total capitalized costs</b>	<b>32,137</b>	<b>33,952</b>	<b>9,730</b>	<b>5,764</b>	<b>14,183</b>	<b>95,766</b>
Accumulated depreciation, depletion and amortization	(23,006)	(16,716)	(2,302)	(3,849)	(4,092)	(49,965)
<b>Net capitalized costs</b>	<b>9,131</b>	<b>17,236</b>	<b>7,428</b>	<b>1,915</b>	<b>10,091</b>	<b>45,801</b>
<b>As of December 31, 2011</b>						
Proved properties	34,308	37,032	8,812	6,229	17,079	103,460
Unproved properties	460	1,962	4,179	62	911	7,574
<b>Total capitalized costs</b>	<b>34,768</b>	<b>38,994</b>	<b>12,991</b>	<b>6,291</b>	<b>17,990</b>	<b>111,034</b>
Accumulated depreciation, depletion and amortization	(24,047)	(18,642)	(2,294)	(4,274)	(5,066)	(54,323)
<b>Net capitalized costs</b>	<b>10,721</b>	<b>20,352</b>	<b>10,697</b>	<b>2,017</b>	<b>12,924</b>	<b>56,711</b>

(M€)	Equity affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2009</b>						
Proved properties	-	610	726	2,404	-	3,740
Unproved properties	-	-	135	-	62	197
<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)	-	(2,281)
<b>Net capitalized costs</b>	<b>-</b>	<b>223</b>	<b>690</b>	<b>681</b>	<b>62</b>	<b>1,656</b>
<b>As of December 31, 2010</b>						
Proved properties	-	639	887	3,110	-	4,636
Unproved properties	-	25	168	-	138	331
<b>Total capitalized costs</b>	<b>-</b>	<b>664</b>	<b>1,055</b>	<b>3,110</b>	<b>138</b>	<b>4,967</b>
Accumulated depreciation, depletion and amortization	-	(462)	(307)	(2,029)	-	(2,798)
<b>Net capitalized costs</b>	<b>-</b>	<b>202</b>	<b>748</b>	<b>1,081</b>	<b>138</b>	<b>2,169</b>
<b>As of December 31, 2011</b>						
Proved properties	-	-	731	3,496	3,973	8,200
Unproved properties	-	-	-	-	1,146	1,146
<b>Total capitalized costs</b>	<b>-</b>	<b>-</b>	<b>731</b>	<b>3,496</b>	<b>5,119</b>	<b>9,346</b>
Accumulated depreciation, depletion and amortization	-	-	(96)	(2,337)	(213)	(2,646)
<b>Net capitalized costs</b>	<b>-</b>	<b>-</b>	<b>635</b>	<b>1,159</b>	<b>4,906</b>	<b>6,700</b>

## 1.8. Standardized measure of discounted future net cash flows (excluding transportation)

The standardized measure of discounted future net cash flows relating to proved oil 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.

(M€)	Consolidated subsidiaries					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2009</b>						
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>
<b>As of December 31, 2010</b>						
Future cash inflows	65,644	142,085	42,378	14,777	41,075	305,959
Future production costs	(16,143)	(29,479)	(19,477)	(4,110)	(6,476)	(75,685)
Future development costs	(18,744)	(25,587)	(8,317)	(3,788)	(8,334)	(64,770)
Future income taxes	(20,571)	(51,390)	(3,217)	(2,541)	(7,281)	(85,000)
<b>Future net cash flows, after income taxes</b>	<b>10,186</b>	<b>35,629</b>	<b>11,367</b>	<b>4,338</b>	<b>18,984</b>	<b>80,504</b>
Discount at 10%	(5,182)	(16,722)	(8,667)	(2,106)	(11,794)	(44,471)
<b>Standardized measure of discounted future net cash flows</b>	<b>5,004</b>	<b>18,907</b>	<b>2,700</b>	<b>2,232</b>	<b>7,190</b>	<b>36,033</b>
<b>As of December 31, 2011</b>						
Future cash inflows	85,919	167,367	53,578	14,297	67,868	389,029
Future production costs	(18,787)	(31,741)	(22,713)	(3,962)	(12,646)	(89,849)
Future development costs	(21,631)	(22,776)	(11,548)	(3,110)	(11,044)	(70,109)
Future income taxes	(28,075)	(71,049)	(4,361)	(2,794)	(12,963)	(119,242)
<b>Future net cash flows, after income taxes</b>	<b>17,426</b>	<b>41,801</b>	<b>14,956</b>	<b>4,431</b>	<b>31,215</b>	<b>109,829</b>
Discount at 10%	(9,426)	(17,789)	(12,298)	(2,186)	(20,717)	(62,416)
<b>Standardized measure of discounted future net cash flows</b>	<b>8,000</b>	<b>24,012</b>	<b>2,658</b>	<b>2,245</b>	<b>10,498</b>	<b>47,413</b>

### Minority interests in future net cash flows as of

(M€)	Europe	Africa	Americas	Middle East	Asia	Total
December 31, 2009	212	60	-	-	-	272
December 31, 2010	273	344	-	-	-	617
<b>December 31, 2011</b>	<b>-</b>	<b>558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558</b>

(M€)	Equity affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
<b>As of December 31, 2009</b>						
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>537</b>	<b>4,183</b>	<b>12,013</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>298</b>	<b>1,367</b>	<b>5,630</b>	-	<b>7,295</b>
<b>As of December 31, 2010</b>						
Future cash inflows	-	1,814	22,293	59,472	-	83,579
Future production costs	-	(765)	(8,666)	(40,085)	-	(49,516)
Future development costs	-	(26)	(2,020)	(3,006)	-	(5,052)
Future income taxes	-	(349)	(5,503)	(2,390)	-	(8,242)
<b>Future net cash flows, after income taxes</b>	-	<b>674</b>	<b>6,104</b>	<b>13,991</b>	-	<b>20,769</b>
Discount at 10%	-	(203)	(3,946)	(7,386)	-	(11,535)
<b>Standardized measure of discounted future net cash flows</b>	-	<b>471</b>	<b>2,158</b>	<b>6,605</b>	-	<b>9,234</b>
<b>As of December 31, 2011</b>						
Future cash inflows	-	210	29,887	64,977	7,116	102,190
Future production costs	-	(95)	(17,393)	(39,800)	(2,683)	(59,971)
Future development costs	-	-	(1,838)	(2,809)	(1,297)	(5,944)
Future income taxes	-	(29)	(5,152)	(3,942)	(2,280)	(11,403)
<b>Future net cash flows, after income taxes</b>	-	<b>86</b>	<b>5,504</b>	<b>18,426</b>	<b>856</b>	<b>24,872</b>
Discount at 10%	-	(36)	(3,652)	(9,757)	(196)	(13,641)
<b>Standardized measure of discounted future net cash flows</b>	-	<b>50</b>	<b>1,852</b>	<b>8,669</b>	<b>660</b>	<b>11,231</b>



## 1.9. Changes in the standardized measure of discounted future net cash flows

### Consolidated subsidiaries

(M€)	2009	2010	2011
<b>Beginning of year</b>	<b>15,986</b>	<b>25,802</b>	<b>36,033</b>
Sales and transfers, net of production costs	(17,266)	(22,297)	(27,026)
Net change in sales and transfer prices and in production costs and other expenses	35,738	30,390	44,315
Extensions, discoveries and improved recovery	(267)	716	1,680
Changes in estimated future development costs	(4,847)	(7,245)	(4,798)
Previously estimated development costs incurred during the year	7,552	7,896	9,519
Revisions of previous quantity estimates	164	5,523	1,288
Accretion of discount	1,599	2,580	3,603
Net change in income taxes	(12,455)	(6,773)	(16,925)
Purchases of reserves in place	230	442	885
Sales of reserves in place	(632)	(1,001)	(1,161)
<b>End of year</b>	<b>25,802</b>	<b>36,033</b>	<b>47,413</b>

### Equity affiliates

(M€)	2009	2010	2011
<b>Beginning of year</b>	<b>5,301</b>	<b>7,295</b>	<b>9,234</b>
Sales and transfers, net of production costs	(987)	(1,583)	(1,991)
Net change in sales and transfer prices and in production costs and other expenses	2,789	2,366	3,715
Extensions, discoveries and improved recovery	407	-	-
Changes in estimated future development costs	(88)	195	(383)
Previously estimated development costs incurred during the year	854	651	635
Revisions of previous quantity estimates	(790)	308	(749)
Accretion of discount	530	730	923
Net change in income taxes	(721)	(728)	(1,341)
Purchases of reserves in place	-	-	1,812
Sales of reserves in place	-	-	(624)
<b>End of year</b>	<b>7,295</b>	<b>9,234</b>	<b>11,231</b>

## 2. Other information

### 2.1. Net gas production, production prices and production costs

	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>2009</b>						
<b>Natural gas production available for sale (Mcf/d) <sup>(a)</sup></b>	<b>1,643</b>	<b>480</b>	<b>545</b>	<b>297</b>	<b>1,224</b>	<b>4,189</b>
<b>Production prices <sup>(b)</sup></b>						
Oil (€/b)	40.76	40.77	36.22	39.94	37.66	40.38
Bitumen (€/b)	-	-	23.17	-	-	23.17
Natural gas (€/kcf)	4.81	1.33	1.56	0.72	4.47	3.70
<b>Production costs per unit of production (€/boe) <sup>(c)</sup></b>						
Total liquids and natural gas	5.30	4.35	3.59	3.86	2.52	4.30
Bitumen	-	-	25.45	-	-	25.45

	Equity affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>2009</b>						
<b>Natural gas production available for sale (Mcf/d) <sup>(a)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>268</b>	<b>-</b>	<b>268</b>
<b>Production prices <sup>(b)</sup></b>						
Oil (€/b)	-	42.98	33.14	43.98	-	42.18
Bitumen (€/b)	-	-	-	-	-	-
Natural gas (€/kcf)	-	-	-	3.53	-	3.53
<b>Production costs per unit of production (€/boe) <sup>(c)</sup></b>						
Total liquids and natural gas	-	4.21	2.24	2.81	-	2.81
Bitumen	-	-	-	-	-	-

	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>2010</b>						
<b>Natural gas production available for sale (Mcf/d) <sup>(a)</sup></b>	<b>1,603</b>	<b>608</b>	<b>732</b>	<b>375</b>	<b>1,234</b>	<b>4,552</b>
<b>Production prices <sup>(b)</sup></b>						
Oil (€/b)	55.70	56.18	45.28	55.83	52.33	55.39
Bitumen (€/b)	-	-	33.19	-	-	33.19
Natural gas (€/kcf)	5.17	1.55	1.83	0.63	5.67	3.94
<b>Production costs per unit of production (€/boe) <sup>(c)</sup></b>						
Total liquids and natural gas	6.23	4.53	3.29	4.82	2.93	4.72
Bitumen	-	-	17.49	-	-	17.49

	Equity affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
<b>2010</b>						
<b>Natural gas production available for sale (Mcf/d) <sup>(a)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>650</b>
<b>Production prices <sup>(b)</sup></b>						
Oil (€/b)	-	53.96	43.81	57.03	-	54.95
Bitumen (€/b)	-	-	-	-	-	-
Natural gas (€/kcf)	-	-	-	2.30	-	2.30
<b>Production costs per unit of production (€/boe) <sup>(c)</sup></b>						
Total liquids and natural gas	-	6.31	2.76	1.54	-	1.91
Bitumen	-	-	-	-	-	-

Consolidated subsidiaries

	Europe	Africa	Americas	Middle East	Asia	Total
<b>2011</b>						
<b>Natural gas production available for sale (Mcf/d) <sup>(a)</sup></b>	<b>1,350</b>	<b>607</b>	<b>839</b>	<b>424</b>	<b>1,162</b>	<b>4,382</b>
<b>Production prices <sup>(b)</sup></b>						
Oil (€/b)	74.24	74.72	55.13	73.73	68.76	73.34
Bitumen (€/b)	-	-	31.36	-	-	31.36
Natural gas (€/kcf)	6.58	1.81	2.06	0.54	7.45	4.72
<b>Production costs per unit of production (€/boe) <sup>(c)</sup></b>						
Total liquids and natural gas	6.86	5.14	3.41	5.36	3.40	5.20
Bitumen	-	-	20.70	-	-	20.70

Equity affiliates

	Europe	Africa	Americas	Middle East	Asia	Total
<b>2011</b>						
<b>Natural gas production available for sale (Mcf/d) <sup>(a)</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>891</b>	<b>457</b>	<b>1,348</b>
<b>Production prices <sup>(b)</sup></b>						
Oil (€/b)	-	66.21	61.15	77.07	30.75	73.61
Bitumen (€/b)	-	-	-	-	-	-
Natural gas (€/kcf)	-	-	-	1.29	0.95	1.23
<b>Production costs per unit of production (€/boe) <sup>(c)</sup></b>						
Total liquids and natural gas	-	1.99	2.75	1.66	0.79	1.61
Bitumen	-	-	-	-	-	-

(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.



# TOTAL S.A.

The statutory Financial Statements were approved by the Board of Directors on February 9, 2012, and have not been updated with subsequent events.

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# 1. 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.*

Shareholders' meeting on the approval of the financial statements for the year ended December 31, 2011

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.

We are required 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 or those that we could have found in the course of our engagement. We are not required to comment as to whether they are beneficial or appropriate neither to ascertain whether any other agreements and commitments exist. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Law (*Code de commerce*), to evaluate the benefits resulting from these agreements and commitments prior to their approval.

In addition, we are required, if applicable, in accordance with Article R.225-31 of the French Commercial Law, to inform you of the agreements and commitments, which were approved during previous years and which were applicable during the period.

We performed the procedures we considered necessary in accordance with professional guidance issued by the national institute of auditors (*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.

## 1. Agreements and commitments to be approved by the Shareholders' meeting

### Agreements and commitments approved in 2011

We have not been advised of agreements and commitments to be approved by the Shareholders' meeting in accordance with Article L.225-38 of the French Commercial Law (*Code de commerce*).

### Agreements and commitments approved in 2012

We have been advised that the following commitments, authorized in 2012, which have been previously authorized by your Board of Directors held on February 9, 2012 and which have to be approved again by the Shareholders' meeting in accordance with paragraph 4 of Article L.225-42-1 of the French Commercial Law (*Code de commerce*), due to the renewal of the mandate of Mr Christophe de Margerie, Chairman and Chief Executive Officer. This approval is subject to the renewal of his Board member mandate by the Shareholders' meeting, to the renewal of his mandates of Chairman and Chief Executive Officer by the Board of Directors and to the fact that commitments subject to performance conditions and concerning the pension plan, as detailed below, remain the same.

#### a) Agreements concerning the pension plan

- Director affected by the agreement or commitment:  
Mr Christophe de Margerie, Chairman and Chief Executive Officer.
- Purpose of the agreement or commitment:  
The Chairman and Chief Executive Officer is 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 Chief Executive Officer is 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 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 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.

To be eligible for this supplementary pension plan, financed and managed by TOTAL SA, participants must meet specific age and length of service criteria. They must also still be employed by the Company upon retirement, unless they retire due to disability or had taken early retirement at the Group's initiative after the age of 55.

The plan provides participants with a pension equal to the sum of 1.8% of the portion of the reference compensation between eight and forty times the annual ceiling for calculating French social security contributions, and 1% of the reference compensation between forty and sixty times the annual ceiling for calculating French social security contributions, which is multiplied by the number of years of service (up to twenty years). This pension is indexed to the French Association for Complementary Pensions Schemes (ARRCO) index.

The sum of the supplementary pension plan benefits and external pension plan benefits may not exceed 45% of the compensation used as the calculation basis. In the event this percentage is exceeded, the supplementary pension is reduced accordingly.

For the Chairman and Chief Executive Officer, the Group's pension obligations are, as of December 31, 2011, the equivalent of an annual pension of 18.01% of his 2011 compensation.

#### **b) Agreement in case of termination of the Chairman and 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, Chairman and Chief Executive Officer.
- Purpose of the agreement or commitment:  
If the Chairman and 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 Chairman and 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 Chairman and Chief Executive 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 Chairman and Chief Executive 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 Chairman and Chief Executive Officer retires is greater than or equal to the average production growth of the four following companies: ExxonMobil, Shell, BP, and Chevron.

## **2. Agreements and commitments already approved by the Shareholders' meeting**

### **a) Applicable during the period**

In accordance with Article R.225-30 of the French Commercial Law (*Code de commerce*), we have been informed of the following agreement, which was already approved by the Shareholders' meeting, and which was applicable during the period.

#### **Engagement concerning specific resources made available to the Honorary Chairman**

- Director affected by the agreement or commitment  
Mr Thierry Desmarest, director and Honorary Chairman.
- Purpose of the agreement or commitment  
Company resources made available for use by the Honorary Chairman.
- Terms and conditions of the agreement or commitment  
In consideration of his responsibilities to represent the Group, the following company resources are made available to the Honorary Chairman: an office, an administrative assistant, and a company vehicle with a driver.

### **b) Not applicable during the period**

In addition, we have been informed of the continuance of the commitments, described in details above, 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, already approved by the Shareholders' meeting, and which were not applicable during the period.

Paris, La Défense March 23, 2012

The statutory auditors

*French original signed by*  
KPMG Audit  
A division of KPMG S.A.  
Jay Nirsimloo

ERNST & YOUNG Audit  
Pascal Macioce  
Laurent Vitse



## 2. Statutory auditor's report on the 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.*

TOTAL S.A.

Year ended December 31, 2011

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, 2011, on:

- the audit of the accompanying 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 December 31, 2011 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 also verified the reasonable nature of the estimates derived from these methods.

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 verification 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 23, 2012

The statutory auditors

*French original signed by*

KPMG Audit  
A division of KPMG S.A.  
Jay Nirsimloo

ERNST & YOUNG Audit  
Pascal Macioce  
Laurent Vitse

## 3. Statutory Financial Statements of TOTAL S.A. as parent company

### 3.1. Statement of income

For the year ended

(k€)		2011	2010	2009
Sales	<i>(note 12)</i>	14,246,392	10,307,170	8,222,687
Net operating expenses	<i>(note 13)</i>	(10,907,658)	(8,179,634)	(6,758,269)
Operating depreciation, amortization and allowances	<i>(note 14)</i>	(260,650)	(141,174)	(129,113)
<b>Operating income</b>		<b>3,078,084</b>	<b>1,986,362</b>	<b>1,335,305</b>
Financial expenses and income	<i>(note 15)</i>	(428,098)	(448,084)	(449,419)
Dividends	<i>(note 16)</i>	10,599,281	6,497,082	5,777,717
Net depletion		(839,231)	(489,911)	(236,234)
Other financial expenses and income	<i>(note 17)</i>	(8,656)	(7,945)	2,328
<b>Financial income</b>		<b>9,323,296</b>	<b>5,551,142</b>	<b>5,094,392</b>
<b>Current income</b>		<b>12,401,380</b>	<b>7,537,504</b>	<b>6,429,697</b>
Gains (Losses) on sales of marketable securities and loans		435,924	(34,976)	639,371
Gains (Losses) on sales of fixed assets		43	239	-
Non-recurring items		31,866	(75,259)	(13,802)
<b>Non-recurring income</b>	<i>(note 18)</i>	<b>467,833</b>	<b>(109,996)</b>	<b>625,569</b>
Employee profit-sharing plan		(52,073)	(54,613)	(36,973)
Taxes		(3,050,856)	(1,532,807)	(1,384,612)
<b>Net income</b>		<b>9,766,284</b>	<b>5,840,088</b>	<b>5,633,681</b>

## 3.2. Balance sheet

As of December 31

(M€)

ASSETS		2011	2010	2009
<b>Non-current assets</b>				
Intangible assets	(note 2)	864,554	817,999	775,519
Depreciation and valuation allowance		(310,388)	(245,031)	(208,540)
<b>Intangible assets, net</b>		<b>554,166</b>	<b>572,968</b>	<b>566,979</b>
Property, plant and equipment	(note 2)	585,783	535,475	511,070
Depreciation and valuation allowance		(406,249)	(361,610)	(327,094)
<b>Property, plant and equipment, net</b>		<b>179,534</b>	<b>173,865</b>	<b>183,976</b>
Subsidiaries and affiliates: investments and loans	(note 3)	87,744,158	84,934,902	78,874,175
Depreciation and valuation allowance		(574,296)	(565,561)	(545,634)
Other non-current assets	(note 4)	63,008	52,535	59,547
<b>Investments and other non-current assets, net</b>		<b>87,232,870</b>	<b>84,421,876</b>	<b>78,388,088</b>
<b>Total non-current assets</b>		<b>87,966,570</b>	<b>85,168,709</b>	<b>79,139,043</b>
<b>Current assets</b>				
Inventories		9,137	4,832	2,293
Operating receivables	(note 5)	3,495,789	2,141,796	2,062,978
Marketable securities		363,533	476,610	596,076
<b>Cash/cash equivalents and short-term deposits</b>		<b>38,047</b>	<b>141,131</b>	<b>225,209</b>
<b>Total current assets</b>		<b>3,906,506</b>	<b>2,764,369</b>	<b>2,886,556</b>
Prepaid expenses		15,649	5,782	3,532
Translation adjustments	(note 11)	4	12	212,588
<b>Total assets</b>		<b>91,888,729</b>	<b>87,938,872</b>	<b>82,241,719</b>

As of December 31

(M€)

LIABILITIES & SHAREHOLDERS' EQUITY		2011	2010	2009
<b>Shareholders' equity</b>	(note 6)			
Share capital		5,909,418	5,874,102	5,871,057
Paid-in surplus		27,655,005	27,208,151	27,170,640
Reserves	(note 6B)	3,986,875	3,986,382	3,975,314
Retained earnings		4,916,078	4,425,753	4,114,277
Net income		9,766,284	5,840,088	5,633,681
Interim dividends		(4,058,442)	(2,664,730)	(2,660,016)
<b>Total shareholders' equity</b>		<b>48,175,218</b>	<b>44,669,746</b>	<b>44,104,953</b>
Contingency reserves	(notes 7 and 8)	4,736,302	3,771,567	3,199,872
<b>Debts</b>				
Long-term loans	(note 9)	28,296,453	15,929,648	14,614,076
Short-term loans	(note 9)	6,541,883	21,715,905	18,651,431
Operating liabilities	(note 10)	3,839,704	1,790,981	1,671,306
<b>Total debts</b>		<b>38,678,040</b>	<b>39,436,534</b>	<b>34,936,813</b>
Accrued income	25	0	-	-
Translation adjustments	(note 11)	298,919	61,025	81
<b>Total liabilities and Shareholders' equity</b>		<b>91,888,729</b>	<b>87,938,872</b>	<b>82,241,719</b>

### 3.3. Statement of cash flow

For the year ended

(M€)	2011	2010	2009
<b>Cash flow from operating activities</b>			
Net income	9,766	5,840	5,634
Depreciation, depletion and amortization	110	102	89
Accrued expenses of investments	7	24	-
Other provisions	965	571	274
<b>Funds generated from operations</b>	<b>10,848</b>	<b>6,537</b>	<b>5,997</b>
(Gains) Losses on disposal of assets	(436)	35	(639)
(Increase) Decrease in working capital	(789)	(266)	(299)
Other, net	(4)	126	31
<b>Cash flow from operating activities</b>	<b>9,619</b>	<b>6,432</b>	<b>5,090</b>
<b>Cash flow used in investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(82)	(64)	(538)
Purchase of investments and long-term loans	(4,361)	(6,317)	(1,401)
<b>Investments</b>	<b>(4,443)</b>	<b>(6,381)</b>	<b>(1,939)</b>
Proceeds from disposal of marketable securities and loans	2,419	782	955
<b>Total divestitures</b>	<b>2,419</b>	<b>782</b>	<b>955</b>
<b>Cash flow used in investing activities</b>	<b>(2,024)</b>	<b>(5,599)</b>	<b>(984)</b>
<b>Cash flow from financing activities</b>			
Capital increase	482	41	32
Share buybacks	-	-	-
Balance of cash dividends paid	(2,685)	(2,662)	(2,655)
Cash interim dividends paid	(2,684)	(2,665)	(2,660)
Repayment of long-term debt	-	(63)	(245)
<b>Increase (Decrease) in short-term borrowings and bank overdrafts</b>	<b>(2,811)</b>	<b>4,432</b>	<b>1,220</b>
<b>Cash flow from financing activities</b>	<b>(7,698)</b>	<b>(917)</b>	<b>(4,308)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>(103)</b>	<b>(84)</b>	<b>(202)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>141</b>	<b>225</b>	<b>427</b>
<b>Cash and cash equivalents at year-end</b>	<b>38</b>	<b>141</b>	<b>225</b>

## 3.4. Statement of changes in shareholders' equity

(M€)	Common shares issued			General reserves and retained earnings	Revaluation reserve	Total
	Number	Amount	Issue premiums			
<b>As of January 1 2009</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>(a)</sup>	-	-	-	(2,655)	-	(2,655)
Net income 2009	-	-	-	5,634	-	5,634
Cash interim dividends paid for 2009 <sup>(b)</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>
Balance of cash dividends paid <sup>(c)</sup>	-	-	-	(2,662)	-	(2,662)
Net income 2010	-	-	-	5,840	-	5,840
Cash interim dividends paid for 2010 <sup>(d)</sup>	-	-	-	(2,665)	-	(2,665)
Capital decrease	-	-	-	-	-	-
Issuance of common shares	1,218,047	3	38	-	-	41
Changes in revaluation differences	-	-	-	-	11	11
<b>As of December 31 2010</b>	<b>2,349,640,931</b>	<b>5,874</b>	<b>27,208</b>	<b>11,540</b>	<b>48</b>	<b>44,670</b>
Balance of cash dividends paid <sup>(e)</sup>	-	-	-	(2,685)	-	(2,685)
Net income 2011	-	-	-	9,766	-	9,766
Cash interim dividends paid for 2011 <sup>(f),(g)</sup>	-	-	-	(4,058)	-	(4,058)
Issuance of common shares	5,223,665	13	160	-	-	173
Capital increase reserved for Group employees	8,902,717	22	288	-	-	310
Changes in revaluation differences	-	-	-	-	-	-
Expenses related to the capital increase reserved for employees	-	-	(1)	-	-	(1)
<b>As of December 31 2011</b>	<b>2,363,767,313</b>	<b>5,909</b>	<b>27,655</b>	<b>14,563</b>	<b>48</b>	<b>48,175</b>

(a) Balance of the 2008 dividend paid in 2009: €2,655 million (€1.14 per share).

(b) Interim dividend paid in 2009: €2,660 million (€1.14 per share).

(c) Balance of the 2009 dividend paid in 2010: €2,662 million (€1.14 per share).

(d) Interim dividend paid in 2010: €2,665 million (€1.14 per share).

(e) Balance of the 2010 dividend paid in 2011: €2,685 million (€1.14 per share).

(f) Interim dividend paid in 2011 for the 1st and 2nd quarter: €2,684 million (€0.57 per share per dividend).

(g) Interim dividend not paid in 2011 for the 3rd quarter: €1,374 million (€0.57 per share).

## 4. Notes to the Statutory Financial Statements

### 1) Accounting policies

The 2011 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

TOTAL S.A. uses financial instruments for hedging purposes only in order to manage its exposure to changes in interest rates and foreign exchange rates.

As part of this policy, the Company enters into interest rate swap agreements and forward transactions. The difference between interest to be paid and interest to be received on these swaps or premiums and discounts on these forward transactions is recognized as interest expense or interest income on a prorated basis, over the life of the instruments.

### 2) Intangible assets and property, plant and equipment

As of December 31

(M€)

	2011			2010
	Cost	Depreciation, depletion and amortization and valuation allowances	Net	Net
Headquarters <sup>(a)</sup>	375	(245)	130	141
Branch (A.D.G.I.L) <sup>(b)</sup>	489	(65)	424	432
<b>Total intangible assets</b>	<b>864</b>	<b>(310)</b>	<b>554</b>	<b>573</b>
Land	36	-	36	34
Buildings	93	(50)	43	46
Other	457	(356)	101	94
<b>Total property, plant and equipment</b>	<b>586</b>	<b>(406)</b>	<b>180</b>	<b>174</b>
<b>Total <sup>(c)</sup></b>	<b>1,450</b>	<b>(716)</b>	<b>734</b>	<b>747</b>

(a) Including ongoing DD&A for €13 million in 2011 and €15 million in 2010, software for a gross amount of €206 million in 2011 and €184 million in 2010, and other for a gross amount of €156 million in 2011 and €146 million in 2010.

(b) The subsidiaries' depreciation, depletion and amortization related to commercial activity are accounted for as purchase cost of goods sold.

(c) As of December 31, 2010, aggregate cost, depreciation and valuation allowance amounted respectively to €1,354 million and €607 million.

### 3) Subsidiaries and affiliates: investments and loans

#### A) Changes in investments and loans

As of December 31 (M€)	2011						Gross amount at year-end
	Gross amount at beginning of year	Increases		Decreases		Translation adjustment	
		Monetary	Non monetary	Monetary	Non monetary		
Investments	77,278	2,371	2	(1,685)	-	-	77,966
Receivables <sup>(a)</sup>	7,657	2,157	-	(267)	(9)	240	9,778
<b>Total</b>	<b>84,935</b>	<b>4,528</b>	<b>2</b>	<b>(1,952)</b>	<b>(9)</b>	<b>240</b>	<b>87,744</b>
<b>Analysis by segment</b>							
Upstream	6,775	931	2	(1,906)	(7)	3	5,798
Downstream	3,490	1,521	-	(16)	-	-	4,995
Chemicals	13,394	22	-	-	-	-	13,416
Financial activities	61,276	2,054	-	(30)	(2)	237	63,535
<b>Total</b>	<b>84,935</b>	<b>4,528</b>	<b>2</b>	<b>(1,952)</b>	<b>(9)</b>	<b>240</b>	<b>87,744</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€)	2011			2010
	Cost	Valuation allowance	Net	Net
Investments	77,966	(465)	77,501	76,822
Receivables <sup>(a) (b)</sup>	9,778	(109)	9,669	7,547
<b>Total <sup>(c)</sup></b>	<b>87,744</b>	<b>(574)</b>	<b>87,170</b>	<b>84,369</b>
<b>Analysis by segment</b>				
Upstream	5,798	(303)	5,495	6,463
Downstream	4,995	(132)	4,863	3,221
Chemicals	13,416	(118)	13,298	13,279
Financial activities	63,535	(21)	63,514	61,406
<b>Total</b>	<b>87,744</b>	<b>(574)</b>	<b>87,170</b>	<b>84,369</b>

(a) As of December 31, 2011, the gross amount included €9,254 million related to affiliates.

(b) As of December 31, 2011, the net amount was split into €2,250 million, due in 12 months or less, and €7,419 million, due in 12 months or more.

(c) As of December 31, 2010, aggregate cost and valuation allowance amounted respectively to €84,935 million and €566 million.



## 4) Other non-current assets

### A) Changes in other non-current assets

As of December 31 (M€)	2011						Gross amount at year-end
	Gross amount at beginning of year	Increases		Decreases		Translation adjustment	
		Monetary	Non monetary	Monetary	Non monetary		
Investment portfolio	4	-	-	-	-	-	4
Other non-current assets	34	42	-	(32)	-	-	44
Deposits and guarantees	15	-	-	-	-	-	15
<b>Total</b>	<b>53</b>	<b>42</b>	<b>-</b>	<b>(32)</b>	<b>-</b>	<b>-</b>	<b>63</b>

### B) Allowances for non-current assets

As of December 31 (M€)	2011			2010
	Cost	Valuation allowance	Net	Net
Investment portfolio	4	-	4	4
Other non-current assets(a)	44	-	44	34
Deposits and guarantees	15	-	15	15
<b>Total (b)</b>	<b>63</b>	<b>-</b>	<b>63</b>	<b>53</b>

(a) As of December 31, 2011, net amount due in 12 months or more.  
(b) As of December 31, 2010, aggregate cost and net amounts were equivalent.

## 5) Accounts receivable

As of December 31, (M€)	2011			2010
	Cost	Valuation allowance	Net	Net
Accounts and notes receivable	1,285	-	1,285	1,139
Other operating receivables	2,211	-	2,211	1,003
<b>Total (a) (b)</b>	<b>3,496</b>	<b>-</b>	<b>3,496</b>	<b>2,142</b>

(a) Including €2,680 million related to affiliates as of December 31, 2011.  
(b) Due in 12 months or less.

## 6) Shareholders' equity

### A) Common shares

Share capital transactions are detailed as follows:

<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>(a)</sup>	(24,800,000)
<b>As of January 1, 2010</b>	<b>2,348,422,884</b>
Shares issued in connection with: Exercise of TOTAL share subscription options	1,218,047
<b>As of January 1, 2011</b>	<b>2,349,640,931</b>
Shares issued in connection with: Capital increase reserved for employees	8,902,717
Exercise of TOTAL share subscription options	5,223,665
<b>As of December 31, 2011 <sup>(b)</sup></b>	<b>2,363,767,313</b>

(a) Decided by the Board of Directors on July 30, 2009.

(b) Including 109,554,173 treasury shares deducted from consolidated shareholders' equity.

#### Capital increase reserved for Group employees

At the shareholders' meeting held on May 21, 2010, 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 21, 2010 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with preferential subscription rights (€2.5 billion in nominal value).

Pursuant to this delegation of authorization, the Board of Directors, during its October 28, 2010 meeting, decided to proceed with a capital increase reserved for employees in 2011 within the limit of 12 million shares with dividend rights as of January 1, 2010 and delegated to the Chairman and Chief Executive Officer all powers to determine the opening and closing of the subscription period and the subscription price.

On March 14, 2011, the Chairman and Chief Executive Officer decided that the subscription period would be set from March 16, 2011 to April 1, 2011 included, and acknowledged that the subscription price per ordinary share would be set at €34.80. With respect to this capital increase, 8,902,717 TOTAL shares were subscribed and created on April 28, 2011.

#### 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, 2011, TOTAL S.A. holds 9,222,905 of its own shares, representing 0.39% of its share capital, detailed as follows:

- 6,712,528 shares allocated to TOTAL share grant plans for Group employees;
- 2,510,377 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares are deducted from the consolidated shareholders' equity.

As of December 31, 2010, TOTAL S.A. held 12,156,411 of its own shares, representing 0.52% of its share capital, detailed as follows:

- 6,012,460 shares allocated to TOTAL share grant plans for Group employees;
- 6,143,951 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares were deducted from the consolidated shareholders' equity.

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 share grant plans for Group employees; and
- 3,259,023 shares intended to be allocated to new TOTAL share purchase option plans or to new share grant plans.

These shares were deducted from the consolidated shareholders' equity.

## TOTAL shares held by the Group subsidiaries

As of December 31, 2011, 2010 and 2009, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.24% of its share capital as of December 31, 2011, 4.27% of its share capital as of December 31, 2010 and 4.27% of its share capital as of December 31, 2009 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), 100% indirectly controlled by TOTAL S.A.

These shares are deducted from the consolidated shareholders' equity.

## B) Reserves

As of December 31,  
(M€)

	2011	2010	2009
Revaluation reserves	48	48	37
Legal reserves	740	740	740
Untaxed reserves	2,808	2,808	2,808
General reserves	390	390	390
<b>Total</b>	<b>3,986</b>	<b>3,986</b>	<b>3,975</b>

## 7) Contingency reserves

As of December 31,  
(M€)

	Gross amount at beginning of year	Increases	Decreases		Gross amount at year-end
			Used	Unused	
Reserves for financial risks	3,467	832	-	-	4,299 <sup>(a)</sup>
Reserves for operating risks (including note 8) and compensation expense	261	282	(106)	-	437 <sup>(b)</sup>
Reserves for non-recurring items	44	-	(44)	-	-
<b>Total</b>	<b>3,772</b>	<b>1,114</b>	<b>(150)</b>	<b>-</b>	<b>4,736</b>

(a) Reserves for financial risks are mainly comprised of a guarantee granted to an upstream financing subsidiary for €4,282 million.

(b) Reserves for operating risks are comprised of:

- €325 million for retirement benefits, pension plans and special termination plans, €9 million for long-service awards,
- and €97 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).

## 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€)	2011	2010
Pension benefits and other benefits	325	155
Restructuring reserves	-	-
<b>Provisions as of December 31</b>	<b>325</b>	<b>155</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.

In 2011, a provision for a pre-retirement scheme amounting to €172 million was booked.

The actuarial assumptions used as of December 31, are the following:

	2011	2010
Discount rate	4.07%	4.36%
Average expected rate of salary increase	4.61%	4.38%
Average expected rate of return on plan assets	4.95%	5.28%
Average residual life expectancy of operations	10-20 years	10-20 years

TOTAL S.A. records a provision in its accounts for the net actuarial liability of the plan assets and the actuarial gains and losses to be amortized when this sum represents a pension liability.

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€)	2011	2010
Actuarial liability as of December 31,	480	251
Actuarial gains and losses to be amortized	(157)	(96)
<b>Provision for pension benefits and other benefits as of December 31,</b>	<b>323</b>	<b>155</b>

The total commitment for pension plans covered through insurance companies amounts to:

(M€)	2011	2010
Actuarial liability as of December 31,	257	262
Plan assets	(191)	(225)
<b>Net commitment as of December 31,</b>	<b>66</b>	<b>37</b>
<b>Provision for pension benefits and other benefits as of December 31</b>	<b>2</b>	<b>-</b>

## 9) Loans

Due date as of December 31, (M€)	2011	Within one year	1 to 5 years	Beyond 5 years	2010
<b>Debenture loans</b>					
5% Bonds 1998-2013 (FRF 1,000 million) <sup>(a)</sup>	129	-	129	-	125
Accrued interest	-	-	-	-	-
<b>Total debenture loans</b>	<b>129</b>	<b>-</b>	<b>129</b>	<b>-</b>	<b>125</b>
Other loans <sup>(b)</sup>	28,739	572	27,201	966	16,688
Current accounts <sup>(c)</sup>	5,970	5,970	-	-	20,832
<b>Total</b>	<b>34,838</b>	<b>6,542</b>	<b>27,330</b>	<b>966</b>	<b>37,645</b>

(a) Through the use of issue swaps, this debenture loan becomes equivalent to a dollar floating rate debt.

(b) Including €28,732 million related to affiliates.

(c) Including €5,970 million related to affiliates.

## 10) Liabilities

As of December 31, (M€)	2011	2010
Suppliers	1 253 <sup>(a)</sup>	941 <sup>(b)</sup>
Other operating liabilities	2,587	850
<b>Total<sup>(c) (d)</sup></b>	<b>3,840</b>	<b>1,791</b>

(a) Excluding invoices not yet received (€550 million), the outstanding liability amounts to €703 million, of which:

– €626 million for invoices of foreign suppliers to foreign branches for which the payment schedule is as follows:

– €393 million within 30 days and €233 million payable no later than 180 days;

– €8 million non-Group payable no later than January 31, 2012;

– €69 million for invoices outstanding to the Group for which the payment schedule is as follows: €11 million paid on December 31, 2011 and €58 million payable no later than January 31, 2012.

(b) Excluding invoices not yet received (€461 million), the outstanding liability amounts to €480 million, of which:

– €405 million for invoices of foreign suppliers to foreign branches for which the payment schedule is as follows:

– €184 million within 30 days and €221 million payable no later than 90 days;

– €2 million non-Group payable no later than January 31, 2011;

– €73 million for invoices outstanding to the Group for which the payment schedule is as follows: €33 million paid on December 31, 2010 and €40 million payable no later than January 31, 2011.

(c) Including €192 million in 2011 and €108 million in 2010 related to affiliates.

(d) 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 €299 million as of December 31, 2011, 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 2011</b>	<b>310</b>	<b>453</b>	<b>32</b>	<b>934</b>	<b>12,517</b>	<b>14,246</b>
Hydrocarbon and oil products	-	227	-	-	11,875	12,102
Technical support fees	310	226	32	934	642	2,144
<b>For the year ended 2010</b>	<b>320</b>	<b>356</b>	<b>42</b>	<b>827</b>	<b>8,762</b>	<b>10,307</b>
Hydrocarbon and oil products	-	174	-	-	8,173	8,347
Technical support fees	320	182	42	827	589	1,960

## 13) Net operating expenses

(M€)	2011	2010
Purchase cost of goods sold	(8,149)	(5,611)
Other purchases and external expenses	(1,487)	(1,413)
Taxes	(37)	(37)
Personnel expenses	(1,235)	(1,119)
<b>Total</b>	<b>(10,908)</b>	<b>(8,180)</b>

## 14) Operating depreciation, amortization and allowances

(M€)	2011	2010
<b>Depreciation, valuation allowance and amortization on</b>		
– Property, plant and equipment and intangible assets	(85)	(79)
– Employee benefits	(282)	(108)
<b>Subtotal 1</b>	<b>(367)</b>	<b>(187)</b>
<b>Reversals</b>		
– Employee benefits	106	46
<b>Subtotal 2</b>	<b>106</b>	<b>46</b>
<b>Total (1+2)</b>	<b>(261)</b>	<b>(141)</b>

## 15) Financial expenses and income

(M€)	2011	2010
<b>Financial expenses<sup>(a)</sup></b>		
Interest expenses and other	(548)	(460)
Depreciation on investments and loans to subsidiaries and affiliates	-	-
<b>Subtotal 1</b>	<b>(548)</b>	<b>(460)</b>
<b>Financial income<sup>(b)</sup></b>		
Net gain on sales of marketable securities and interest on loans to subsidiaries and affiliates	1	1
Interest on short-term deposits and other	119	11
<b>Subtotal 2</b>	<b>120</b>	<b>12</b>
<b>Total (1+2)</b>	<b>(428)</b>	<b>(448)</b>
(a) Including, related to affiliates:	526	304
(b) Including, related to affiliates:	5	10

## 16) Dividends

(M€)	2011	2010
Upstream	3,075	2,195
Downstream	53	248
Chemicals	-	4
Financial activities	7,471	4,050
<b>Total</b>	<b>10,599</b>	<b>6,497</b>

## 17) Other financial income and expenses

Net income of €9 million is comprised entirely of foreign exchange income.

## 18) Non-recurring income

Non-recurring income is a profit of €468 million primarily comprised of an income on disposal of assets for €436 million, including Total EP Canada for €434 million and others for €2 million. €12 million correspond mainly to scholarships and grants payment and €44 million correspond to a reversal of a reserve for taxes due for prior years.

## 19) Basis of taxation

From 1996 to 2010 inclusive, TOTAL S.A. filed a worldwide tax return for payment of corporation tax, pursuant to the provisions of the French Tax Code (Article 209 *quinquies*). On July 25, 2011, the company informed the tax authorities of its decision to not request a renewal of this tax agreement. Consequently, as of January 1, 2011, TOTAL S.A. is subject to French corporation tax according to the ordinary rules of law, i.e. based on the principle of territoriality of tax stipulated in the French Tax Code (Article 209). It is also taxed outside France on income from its direct operations abroad.

Moreover, since January 1, 1992, TOTAL S.A. has elected 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 companies during the period of integration are definitively acquired by the parent company.

## 20) Foreign exchange and counterparty risk

The commercial foreign exchange positions are systematically covered by the purchase or sale of the corresponding currencies, mainly with cash transactions and sometimes on forward markets. Regarding long-term assets in foreign currencies, the Company tries to reduce the corresponding exchange risk by associating them, as far as possible, with financing 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 monitored on a regular basis against limits set by the Group's senior management.

## 21) Commitments

As of December 31

(M€)	2011	2010
<b>Commitments given</b>		
Guarantees on custom duties	1,021	1,021
Bank guarantees	6,738	6,886
Guarantees given on other commitments <sup>(a)</sup>	10,203	6,101
Guarantees related to confirmed lines of credit	81	604
Short term financing plan <sup>(b)</sup>	17,964	17,555
Bond issue plan <sup>(b)</sup>	35,690	33,510
<b>Total commitments given</b>	<b>71,697</b>	<b>65,677</b>
<b>Commitments received</b>		
Guarantees related to confirmed lines of credit	8,836	7,178
Guarantees on confirmed authorized bank overdrafts	7,611	4,373
Other commitments received	1,183	1,671
<b>Total of commitments received</b>	<b>17,630</b>	<b>13,222</b>

(a) The €4,102 million increase in other commitments between 2010 and 2011 is related to the guarantees given for the LNG plant construction contract with Bechtel in Australia and the agreements signed in connection with the projects in Uganda.

(b) TOTAL S.A. guarantees the short-term financing plan and the bond issue incurred by Total Capital and Total Capital Canada Ltd. On the overall plan amount of €53,654 million, €23,448 million were incurred as of December 31, 2011 and €22,795 million as of December 31, 2010.

### Portfolio of financial derivative instruments

The off-balance sheet commitments related to financial derivative instruments are set forth below.

As of December 31

(M€)	2011	2010
<b>Issue swaps</b>		
Notional amount, accrued coupon interest <sup>(a)</sup>	129	125
Fair value, accrued coupon interest <sup>(b)</sup>	32	40
<b>Short term swap</b>		
Lender at fixed rate <sup>(a)</sup>	-	935
Fair value, accrued coupon interest <sup>(b)</sup>	-	-
<b>Forward contract of currencies</b>		
Notional value <sup>(a)</sup>	912	607
Fair value <sup>(b)</sup>	(29)	1

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.

(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

	2011	2010
Managers	5,101	4,921
Supervisors	1,452	1,449
Technical and administrative staff	448	439
<b>Total</b>	<b>7,001</b>	<b>6,809</b>



## 23) Stock option, restricted share and free share plans

### A) TOTAL share subscription option plans

	2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan	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	05/21/2010	05/21/2010		
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	09/14/2010	09/14/2011		
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	38,20	33,00	-	-
Expiry date	07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	09/14/2018	09/14/2019	-	-
<b>Number of options<sup>(c)</sup></b>											
<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>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>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 January 1, 2010</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>
Granted	-	-	-	-	-	-	-	4,788,420	-	4,788,420	38.20
Cancelled <sup>(d)</sup>	(1,420)	(15,660)	(6,584)	(4,800)	(5,220)	(92,472)	(4,040)	(1,120)	-	(131,316)	43.50
Exercised	(1,075,765)	(141,202)	-	-	-	-	(1,080)	-	-	(1,218,047)	33.60
<b>Existing options as of January 1, 2011</b>	<b>5,734,444</b>	<b>12,338,847</b>	<b>6,178,856</b>	<b>5,640,886</b>	<b>5,866,445</b>	<b>4,349,158</b>	<b>4,371,890</b>	<b>4,787,300</b>		<b>49,267,826</b>	<b>43.80</b>
Granted	-	-	-	-	-	-	-	-	1,518,840	1,518,840	33.00
Cancelled <sup>(e)</sup>	(738,534)	(28,208)	(16,320)	(17,380)	(16,080)	(13,260)	(14,090)	(85,217)	(1,000)	(930,089)	34.86
Exercised	(4,995,910)	(216,115)	-	-	-	(200)	-	(2,040)	(9,400)	(5,223,665)	33.11
<b>Existing options as of December 31, 2011</b>	<b>-</b>	<b>12,094,524</b>	<b>6,162,536</b>	<b>5,623,506</b>	<b>5,850,365</b>	<b>4,335,698</b>	<b>4,357,800</b>	<b>4,700,043</b>	<b>1,508,440</b>	<b>44,632,912</b>	<b>44.87</b>

(a) The grant date is the date of the Board meeting awarding the share subscription options, except for the grant of October 9, 2008, decided by the Board on September 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 effective as of May 24, 2006.

(c) The number of options awarded, outstanding, canceled 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.

(d) Out of 92,472 options awarded under the 2008 Plan that were canceled, 88,532 options were canceled due to the performance condition.

The acquisition rate applicable to the subscription options that were subject to the performance condition of the 2008 Plan was 60%.

(e) Out of the 930,089 options canceled in 2011, 738,534 options that were not exercised expired due to the expiry of the 2003 subscription option Plan on July 16, 2011.

Options are exercisable, subject to a continuous employment condition, after a 2-year 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 four years from the date of grant. For the 2007 to 2011 Plans, 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.

#### 2011 Plan

For the 2011 Plan, the Board of Directors decided that for each grantee other than the Chairman and Chief Executive Officer, the

options will be finally granted to their beneficiary provided that the performance condition is fulfilled.

The performance condition states that the number of options finally granted is based on the average of the Return On Equity (ROE) of the Group. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012.

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 more than 7% and less than 18%; and

- is equal to 100% if the average ROE is more than or equal to 18%.

In addition, as part of the 2011 Plan, the Board of Directors decided that the number of share subscription options finally awarded to the Chairman and Chief Executive Officer 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. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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 based on the average of the Return On Average Capital Employed (ROACE) of the Group. The average ROACE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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%.

## 2010 Plan

For the 2010 Plan, the Board of Directors decided that:

- For each grantee of up to 3,000 options, other than the Chairman and Chief Executive Officer, the options will be finally granted to their beneficiary.
- For each grantee of more than 3,000 options and less or equal to 50,000 options (other than the Chairman and Chief Executive Officer):
  - The first 3,000 options and two-thirds above the first 3,000 options will be finally granted to their beneficiary;
  - The outstanding options, that is one-third of the options above the first 3,000 options, will be finally granted provided that the performance condition described below is fulfilled.
- For each grantee of more than 50,000 options (other than the Chairman and Chief Executive Officer):
  - The first 3,000 options, two-thirds of the options above the first 3,000 options and below the first 50,000 options, and one-third of the options above the first 50,000 options, will be finally granted to their beneficiary;
  - The outstanding options, that is one-third of the options above the first 3,000 options and below the first 50,000 options and two-thirds of the options above the first 50,000 options, will be finally granted provided that the performance condition is fulfilled.

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 by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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 more than 7% and less than 18%; and
- is equal to 100% if the average ROE is more than or equal to 18%.

In addition, as part of the 2010 Plan, the Board of Directors decided that the number of share subscription options finally awarded to the Chairman and Chief Executive Officer 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. The average ROE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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 based on the average ROACE of the Group. The average ROACE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. 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%.

## 2009 Plan

For the 2009 Plan, the Board of Directors decided that for each beneficiary, other than the Chief Executive Officer, 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 states that the final 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 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%.

In addition, the Board of Directors decided 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 based on 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%.

Due to the application of the performance condition, the acquisition rates were 100% for the 2009 Plan.

**B) TOTAL share purchase option plans**

	2001 Plan <sup>(a)</sup>	2002 Plan <sup>(b)</sup>	Total	Weighted average exercise price
Date of the shareholders' meeting	05/17/2001	05/17/2001		
Grant date <sup>(c)</sup>	07/10/2001	07/09/2002		
Exercise price until May 23, 2006 included <sup>(d)</sup>	42.05	39.58	-	-
Exercise price since May 24, 2006 <sup>(d)</sup>	41.47	39.03	-	-
Expiry date	07/10/2009	07/09/2010		
<b>Number of options <sup>(e)</sup></b>				
<b>Outstanding as of January 1, 2009</b>	<b>4,691,426</b>	<b>6,450,857</b>	<b>11,142,283</b>	<b>40.06</b>
Awarded	-	-	-	-
Canceled	(4,650,446)	(7,920)	(4,658,366)	41.47
Exercised	(40,980)	(507,676)	(548,656)	39.21
<b>Outstanding as of January 1, 2010</b>	<b>-</b>	<b>5,935,261</b>	<b>5,935,261</b>	<b>39.03</b>
Awarded	-	-	-	-
Canceled <sup>(f)</sup>	-	(4,671,989)	(4,671,989)	39.03
Exercised	-	(1,263,272)	(1,263,272)	39.03
<b>Outstanding as of January 1, 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Awarded	-	-	-	-
Canceled	-	-	-	-
Exercised	-	-	-	-
<b>Outstanding as of December 31, 2011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) 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 8 years after this date. The underlying shares may not be transferred during the 4-year period from the date of the grant. This plan expired on July 10, 2009.

(b) Options were exercisable, subject to a continued employment condition, after a 2-year vesting period from the date of the Board meeting awarding the options and expired 8 years after this date. The underlying shares may not be transferred during the 4-year period from the date of the grant. This plan expired on July 9, 2010.

(c) The grant date is the date of the Board meeting awarding the options.

(d) 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 effective as of May 24, 2006.

(e) The number of options awarded, outstanding, canceled 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.

(f) Out of the 4,671,989 options canceled in 2010, 4,671,145 options that were not exercised expired due to the expiry of the 2002 purchase option Plan on July 9, 2010.

**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.

This exchange guarantee expired on September 12, 2009, due to the expiry of the Elf Aquitaine share subscription option plan No. 2 of 1999. Subsequently, no Elf Aquitaine shares are covered by the exchange guarantee.

## D) TOTAL performance share grant

	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	2011 Plan	Total
Date of the shareholders' meeting	05/17/2005	05/17/2005	05/17/2005	05/16/2008	05/16/2008	05/16/2008	05/13/2011	
Grant date <sup>(a)</sup>	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010	09/14/2011	
Final grant date (end of the vesting period)	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	09/15/2012	09/15/2013	
Transfer possible from	07/20/2009	07/19/2010	07/18/2011	10/10/2012	09/16/2013	09/15/2014	09/15/2015	
<b>Number of performance shares</b>								
<b>Outstanding as of January 1, 2009</b>	-	-	2,333,217	2,772,748	-	-	-	5,105,965
Awarded	-	-	-	-	2,972,018	-	-	2,972,018
Canceled	1,928	2,922	(12,418)	(9,672)	(5,982)	-	-	(23,222)
Finally granted <sup>(b)(c)</sup>	(1,928)	(2,922)	(2,320,799)	(600)	-	-	-	(2,326,249)
<b>Outstanding as of January 1, 2010</b>	-	-	-	2,762,476	2,966,036	-	-	5,728,512
Awarded	-	-	-	-	-	3,010,011	-	3,010,011
Canceled <sup>(d)</sup>	1,024	3,034	552	(1,113,462)	(9,796)	(8,738)	-	(1,127,386)
Finally granted <sup>(b)(c)</sup>	(1,024)	(3,034)	(552)	(1,649,014)	(1,904)	(636)	-	(1,656,164)
<b>Outstanding as of January 1, 2011</b>	-	-	-	-	2,954,336	3,000,637	-	5,954,973
Awarded	-	-	-	-	-	-	3,649,770	3,649,770
Canceled	800	700	792	356	(26,214)	(10,750)	(19,579)	(53,895)
Finally granted <sup>(b)(c)(e)</sup>	(800)	(700)	(792)	(356)	(2,928,122)	(1,836)	-	(2,932,606)
<b>Outstanding as of December 31, 2011</b>	-	-	-	-	-	2,988,051	3,630,191	6,618,242

(a) The grant date is the date of the Board of Directors meeting that awarded the shares, except for the shares awarded by the Board of Directors at their meeting of September 9, 2008, and granted on October 9, 2008.

(b) Performance shares finally granted following the death of their beneficiaries.

(c) Including performance shares finally granted for which the entitlement right had been canceled erroneously.

(d) Out of the 1,113,462 canceled rights to the grant share under the 2008 Plan, 1,094,914 entitlement rights were canceled due to the performance condition.  
The acquisition rate for the 2008 Plan was 60%.

(e) The acquisition rate for the 2009 Plan was 100%.

The performance shares, which are 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. The final grant is subject to a continued employment condition and a performance condition. Moreover, the transfer of the performance shares finally granted will not be permitted until the end of a 2-year mandatory holding period from the date of the final grant.

### 2011 Plan

For the 2011 Plan, the Board of Directors decided that, for each senior executives (other than the Chairman and Chief Executive Officer), the shares will be finally granted subject to a performance condition. This condition is based on the average ROE as published by the Group and calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2011 and 2012. 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%.

The Board of Directors decided also that, for each for each beneficiary (other than the Chairman and Chief Executive Officer and the senior executives) of more than 100 shares, the shares in excess of this number will be finally granted subject to the performance condition mentioned before.

In addition, as part of the 2011 plan, the Board of Directors decided that the number of performance share finally granted to the Chairman and Chief Executive Officer will be subject to two performance conditions:

- For 50% of the share granted, the performance condition states that the number of shares finally granted is based on the average ROE of the Group. The average ROE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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 granted, the performance condition states that the number of shares finally granted is based on the average ROACE of the Group. The average ROACE is calculated by the Group from the consolidated balance sheet and statement of income of the Group for fiscal years 2011 and 2012. 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%.

**2010 Plan**

For the 2010 Plan, the Board of Directors decided 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 calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011.

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%.

**2009 Plan**

For the 2009 Plan, the Board of Directors decided 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 states that the number of shares finally granted is based on the average ROE as published by the Group and 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 greater than 7% and less than 18%; and
- is equal to 100% if the average ROE is greater than or equal to 18%.

Due to the application of the performance condition, the acquisition rate was 100% for the 2009 Plan.

**E) Global free TOTAL share plan**

The Board of Directors approved at its meeting on May 21, 2010 the implementation and conditions of a global free share plan intended for the Group employees. On June 30, 2010, entitlement rights to 25 free shares were granted to every employee. The final grant is subject to a continued employment condition during the plan's vesting period. The shares are not subject to any performance condition. Following the vesting period, the shares awarded will be new shares.

	2010 Plan (2 + 2)	2010 Plan (4 + 0)	Total
Date of the shareholders' meeting	05/16/08	05/16/08	
Date of the award <sup>(a)</sup>	06/30/10	06/30/10	
Date of the final award	07/01/12	07/01/14	
Transfer authorized as from	07/01/14	07/01/14	
<b>Number of free shares</b>			
<b>Outstanding as of January 1, 2010</b>			
Notified	1,508 850	1,070 650	2,579 500
Cancelled	(125)	(75)	(200)
Finally granted <sup>(b)</sup>	(75)	-	(75)
<b>Outstanding as of January 1, 2011</b>	<b>1,508 650</b>	<b>1,070 575</b>	<b>2,579 225</b>
Notified	-	-	-
Cancelled	(29 175)	(54,625)	(83,800)
Finally granted <sup>(b)</sup>	(475)	(425)	(900)
<b>Outstanding as of December 31, 2011</b>	<b>1,479 000</b>	<b>1,015 525</b>	<b>2,494,525</b>

(a) The June 30, 2010, grant was decided by the Board of Directors on May 21, 2010.

(b) Final grant following the death or disability of the beneficiary of the shares.

## 24) Others

### Compensation for the administration and management bodies

The aggregate amount of direct and indirect compensation accounted for by the French and foreign affiliates of the Company for the executive officers of TOTAL (the members of the Management Committee and the Treasurer) and for the members of the Board of Directors who are employees of the Group, is detailed as follows:

For the year ended December 31,

(M€)	2011	2010	2009
Number of people	30	26	27
Direct or indirect compensation received	20,4	20,8	19,4
Pension expenses <sup>(a)</sup>	9,4	12,2	10,6
Other long-term benefits expenses	-	-	-
Termination benefits expenses	4,8	-	-
Share-based payments expense (IFRS 2) <sup>(b)</sup>	10,2	10,0	11,2

(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 €139.7 million provisioned as of December 31, 2011 (against €113.8 million as of December 31, 2010 and €96.6 million as of December 31, 2009).

(b) 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.

The compensation allocated to members of the Board of Directors for directors' fees totaled €1.07 million in 2011 (€0.96 million in 2010 and €0.97 million in 2009).

### Legal proceedings

All legal proceedings involving TOTAL S.A. are included in Note 32 – Other risks and commitments – to the consolidated financial statements attached to the registration document.

## 5. Other financial information concerning the parent company

### 5.1. Subsidiaries and affiliates

As of December 31, 2010 (M€)	% of share capital owned by the company	Share capital	Other shareholders' equity	Book value of investments		Loans & avances	Sales	Net income	Dividends paid	Commitments & contingencies
				gross	net					
<b>Subsidiaries</b>										
Cray Valley S.A.	100.0	70	29	69	69	-	310	5	-	-
Daja 79 S.A.S.	100.0	152	33	152	152	-	-	33	-	-
Elf Aquitaine	100.0	2,166	26,167	45,787	45,787	-	-	7,962	5,983	-
Omnium Insurance										
Reinsur. CIE	100.0	31	472	114	114	-	287	130	149	-
Total China										
Investment Ltd	100.0	158	9	140	121	5	367	12	-	-
Total E&P Golfe										
Holdings Ltd	100.0	-	(7)	2,855	2,855	-	-	(3)	-	-
Total E&P Holdings	65.8	6	4,558	1,118	1,118	-	-	4,244	3,015	-
Total E&P Holdings										
Ichthys	100.0	84	-	84	84	-	-	-	-	-
Total E&P Ichthys	100.0	298	(1)	298	298	-	-	(1)	-	-
Total E&P Iraq	100.0	13	3	67	67	-	-	(4)	-	-
Total Energie										
Développement	100.0	46	(85)	62	32	-	2	(84)	-	-
Total Gasandes S.A.	100.0	2	72	150	20	-	-	14	-	-
Total Gaz &										
Énergies Nouvelles Hld	100.0	330	90	330	330	-	-	21	-	-
Total Gestion USA	100.0	3,969	-	3,969	3,969	-	-	-	-	-
Total Holdings Europe	53.2	65	8,869	4,446	4,446	-	-	2,074	1,316	-
Total Outre Mer	100.0	77	407	95	95	-	3,644	159	-	-
Total Raffinage Chimie	100.0	930	12,105	13,117	13,117	-	-	(427)	-	-
Total Raffinage										
Marketing	67.5	207	1,456	4,132	4,132	-	36,142	(349)	-	1,000
Total Refining										
Saudi Arabia S.A.S.	100.0	80	15	80	80	107	-	-	-	-
Other	-	-	-	905	619	9,666 <sup>(a)</sup>	-	-	136	60,493
<b>Total</b>	-	-	-	<b>77,970</b>	<b>77,505</b>	<b>9,778</b>	-	-	<b>10,599</b>	<b>61,493</b>

(a) Including Total Finance for €6,668 million and Total Treasury for €2,377 million.

(b) Including €53,654 million concerning Total Capital for debenture loan emission program and short-term financing.



## 5.2. Five-year financial data

### Share capital at year-end

(K€)	2011	2010	2009	2008	2007
Share capital	5,909,418	5,874,102	5,871,057	5,929,520	5,988,830
Number of common shares outstanding <sup>(a)</sup>	2,363,767,313	2,349,640,931	2,348,422,884	2,371,808,074	2,395,532,097
Number of future shares to issue:					
- share subscription options <sup>(a)</sup>	44,632,912	49,267,826	45,828,769	42,965,666	39,440,217
- Elf Aquitaine options and shares covered by the exchange guarantee <sup>(a)</sup>	-	-	-	610,086	841,776
- global free share plan	2,494,525	2,579,225	-	-	-

### Operation and income for the year

(K€)	2011	2010	2009	2008	2007
Net commercial sales	12,102,415	8,347,108	6,246,165	9,970,955	7,904,504
Employee profit sharing	51,000	48,000	35,000	42,000	38,000
Net income	9,766,284	5,840,088	5,633,681	6,007,609	5,778,925
Retained earnings before appropriation	4,916,078	4,425,753	4,114,277	3,416,997	2,496,875
Income available for appropriation	14,682,362	10,265,841	9,747,958	9,424,606	8,275,800
Dividends (including interim dividends)	5,392,829	5,384,541	5,354,404	5,407,722	4,983,591
Retained earnings	9,289,533	4,881,300	4,393,554	4,016,884	3,292,209

### Earnings per share

(€)	2011	2010	2009	2008	2007
Income after tax, before depreciation, amortization and provisions <sup>(a)(b)</sup>	4.80	2.90	2.68	2.87	3.06
Net income <sup>(a)(b)</sup>	4.33	2.60	2.52	2.67	2.54
Net dividend per share <sup>(a)</sup>	2.28	2.28	2.28	2.28	2.07

### Employees

(K€)	2011	2010	2009	2008	2007
Average number of employees during the year <sup>(c)</sup>	7,001	6,809	6,595	6,311	6,027
Total payroll for the year	910,707	815,269	881,515	666,686	605,374
Social security and other staff benefits	331,248	311,114	312,973	282,040	258,875

(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 (Exemption from activity: 29 people in 2007, 50 people in 2008, 74 people in 2009, 79 people in 2010 and 89 people in 2011).

### 5.3. Allocation of 2011 income

(Net dividend proposed: €2.28 per share)

(€)

Income of the year	9,766,283,949.78
Retained earnings before appropriation	4,916,077,732.32
<b>Total available for allocation</b>	<b>14,682,361,682.10</b>
Interim dividends:	
- paid in 2011 (2.354.538.642 x €1.14)	2,684,174,051.88
- to be paid in 2012 including interim dividend approved in 2011 <sup>(a)</sup>	1,360,447,485.75
Balance of dividends to be paid in 2012	1,348,207,179.21
2011 dividends	5,392,828,716.84
Retained earnings	9,289,532,965.26
<b>Total allocated</b>	<b>14,682,361,682.10</b>

(a)  $(2,365,275,753 - 2,354,538,642) \times €1.14 + 2,365,275,753 \times €0.57$

### 5.4. Statement of changes in share capital for the past five

For the year ended  
(€)

		Cash contributions		Successive amounts of nominal capital	Cumulative number of common shares of the Company
		Par value	Issue/conversion premium		
<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 Group 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
<b>2010</b>	<b>Changes in capital</b>				
	Exercise of share subscription options	3,045	37,875	5,874,102	2,349,640,931
<b>2011</b>	<b>Changes in capital</b>				
	Exercise of share subscription options	13,059	159,896	5,887,161	2,354,864,596
	Capital increase reserved for Group employees	22,257	287,558	5,909,418	2,363,767,313

## 6. Consolidated financial information for the last five years

### 6.1. Summary consolidated balance sheet for the last five years

As of December 31 (M€)	2011	2010	2009	2008	2007
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>100,386</b>	<b>85,512</b>	<b>77,996</b>	<b>71,252</b>	<b>65,303</b>
Intangible assets	12,413	8,917	7,514	5,341	4,650
Property, plant and equipment	64,457	54,964	51,590	46,142	41,467
Other non-current assets	23,516	21,631	18,892	19,769	19,186
<b>Current assets</b>	<b>63,663</b>	<b>56,936</b>	<b>49,757</b>	<b>47,058</b>	<b>48,238</b>
Inventories	18,122	15,600	13,867	9,621	13,851
Other current assets	45,541	41,336	35,890	37,437	34,387
<b>Assets held for sale or exchange</b>	<b>-</b>	<b>1,270</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>164,049</b>	<b>143,718</b>	<b>127,753</b>	<b>118,310</b>	<b>113,541</b>
<b>LIABILITIES</b>					
Shareholder's equity, Group share	68,037	60,414	52,552	48,992	44,858
Non-controlling interests	1,352	857	987	958	842
Provisions and other non-current liabilities	25,401	21,216	20,369	17,842	17,303
Non-current financial debt	22,557	20,783	19,437	16,191	14,876
Current debt	46,702	40,251	34,408	34,327	35,662
<b>Liabilities from assets held for sale or exchange</b>	<b>-</b>	<b>197</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>164,049</b>	<b>143,718</b>	<b>127,753</b>	<b>118,310</b>	<b>113,541</b>

### 6.2. Consolidated statement of income for the last five years

As of December 31 (M€)	2011	2010	2009	2008	2007
Sales	184,693	159,269	131,727	179,976	158,752
Operating expenses	(152,897)	(131,963)	(109,521)	(150,534)	(128,026)
Depreciation and amortization of tangible assets	(7,506)	(8,421)	(6,682)	(5,755)	(5,425)
Other income and expense	699	496	(286)	(185)	204
Cost of net debt	(440)	(334)	(398)	(527)	(539)
Other financial income and expense	180	35	298	403	369
Equity share of net income from affiliates	1,925	1,953	1,642	1,721	1,775
Income tax	(14,073)	(10,228)	(7,751)	(14,146)	(13,575)
<b>Consolidated net income</b>	<b>12,581</b>	<b>10,807</b>	<b>9,029</b>	<b>10,953</b>	<b>13,535</b>
Group share	12,276	10,571	8,447	10,590	13,181
<b>Non-controlling interests</b>	<b>305</b>	<b>236</b>	<b>182</b>	<b>363</b>	<b>354</b>



# Corporate social responsibility

The methodological note concerning the information provided in Chapter 12 is available on the Company's website ([www.total.com](http://www.total.com), heading CSR Analysts).

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## 1. Employee policy

The quantitative information set out below about TOTAL's employees worldwide relates to all the subsidiaries consolidated under the global integration method. Some of the data comes from the Worldwide Human Resources Survey (WHRS), which uses almost one hundred indicators measuring important factors of the Group's employee policy. This annual survey is performed on a sample of employees from the consolidated companies, representative of their distribution by business segment and region; when such WHRS data is mentioned in this document, reference will be made to the relevant scope.

### 1.1. Group employee

#### 1.1.1. Group employees as of December 31, 2011<sup>(1)</sup>

As of December 31, 2011, the Group had 96,104 employees belonging to 356 companies and subsidiaries located in 106 countries. The tables below show, at year-end 2010 and year-end 2011, the breakdown of employees by the following categories: gender, nationality, business segment, region, and age bracket:

Group Employees as of December 31,	2011	2010
<b>Total number of employees</b>	<b>96,104</b>	<b>92,855</b>
Women	29.7%	29.4%
Men	70.3%	70.6%
French	36.1%	37.4%
Other nationalities	63.9%	62.6%
<b>Breakdown by business segment</b>		
Upstream		
Exploration & Production	16.7%	16.7%
Gas & Power	7.8%	1.8%
Downstream		
Refining & Marketing	30.1%	34.6%
Trading & Shipping	0.5%	0.5%
Chemicals	43.4%	44.9%
Corporate	1.5%	1.5%
<b>Breakdown by region</b>		
Mainland France	36.5%	37.9%
French Overseas Departments and Territories	0.4%	0.3%
Rest of Europe	23.4%	26.8%
Africa	9.6%	9.4%
North America	6.8%	6.7%
South America	7.5%	7.3%
Asia	14.1%	10.1%
Middle East	1.1%	0.9%
Oceania	0.6%	0.6%
<b>Breakdown by age bracket</b>		
< 25	5.9%	6.4%
25 to 34	30.0%	27.4%
35 to 44	28.1%	28.7%
45 to 54	24.0%	25.5%
> 55	12.0%	12.0%

The workforce increased by 3.5% between 2010 and 2011. Events with a significant impact on headcount included the investment in SunPower and the disposal of part of the Resins business.

(1) Employees of the globally consolidated companies only.

After France, at year-end 2011, the country with the most employees was the United States, followed by Philippines, Belgium and China.

The breakdown by gender and nationality of managers or equivalent positions ( $\geq 300$  Hay points) is as follows:

Breakdown of managers or equivalent as of December 31,	2011	2010
<b>Total number of managers</b>	<b>26,836</b>	<b>25,998</b>
Women	23.1%	22.7%
Men	76.9%	77.3%
French	41.1%	41.6%
Other nationalities	58.9%	58.4%

In 2011, the Worldwide Human Resources Survey covered 73,654 employees belonging to 124 subsidiaries.

Group included in WHRS	WHRS 2011	WHRS 2010
<b>Employees surveyed</b>	<b>73,654</b>	<b>66,644</b>
% of Group employees	77% <sup>(a)</sup>	72%

(a) 81% excluding SunPower subsidiaries, which could not be included in the WHRS in 2011.

#### 1.1.2. Employees joining and leaving TOTAL

As of December 31,	2011	2010
<b>Total number hired on open-ended contracts</b>	<b>9,295</b>	<b>8,792</b>
Women	29.4%	30.7%
Men	70.6%	69.3%
French	12.8%	8.7%
Other nationalities	87.2%	91.3%

The number of employees hired on open-ended contracts in 2011 in the consolidated companies increased by 5.7% compared to 2010. The region in which the largest number of employees on open-ended contracts was hired was Asia (30.5%), followed by Europe (29.8%), and the business that hired most was the Chemicals (61.1%).

TOTAL also hired 3,321 employees on fixed-term contracts in the consolidated companies. Over 500,000 job applications were received by the subsidiaries covered by the WHRS.

As of December 31,	2011	2010
<b>Departures excluding retirement/ transfer/early retirement</b>	<b>6,892</b>	<b>7,939</b>
Death	119	146
Resignations	4,332	4,957
Redundancies/negotiated departures	2,199	2,619
Termination of employment contract by mutual agreement (France)	242	217
<b>Total departures/Total employees</b>	<b>7.2%</b>	<b>8.5%</b>

### 1.1.3. Compensation

TOTAL's approach to overall compensation (salary and employee benefits) is guided by the dual imperatives of external competitiveness, with salaries and social protection programs positioned relative to local reference markets, and internal fairness. These shared principles are adapted in line with local factors such as labor laws, the economic context and the job market in the various countries where the Group operates.

General and merit-based increases take place regularly. TOTAL may also use tools that reward collective performance (for example, in France, incentives and profit-sharing), together with base salary supplements, such as bonuses or variable portions, to acknowledge individual performance. The HSE (Health, Safety and Environment) aspect in the future will also increasingly be taken into account by TOTAL when evaluating individual and collective performance.

TOTAL has set out a HSE performance recognition policy in order to acknowledge individual managers' performance and collective team performance.

## 1.2. Organization of work time

The average work week is determined by applicable local law. It is less than forty hours in most of the subsidiaries in Europe and Japan, and forty hours in most of the Asian and African countries. It is longer in Mexico and India.

The sickness absenteeism rate is one of the indicators monitored in the WHRS:

	WHRs 2011	WHRs 2010
Sickness absenteeism rate	2.7%	2.8%

Within the scope of the WHRS, more than 91% of the Group's employees are paid at a rate higher than the applicable minimum wage.

The development of employee shareholding is another cornerstone of the Group's compensation policy. Employee shareholding aims to foster a good understanding of the company's core values and to create a direct link with company performance. TOTAL thus grants performance shares to a significant number of employees on the basis of the Group's achievement of overall economic goals. In September 2011, the Board of Directors approved a stock option and performance share plans benefitting approximately 10,000 employees. The 2011 plan is the seventh implemented by the Group since the granting of free shares to employees was permitted by French law and includes a significant percentage of new beneficiaries (38%).

The Group also gave employees the opportunity to subscribe to a capital increase, the subscription period for which ended on April 1, 2011. Over 30,000 employees participated in the operation.

TOTAL also aims to develop employee savings and other employee benefit programs (health insurance, life insurance, etc.) for its employees. The Group has therefore set up a life insurance program paying a minimum of two years' salary. The Group targets coverage for all employees, and the current percentage of employees on open-ended contracts in the WHRS who benefit from this scheme is 87%.

The pension and employee benefit programs improve every year. Improvements include the gradual introduction of a supplementary pension plan in certain Downstream subsidiaries (at year-end 2011 just over 4,000 employees in twenty eight countries, mainly in Africa, were given the option of joining the plan) and the benchmarking and introduction of supplementary health and life insurance plans in eight Asian countries (5,500 employees as of June 2011).

For more detailed information, see points 5 and 6 of Chapter 5 of this registration document.

Depending on current local law, there are several programs that aim to create a better balance between work and private life and/or to encourage equal career opportunities:

	WHRs 2011	WHRs 2010
% of companies offering the option of working part-time <sup>(a)</sup>	63%	70%
% of employees working part-time of those given the option	5%	5%
% of companies offering the option of teleworking	15%	NA
% of employees involved in teleworking of those given the option	3%	NA

(a) The reduction in this percentage is explained by the differences in the scope of the WHRS in 2010 and that of 2011.



### 1.3. Dialogue with employees

TOTAL's employees and their representatives have a privileged position and role among the numerous stakeholders with which the Group has and intends to develop regular dialogue (see also paragraph 3.1 of this Chapter). In countries where employee representation is not required by law, TOTAL strives to set up such representation; there are therefore employee representatives in the majority of Group companies, most of whom are elected. The subjects covered by dialogue with employees vary from company to company, but there are common major themes such as work time, health and safety, compensation, training and equal opportunity.

	WHRS 2011	WHRS 2010
Percentage of companies with employee representation <sup>(a)</sup>	77.4%	86.2%
Percentage of employees covered by collective agreements	70.3%	73.4%

(a) The reduction in this percentage is explained by the differences in the scope of the WHRS in 2010 and that of 2011.

A structure for information and dialogue with European employee representatives exists in the form of the European Works Council. Its scope covers all European Union countries where the Group operates as well as Norway. Another representative body, the Group Committee, covers all Group activities in France.

Several unions and Senior Management have expressed an interest in merging the Group Committee with the European Works Council to form a single Europe-wide employee representative body. In this regard, Senior Management has committed to opening negotiations in a timely manner.

In France, on November 30, 2011, Senior Management and all of the unions in France signed an addendum to the agreement of July 4, 2000 on trade union coordination providing for dialogue to continue at a Group level with the union coordinators within a framework that reflects the legal and regulatory changes (act of August 20, 2008).

In addition, every other year TOTAL carries out an internal survey to gather its employees' views and expectations with regard to their work situation and perception of the company, locally and as a Group.

### 1.4. Training

TOTAL's training activities are guided by four main objectives:

- sharing TOTAL's corporate values, in particular with respect to ethics and HSE;
- increasing technical skills and maintaining a high level of operating performance;
- promoting employees' integration and career development through induction, management and personal development training;

- supporting the policy of diversity and mobility within the Group through language and intercultural training.

The Group continues to provide significant training opportunities. In 2011, 82% of employees covered by the WHRS attended at least one training session, representing over 400,000 days of training, for a total budget of €274 million.

Average number of days' training/year per employee (including mentoring, excluding e-learning)	WHRS 2011	WHRS 2010
<b>Group average</b>	<b>5,8</b>	<b>6,6</b>
<b>By profit center</b>		
Upstream	9,5	11,4
Downstream	5,0	5,3
Chemicals	4,5	4,8
Corporate	2,4	2,5
<b>By region</b>		
Africa	8,3	8,8
North America	7,9	5,0
South America	6,2	4,3
Asia	9,4	8,5
Europe	4,5	3,6
Middle-East	13,9	16,7
<b>Breakdown by type of training given (including mentoring, excluding e-learning)</b>		
Technical	42%	47%
Safety	29%	27%
Other <sup>(a)</sup>	21%	18%
Language	8%	8%

(a) Other: management, personal development, intercultural.

Training approaches are adapted to suit the specific requirements of individual regions or business segments. Remote training and e-learning in particular are increasingly used. In 2011, an ambitious

e-learning program on fighting corruption, aimed at all employees, was launched in twelve languages. Over 35,000 certificates were awarded following the assessment carried out at the end of the training.

## 1.5. Equal opportunity

From recruitment until the end of the employment contract, TOTAL provides equal opportunities for all employees. An affirmative action plan was launched to ensure that not only recruiters and career managers, but also business unit managers comply with the principle of equal opportunities.

Since 2004, the Group's Diversity Council, chaired by a member of the Executive Committee, has been overseeing activities with a view to increasing the number of women employees, international employees and local employees up to the highest levels of management. Promoting diversity goes hand-in-hand with combating all forms of discrimination within the Group, whether in relation to openness to different social background, equal opportunities for men and women or the hiring and retaining of employees with disabilities.

### 1.5.1. Equal treatment for men and women

In addition to the various collective agreements embodying its commitment to equal treatment of men and women, TOTAL signed in 2010 the Women's Empowerment Principles - Equality Means Business, set out by the United Nations Global Compact.

The Group intends to continue to open more opportunities to women in all the Group's professions and to enable women to obtain positions of responsibility on equal terms with their male counterparts. In this regard, the Diversity Council monitors the following indicators:

% of women	2011	2010
In recruitment on open-ended contracts	29%	31%
In management recruitment/JL $\geq$ 10	28%	27%
Employees	30%	29%
In management/JL $\geq$ 10	23%	23%
In senior management	15%	13%

TOTAL also participates in the BoardWomen Partners program, which aims to significantly increase the proportion of women in the boardrooms of large companies throughout Europe. At the end of the 2011 Shareholders' Meeting, 26% of the Board of Directors of TOTAL was made up of women. For more detailed information, see paragraph 1.1 of Chapter 5.

The Group also shows its commitment through agreements or provisions relating to access to employment, maternity leave, childcare facilities, working conditions, balancing work and family responsibilities, and managing dual careers.

### 1.5.2. Internationalization of management

With employees representing over 130 nationalities, TOTAL enjoys great cultural diversity, and it is important that this be reflected at all levels of the company and across all business segments.

Although it recruits for a highly varied portfolio of business segments, usually with a large technical component, the Group strives to prioritize local recruitment. Internships, VIE (*Volontariat International en Entreprise*), a French program for voluntary work abroad), scholarships and work experience are all ways in which TOTAL is involved in integrating young people into working life.

In 2011, 75% of managers recruited were non-French, representing over eighty nationalities. Several measures have been put in place to facilitate the internationalization of management, including harmonizing Human Resources practice (for example with regard to hiring and annual performance review), increasing numbers of foreign postings for non-French employees, and decentralizing training.

% of non-French	2011	2010
Employees in recruitment	87%	91%
Employees in management recruitment/JL $\geq$ 10	75%	74%
Employees	64%	63%
Employees in management/JL $\geq$ 10	59%	58%
Employees in senior management	23%	23%

### 1.5.3. Measures promoting the employment and integration of people with disabilities

For over twenty years, TOTAL has set out its disability policy through successive agreements signed with employee representatives in France to promote the employment of workers with disabilities.

While promoting the direct recruitment of disabled people and cooperation with the sheltered employment sector, TOTAL also takes various types of action:

- in-house: leaflets, awareness sessions organized for senior, line and HR managers, etc.
- externally: cooperation with recruitment agencies, information and advertising aimed at students, attendance at specialized recruitment forums, etc.

The Group also supports the integration, professional training and retaining of workers with disabilities.

A framework agreement with all of the French representative unions, renewed until 2012, sets out TOTAL's policy in France with regard to integrating people with disabilities into the work world.

### 1.5.4. Measures promoting non-discrimination and diversity

In addition to basing its recruitment policy on the principle of non-discrimination on the grounds of ethnicity, TOTAL is involved in a number of initiatives to promote diversity. In France, the Group is in particular a partner in the action taken by the Employment and Diversity division of IMS-Entreprendre pour la Cité (Institut Mécénat-Solidarité), with a view to facilitating the integration of young graduates into the workplace.

TOTAL also works alongside several associations that help young graduates from disadvantaged backgrounds to find jobs or support them in further education.

## 2. Health, safety and environment information

TOTAL's health, safety and environment policy is based on the charter below:

### Health Safety Environment Quality Charter

Total has based its policy in matters pertaining to health, safety, the environment and quality on the following ten principles:

#### Article 1

Total considers personal health and safety, operational safety, respect for the environment, customer satisfaction and listening to stakeholders as paramount priorities.

#### Article 2

Total strives to comply with applicable laws and regulations wherever it conducts its business and supplements them, when appropriate, with its own specific requirements.

#### Article 3

Total promotes among its employees a shared culture the core components of which are skills management, incident feedback, information and dialogue. This process is driven by the leadership and exemplary conduct of management.

#### Article 4

Total favors the selection of its industrial and business partners on the basis of their ability to comply with its health, safety, environment and quality policy.

#### Article 5

Total implements, for all its operations, appropriate management policies regarding health, safety, environment and quality risks which are regularly assessed. No project development or product launch may be undertaken without a risk assessment covering the entire life of the project or product.

#### Article 6

Appropriate health, safety, environment and quality management systems for each business undergo regular assessment involving measuring the performance, setting milestones, formulating relevant action plans and instituting suitable control procedures.

#### Article 7

In order to respond effectively in the event of accidents, Total equips itself appropriately and establishes emergency procedures that are periodically reviewed and regularly tested during exercises.

#### Article 8

Each person, at all levels, must be conscious in his or her job of his or her personal responsibility, giving due consideration to the prevention of risks of accident, harm to health, environmental damage or adverse impacts on product and service quality. Vigilance and professionalism in these fields are important criteria in evaluating the performance of each member of personnel, in particular for those in positions of responsibility.

#### Article 9

In matters of health, safety, environment and quality, Total adopts a constructive attitude based on open dialogue with stakeholders and outside parties. Through its social commitment, it focuses on developing its activities in harmony with the neighboring communities.

#### Article 10

Total monitors and controls the Group's energy consumption, greenhouse gas emissions, production of ultimate waste and impact on biodiversity. The Group develops new processes, products and customer services in order to enhance energy efficiency and reduce environmental footprints. The Group is engaged in exploring for and developing additional energy resources. Total thus actively contributes to sustainable development.

The Industrial Safety, the Sustainable Development and Environment departments, together with the Security department, report to the Corporate Affairs and provide support to the business units and ensure that they implement policies that reflect the principles of the charter in a concrete, effective manner.

In accordance with oil and gas industry good practice (set out in the IPIECA reporting guidelines), the following information relates

to the activities, sites and industrial assets that TOTAL operates or for which it has been given contractual responsibility for managing operations, directly or through one of its subsidiaries. This is with the exception of information about greenhouse gases, which is also expressed as Group share of all assets in which TOTAL has a stake. The SunPower subsidiary could not be included in the results for 2011: this should be done beginning in 2012.

## 2.1. Occupational health and safety

TOTAL's occupational health and safety requirements for the personnel working on its sites are set out in Health, Safety and Industrial hygiene directives.

Indicators are used to measure the main results in these areas, and monthly reporting of occupational incidents (LTIR: Lost Time Incident Rate; TRIR: Total Recordable Incident Rate) is used to monitor performance overall and by site. The Group does not differentiate between the safety of its employees and that of external contractors.

	2011	2010
LTIR: number of lost time incidents per million hours worked	1.3	1.6
TRIR: number of recorded incidents per million hours worked	2.2	2.6
SIR: average number of days lost per lost time incident	23.9	23.5

The indicators above include incidents and hours worked by Group employees and contractors working on its sites.

Since 2010, the basic rules to be strictly followed by all personnel, employees and contractors alike, in all of the Group's business areas worldwide, have been set out in a safety document entitled "Twelve golden rules of occupational safety." The Group's internal statistics show that in over 90% of severe or high potential severity incidents in the workplace at least one of the golden rules had not been followed. The roll-out of the golden rules was accompanied by an awareness campaign throughout 2011 to ensure that all employees know and understand the rules.

Regular site visits, presentations and seminars are organized with the employee representatives on the European Works Council to promote the golden rules and, more generally, raise awareness of occupational safety issues.

## 2.2. Environmental protection

### 2.2.1. General policy

The main Group entities have Health, Safety and Environment (HSE) departments or units that ensure compliance with both relevant local regulations and internal requirements. The equivalent of over 780 full-time equivalent positions dedicated to environmental matters was identified within the Group for 2011.

The Group steering bodies, led by the Sustainable Development and Environment department, have a threefold task:

- monitoring TOTAL's environmental performance, which is reviewed annually by the Management Committee and for which multi-annual improvement targets are set;
- in conjunction with the business units, handling the various areas for which they are responsible;
- promoting the internal standards to be applied by the Group's business units as set out in the charter.

In-house, TOTAL also promotes compliance of its environmental management systems with ISO 14001. In 2011, 284 out of 860 sites

The Group's directives are equally demanding with regard to employee health. Requirements include a formal occupational risk assessment (chemical, physical, biological or psychosocial), the creation of a risk management action plan and medical monitoring of staff in line with the risks to which they are exposed. Two main indicators are monitored yearly:

	2011	2010
Percentage of companies included in WHRS offering employees regular medical monitoring	96%	98%
Number of occupational illnesses recorded in the year (in accordance with local regulations) per million hours worked	0.87	0.75

The main occupational illnesses identified at TOTAL are as follows:

- musculoskeletal disorders, which are the main cause of occupational illness in over half of all recorded illnesses;
- pathologies related to exposure to asbestos (almost solely in France due to the specific nature of legislation in this regard);
- hearing loss.

Nine French sites give their employees a questionnaire to complete when they have periodic medical check-ups, which are used to measure the impact of the reaction to the stress factors to which they may be exposed. In-house, a "stress level observatory" follows up the results of a survey conducted in 2010 of 3,000 employees, which found that their stress level is below that of a panel of large French companies.

On a broader level, TOTAL is associated to promoting individual and collective health in the countries where it operates (including flu vaccination campaigns and prevention and screening programs for certain diseases such as AIDS, cancer, malaria). Awareness campaigns relating to lifestyle risks in particular have been ongoing for several years (including anti-smoking and anti-drinking campaigns, musculoskeletal disorder prevention programs).

operated by the Group were ISO 14001-certified. Of the 860 sites, sixty are the most significant contributors to the emissions of their respective segments; for TOTAL, these sixty sites account for over 90% of the Group's emissions of greenhouse gases, nitrous oxide, sulfur oxide, and freshwater withdrawal. TOTAL has set a goal of having all of these sites certified ISO 14001 by year-end 2012. This proportion reached 97% by year-end 2011, compared to 92% in 2010.

The environmental risks and impacts of any planned investment, disposal or acquisition subject to Executive Committee approval are assessed and reviewed before the final decision is made.

TOTAL ensures that all employees are aware of its environmental protection requirements. If necessary, employees are given training in the required skills. TOTAL also raises employee awareness through internal campaigns (in-house magazines, intranet, posters, etc.) and provides annual information about the Group's environmental performance through circulation of the Corporate Social Responsibility report.

Two three-day training courses on all aspects of HSE are also made available to the business units. "HSE Implementation" is aimed at employees whose job is specifically to handle one or more HSE

areas within an entity. "HSE for Managers" is aimed at senior managers who are currently or will in the future be responsible for a Group entity. Several of these courses took place in 2011.

### 2.2.2. Environmental impact

TOTAL implements an active policy of monitoring, managing and reducing the environmental impact of its activities. As part of this policy, emissions are identified and quantified by environment (air, water, soil) so that the appropriate measures for their control can be implemented.

#### Water, air

The Group's activities generate chronic emissions such as fumes at combustion plants, emissions into the atmosphere from the various processes and discharges in wastewater. In order to reduce the quantities emitted and, at the very least, to comply with applicable regulations, TOTAL's sites use various treatment systems:

- organizational measures (for example controlling peaks in SO<sub>2</sub> emissions in accordance with weather forecast data, managing combustion processes, etc.);
- technical measures (such as building wastewater treatment plants).

These measures can be preventive to avoid generating pollutants (such as low-NOx burners for combustion plants) or curative (such as biological treatment of process water to reduce the hydrocarbon content of the final effluent).

To ensure the quality of its wastewater discharge, TOTAL has set a target of complying with the hydrocarbon concentration requirements (less than 30 mg/l) set out in the OSPAR standard, which is only mandatory in the North Sea, for all of its offshore exploration and production operations. For the third consecutive applicable year, the Group achieved this goal on yearly average in 2011.

The table below shows changes in chronic emissions into the atmosphere and discharged water quality:

	2011	2010
SO <sub>2</sub> emissions (thousands of metric tons)	91	99
NOx emissions (thousands of metric tons)	84	87
Hydrocarbons in discharged water (metric tons, excluding exploration & production and specialty chemicals)	50	74
Hydrocarbon concentration in water discharged by exploration & production (mg/l)	20	22
Chemical oxygen demand (COD) in water discharged by specialty chemicals (metric tons)	320	355

The decrease in SO<sub>2</sub> and NOx emissions is primarily the result of portfolio changes, notably the sale of the affiliate TOTAL EP Cameroon at the beginning of 2011 and the reduction of the Group's refining activities. Operational improvements, of which some related to the switch from liquid fuels to natural gas, also contributed significantly to the overall decrease. The sharp decrease in hydrocarbons discharged in the water is mainly the result of the continuous improvement of the wastewater treatment in 4 refineries.

#### Soil

The risks of soil pollution related to TOTAL's activities come mainly from accidental spills (see paragraph 2.2.3 of this Chapter) and waste storage (see below). The Group's approach to preventing and

controlling these types of pollution is based on four cornerstones:

- leak prevention, by implementing industry best practice in engineering and operations;
- maintenance at appropriate intervals to minimize the risk of leaks;
- overall monitoring of the environment to identify any increase in soil pollution;
- controlling pollution from previous activities by means of containment or reduction operations.

Decommissioned Group facilities (chemical plants, service stations, mud pits or lagoons resulting from hydrocarbon extraction activities, wasteland on the site of decommissioned refinery units, etc.) scar the landscape and may, despite all of the precautions taken, be sources of chronic or accidental pollution. TOTAL therefore remediates sites when it leaves in order to allow new activities to be set up once the future use of the land has been determined in conjunction with the authorities. This continuous task is performed by various teams within the Group, some of which form subsidiaries, such as RETIA, which decontaminates former Chemicals sites in Europe.

#### Waste

TOTAL manages waste production across all of its activities. This commitment is based on the following four principles, listed in decreasing order of priority:

1. reducing waste at source, by designing products and processes that generate as little waste as possible, as well as minimizing the quantity of end-of-life products;
2. reusing products for a similar purpose in order to prevent them from becoming waste;
3. recycling residual waste;
4. recovering energy, wherever possible, from non-recycled products.

To this end, TOTAL has entered into a variety of partnerships:

- With Veolia, the Group is involved in the Osilub project to build a used engine oil recycling plant in Le Havre, France. The plant (TOTAL, 35%) is scheduled to begin production in 2012 and will have a processing capacity of 120,000 metric tons per year (50% of all the used motor oil collected in France); the recycled oil will be used to make Vacuum Gas Oil (VGO) for refinery production of lubricants or fuels.
- In March 2011, Total Energy Ventures (Group's vehicle for investing in new energy and environmental protection technologies) acquired a stake in Agilyx, an American start-up that has developed an innovative process to convert waste plastic into crude oil. The first production unit, with a capacity of around ten metric tons of plastic per day, is already in operation.

At the production sites, waste management is carried out in four basic stages:

- waste identification (technical and regulatory);
- waste storage (soil protection and emission management);
- waste traceability, from production to disposal (notes, logs, declarations, etc.);
- Waste processing, with technical and regulatory knowledge of channels, under site responsibility.



TOTAL particularly monitors hazardous waste treated externally:

	2011	2010
Volume of hazardous waste treated outside the Group (kt)	248	263

## Environmental nuisance

TOTAL's activities may cause environmental nuisances for residents near its industrial sites. These are mainly noise and odors, but can also be vibrations and road, sea or river traffic.

Most sites have a system for receiving and processing residents' complaints so that they can be taken into account and the nuisance reduced as far as possible. Monitoring systems can also be put in place, such as sound level measurement at the site perimeter, or networks of sensors to determine the origin and intensity of odors.

### 2.2.3. Accident risk

For further information, see point 2 of Chapter 4, "Risk factors".

In addition to setting up management structures and systems, TOTAL strives to minimize the industrial and environmental risks inherent in its activities by:

- performing rigorous inspections and audits;
- training staff and raising the awareness of all parties involved;
- implementing an active investment policy.

In particular, TOTAL strives to prevent accidental spills. A common technical risk management approach has been developed to formalize this requirement at the Group's industrial sites. The methodology is being gradually implemented in all of its operated businesses and sets out a risk analysis based on accident scenarios for which the severity of the consequences and the probability of occurrence are assessed. These parameters are used to create a decision matrix that identifies the required level of mitigation.

Specifically with regard to shipping, the Group has an internal policy setting out the rules for selecting vessels. These rules are based on the recommendations of the Oil Company International Marine Forum (OCIMF), an industry association made up of the main global oil companies that promotes good practice in oil shipping, and on its Ship Inspection Report (SIRE) Program.

In accordance with industry practice, TOTAL particularly monitors accidental liquid hydrocarbon spills of a volume of more than one barrel (159 liters). Spills that exceed a certain severity threshold (whether in terms of volume spilt, toxicity of the product in question or the natural environment affected) are reviewed on a monthly basis and annual statistics are sent to the Group's Management Committee. All accidental spills are followed by restoration action aimed at returning the environment to its original state as quickly as possible.

The table below shows the number and volume of accidental hydrocarbon spills with an environmental impact and that are greater than one barrel in volume:

	2011
Number of hydrocarbon spills with an environmental impact	263
Total volume of hydrocarbon spills with an environmental impact (thousands of m <sup>3</sup> )	1.8

NB: Soil on sites is deemed to form part of the natural environment unless it is sealed. 2010 values are not given because they are not comparable due to a change in methodology.

While risk prevention is emphasized, TOTAL regularly addresses the issue of crisis management on the basis of identified risk scenarios.

In particular, the Group has emergency plans and procedures in place in the event of an hydrocarbon leak or spill. These plans and procedures are specific to each subsidiary in line with its structure, activities and environment, while complying with Group recommendations, and are regularly reviewed and tested during exercises.

Also available to TOTAL's subsidiaries, the PARAPOL (Plan to mobilize Resources Against Pollution) alert scheme is used to facilitate crisis management at Group level. Its main aim is to mobilize the internal and external human and physical resources necessary to respond in the event of pollution of marine, coastal or inland waters, without geographical restriction, at any time, at the request of any site.

TOTAL and its subsidiaries have assistance agreements with the main bodies specializing in oil spill management such as Oil Spill Response Limited, CEDRE and Clean Caribbean & Americas. Their role is to provide expertise, resources and equipment in all of the regions where TOTAL has operations.

After the blowout on the Macondo well in the Gulf of Mexico, TOTAL created three Task Forces to analyze risks at Group level and make recommendations.

Task Force No. 1 examined the safety of deep-offshore exploration and production (well architecture, bop-stack design, staff training based on lessons learnt from serious incidents in the industry). Its work resulted in the implementation of even more stringent inspections and audits of drilling activities.

Task Force No. 2, in conjunction with the Global Industry Response Group (GIRG) created by the OGP (International Association of Oil and Gas Producers), is responsible for studying deep offshore oil capture and the associated containment operations should a pollution event occur in deep waters. This work will make it possible to have capture devices available in the near future in several regions of the world where TOTAL has multiple exploration and production operations, such as the North Sea and the Gulf of Guinea.

Task Force No. 3 has worked on the revision of oil spill contingency plans in order to improve TOTAL's ability to respond to major pollution related to a blow-out or complete loss of containment from an FPSO. Its work has resulted in particular in a significant increase in stocks of dispersants available within the Group.

### 2.2.4. Sustainable use of resources

#### Water

The distribution of the freshwater available worldwide varies greatly in space and time. The issue of water consumption therefore requires different responses depending on the regional and technical context.

In order to establish which of its facilities are affected by this issue as a priority, TOTAL both:

- identifies water withdrawals and discharges on all of its sites;
- and identifies sites located in "water stress" areas (watersheds that will have less than 1,700 m<sup>3</sup> of renewable freshwater available per person per year by 2025, according to the Falkenmark indicator), using the Global Water Tool for Oil & Gas, developed jointly by the World Business Council for Sustainable Development and IPIECA.

	2011	2010
Freshwater withdrawals excluding cooling water (million m <sup>3</sup> )	142	147
Percentage of Group sites, excluding Marketing, located in water stress areas	44%	NA

The "Optimizing water consumption on industrial sites" guide sets out good practice for saving and recycling water on all Group sites.

In exploration and production, reinjecting water extracted at the same time as the hydrocarbon back into the original reservoir is one of the methods used to maintain reservoir pressure. The technical specifications in force in TOTAL's E&P division stipulate that this option must be given priority (see Chapter 4 of this registration document).

At refineries and petrochemical sites, water is mainly used to produce steam and cool units. Increasing recycling and replacing water by air for cooling are TOTAL's preferred approaches to reducing freshwater withdrawals.

Although smaller volumes of water are involved, a growing number of car washes at TOTAL-branded service stations are fitted with water recycling units. This means that only the final rinsing of the cars is done with public-supply water.

## Raw materials

Hydrocarbons are the Group's main raw material, and are an energy material. Optimum use of hydrocarbons therefore lies in what is known as "energy efficiency", as described below.

Since 2011, TOTAL has measured the raw material loss rate for each business unit. This is the percentage of converted raw materials that are neither delivered to any of the business unit's customers nor used for energy purposes.

Raw material loss rate	2011
Hydrocarbon production business	2.5%
Refining business	0.6%
Petrochemical business	1.0%

## Energy efficiency

TOTAL aims to control its energy consumption more effectively. Internal documents (roadmaps and guides) describe the challenges, set out methodologies and action plans, and include quantified goals to reduce consumption.

In particular, a guide produced in late 2008 contains recommendations for improving energy performance management in the Group's various business units. They have since set targets of a 1 to 2% increase in energy efficiency depending on the segment.

	2011	2010
Net primary energy consumption (TWh)	158	157

In early 2011, the Group's internal structure relating to Climate and Energy was changed:

- a decision-making body was created in the form of the CO<sub>2</sub>/Energy Efficiency Management Committee, whose guidelines (particularly greenhouse gas emissions and energy performance targets) are validated by the Executive Committee if necessary. It is based on a permanent energy efficiency task force and, where applicable, temporary cross-business task forces;

- Energy Network days and the Energy seminar provide opportunities for internal discussion, reflection and information-sharing.

In France, Energy Efficiency Certificates are awarded by the Energy and Climate Administration in recognition of energy-saving activities. Total is encouraging its customers to reduce their energy consumption by 40 TWh (over the entire service life of the product) in the 2011-2013 period.

Through the "Total Ecosolutions" program, the Group is also developing innovative products and services that perform above market average environmental performance, by curbing natural resource use and/or environmental impact while providing the same level of service. At year-end 2011, thirty-two products and services (Marketing and Chemicals) bore the "Total Ecosolutions" label. For instance, in 2011, Total Petrochemicals' PPC 9612 polypropylene, which significantly reduces the weight of packing crates by up to 35%, was awarded the 2011 Packaging Oscar in the category "Materials, Plastics section". Total Excellium Diesel, which increases fuel efficiency by 2.5% on average, also received the Total Ecosolutions label in 2011.

## Use of renewable energies

TOTAL only uses minimal quantities of renewable energy to power its production sites.

However, the Group uses biomass to heat tertiary buildings such as the one opened in 2011 by TIGF in Cugnaux, France, and has installed photovoltaic panels on several of its buildings (CSTJF in Pau, car park in Lacq, etc.) and certain wellheads.

## 2.2.5. Climate change

### Greenhouse gas emissions

TOTAL has made reducing greenhouse gas emissions one of its priorities and has established quantified targets to this end:

- a 50% reduction in flaring by 2014 compared to 2005;
- increasing energy efficiency by 1% per year in refining and by 2% in petrochemicals and exploration and production.

	2011	2010
Daily volumes of gas flared (million m <sup>3</sup> per day)	10.0	14.5
Operated direct greenhouse gas emissions (Mt equivalent, 100% of emissions from sites operated by the Group)	46	52
Group share of direct greenhouse gas emissions (Mt equivalent, from sites in which TOTAL has a stake)	53	59

In 2011, the Group's efforts resulted in a further reduction in direct emissions of greenhouse gases from sites operated by TOTAL, of around 5.2 Mt, a 10% decrease compared to 2010. Changes in the assets portfolio (disposal of TEP Cameroun and Block 3 in Angola and the fact that the SARA refinery was no longer operated in 2011) explain 3.6 Mt of the decrease.

Further reduction comes from improved operational control of emission sources and lower activity levels in some sectors, particularly European refining.

- Flaring accounts for most of the operated greenhouse gas emissions from TOTAL's exploration and production activities.



The Group has therefore taken proactive steps in recent years relating to the design of projects and reducing flaring due to operational contingencies, particularly the temporary failure of equipment (such as compressors), the reliability of which has been improved. These efforts resulted in a 1.7 Mt reduction in emissions due to reduced flaring, partially offset by a 0.7 Mt increase due to the energy that is necessary to reinject the non-flared gas and a 0.4 Mt (eq. ) increase of methane venting.

- In refining, the decline in activities primarily linked to major shutdowns directly resulted in a 0.7 Mt reduction in greenhouse gas emissions in 2011 compared to 2010.
- Greenhouse gas emissions in the Chemicals business unit were also reduced by 0.3 Mt, mainly as a result of N<sub>2</sub>O emission management in the fertilizers business.

At the same time as managing its processes, TOTAL invests in research and development in new technologies and innovative solutions to reduce direct greenhouse gas emissions into the atmosphere by other means.

The Group intends in particular to develop capture, transport and storage technologies and for several years has been working on CCS (carbon capture and storage) so that it can be used on its industrial sites when the economic and regulatory conditions permit. Currently, two production sites in which TOTAL has a stake, the Sleipner and Snøhvit fields in Norway, are using these technologies. The research program is ongoing, notably through a pilot project at the Lacq complex in France, where CO<sub>2</sub> is being captured by oxy-fuel combustion, transported and stored in a depleted natural gas reservoir.

### Adapting to climate change

Scientific work, as set out in publications by the Intergovernmental Panel on Climate Change (IPCC), and notably in its assessment reports and the special report on extreme climate events, tends to show that climate change could lead to more extreme events.

The Group assesses the vulnerability of its existing and future facilities, taking into account predicted climate change. More in-depth scientific knowledge about climate forecasts, one element of which will be the IPCC's publication of a new assessment report in Fall 2013, is eagerly anticipated.

Climate conditions are factored into the design of industrial facilities, which are not only built to withstand extreme events observed in the past but also to include additional safety margins.

In addition to adapting to climate change, limiting the effects of human activity on the climate must remain a priority for everyone. TOTAL advocates concerted action in this regard, particularly the emergence of a balanced, gradual international agreement that prevents the distortion of competition between industries or regions of the world.

## 2.3. Consumer health and safety

Many of the products that TOTAL markets pose a potential health risk if they are incorrectly used. The Group, therefore, meets its current and future obligations with regard to information and prevention in order to minimize the risks throughout the product life cycle.

TOTAL uses various guidelines to ensure compliance with the vital measures in place to promote consumer health and safety:

### 2.2.6. Protecting biodiversity

Due to the nature of its business, and particularly because new exploration and production projects are located in potentially sensitive natural environments, TOTAL's operations are likely to have an impact on biodiversity. More specifically:

- impacts related to construction sites, access roads, linear infrastructures, etc., which can result in habitat fragmentation;
- physicochemical impacts leading to changes in environments and habitats, or that might affect or interfere with certain species;
- contribution to the propagation of invasive species in terrestrial and marine environments.

TOTAL is aware of these challenges and takes biodiversity into account in its guidelines at a number of levels:

- the Health Safety Environment Quality Charter (see point 2 of this Chapter), Article 10 of which specifies: "TOTAL (...) controls (...) (its) impact on biodiversity";
- a biodiversity policy that details the Group's principles for action in this area:
  1. minimizing the impact of activities on biodiversity throughout the lifetime of facilities;
  2. incorporating biodiversity protection into the environmental management system, particularly initial analyses and social and environmental impact studies;
  3. paying specific attention to operations in regions with particularly rich or vulnerable biodiversity;
  4. informing and raising the awareness of employees, customers and the public, helping to improve understanding of ecosystems.

This policy is implemented by means of a number of tools and rules. In exploration and production, rules and specifications govern the performance of baseline surveys and environmental impact studies on land or at sea. Since 2011 all Group entities have access to a detailed mapping tool showing the world's protected areas, based on data provided by the UNEP-WCMC (World Conservation Monitoring Center).

TOTAL's new projects are also covered by biodiversity action plans based on the "Avoid, Reduce, Compensate" approach. As a result of the first plan implemented in France, developed by TIGF for the Artère du Béarn gas pipeline project, vulnerable areas and protected species stations were avoided and the impact of the work was reduced through the use of special tree clearance and river-crossing techniques.

Finally, TOTAL is involved in industry initiatives such as those launched by IPIECA, which in 2010 resulted in the publication of a guide to the issue of invasive species. Recommendations include taking seasons into account when planning work and checking the origin of the equipment used (see also paragraph 3.3 of this Chapter).

- the Health Safety Environment Quality Charter (articles 1 and 5; see point 2 of this Chapter);
- a health policy that sets out the Group's principles for action in relation to accident prevention and protecting the health of people in direct or indirect contact with its products, throughout the entire product life cycle, including customers, users and anyone else involved (health and products);

- a directive stating the minimum requirements for marketing products worldwide in order to avoid or reduce potential risks to consumer health and the environment.

TOTAL identifies and assesses the risks inherent in its products and their use, and then informs customers and users of these risks and the applicable prevention and protection measures. The material safety data sheets (MSDS) that accompany all products marketed by the Group (in at least one of the languages used in the country) and product labels are two key sources of information in this regard. All new products comply

fully with the regulatory requirements in the countries and markets for which they are intended.

TOTAL registered a total of 214 substances in the first phase of application of the European REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations. These regulations aim to protect the health of consumers and professionals by means of a stringent assessment of the toxicological effects for each substance use scenario and the implementation of appropriate mitigation measures.

## 3. Community development information

Consistent with the values and principles set out in the Code of Conduct, Ethics Charter and Health Safety Environment Quality Charter (see point 2 of this Chapter), TOTAL places its commitment to community development at the heart of its corporate responsibility. This approach, which involves all Group business units and entities, covers all action taken to improve its integration into the countries where the Group operates.

TOTAL aims to act and to be known as:

- an energy company that places respect, openness, continuous dialogue and transparency in relation to stakeholders at the heart of its strategy;

- a responsible operator that can be welcomed for the long term, setting an example in the responsible way that it manages the impact of its activities;
- a partner in the sustainable human, economic and social development of the communities and countries where it operates;
- a leading player in access to energy.

Formalized in 2011 through the “*Sociétal Lab*” internal procedure and accompanied by a directive to facilitate its application within the Group, this community development policy is one of the cornerstones of TOTAL’s response to the challenges of sustainable development.

Over the last three years, the Group has invested in excess of €200 million per year in community development.

### 3.1. Stakeholder relationships

For around twenty years, changes in the regulatory framework have fostered the implementation of information, consultation or dialogue procedures prior to decisions with a significant environmental impact. In addition to its desire to comply with regulations, TOTAL implements structures for dialogue with stakeholders at every level of the Group. In particular, there is one employee at headquarters responsible for relationships with NGOs.

To put its approach to community development at its sites and subsidiaries on a professional footing, TOTAL implemented the internal SRM+ (Stakeholder Relationship Management) tool in 2006. This tool is used to identify and pinpoint the main stakeholders, to schedule meetings with them and to record the expectations they express, and then to create an action plan for building a long-term relationship. In particular, communities neighboring TOTAL sites often have questions about the impact of the Group’s activities on health, safety and the environment. Entering into a dialogue with local residents enables us to respond to these legitimate concerns. In addition to SRM+, other schemes for dialogue appropriate to TOTAL’s locations or businesses exist, such as:

- Community Advisory Panels in the United States, developed on the initiative of the American Chemistry Council;

- Local Information and Consultation Committees in France, pursuant to the French technological risk prevention act;
- the “*Terrains d’entente*” initiative, set up in 2002 within the TOTAL Chemicals business unit to strengthen dialogue between industrial sites and their surroundings;
- the Neighbors’ Conference, set up in 2007 by the Feyzin refinery in France in conjunction with the Feyzin municipal council. This forum for dialogue is made up of local residents and helps to improve living conditions and relationships with the site. It was recognized by the authorities as a consultation body under the Technological Risk Prevention Plan;
- the launch in 2011, in the Lorraine region of France, of a collective consultation procedure involving the stakeholders in all of the Group’s business units operating in that region.

TOTAL is aware of the specificities of indigenous and tribal peoples (as identified in the International Labor Organization’s Convention No. 169), and has introduced a Charter of Principles and Guidelines Regarding Indigenous and Tribal Peoples. Under this Charter and in compliance with our Code of Conduct, we strive to get to know and understand the legitimate needs of the communities neighboring our subsidiaries.

## 3.2. Social and economic development of host communities and countries

### Social and economic development of neighboring or local communities

Wherever it operates, TOTAL has particular responsibility for the social and economic development of the communities living near its facilities. This aim is embodied in a variety of ways:

- firstly, a requirement for relevant investments and transparency in its financial contribution (through the payment of taxes, duties and royalties) to the development of host countries, in accordance with local legislation;
- secondly, creating direct and indirect local jobs through a customized contractual policy, as part of a long-term education and training approach;
- finally, proactive support for the implementation of social and economic development schemes in emerging countries. Tailored to community expectations, these schemes are run in partnership with local organizations and authorities and are sometimes accompanied by health and education initiatives.

In all its actions, TOTAL is careful not to take the place of the local authorities, but works alongside them to strengthen or leverage their initiatives, while ensuring that it:

- fully supports the legitimacy of local social and economic development or health schemes;
- prevents dependency on TOTAL's presence, promoting self-sufficiency over aid;
- ensures the success of projects that require knowledge of local cultures that its employees do not necessarily have.

The Group's expertise is based on continuous professionalization of its community development engineers. Tools such as structuring projects, setting goals and defining monitoring and assessment indicators have enabled us to progress from an aid-giving approach to one of collaborative construction in which communities take charge of their own development.

TOTAL is supported in this by NGOs specializing in community development action, which have extensive practical experience. These organizations help the Group increase the effectiveness of the social and economic development programs it supports, particularly by encouraging it to take into account the entire life cycle of its projects, from the design phase to shutdown. There are already over three hundred full-time employees working in this area at headquarters and at the exploration and production subsidiaries.

To help French people in a situation of "fuel poverty," TOTAL signed an agreement in September 2011 with the French National Housing Agency (ANAH) to join the "Habiter mieux" program, overseen by the French Ministry for Ecology, Sustainable Development, Transportation and Housing. Under the agreement the Group has committed to funding work to refurbish the heating of 16,000 homes by 2013.

### Developing regional economies

TOTAL's activities generate hundreds of thousands of direct and indirect jobs worldwide. The Group's purchasing activities alone represent roughly €25 billion. This presents the Group with numerous challenges with regard to its impact on the environment, society and community development, all of which are taken into account in the Group's relationships with suppliers (see paragraph 3.4 of this Chapter).

In addition to the jobs generated by its activities, the Group has a proactive policy of supporting small and medium-sized businesses in France and worldwide, particularly through *Total Développement Régional* (TDR). The aim of this body is to promote job creation and skill sharing by backing business creation, expansion or buy-out plans.

Although there is usually no economic or social crisis surrounding these measures, TDR can also support planned employment area regeneration programs alongside the redeployment of the Group's activities.

The support provided forms a major component of TOTAL's economic and social responsibility policy and takes a number of forms:

- financial backing for the creation, buy-out and expansion of SMEs, and support for regeneration;
- export and international expansion support;
- technology support and assistance to innovative SMEs;
- other forms of support such as management or accountancy training prior to granting financial backing and appropriate to the context of each country.

In the last ten years, TDR has provided over €60 million in financial assistance for 1,000 SMEs, supporting some 15,000 jobs.

TOTAL's regional development policy is becoming increasingly international, both in Europe and in the emerging countries where it operates.

## 3.3. Partnerships and philanthropy

### Corporate philanthropy

The Group's philanthropic activities are largely coordinated by two bodies, the TOTAL Foundation, set up in 1992 after the Rio Earth Summit, and the Philanthropy Department.

The TOTAL Foundation's work originally focused on environment and marine biodiversity, but in 2008 its by-laws were changed to cover the Group's other areas of philanthropy. The Foundation, which celebrates its 20<sup>th</sup> anniversary in 2012 now operates in four areas: marine biodiversity; heritage and culture; health;

and community support. It has a €50 million five-year action plan which is now in its fourth fiscal year.

- With regard to the environment, the Foundation funds programs aimed at improved knowledge, protection and enhancement of marine and coastal species and ecosystems. The Foundation donated €3 million in this area in 2011.
- The Foundation promotes cultural dialogue by supporting exhibitions that showcase the heritage and arts of both France and the Group's host countries. With the French heritage association *Fondation du Patrimoine*, it supports the preservation of traditional

crafts and industry and the restoration of heritage sites in France. The Foundation donated €4 million to such initiatives in 2011.

- In the field of health, the Foundation works alongside the Pasteur Institute to combat infectious diseases. Under the aegis of Professor Françoise Barré-Sinoussi, winner of the 2008 Nobel Prize in Medicine and scientific consultant for the partnership, a budget of €2 million per year is devoted to research and community action programs.
- The Foundation encourages Group employees to engage with the community through a number of initiatives including sponsorship, support for projects championed by non-profit organizations with which employees volunteer on a personal basis, etc.

In addition, the Group's Philanthropy Department enters into partnerships with major institutions. In 2009, TOTAL committed to donating €50 million over six years to the *Fonds d'expérimentation pour la jeunesse*, a community development fund for youth run by the French Education Ministry. It aims to support innovative social action designed to inspire public policies promoting educational success and the social and professional integration of young people. In 2008, TOTAL committed to €10 million of funding over five years for the French search and rescue association, *Société nationale de sauvetage en mer*, to design and implement cutting-edge safety equipment. The disbursements for philanthropy of Total SA (including its Foundation) reached €28 million in 2011.

## Educational partnerships

TOTAL firmly believes in the importance of a "localization" policy, and aims to enable its employees in countries outside France to take up positions of responsibility within their local subsidiaries. As part of its social programs, the Group therefore offers local and international

scholarships to create skilled local workforces for future hiring.

Thousands of students are thus given the opportunity to pursue their studies in their country of origin or at the world's leading universities. TOTAL's international scholarship program has also enabled over five hundred students from twenty-six countries to study in France for engineering and master's degrees, MBAs and doctorates.

In addition, with support from other major groups, in autumn 2011, TOTAL, Paris Tech and the *École polytechnique* introduced the Renewable Energy Science and Technology Master II postgraduate degree program, which is open to international graduates from the world's leading universities. TOTAL has also signed a three-year philanthropy agreement with the *Institut d'études politiques* (Sciences Po), France's leading social sciences university, to educate and recruit the best students from disadvantaged backgrounds.

Another of the Group's flagship educational initiatives is the annual Total Energy and Education Seminar, which was held for the third time in Paris in early 2011 and brought together fifty professors from forty-five universities in twenty-two countries. The academics and some twenty TOTAL managers as well as external experts discussed issues such as the future of energy, climate change, relationships between universities and business, and the impact of globalization on education and human resources management.

The sixth Total Summer School took place in Paris in July 2011, attended by twenty postgraduate students from twenty-four countries to debate energy challenges.

In Africa, the Group's Downstream segment is developing partnerships with several regional higher education institutions. The aim is to develop the talent required for TOTAL to further its goals in that continent. In June 2011, a third regional partnership was signed in Senegal with the African Center for Higher Management Studies.

## 3.4. Fair operating practices

### Preventing corruption

The amounts of money involved and the diversity of the various regions require the oil industry to be particularly vigilant about corruption and fraud. Around one-quarter of TOTAL employees work in countries considered to be high-risk in this regard. Reinforcing integrity and preventing corruption and fraud therefore constitute a major challenge for the Group and all its employees.

TOTAL's stance on the issue of corruption is based on clear principles, set out in 2000 in the Code of Conduct: "TOTAL rejects bribery and corruption in all forms, whether public or private, active or passive".

The Code of Conduct sets out the principles governing the actions and individual behavior of each person, both in their day-to-day decisions and in their relations with stakeholders. In this Code TOTAL reiterates its support for the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact, the tenth principle of which invites companies to act against all forms of corruption.

In May 2008, the Chief Executive Officer made a clear commitment to rejecting corruption in the introduction to the Business Integrity Guide. This commitment is expressed concretely through various actions:

- creation of the Compliance and Corporate Social Responsibility Department within the Group Legal Department, which is now backed by a network of over 300 compliance managers in the Group's various business units, entities and subsidiaries;
- publication of the Business Integrity Guide; 50,000 copies have been circulated and an interactive version is available on the Group intranet sites;
- in 2009, approval by the Executive Committee of the Corruption Prevention Policy and Compliance Program, which includes the creation of a dedicated compliance structure;
- in 2011, decision of the Executive Committee to strengthen fraud and corruption prevention by establishing a Business Integrity Policy and Program; an ambitious e-learning program has been introduced on the subject (see also paragraph 1.4 of this Chapter).

### Human rights

Although ultimate responsibility for human rights lies with governments, the activities of companies can affect the human rights of the employees, partners or communities with which they interact in numerous ways. In addition to being an ethical

commitment for TOTAL, adopting a proactive approach to human rights within the company is vital for its smooth functioning. This approach helps to establish and maintain successful relationships with all stakeholders.

TOTAL's Code of Conduct formally recognizes the Group's support for the principles of the 1948 Universal Declaration of Human Rights, the key conventions of the International Labor Organization, the OECD Guidelines for Multinational Enterprises and the principles of the United Nations Global Compact. TOTAL is also actively involved in a number of human rights initiatives and working groups coordinated by the Global Compact, such as the Human Rights Working Group, the Responsible Investment in Conflict-Affected Countries Working Group and the Anti-Corruption Working Group. Created in 2010, the Global Compact LEAD (Initiative for Sustainable Leadership) has fifty-four members, of which TOTAL is the only French company.

Internally, in order to spell out its human rights position and initiatives, TOTAL has created a Human Rights Coordination Committee, organized by the Chairman of the Ethics Committee. A discussion forum meets every other month: its members include representatives of the Human Resources, Public Affairs, Legal, Security and Sustainable Development Departments. This committee coordinates the initiatives taken by the Group's various business units, and its meetings mainly address international initiatives, human rights tools under development and civil society projects. The introduction of specific internal policies and procedures (in progress or pending) is also discussed.

In line with the United Nations guiding principles on business and human rights, TOTAL's human rights approach is based on several cornerstones:

1. Written principles: in accordance with its Code of Conduct, the Group has adopted principles appropriate to its operations and those countries in which it operates, some of which are set out in the Human Rights Internal Guide published in 2011.
2. Awareness campaigns: to ensure that its human rights principles are disseminated in-house, TOTAL raises employee awareness via internal communications channels such as the Ethics and Security intranet sites, and through specific training programs tailored to the various challenges encountered in the field. These training programs are listed in the TOTAL University Ethical, Environmental and Social Responsibilities catalogues.
3. Listening and advice bodies: two dedicated bodies, the Ethics Committee and the Compliance and Corporate Social Responsibility Department, are available to advise employees and coordinate efforts to promote human rights. All employees experiencing difficulties in the practical implementation of the Code of Conduct should first turn to their line manager;

if necessary, they can contact the Human Resources Department or take their concerns to the Ethics Committee.

The Ethics Committee is a central, independent structure that represents all of TOTAL's business units. Its role is to listen to, support and advise both employees and people outside the Group. The Committee maintains complete confidentiality with regard to referrals; this can only be lifted with the agreement of the person involved.

4. Assessment tools: these are used for regular assessment of subsidiaries' human rights risks and compliance. They analyze the impact of local projects (social implementation assessment) or check that subsidiary practice complies with Group standards (compliance assessment). Some of these tools are implemented by independent experts, such as GoodCorporation and the Danish Institute for Human Rights; action plans are created and monitoring reviews are conducted to take into account the results of these assessments.

## Contractors and suppliers

In its Code of Conduct, TOTAL states that it expects its suppliers to respect principles equivalent to those that it abides by. A document entitled "Fundamental Principles in Purchasing" sets out the Group's commitments with regard to preventing corruption, compliance with the rules of free competition, respect for fundamental principles and rights at work, protecting health and the environment and promoting economic and social development. TOTAL suppliers are made aware of these rules, which are covered by specific contract clauses for major calls for tenders.

Questionnaires focused on environmental and social challenges are used to gather more in-depth information from suppliers about their approach to these subjects, either during prequalification or as part of an audit. This aspect of supplier relationships can also be examined in ad hoc ethical assessments of Group subsidiaries or entities, performed by GoodCorporation.

In addition, a sustainable purchasing cross-business task force, bringing together the different business units and the Purchasing and Sustainable Development Departments, was set up in 2011. Its role is to strengthen TOTAL's sustainable purchasing policy on the basis of initiatives introduced in each business. Its roadmap has been validated by the Group Purchasing Committee.

TOTAL has also entered into a partnership with the Danish Institute for Human Rights to improve the tools and processes it uses to assess its suppliers' approach to their environmental and social impact. This work takes the form of pilot projects in specific purchasing categories through an operational approach.



## 4. Other social, community development and environmental information

### 4.1. TOTAL and Canadian oil sands

With the development of five major projects in Canadian oil sands, TOTAL expects to produce 200 kb/d of bitumen within ten to fifteen years. It is essential that the environmental challenges, and in particular the impact on water, the rehabilitation of the land and the ecosystems affected, together with greenhouse gas emissions, be taken into account. For several years, TOTAL has been actively involved in the various collaborative research initiatives undertaken by the Canadian industry into these areas, and has invested over CAD 20 million each year.

In order to restrict water consumption on the Surmont (50%) in situ project, the Group worked alongside the operator to optimize water use and recycling. For Phase 2 of the project, the chosen option goes even further, with water being withdrawn preferably from saline aquifers and not from freshwater aquifers or rivers, which will lead to additional processing costs. On Joslyn North (38.25%, operator), TOTAL has committed to building a freshwater storage facility sufficient for ninety days of production in order to reduce withdrawals from the Athabasca River in low flow periods.

The Group is also involved in oil industry work to improve management of the waste associated with developing oil sand mines, which has historically been stored in tailing ponds. For Joslyn North, TOTAL is planning to use processes to segregate tailings streams and thicken the fine tailings, and even flocculation and centrifuging, in order to significantly reduce the size of the tailing ponds and ensure that they are consolidated within several years.

As open-pit mining of oil sands disturbs land and ecosystems, TOTAL is committed to their sustainable rehabilitation throughout its operations, taking into account the specific features of the boreal forest; 60% of the rehabilitation work at Joslyn North should be completed at the end of mining, and the rest in the next seven years.

Over and above Canadian industry's efforts to reduce greenhouse gas emissions from the entire oil sands production chain (which are, over a complete "well to wheel" lifecycle, approximately 10 to 15% higher than the average for conventional crude, according to Group estimates), TOTAL plans to install cogeneration units at its mines. The Group is also involved in carbon capture and storage project analyses in Alberta.

Mindful of its responsibilities to its stakeholders and neighbors, and particularly the First Nations, TOTAL opened a permanent office in Fort McMurray in 2006. Since that time, the Group has signed social and economic agreements with the Fort McKay, Athabasca Chipewyan and Mikisew Cree First Nations, and with the Regional Municipality of Wood Buffalo. These agreements reflect TOTAL's commitment to engaging in dialogue and creating added value shared with the communities living near its facilities (see paragraph 3.1 of this Chapter).

For more information visit  
<http://www.total-ep-canada.com/csr/responsibility.asp>

### 4.2. TOTAL and shale gas

TOTAL has interests either as operator or partner in several shale gas licenses in Poland, Denmark, the United States and Argentina.

In each of these countries, the Group's environmental and social charters, complemented by local laws, provide the framework of these operations.

The environmental challenges associated with shale gas development include reducing the quantity and impact of chemical additives, optimizing water management, and reducing the visual impact and nuisance caused by the operations. Total puts these environmental issues at the heart of these operations. Total relies on its technical expertise and the contributions of its research and development teams to identify and create innovative solutions, where needed.

In Europe, where TOTAL has stakes in Denmark (operator) and Poland (partner), the Group's efforts are focused on listening to its contacts so that its operations can proceed in a way that is

acceptable to all stakeholders. TOTAL firmly believes that shale gas has a place in the European energy mix, and represents a considerable economic opportunity through the resulting development of dedicated services and industries.

In the United States, TOTAL is a partner in the appraisal and development of shale gas licenses in the Barnett (Texas) and Utica (Ohio) plays. Chesapeake, the operator, acts in accordance with the specific legislation in each state, and is committed to reducing its environmental footprint, publishing a list of the chemicals used, recycling produced water, and limiting gas emissions into the atmosphere.

In Argentina, where TOTAL has stakes as either operator or partner in several exploration licenses in the Neuquén Basin, operations are also conducted in compliance with local regulations and the Group's charters.

### 4.3. TOTAL and new energies

Although fossil hydrocarbons will continue to play a central role in the coming decades, in the long term all types of energy will have to be deployed to meet global demand. They will therefore be complementary. TOTAL decided long ago to invest in new energies, and its strategy is based on two main areas: solar and bioenergy.

In the transportation sector, biofuels, particularly 2<sup>nd</sup> and 3<sup>rd</sup> generation, should be able to meet the challenge of reducing greenhouse gas emissions while increasing the total fuel supply. Currently, biofuels are the only substitute for the kerosene used by the aviation industry.

In concrete terms, TOTAL has partnerships with several companies in the United States and France:

- Amyris since June 2010, with the aim of developing and marketing biodiesel, biojet fuel and biolubricants by 2016 through its advanced synthetic biotechnology platform. Amyris owns research laboratories and a pilot unit in California and has one operational production unit in Brazil, with another under construction. In late 2011, TOTAL and Amyris announced that they were strengthening their strategic partnership by setting up a joint R&D program and creating a joint venture:
  - increasing R&D efforts in order to develop biodiesel and biojet fuel. TOTAL has committed to contributing \$105 million to the estimated \$180 million of funding required for the program;
  - creating a 50-50 joint venture company that will have exclusive rights to produce and market biodiesel and biojet fuel worldwide, as well as non-exclusive rights to other renewable products such as drilling fluids, solvents, polymers and specific biolubricants. The joint venture is expected to be operational in the first quarter of 2012.

- Futurol (pilot unit started up in October 2011), a second-generation bioethanol project in the Marne region of France. TOTAL sits on the scientific committee and provides its industrial expertise in incorporating biocomponents into existing fuels;
- BioTfuel (November 2011), a pilot project to develop and market a second-generation biodiesel and biokerosene production chain. One of the pilot units (gasification, purification and synthesis) will be installed on TOTAL's site in Flandres (France), with production start-up expected in 2020.

The other area is solar energy. TOTAL firmly believes that solar energy has significant potential for development. Solar energy has a much lower environmental footprint compared to fossil fuels and the rapid fall in costs currently being seen in the industry means that it will be a competitive way of producing electricity within a few years. Grid parity has already been reached on some markets (such as California). In light of this transition to a mature market, the Group must maintain its R&D efforts and work to reduce production costs.

In 2011, TOTAL increased its commitment to solar energy to become one of the world leaders in this field, through:

- the acquisition of a 60% stake in SunPower in June 2011. The company produces the most efficient solar panels on the market;
- the takeover of Tenesol in late 2011 and the merging of Tenesol with SunPower in January 2012. As a result of the operation, TOTAL now owns 66% of SunPower.

The ongoing construction of a solar panel plant (44 MWp) using SunPower's cutting-edge technology in Saint-Avold (France). Commissioning is expected in 2012.



## 5. Third parties assurance reports

### 5.1. Assurance report on E&P and Refining data, on part of the informations and on the Group consolidation

Year ended December 31, 2011

*This is a free translation into English of the original report issued in French and is solely provided for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with French law and professional auditing standards applicable in France.*

To the shareholders,

At Total's request, and under the provisions of article L. 225-102-1 of the Trade Code (Grenelle II Law of July 12, 2010), we present you our report on the aspects of environmental and social performance data selected by Total and presented in the Management report established for the financial year ended December 31, 2011.

The Board of Directors was responsible for preparing the Group Management report which includes environmental and social information (the "Information"), defining the appropriate Guidance (the "Guidance") to establish the numerical data<sup>(1)</sup> (the "Data") and to ensure their availability.

The Guidance can be consulted at Total's headquarters and a summary is presented in the Reporting Scope and Method note available on the Group's website.

#### Independence

Our independence is defined by the Code of Ethics from IFAC (International Federations of Accountants).

It is our responsibility, on the basis of our procedures:

- to check, in this report, the completeness of the disclosure of all information required in the January 2012 draft version of the decree and alert, when necessary, information omitted or not supported by relevant explanation;
- to express a conclusion on the sincerity of the Information and a limited assurance conclusion on the Data presented in Chapter 12 of the Group Management report.

Our procedures were conducted in compliance with the professional standards applicable in France and the International Standard on Assurance Engagement (ISAE 3000), published in December 2003. We performed a limited review, described below, to provide a limited level of assurance that the Data are free of material misstatement. A higher level of assurance would have required a more extensive review.

#### Nature and scope of our procedures

We conducted the following procedures:

- We understood priorities and strategies of the Group toward a sustainable development, with respect to social and environmental impacts of Group activities, its commitments toward the society and, when relevant, related mitigation actions or programs. We compared the list of Information with the requirement of the draft decree of January 2012. In particular, our procedures covered the following items:
  - for environmental Information: climate change, environmental policy, contamination and waste management, sustainable use of resources
  - for social Information: equality of treatment, employment, training, work organization, social relationship, compliance with basic conventions
  - health and safety related Information
- We assessed the Guidance defined by the Group with regard to its relevance, reliability, understandability, objectivity and completeness, considering, when appropriate, sectoral best practices.
- We performed a review to ensure that reporting process aims at providing complete and consistent information to the Board of Directors; we identified representatives responsible for implementing this process; we reviewed the presence of internal control procedure and risk management system;
- We met with the relevant persons at the corporate level responsible for reporting the Data, in the Exploration & Production and Refining businesses, to assess the application of the Guidance, we implemented analytical procedures and consistency checks, and we verified, on a test basis, the consolidation of the Data;
- We have selected a sample of sites taking into consideration their activity, their contribution to the consolidated data for the Group, their location and the findings of our previous reviews:
  - 6 sites<sup>(2)</sup> or subsidiaries for the environmental Data,
  - 4 sites<sup>(3)</sup> or subsidiaries for the social Data.

(1) Numerical data of 2011 presented in the tables of Chapter « Social information » and « Environment, health and Safety Information », except data related to LTIR, TRIR and SIR for which only the consolidation process was reviewed.

(2) Exploration & Production: subsidiaries Total E&P Congo (Congo), Total E&P Indonesia (Indonesia) and Total E&P Borneo B.V (Brunei); Refining: subsidiaries Total Raffinaderij Antwerpen (Belgium), Total Feyzin Refinery (France) and Total Provence Refinery (France).

(3) Exploration & Production: subsidiaries Total E&P Congo (Congo), Total E&P Indonesia (Indonesia) and Total E&P Borneo B.V (Brunei); Refining: subsidiary Total Raffinaderij Antwerpen (Belgium)

The selected sites and subsidiaries accounted for 24% of the consolidated greenhouse gas emissions for Total and 3.5% of the consolidated workforce.

- At the site and subsidiary level, we verified the understanding and application of the Guidance, and conducted detailed checks on a sampling basis which consisted in checking the calculation formulas and reconciling the data with the supporting documents.
- We took note of verification conclusions provided for the Gas & Power, Marketing and Chemicals businesses;
- And we conducted consistency tests on the consolidation of the Information.

## Comments on the guidance and data

Detailed information related to the establishment of the Data is presented in the Reporting Scope and Method note available on the Group's website.

We draw your attention to the following comments on the Guidance and Data:

### Social Reporting

- Total's social reporting data is based on a reporting software deployed at all units in the review's scope. This software has made social data collection more reliable, in particular by automating checks and facilitating consolidation;
- the software reports the number of part-time positions or telecommuting positions on an all or nothing basis by site and subsidiary and therefore does not represent the real share of employee who can benefit from these work conditions.

### Environmental Reporting

- the corporate Guidance is cascaded to each business and segment, which adjust the reporting process to Total's various activities;
- the calculation rules to evaluate the staff number dedicated to environmental issues are not consistent between sites and subsidiaries and not sufficiently detailed in the Guidance;
- in the absence of reliable data from operators of assets in which Total has interests without operating it, the non-operated greenhouse gas emissions are estimated based on theoretical projections creating uncertainty related to the total amount of these emissions;
- in Exploration & Production (E&P) subsidiaries, the measurement methods of freshwater drawn are not reliable, resulting in uncertainty concerning the data reported.

We consider that our procedures provide a sufficient basis for the conclusion expressed below

## Conclusion

### Completeness check

We checked the completeness of the Group Management report with regards to the information required by the Board of Directors on the basis of the draft decree of January 2012; with the exception of soil utilization, for which the non-relevancy rationale presented by the Group appeared sufficient.

### Conclusion on the Information and the Data

For the social and environmental Information and Data provided in the Management report, as well as the related explanation, we express the following qualifications:

- methods to calculate the number and volume of spills which reach the environment are not consistent between sites and subsidiaries, resulting in heterogeneous consolidated data;
- regarding the number of training days, the type of training as well as the calculation methodology was not fully understood within some of the audited sites, affecting the reliability of this indicator.

On the basis of our review, and except for the qualifications listed above, nothing has come to our attention that causes us to believe that:

- the Data have not, in all material respects, been prepared in accordance with the Guidance;
- the social and environmental Information have not been presented in a sincere fashion.

Paris-La Défense, February 22, 2011

Ernst & Young et Associés  
Christophe Schmeitzky  
Associé  
*Département Environnement et Développement Durable*

## 5.2. Assurance report on G&P, Marketing and Chemicals data and on the rest of the informations

Year ended December 31, 2011

### Assurance of the social and environmental information

#### Objectives and Scope of Work

At Total's request, Bureau Veritas Certification performed an independent review to provide an opinion on the reliability of the social and environmental information produced by Total in its reference registration document, and provide a moderate level of assurance on the quantitative data.

We examined the following elements within the framework of the current project of decree for the implementation of Article 225 of the law n°2010-788 of July 12<sup>th</sup>, 2010 called "Grenelle II". This applied to the all information categories including Social, Environmental, Safety, Societal and Health related data, with a specific focus on:

- the accuracy and reliability of the quantitative environmental and social data provided by the Gas & Power, Chemicals and Marketing businesses and consolidation at the Group Level; and
- the qualitative assertions in the registration document and sustainable development report, regarding the social information (e.g. occupational illness, fundamental conventions) and environmental information (e.g. risk prevention, water supply, biodiversity).

The scope of work concerns activities over the reporting period January 1<sup>st</sup> to December 31<sup>st</sup> 2011.

#### Responsibilities

The preparation, presentation of data and content related to social and environmental reporting is the sole responsibility of Total. The information has been coordinated by the Sustainable Development and Environment Department and Corporate Human Resources according to:

- the Corporate Procedure for the Environmental Performance Reporting (EPR) of the Group; and
- the Social Reporting Total Group Protocol and Methodology Worldwide Human Resources Survey and the biannual Global Workforce Analysis.

Further details of these procedures and their implementation are available on Total's website.

The responsibility of Bureau Veritas is to provide assurance on the accuracy, reliability and objectivity of the information therein and to express our overall opinion as per the scope of assurance.

#### Statement of Bureau Veritas Certification Independence, Impartiality and Competence

Our opinion is independent and impartial: Our work is conducted according to our professional practices and Code of Ethics and requirements of our external impartiality committee.

Competence: Our assurance team has relevant experience in conducting assurance over environmental, social, ethical and health and safety information, systems and data in accordance with established guidelines and best practice.

#### Methodology

We undertook the following activities to inform our assurance engagement:

- Review of the Total Guidance with regard to its relevance, reliability and completeness with the requirements of the current project of decree for the implementation of Article 225 of the law n°2010-788 of July 12<sup>th</sup>, 2010 called "Grenelle II".
- Senior level interviews with those with responsibility for environmental, social and societal issues at a strategic level. This supported examination of qualitative information and included the:
  - Development and Environment Division; Ethics Committee; Total Foundation; Corporate Philanthropy Division; Total Développement Régional; Corporate Purchasing; France and NGOs Public Affairs Division; Legal Department and Total Education; and
  - Review of corporate Guidance and branch documents and procedures and associated data published.
- Analytical review of the overarching data collection, consolidation and checking processes.
- Interviews at corporate level and in the Gas & Power, Marketing and Chemicals business with those responsible for environmental and/or social reporting to verify the understanding and application of Guidance.
- Audit of 9 sites/subsidiaries to examine source data. This included 6 sites for the environmental and 5 for social information<sup>(1)</sup>. The audits included; testing the understanding and correct application of the Guidance; review of documented evidence; review of the methodology for data collection, aggregation and checking processes; sampling data back to source and analysis of calculations.
- The sites selected accounted for 1.3 % of consolidated greenhouse gas emissions for Total and 5 % of the consolidated workforce.

(1) Regarding environmental information: sites of Bayport (USA), La Porte (USA), Bostik (UK), Grand Quevilly (France), Dépôt de Dijon (France), and subsidiary TIGF (France); regarding social information: subsidiaries: Total Petrochemicals USA, Bostik (UK), TIGF (France), Paulstra SNC (France), Total Lubrifiants (France)

## Assurance Opinion

### Completeness of data

All the information required by current project of decree for the implementation of the article 225 of the law on the Grenelle II, are present with the exception of "use of land" (42 of 43 information categories)

### Accuracy and reliability of data

In Bureau Veritas Certification's opinion, the environmental and social data and qualitative information included in this scope of work can be regarded as accurate and reliable and prepared in line with Total Guidance.

- For the quantitative information, the tests undertaken by Bureau Veritas Certification revealed no meaningful reporting discrepancies at the corporate level.
- For the developed qualitative information, the work conducted did not reveal distortion nor any erroneous assertions.

### Conclusion

On the basis of scope of work, nothing has come to our attention to question the reliability of the information communicated by the Total in its registration document.

Note that the reference version of this assurance statement is the one established in French language, and published in the French version of Total's reporting.

Puteaux, February, 15, 2012

Etienne Casal  
Managing Director  
Bureau Veritas Certification France S.A.S.



# Glossary

## A

### Acreage

Areas in which mining rights are exercised.

### 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.

### Appraisal (delineation)

Work performed after a discovery, for the determination of the boundaries or extent of a deposit of hydrocarbons, or assessment of its reserves and production potential.

### Associated gas

Gas released during oil production.

### Association/Joint venture/Consortium

Group of companies not forming a new legal entity. In an oil and gas joint venture, each member holds an undivided interest in the specific area of the contract (PSC, concession, buyback, etc.) and has separate tax obligations toward the host country.

## B

### Barrel

Unit of measurement of volume of crude oil equal to 42 U.S. gallons or 158.9 liters. Quantities of liquid hydrocarbons in barrels are expressed at 60°F.

### 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.

### Biochemical conversion

Conversion of energy sources (usually biomass) through biological transformation (reactions in living organisms). Examples include fermentation (in the presence of enzymes).

### Biofuel

Liquid or gaseous fuel used for transport and produced from biomass.

### Biomass

Biodegradable fraction of products, waste and residues of biological origin from agriculture (including plant and animal substances), forestry and related industries including fisheries and aquaculture which, through chemical transformation, can become beneficial molecules (carbon molecules) for the production of fuels and specialty chemicals.

### 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

Capacity for the treatment (annual or daily) of crude oil by atmospheric distillation units at a refinery.

### Carbon capture and storage (CCS)

Technology designed to reduce greenhouse gas emissions in the atmosphere during the combustion of fossil materials by capturing, compressing, transporting and injecting carbon dioxide (CO<sub>2</sub>) into deep geological formations for permanent storage. The use of oxygen instead of air, in CO<sub>2</sub> production, is called oxy-combustion.

### Catalysts

Substances that facilitate chemical reactions during the refining process used in conversion units (reformer, hydrocracker, catalytic cracker) and desulphurization 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.

### Coal bed methane

Natural gas present in coal beds.

### Cogeneration

Simultaneous generation of electrical and thermal energies from a combustible source (gas, fuel oil or coal).

### Coker

Unit that produces light products (gas, gasoline, diesel) and coke through the cracking of distillation residues.

### Concentrating solar power plant

The most advanced form of solar steam plant which concentrates sunlight using mirrors to heat a liquid and produce electricity. This technology consists mainly of tower power plants and cylindrical-parabolic plants.

### 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 – either in 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/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

Refining process whereby the molecules of large, complex, heavy hydrocarbons are converted into simpler, lighter molecules using heat, pressure and, in some cases, a catalyst. A distinction is made between catalytic cracking and steam cracking, which uses heat instead of a catalyst. Steam cracking then produces ethylene and propylene, in particular.

## D

### Debottlenecking

Change made to a facility to increase its production capacity.

### Desulphurization unit

Unit in which sulphur and sulphur compounds are eliminated from mixtures of gaseous or liquid hydrocarbons.

### 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.

### Development

Operations carried out to bring an oil or gas field on stream, including in particular construction of the necessary infrastructures for oil and gas production.

### Distillates

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.

## E

### Energy mix

The various energy sources used to meet the demand for energy.

### Ethane

A colorless, odorless combustible gas found in natural gas and petroleum gas.

### Ethanol

Also commonly called ethyl alcohol or alcohol, ethanol is obtained through the fermentation of sugar (beetroot, sugarcane) or starch (grains, etc.). Ethanol has numerous food, chemical and energy (biofuel) applications.

### Ethylene/Propylene

Petrochemical products derived from cracking and essential to the production of polyethylene and polypropylene, two plastics frequently used in packaging, the automotive industry, household appliances, healthcare and textiles.

## F

### Farnesane

Farnesane is obtained through the hydrogenation of farnesene, a saturated hydrocarbon (alkane) that can be added to diesel fuel.

### Farnesene

A hydrocarbon molecule (iso-olefin containing 15 carbon atoms), farnesene is a molecule that is very similar to fossil hydrocarbons and can therefore be used to produce fuel or chemical compounds. The Amyris company has developed a process to produce it through the fermentation of sugar.

### FEED studies (Front-End Engineering Design)

Studies aimed at defining the project and preparing for its execution. In the TOTAL process, this covers the pre-project and basic engineering phases.

### Fossil energies

Energies produced from oil, natural gas and coal.

### FPSO (Floating production, storage and offloading)

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

### Hydraulic fracturing

Technique that involves fracturing rock to improve its permeability.

### 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.

### Hydrocracking

Catalytic refining process that uses hydrogen to convert heavy oils into lighter fractions.

## L

### Lignocellulose

Lignocellulose makes up the wall of plant cells. In the biofuel sector, this term is used to designate wood and straw, two resources that can be used for biofuel production. Lignocellulose can be gasified (thermochemical conversion) or split into its basic components (sugars from cellulose and lignin) in order to transform them through biochemical conversion.

### Liquefied Natural Gas (LNG)

Natural gas, primarily methane, that has been liquefied by cooling 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.



## **MTO/OCP**

MTO (Methanols to Olefins) involves the conversion of methanol into olefins. OCP (olefin cracking process) is then used to convert these olefins into plastics.

## **N**

### **Naphta**

Heavy gasoline used as a base in petrochemicals.

### **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.

### **Olefins**

Products (gas) obtained after cracking of petroleum streams. Olefins are ethylene, propylene and butadiene. These products are used in the production of large plastics (polyethylene, polypropylene, PVC, etc.), elastomers (polybutadiene, etc.) and large chemical intermediates.

### **Operated production**

Quantity of oil and gas produced on fields operated by an oil company.

### **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. A refinery is also said to be operated by a specific partner when the operations are carried out by the partner on behalf of all the partners of the joint venture that owns the refinery.

## **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).

### **Petcoke (or petroleum coke)**

Residual product remaining after the improvement of very heavy petroleum cuts. This solid black product consists mainly of carbon and can be used as fuel in a manner similar to steam coal.

### **Polymers**

Molecule composed of monomers bonded together by covalent bonds such as starch and proteins. They are generally organic (DNA), artificial or synthetic (such as polystyrene). Polyolefins represent the largest family of polymers.

### **Production plateau**

Expected average stabilized level of production for a field following the production build-up.

## **Production Sharing Contract (PSA, 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).

### **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 price environment. They also include projects to be developed by mining.

### **Proved permit**

Permit for which there are proved 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:

- Developed proved reserves are those that can be recovered with existing facilities and without significant additional investment;
- Undeveloped proved reserves are those that can be recovered with new investments (surface facilities, wells, etc.).

## **R**

### **Refining**

The various processes used to produce petroleum products from crude oil (distillation, reforming, desulphurization, cracking, etc.).

### **Renewable energies**

An energy source whose inventories can be renewed or are inexhaustible, such as solar, wind, hydraulic, biomass and geothermal energy.

### **Reserve life**

Ratio of reserves at the end of the year to the production sold during the past year.

### **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.

### **Reservoirs**

Porous, permeable underground rock formation that contains oil or natural gas.

### **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**

Method of exploring the subsoil that entails methodically sending vibration or sound waves and recording their reflections to assess the type, size, shape and depth of subsurface layers.

### **Shale gas**

Natural gas trapped in very compact, low-permeable rock.

### **Silicon**

The most abundant element in the earth's crust after oxygen. It does not exist in a free state but in the form of compounds such as silica, which has long been used as an essential element of glass. Polysilicon (or crystalline silicon), which is obtained by purifying silicon and consists of metal-like crystals, is used in the construction of photovoltaic solar panels.

### **Site abandonment**

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.

### **Steam Assisted Gravity Drainage (SAGD)**

Technique used in oil sand and heavy oil production which entails injecting water vapor to increase the temperature of the bitumen and heavy oil reduce their viscosity, making extraction easier.

## T

### **Thermochemical conversion**

Conversion of energy sources (gas, coal, biomass) through thermal transformation (chemical reactions from heat). Examples include gasification, combustion and photosynthesis (solar energy).

### **Tower/cylindrical-parabolic collector power plant**

Type of solar steam plant consisting of a field of solar mirrors – heliostats – which concentrate sunlight toward a boiler located at the top of the tower. At a cylindrical-parabolic collector plant (a reference to its shape), the mirrors follow the sun automatically as it rises.

## U

### **Unconventional hydrocarbons**

Hydrocarbons, oil and gas that cannot be produced or extracted using conventional methods. These hydrocarbons generally include shale gas, coal bed methane, gas located in very low-permeable reservoirs, extra heavy oil, oil sands and oil shale.

### **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 several permits/licenses or countries.

### **Unproved permit**

Permit for which there are no proved reserves.

### **Upgrader**

Refining unit where petroleum products, such as heavy oils, are upgraded through cracking and hydrogenation.

# Cross reference lists

Registration Document concordance tables, for use in identifying the information required by Annex 1 of Regulation 809/2004/EC of 29 April 2004

Information required by Annex 1 of Regulation 809/2004/EC	Registration Document 2011 Relevant chapters	Registration Document 2011 Relevant paragraphs
1. Persons responsible	p i	p i
2. Statutory auditors	5	4.1. to 4.3.
3. Selected financial information	1	2.
4. Risk factors	4	1. to 4.
5. Information about the issuer		
<b>5.1. History and development</b>	<b>2</b>	<b>1.1.</b>
5.1.1. Legal and commercial name	2	1.1.
	8	2.1.
5.1.2. Place of registration and registration number	2	1.1.
	8	2.1.
5.1.3. Date of incorporation and length of life	2	1.1.
	8	2.1.
5.1.4. Domicile, legal form, applicable legislation, country of incorporation address and telephone number of registered office	2	1.1.
	8	2.1.
5.1.5. Important events in the development of the business	2	2. to 5.
	3	1.
<b>5.2. Investments</b>	<b>2</b>	<b>5.1. to 5.2.</b>
5.2.1. Principal investments over the last three fiscal years	2	5.1.
5.2.2. Principal investments in progress	2	5.1.
5.2.3. Principal future investments	2	5.2.
6. Business overview		
<b>6.1. Principal activities</b>	<b>1</b>	<b>2.</b>
	2	2. to 5.
<b>6.2. Principal markets</b>	<b>1</b>	<b>2.</b>
	2	2. to 5.
<b>6.3. Exceptional factors that have influenced the principal activities or principal markets</b>	<b>2</b>	<b>2. to 5.</b>
	3	1.1. to 1.5.
<b>6.4. Dependence on certain contracts</b>	<b>4</b>	<b>3.3.</b>
<b>6.5. Competitive position</b>	<b>2</b>	<b>1.1., 2., 3., 4.</b>
	4	3.5.
7. Organizational structure	2	8.
7.1. Issuer's position within the Group	2	6.1.
7.2. Significant subsidiaries	2	6.2.
	9	7. (note 35)
8. Property, plant and equipment		
<b>8.1. Most significant tangible fixed assets</b>	<b>2</b>	<b>1. to 4., 7.</b>
	9	7. (note 11)
<b>8.2. Environmental issues affecting the most significant tangible fixed assets</b>	<b>4</b>	<b>2.</b>
	12	2.

## 9. Operating and financial review

9.1. Financial condition	1	2.
	3	1.1. to 1.6.
9.2. Operating results	3	1.1. to 1.6.
9.2.1. Significant factors materially affecting income from operations	3	1.1. to 1.6. and 4.
9.2.2. Narrative description of changes in net sales or revenues	3	1.1. to 1.6.
9.2.3. External factors that have materially affected, or could materially affect, operations	3	1.1. to 1.6. and 4.

## 10. Capital resources

10.1. Information concerning capital resources (both short and long term)	3	2.1.
10.2. Source, amounts and narrative description of cash flows	3	2.2.
	9	5.
10.3. Borrowing requirements and funding structure	3	2.3.
	4	1.
10.4. Restrictions on the use of capital resources that have materially affected, or could materially affect, operations	n/a	n/a
10.5. Anticipated sources of funds needed for the principal future investments and major encumbrances on the most significant tangible fixed assets	3	2.5.
	9	5.
	9	7. (note 11)

11. Research and development, patents and licenses	3	3.
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## 12. Trend information

12.1. Most significant trends in production, sales and inventory, and costs and selling prices since the end of the last fiscal year	3	4.3.
	7	6.
12.2. Known trends, uncertainties, demands, commitments or events that are likely to have a material effect on prospects for the current fiscal year	2	5.2.
	3	4.
	4	1.
	7	6.

13. Profit forecasts or estimates	n/a	n/a
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## 14. Administrative, management and supervisory bodies and Senior Management

14.1. Information about members of the administrative and management bodies	5	1.1. to 1.4. and 5.3.
14.2. Conflicts of interests, understandings relating to nominations, restrictions on the disposal of holdings in the issuer's securities	5	1.9.
	5	6.3.

## 15. Remuneration and benefits

15.1. Remuneration paid and benefits in kind granted by the issuer and its subsidiaries	5	5.
15.2. Amounts set aside or accrued to provide pension, retirement or similar benefits	5	5.5.
	9	7. (note 24 and 25)

## 16. Board practices

16.1. Date of expiration of the current term of office, and date of commencement in office	5	1.1.1. to 1.1.3.
16.2. Contracts with the issuer or any of its subsidiaries providing for benefits upon termination of such contracts	5	5.5.
16.3. Information about the issuer's audit committee and remuneration committee	5	1.5.1. and 1.5.2.
	5	1.6.1. and 1.6.2.
16.4. Compliance with the corporate governance regime in force in France	5	1.3.

## 17. Employees

17.1.	Number of employees at the end of the last 3 fiscal years; breakdown by geographic location and category of activity	1 5 12	2. 6.1. 1.1.
17.2.	Shareholdings and stock options	1 5 12	2. 6.2. 1.1.3.
17.3.	Arrangements for involving employees in the capital of the issuer	5 5 8	5.6. 6.2. 3.1

## 18. Major shareholders

18.1.	Interests held above the threshold for notification (known interests)	6	4.4.
18.2.	Major shareholders' voting rights in excess of their share in the share capital	6 8	4.4. 2.4.
18.3.	Control of the issuer by one or more shareholders	n/a	n/a
18.4.	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	n/a	n/a

19.	Related party transactions	6 9	4.9. 7. (note 24)
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## 20. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses

20.1.	Historical financial information	7	1. and 2.
20.2.	Pro forma financial information	n/a	n/a
20.3.	Consolidated annual financial statements	9	2. to 7.
20.4.	Auditing of historical annual financial information		
20.4.1.	Auditing of the historical financial information	7 9 11	2. 1. 2.
20.4.2.	Other information in the Registration Document that has been audited by the auditors	5 11	2. 1.
20.4.3.	Financial data in the Registration Document that is not extracted from the issuer's audited financial statements	10 10 7	1.5. to 1.9. 2. 3.
20.5.	Age of latest audited financial information		December 31, 2011
20.6.	Interim and other financial information		
20.6.1.	Quarterly or half yearly financial information published since the date of the last audited financial statements	n/a	n/a
20.6.2.	Interim financial information covering the first six months of the fiscal year after the end of the last audited fiscal year	n/a	n/a
20.7.	Dividend policy	6	2.1.
20.8.	Legal and arbitration proceedings	7	5.
20.9.	Significant change in the issuer's financial or commercial position	7	6.

## 21. Additional information

### 21.1. Share capital

21.1.1. Issued capital and authorized capital	8	1.1. to 1.4.
	11	4. (note 6.a)
	9	7. (note 17)
21.1.2. Shares not representing capital	n/a	n/a
21.1.3. Shares held by the issuer or its subsidiaries	6	3.2.2., 3.2.7.
	6	4.4.1., 4.5.
	8	1.5.
	9	7. (note 17)
	11	4. (note 6)
21.1.4. Securities granting future access to the issuer's share capital	8	1.3. and 1.4.
21.1.5. Terms of any acquisition rights and/or obligations over capital issued but not paid, or any capital increase	5	6. 2. 4.
21.1.6. Capital of any member of the Group which is under option	n/a	n/a
21.1.7. History of the issuer's share capital over the last 3 fiscal years	8	1.6.
	9	7. (note 17)
	11	4. (note 6.a)

### 21.2. Memorandum and Articles of Association

21.2.1. Issuer's objects and purposes	8	2.2.
21.2.2. Provisions of statutes and charters with respect to the members of the administrative, management and supervisory bodies	5	1.4. and 1.5.
	8	2.3.
21.2.3. Rights, preferences and restrictions attaching to each class of the existing shares	8	2.4.
21.2.4. Action necessary to change the rights of shareholders	8	2.5.
21.2.5. Manner in which annual general meetings of shareholders are called including the conditions of admission	8	2.6.
	6	4.4.3. and 4.4.4.
21.2.6. Provisions of the issuer's statutes, charter or bylaws that would have the effect of delaying, deferring or preventing a change in control of the issuer	8	2.4.
21.2.7. Provisions of the statutes governing the ownership threshold above which share ownership must be disclosed	8	2.7.
21.2.8. Conditions governing changes in the capital that are more stringent than is required by law	n/a	n/a

## 22. Material contracts

(other than contracts entered into in the ordinary course of business)	n/a	n/a
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## 23. Third party information and statement by experts and declarations of any interest

## 24. Documents on display

## 25. Information on holdings

8	5.
9	7. (note 35)
11	5.

## Registration Document concordance table, for use in identifying the information contained in the Annual Financial Report

The concordance table below is used to identify the information in this Registration Document contained in the Annual Financial Report pursuant to Article L. 451-1-2 of the French Financial and Monetary Code and Article 222-3 of the General Regulation of the French Financial Markets Authority.

Annual Financial Report	Registration Document 2011	
	Relevant chapters	Relevant paragraphs
Annual Financial Statements	11	3. to 4.
Consolidated Financial Statements	9	2. to 7.
<b>Management Report (pursuant to the French Financial and Monetary Code)</b>		
<b>Information mentioned in Articles L. 225-100 and L.225-100-2 of the French Commercial Code</b>		
Analysis of profit and loss, changes in business, financial position and debt position	2	2. to 4.
	3	1. to 2.
Use of financial instruments by the company	4	4.1.
Key financial and non-financial performance indicators	1	1. and 2.
	12	1. to 3.
Principal risks and uncertainties facing the company and all of the entities taken as a whole included in the consolidation	3	4.1. to 4.3.
	4	1. to 4.
	7	5.
Summary table of valid delegations with respect to capital increases	8	1.3.
<b>Information mentioned in Article L. 225-100-3 of the French Commercial Code: factors likely to have an impact in the event of a public offering</b>	<b>8</b>	<b>3.3.</b>
<b>Information mentioned in Article L. 225-211 of the French Commercial Code: buybacks of its own shares by the Company</b>	<b>6</b>	<b>3.</b>
Declaration of persons responsible for the Annual Financial Report		p i
Reports of the statutory auditors on the parent company financial statements and consolidated financial statements	9	1.
	11	2.
Statutory auditors' fees	5	4.4.
Report of the Chairman of the Board of Directors (Article L. 225-37 of the French Commercial Code)	5	1.
Auditors' Report on the Report of the Chairman of the Board of Directors (Article L. 225-235 of the French Commercial Code)	5	2.



## Registration Document concordance table, for use in identifying the information contained in the Management Report pursuant to the French Commercial Code

Board of Directors' Management Report pursuant to the French Commercial Code	Registration Document 2011 Relevant chapters	Relevant paragraphs
Position and activities of the Company and Group during the fiscal year	2	2. to 4.
Analysis of changes in the business, results and financial position of the Company and Group	3	1. to 2.
Key financial and non-financial performance indicators	1	1. and 2.
	12	1. to 3.
Foreseeable change in the position of the Company and Group, outlook	3	4.
Significant changes since the end of the fiscal year	7	6.
Research and development activities	3	3.
Significant acquisitions of shares in or takeovers of companies with registered offices in France	n/a	n/a
Amount of dividends distributed in the last 3 fiscal years and amount of distributed income	6	2.
Injunctions or penalties for antitrust practices	n/a	n/a
Information about payment terms of suppliers or customers of the Company	9	7. (note 23)
Description of the principal risks and uncertainties faced by the Company and Group companies	3	4.1. to 4.3.
	4	1. to 4.
	7	5.
Information about the use of financial instruments by the Company and Group	4	4.1.
Company's exposure to price, credit, liquidity and cash flow risks	4	4.1.
Social and environmental consequences of activities; social commitments to promote sustainable development	12	1. to 4.
Polluting or high-risk activities (upper threshold in accordance with the Seveso II directive)	4	2.
	12	2.
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