



**TOTAL**

**TOTAL S.A.**

*(incorporated as a société anonyme in the Republic of France)*

**TOTAL CAPITAL**

*(incorporated as a société anonyme in the Republic of France)*

**€18,000,000,000**

**Euro Medium Term Note Programme**

**Due from seven days from the date of original issue**

Under the Euro Medium Term Note Programme described in this Debt Issuance Programme Prospectus (the "Programme"), TOTAL S.A. ("Total" or the "Issuer" or, in respect of Notes issued by TOTAL CAPITAL, the "Guarantor") and TOTAL CAPITAL ("Total Capital" or the "Issuer" and, together with Total, the "Issuers"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "Notes"). Notes issued by Total Capital will be unconditionally and irrevocably guaranteed by Total. The aggregate nominal amount of Notes outstanding will not at any time exceed €18,000,000,000 (or the equivalent in other currencies).

This Debt Issuance Programme Prospectus, which constitutes two base prospectuses for the purposes of Article 5(4) of Directive 2003/71 (the "Prospectus Directive") (the "Debt Issuance Programme Prospectus") supersedes and replaces the Debt Issuance Programme Prospectus dated 28 October 2008.

Application has been made to the Commission de Surveillance du Secteur Financier (the "CSSF") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus as a base prospectus for the purposes of Article 5.(4) of Directive 2003/71/EC (the "Prospectus Directive"). Application has also been made for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market (as defined below) operated by the Luxembourg Stock Exchange. References in this Document to the "Luxembourg Stock Exchange" (and all related references) shall be deemed to be references to the Regulated Market. In addition, references in this Document to Notes being "listed" (and all related references) shall mean that such Notes have been listed on the official list of the Luxembourg Stock Exchange or, as the case may be, a MIFID Regulated Market (as defined below). The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (each such regulated market being a "MIFID Regulated Market"). This Document may be used to list Notes on the regulated market "Bourse de Luxembourg" (the "Regulated Market") of the Luxembourg Stock Exchange, pursuant to the Programme. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Notes.

Each Series (as defined below) of Notes will be represented on issue by a temporary global note in bearer form (each a "Temporary Global Note") or a permanent global note in bearer form (each a "Permanent Global Note"). Global Notes may (a) in the case of a Tranche (as defined below) of Notes intended to be cleared through Euroclear Bank S.A./N.Y ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"), (x) if the Global Notes are stated in the applicable Final Terms to be issued in new global note ("NGN") form which are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "Common Safekeeper") for Euroclear and Clearstream; or (y) in the case of Global Notes which are not issued in NGN form ("Classic Global Notes" or "CGNs") will be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the "Common Depository"), and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear, Clearstream, Luxembourg and Euroclear France SA ("Euroclear France") or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

The Programme has been rated by Standard & Poor's Rating Services and Moody's Investors Services Limited. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The price and the amount of the relevant Notes to be issued under the Programme will be determined by the Issuer and the Relevant Dealer based on their prevailing market conditions at the time of the issue of such Notes and will be set out in the relevant Final Terms.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Debt Issuance Programme Prospectus.

**Arranger**

**Citi**

**Dealers**

**CALYON Crédit Agricole CIB**

**Deutsche Bank**

**J.P. Morgan**

**The Royal Bank of Scotland**

**Citi**

**HSBC**

**RBC CAPITAL MARKETS**

**UBS Investment Bank**

This Debt Issuance Programme Prospectus (together with any Supplements hereto (each a “Supplement” and together the “Supplements”)) comprises two base prospectuses for the purposes of Article 5.4 of the Prospectus Directive and (i) constitutes a base prospectus for the purpose of giving information with regard to Total and its subsidiaries and affiliates taken as a whole (the “Group”) and the Notes, and (ii) constitutes a base prospectus for the purpose of giving information with regard to Total Capital and the Notes which, according to the particular nature of the Issuers and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuers.

To the best of the knowledge of Total (having taken all reasonable care to ensure that such is the case), the information contained in this Debt Issuance Programme Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Total accepts responsibility accordingly.

To the best of the knowledge of Total Capital (having taken all reasonable care to ensure that such is the case), the information contained in this Debt Issuance Programme Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Total Capital accepts responsibility accordingly.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”).

No person has been authorised to give any information or to make any representation other than those contained in this Debt Issuance Programme Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by Total or Total Capital or any of the Dealers or the Arranger (as defined in “Summary”). Neither the delivery of this Debt Issuance Programme Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of Total or Total Capital since the date hereof or the date upon which this Debt Issuance Programme Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of Total or Total Capital since the date hereof or the date upon which this Debt Issuance Programme Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Any person (an “Investor”) intending to acquire or acquiring any securities from any person (an “Offerer”) should be aware that, in the context of an offer of securities to the public as defined in the Prospectus Directive, the relevant Issuer may be responsible to the Investor for this Debt Issuance Programme Prospectus, only if the relevant Issuer has authorised that Offerer to make the offer to the Investor. Each Investor should therefore enquire as to whether the Offerer is so authorised by the relevant Issuer. If the Offerer is not authorised by the relevant Issuer, the Investor should check with the Offerer as to whether anyone is responsible for this Debt Issuance Programme Prospectus within the meaning of Article 6 of the Prospectus Directive in the context of the offer to the public and, if so, the identity of that person. If the Investor is in any doubt about whether it can rely on this Debt Issuance Programme Prospectus and/or who is responsible for its contents, it should take legal advice.

The distribution of this Debt Issuance Programme Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Debt Issuance Programme Prospectus comes are required by the Issuers, the Dealers and the Arranger to inform themselves about and to

observe any such restriction. The Notes and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder). For a description of certain restrictions on offers and sales of Notes and on distribution of this Debt Issuance Programme Prospectus, see “Subscription and Sale”.

This Debt Issuance Programme Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuers or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and Dealers have not separately verified the information contained in this Debt Issuance Programme Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Debt Issuance Programme Prospectus. To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Debt Issuance Programme Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Debt Issuance Programme Prospectus or any such statement. Neither this Debt Issuance Programme Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Arranger or the Dealers that any recipient of this Debt Issuance Programme Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Debt Issuance Programme Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of Total or Total Capital during the life of the arrangements contemplated by this Debt Issuance Programme Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in “Summary — Method of Issue”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Debt Issuance Programme Prospectus, unless otherwise specified or the context otherwise requires, references to “£”, “Sterling”, “Pound Sterling” or “GBP” are to the currency of the United Kingdom, to “CHF” are to the currency of Switzerland, to “\$”, “U.S.\$”, “U.S. dollars”, “dollars” or “Dollars” are to the currency of the United States of America, to “€”, “EUR” or “euro” are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999.

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## SUMMARY

*This summary must be read as an introduction to this Debt Issuance Programme Prospectus and any decision to invest in the Notes should be based on a consideration of this Debt Issuance Programme Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an “EEA State”), no civil liability will attach to Total or Total Capital in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Debt Issuance Programme Prospectus. Where a claim relating to the information contained in this Debt Issuance Programme Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating this Debt Issuance Programme Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

### **Essential Characteristics and Risks associated with the Issuers**

#### **TOTAL S.A.**

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

With operations in more than 130 countries, TOTAL engages in all aspects of the petroleum industry, including Upstream operations (oil and gas exploration, development and production, LNG) and Downstream operations (refining, marketing and the trading and shipping of crude oil and petroleum products).

The group and its business are subject to various risks relating to changing competitive, economic, legal, political, social, industry, business and financial conditions. Its operations and profit could be affected mainly by:

- Sensitivity to market environment
- Oil and gas market related risks
- Financial markets and related risks
- Counterparty risk
- Currency exposure
- Short-term interest rate exposure and cash
- Interest rate risk on non-current debt
- Sensitivity analysis on interest rate and foreign exchange risk
- Stock market risk
- Liquidity risk
- Credit risk
- Industrial and environmental risks
- Asbestos
- Exploration and production risks
- Legal aspects of other activities of the Group
- Regulations concerning Iran and Sudan
- Insurance risk; and
- The risks associated with the Niger Delta region.

Please see “Risk Factors” below for a more detailed description of the risk factors set out above.

<sup>(1)</sup> Based on market capitalization (in dollars) as of December 31, 2008.

## TOTAL CAPITAL

Total Capital is a direct and wholly-owned subsidiary of Total S.A. and acts as a finance company on behalf of the Total Group by issuing debt securities and commercial papers. The development of the business of Total Capital is largely determined by the financial requirements of the Total Group companies both in France and abroad. Total Capital developed its short-term activities at the end of the second quarter of 2001 and its long-term activities in the first quarter of 2002.

As such, Total Capital is exposed to the credit risks of Total and to the market risks previously described in Total's risk factors. Please refer to the "Financial Markets Related Risks" below for a more detailed description of such risks.

### **Essential Characteristics of the Programme and the Notes and Risks associated with the Notes**

#### *Essential Characteristics of the Programme and the Notes*

Issuers:	Total S.A. Total Capital
Guarantor of Notes issued by Total Capital:	Total S.A.
Description of the Programme:	Euro Medium Term Note Programme.
Programme Size:	Up to €18,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	Citigroup Global Markets Limited
Dealers:	CALYON, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd., Royal Bank of Canada Europe Limited, The Royal Bank of Scotland plc and UBS Limited. The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Debt Issuance Programme Prospectus to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more tranches.
Fiscal Agent:	Citibank, N.A., London Branch.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms to this Debt Issuance Programme Prospectus.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	The Notes may be issued in bearer form only. Each Tranche of Notes shall be represented on issue by a Temporary Global Note if

	(i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with U.S. tax rules (D Rules), otherwise such Tranche will be represented by a Permanent Global Note.
Clearing Systems:	Clearstream, Luxembourg, Euroclear, Euroclear France and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Notes:	<p>On or before the issue date for each Tranche, if the relevant Global Note is intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.</p> <p>On or before the issue date for each Tranche, if the Global Note is not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note representing the Notes may be deposited with a Common Depository for Euroclear and Clearstream, Luxembourg. Global Notes may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, Fiscal Agent and the relevant Dealer.</p>
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer and, in respect of Notes issued by Total Capital, the Guarantor and the relevant Dealers.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity equal to or greater than seven days.
Specified Denomination:	Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that (i) (as this document has not been approved by the relevant competent authority of the Issuer's country of incorporation for the purposes of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg) in the case of any Notes admitted to trading on a European Economic Area exchange and/or offered to the public within the territory of any EEA State, in circumstances which require the publication of a prospectus under the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg, the minimum specified denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of those Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <p>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or</p>

- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Final Terms.

Zero Coupon Notes:	Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in “Terms and Conditions of the Notes”) will be made in such currencies and based on such rates of exchange as may be specified in the relevant Final Terms.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes (as defined in “Terms and Conditions of the Notes”) or of interest in respect of Index Linked Interest Notes (as defined in “Terms and Conditions of the Notes”) will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate, or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) having a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the relevant Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and a supplementary prospectus (if applicable).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Guarantor:	In respect of Notes issued by Total Capital, the Guarantor unconditionally and irrevocably guarantees to the holder of each Note, Receipt and Coupon relating thereto (each a “Holder” and together the “Holders”) and to each Relevant Account Holder that, if for any reason Total Capital does not pay any sum expressed to be



payable by it under or in respect of each Note, Receipt or Coupon (including any additional amounts which may become payable under Condition 7) by the time, in the currency and on the date specified in the Conditions (whether on the normal due date, on acceleration or otherwise), the Guarantor shall pay that sum as if the Guarantor instead of Total Capital were expressed to be the primary obligor in respect of each such Note, Receipt or Coupon to the intent that each Holder or Relevant Account Holder, as the case may be, shall receive the same sum, in the same currency and at the same time as would have been receivable and applicable had such payment been made by the Issuer in accordance with the provisions of the Conditions.

Nature and Scope of the Guarantee:	As between the Guarantor and the Holders and the Relevant Account Holders but without affecting Total Capital's obligations, the Guarantor shall be liable under the Guarantee as if it were sole principal debtor and not merely a surety. Accordingly, it shall not be discharged, nor shall its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal debtor, including (a) any time, indulgence, waiver or consent at any time given to Total Capital or any other person, (b) any amendment to the Guarantee or the Conditions or to any security or other guarantee or indemnity, (c) the making or absence of any demand on Total Capital or any other person for payment, (d) the enforcement or absence of enforcement of the Guarantee, the Notes, Receipts or Coupons, the Deed of Covenant or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the appointment of an <i>mandataire ad hoc</i> , an amicable settlement ( <i>procedure de conciliation</i> ) or a judgment for the judicial liquidation ( <i>liquidation judiciaire</i> ) of Total Capital, or any other form of bankruptcy or liquidation proceedings involving Total Capital, or any judgment for the transfer of the whole of Total Capital's business ( <i>cession totale de l'entreprise</i> ), or Total Capital is wound up or dissolved except in connection with a merger, provided that the entity resulting from such merger assumes the obligations resulting from the Notes or (g) the illegality, invalidity or unenforceability of or any defect in, any provision of the Guarantee, the Notes, Receipts or Coupons, the Deed of Covenant or any of Total Capital's obligations under them.
Status of Notes and the Guarantee (in respect of Notes issued by Total Capital):	The Notes and, in respect of Notes issued by Total Capital, the guarantee in respect of them (the "Guarantee"), will constitute unsubordinated and unsecured obligations of the relevant Issuer and the Guarantor, respectively, all as described in "Terms and Conditions of the Notes — Status of the Notes and the Guarantee".
Negative Pledge:	There is no Negative Pledge
Cross-Default:	There is no Cross-Default
Rating:	The Programme has been rated "AA" and "A-1+" by Standard & Poor's Rating Services and "Aa1" and "P-1" by Moody's Investors Services Limited. Tranches of Notes issued under the Programme may be rated or unrated. Where a tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes — Redemption, Purchase and Options”.
Withholding Tax:	<p>Payments of interest and other revenues made by Total S.A. or Total Capital in its capacity as Issuer in respect of the Notes will be made without withholding or deduction for, or on account of, the withholding tax set out under Article 125 A III of the French General Tax Code, as provided by Article 131 <i>quater</i> of the French General Tax Code, to the extent that the Notes are issued (or are deemed to be issued) outside France.</p> <p>Notes, whether denominated in Euro or in any other currency, and which constitute <i>obligations</i> or <i>titres de créances négociables</i>, or other debt securities considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France, in accordance with Circular 5 I-11-98 of the <i>Direction générale des impôts</i> dated 30 September 1998 and Rulings 2007/59 and 2009/23 of the <i>Direction générale des impôts</i> dated 8 January 2008 and 7 April 2009 respectively.</p> <p>The tax regime applicable to Notes which do not constitute <i>obligations</i> or <i>titres de créances négociables</i>, or other debt securities considered by the French tax authorities as falling into similar categories, will be set out in the relevant Final Terms.</p>
Governing Law:	English.
Listing and Admission to Trading:	Each Series of Notes issued under the Programme will either be listed on the Official List Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (“Bourse de Luxembourg”) or as otherwise specified in the relevant Final Terms. If specified in the relevant Final Terms, a Series of Notes may not be listed on the Luxembourg Stock Exchange or any other stock exchange.
Redenomination, Renominalisation and/or Consolidation	Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Final Terms.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material, see “Subscription and Sale” below.

***Essential Risks associated with the Notes***

*The trading market for debt securities may be volatile and may be adversely impacted by many events*

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries.

*An active trading market for the Notes may not develop*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

*Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost.

*Limited events of default and covenants*

The holder of any Note may only give notice that such Note is immediately due and repayable in a limited number of circumstances. Such events of default do not include, for example, a cross-default provision. Moreover, the terms and conditions of the Notes do not contain a negative pledge or any other covenants of the Issuers.

*A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes.

*Investors will not be able to calculate in advance their rate of return on Floating Rate Notes*

Interest income on Floating Rate Notes cannot be anticipated.

*Fixed to Floating Rate Notes*

If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the fixed to floating Rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate.

*Zero coupon bonds are subject to higher price fluctuations than non-discounted bonds*

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon bonds than on the prices of ordinary bonds because the discounted issue prices are substantially below par.

*Foreign currency bonds expose investors to foreign-exchange risk as well as to issuer risk*

As purchasers of foreign currency bonds, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the Issuer or the type of Note being issued.

*Structured Notes may entail significant risks not associated with similar investments in a conventional debt security*

An investment in Notes the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security.

*Investments in Index Linked Notes entail significant risks and may not be appropriate for investors lacking financial expertise*

An investment in Index Linked Notes entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security.

*Holdings of less than the minimum Specified Denomination*

To the extent permitted by the applicable law(s) and in relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of

another smaller amount, it is possible that the Notes may be traded in amounts in excess of the Specified Denomination (or its equivalent) that are not integral multiples of the Specified Denomination (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions.

#### *EU Savings Directive*

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

#### *French Insolvency Law*

Under French insolvency law, as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests, if a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

For the avoidance of doubt, the provisions relating to the Meetings of the Noteholders described in this Debt Issuance Prospectus will not be applicable in these circumstances.

## RISK FACTORS

The Issuers believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuers are not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuers believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuers believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuers do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

### Factors that may affect the Issuers' ability to fulfil their Obligations under Notes issued under the Programme

#### Risk Factors relating to Total

##### Market risks

##### Sensitivity to market environment

The financial performance of TOTAL is sensitive to a number of factors, the most significant being oil and gas prices, generally expressed in dollars, 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 2009, 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 0.15 B€ (\$0.20 billion)<sup>(2)</sup> The impact of changes in crude oil prices on Downstream and Base Chemicals 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 TRCV refining margins of \$1 per ton would increase or decrease annual adjusted net operating income by approximately 0.06 B€ (\$0.07 billion).<sup>(1)</sup>

All of the Group's activities are, to various degrees, sensitive to fluctuations in the dollar/euro exchange rate. The Group estimates that a strengthening or weakening of the dollar against the euro by \$0.10 per euro would respectively improve or reduce annual adjusted net operating income, expressed in euros, by approximately 0.7 B€.

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

2009 Sensitivities <sup>(a)</sup>	Scenario	Change	Estimated impact on adjusted operating income	Estimated impact on adjusted net operating income
Dollar	1.30 \$/€	+0.10 \$/€	-1.3 B€	-0.7 B€
Brent	60 \$/b	+1 \$/b	+0.32 B€/+\$0.42 billion	+0.15 B€/+\$0.20 billion
European refining margins (TRCV)	30 \$/t	+1 \$/t	+0.08 B€/+\$0.11 billion	+0.06 B€/+\$0.07 billion

(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 75% and 65% respectively, and the remaining impact of the \$/€ sensitivity is essentially in the Downstream segment.

##### 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 favourable pricing to supply its refineries.

In its international oil trading activities, the Group follows a policy of not selling its future oil and gas production for future delivery. However, in connection with these trading activities, the Group, like most other oil companies, uses energy derivative instruments to adjust its exposure to price fluctuations

(1&2) Calculated with a base case exchange rate of \$1.30 per 1.00€.

of crude oil, refined products, natural gas and electricity. The Group also uses freight-rate derivative contracts in its shipping activities to adjust its exposure to freight-rate fluctuations. To hedge against this risk, the Group uses various instruments such as futures, forwards, swaps and options on organized markets or over-the-counter markets. The list of the different derivatives owned by the Group in these markets is detailed in Note 30 to the Consolidated Financial Statements (incorporated by reference).

Trading & Shipping 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 our 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 31 December	Highest	Lowest	Average	Closing price
	<i>(in millions of euros)</i>			
2008	13.5	2.8	6.9	11.8
2007	11.6	3.3	6.7	5.4
2006	12.9	4.3	8.6	11.4

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

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

As of 31 December	Highest	Lowest	Average	Closing price
	<i>(in millions of euros)<sup>(a)</sup></i>			
2008	16.3	1.3	5.0	1.4
2007	18.2	3.2	7.9	4.3
2006	21.7	3.5	9.1	6.0

(a) Data takes into account historical price movements over the past two years, for 2008, and over the past year, for 2007 and 2006.

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

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

#### *Financial markets related risks*

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

Risks relative to cash management activities and to interest rate and foreign exchange financial instruments are managed according to rules set by the Group's senior management and that provide for regular pooling of available cash balances, open positions and management of the financial instruments by the treasury/financing department. Excess cash of the Group is deposited in government institutions or deposit banks selected in accordance with strict criteria, or is used to buy deposit certificates issued by these banks. Liquidity positions and the management of financial instruments are centralized by the treasury/financing department, where they are managed by a team specialized in foreign exchange and interest rate market transactions.

The cash monitoring/management team within the treasury/financing department monitors limits and positions per bank on a daily basis and reports results. This team also prepares marked-to-market valuations and, when necessary, performs sensitivity analysis.

#### *Counterparty risk*

The Group has established standards for market transactions under which bank counterparties must be approved in advance, based on an assessment of the counterparty's financial soundness and its ratings with Standard & Poor's and Moody's, which must be of high quality.

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.

Due to the recent changes in the financial markets, the Group has taken additional measures to reinforce its management of its exposure to counterparty risk. The Group takes into account the banks' financial situation, share price and Credit Default Swap (CDS) rate when selecting counterparties.

#### *Currency exposure*

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

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

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

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

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

The Group's short-term currency swaps, the notional value of which appears in Note 29 to the Consolidated Financial Statements (incorporated by reference), 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 maximum liquidity, optimize revenue from investments considering existing interest rate yield curves, and minimize the cost of borrowing) over a less than twelve-month horizon and on the basis of a daily interest rate benchmark, primarily through short-term interest rate swaps and short-term currency swaps, without modifying currency exposure.

#### *Interest rate risk on non-current debt*

The Group's policy consists of incurring non-current debt primarily at a floating rate, or, if the opportunity arises at the time of an issuance, at a fixed rate. Debt is incurred in dollars or in euros according to general corporate needs. Long-term interest rate and currency swaps may be used to hedge

bonds at their issuance in order to create a variable 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, 2008, 2007 and 2006.

**As of 31 December 2008**

ASSETS/(LIABILITIES)	Carrying amount	Estimated fair value	Change in fair value due to a change in interest rate by	
			+10 basis points	-10 basis points
			<i>(in millions of euros)</i>	
Bonds (non-current portion, before swaps).....	(14,119)	(14,119)	47	(43)
Issue swaps and swaps hedging bonds (liabilities)	(440)	(440)		
Issue swaps and swaps hedging bonds (assets)....	892	892		
Total issue swaps and swaps hedging bonds (assets and liabilities) .....	452	452	(44)	44
Current portion of non-current debt after swap (excluding capital lease obligations) .....	(2,025)	(2,025)	3	(3)
Other interest rates swaps.....	(4)	(4)	1	(1)
Currency swaps and forward exchange contracts	(56)	(56)	-	-

**As of 31 December 2007**

ASSETS/(LIABILITIES)	Carrying amount	Estimated fair value	Change in fair value due to a change in interest rate by	
			+10 basis points	-10 basis points
			<i>(in millions of euros)</i>	
Bonds (non-current portion, before swaps).....	(11,741)	(11,741)	37	(37)
Issue swaps and swaps hedging bonds (liabilities)	(369)	(369)		
Issue swaps and swaps hedging bonds (assets)....	460	460		
Total issue swaps and swaps hedging bonds (assets and liabilities) .....	91	91	(39)	38
Current portion of non-current debt after swap (excluding capital lease obligations) .....	(1,669)	(1,669)	(1)	1
Other interest rates swaps.....	1	1	-	-
Currency swaps and forward exchange contracts	(34)	(34)	-	-

**As of 31 December 2006**

ASSETS/(LIABILITIES)	Carrying amount	Estimated fair value	Change in fair value due to a change in interest rate by	
			+10 basis points	-10 basis points
			<i>(in millions of euros)</i>	
Bonds (non-current portion, before swaps).....	(11,413)	(11,413)	26	(26)
Issue swaps and swaps hedging bonds (liabilities)	(193)	(193)		
Issue swaps and swaps hedging bonds (assets)....	486	486		
Total issue swaps and swaps hedging bonds (assets and liabilities) .....	293	293	(26)	26
Current portion of non-current debt after swap (excluding capital lease obligations) .....	(2,140)	(2,140)	1	(1)
Other interest rates swaps.....	4	4	(1)	1
Currency swaps and forward exchange contracts	(8)	(8)	1	(1)



The impact of changes in interest rates on the cost of net debt before taxes is presented in the table below:

For the year ended December 31	2008	2007	2006
	<i>(in millions of euros)</i>		
Cost of net debt .....	(527)	(539)	(364)
Interest rate translation of:			
+ 10 basis points .....	(11)	(12)	(12)
- 10 basis points .....	11	12	12
+ 100 basis points .....	(113)	(116)	(118)
- 100 basis points .....	113	116	118

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

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

	Euro/Dollar exchange rates	Euro/Pound exchange rates
As of December 31, 2008 .....	1.39	0.95
As of December 31, 2007 .....	1.47	0.73
As of December 31, 2006 .....	1.32	0.67

**As of 31 December 2008**

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

**As of 31 December 2007**

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

As of 31 December 2006

	Total	Euro	Dollar	Pound Sterling	Other currencies and equity affiliates
	<i>(in millions of euros)</i>				
Shareholders' equity at historical exchange rate .....	41,704	17,253	11,166	4,940	8,345
Currency translation adjustment before net investment hedge .....	(1,383)	–	(1,393)	203	(193)
Net investment hedge – open instruments	–	–	–	–	–
Shareholders' equity at exchange rate as of December 31, 2006.....	40,321	17,253	9,773	5,143	8,152

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 (incorporated by reference), has not been significant over the last three years despite the considerable fluctuation of the dollar (gain of 112 M€ in 2008, gain of 35 M€ in 2007, loss of 30 M€ in 2006).

#### *Stock market risk*

The Group holds interests in a number of publicly-traded companies (see Notes 12 and 13 to the Consolidated Financial Statements (incorporated by reference)). 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, 2008, these lines of credit amounted to \$8,966 million, of which \$8,725 million were unused. The agreements for the lines of credit granted to TOTAL S.A. do not contain conditions related to the Company's financial ratios, to its financial ratings from specialized agencies, or to the occurrence of events that could have a material adverse effect on its financial position. As of December 31, 2008, the aggregate amount of the principal confirmed lines of credit granted by international banks to Group companies, including TOTAL S.A., was \$9,621 million, of which \$9,380 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, 2008, 2007 and 2006 (see Note 20 to the Consolidated Financial Statements, incorporated by reference).

#### ASSETS/(LIABILITIES)

As of 31 December 2008

	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
	<i>(in millions of euros)</i>			
Non-current financial debt (net of hedging instruments) .....		(13,206)	(2,093)	(15,299)
Current borrowings .....	(7,722)			(7,722)
Other current financial liabilities .....	(158)			(158)
Current financial assets .....	187			187
Cash and cash equivalents.....	12,321			12,321
<b>Net amount before financial expense</b> .....	4,628	(13,206)	(2,093)	(10,671)
Financial expense .....	(436)	(1,021)	(181)	(1,638)
<b>Net amount</b> .....	4,192	(14,227)	(2,274)	(12,309)

As of 31 December 2007	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
	<i>(in millions of euros)</i>			
Non-current financial debt (net of hedging instruments) .....		(11,424)	(2,992)	(14,416)
Current borrowings .....	(4,613)			(4,613)
Other current financial liabilities .....	(60)			(60)
Current financial assets .....	1,264			1,264
Cash and cash equivalents.....	5,988			5,988
<b>Net amount before financial expense</b> .....	2,579	(11,424)	(2,992)	(11,837)
Financial expense .....	(561)	(1,389)	(270)	(2,220)
<b>Net amount</b> .....	2,018	(12,813)	(3,262)	(14,057)
As of 31 December 2006	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
	<i>(in millions of euros)</i>			
Non-current financial debt (net of hedging instruments) .....		(10,733)	(2,955)	(13,688)
Current borrowings .....	(5,858)			(5,858)
Other current financial liabilities .....	(75)			(75)
Current financial assets .....	3,908			3,908
Cash and cash equivalents.....	2,493			2,493
<b>Net amount before financial expense</b> .....	468	(10,733)	(2,955)	(13,220)
Financial expense .....	(567)	(1,302)	(160)	(2,029)
<b>Net amount</b> .....	(99)	(12,035)	(3,115)	(15,249)

### **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 operations. 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:

ASSETS/LIABILITIES As of 31 December	2008	2007	2006
	<i>(in millions of euros)</i>		
Loans to equity affiliates (Note 12) .....	2,005	2,575	1,533
Loans and advances (Note 14).....	1,403	851	1,025
Hedging instruments of non-current financial debt (Note 20) .	892	460	486
Accounts receivable (Note 16).....	15,287	19,129	17,393
Other operating receivables (Note 16).....	6,208	4,430	4,267
Current financial assets (Note 20).....	187	1,264	3,908
Cash and cash equivalents (Note 27).....	12,321	5,988	2,493
<b>Total</b> .....	38,303	34,697	31,105

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 (incorporated by reference).

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

#### *Upstream Segment*

- Exploration & Production

Risks arising under contracts with government authorities or other oil companies or under long-term supply contracts necessary for the development of projects are evaluated during the project approval

process. The long-term aspect of these contracts and the high-quality of the other parties lead to a low level of credit risk.

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

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

- Gas & Power

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

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

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

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

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

#### *Downstream Segment*

- Refining & Marketing

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

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

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

- Trading & Shipping

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

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

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

Contractual arrangements are structured so as to maximize the risk mitigation benefits of netting between transactions wherever possible and additional protective terms providing for the provision of

security in the event of financial deterioration and the termination of transactions on the occurrence of defined default events are used to the greatest permitted extent.

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

#### *Chemicals Segment*

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

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

#### ***Industrial and environmental risks***

##### *Type of risks*

TOTAL's activities involve certain industrial and environmental risks which are inherent in the production of products that are flammable, explosive or toxic. Its activities are therefore subject to government regulations concerning environmental protection and industrial safety in most countries. More specifically, in Europe, TOTAL operates industrial sites that meet the criteria of the European Union Seveso II directive for classification as high-risk sites. Other sites operated by TOTAL in other parts of the world involve similar risks.

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

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

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

TOTAL's activities in the Chemicals segment and the Refining & Marketing division may also have health, safety and environmental risks related to the overall life cycle of the products manufactured. These risks can arise from the intrinsic characteristics of the products involved, which may, for example, be flammable, toxic, or result in long-term environmental impacts such as greenhouse gas emissions. Risks of facility contamination and off-site impacts may also arise from emissions and discharges resulting from processing or refining, and from recycling or disposing of materials and wastes at the end of their useful life.

### *Risk evaluation*

Prior to developing their activities and then on a regular basis during the operations, business units evaluate the related industrial and environmental risks, taking into account the regulatory requirements of the countries where these activities are located.

On sites with significant technological risks, analyses are performed for new developments, updated in case of planned significant modifications of existing equipment, and periodically re-evaluated. To harmonize these analyses and reinforce risk management, TOTAL has developed a group-wide methodology which is being implemented progressively throughout the sites it operates. In France, all the sites that meet the criteria of the European Union Seveso II directive are developing Risk Management Plans pursuant to the French law of July 30, 2003. Each of these plans will introduce various urban planning measures to reduce risks to urban environments surrounding industrial sites. The texts implementing these aspects of the law of July 30, 2003 were published at the end of 2005 and during 2006.

Similarly, environmental impact studies are done prior to any industrial development with a thorough initial site analysis, taking into account any special sensitivities and plans to prevent and reduce the impact of accidents. These studies also take into account the impact of the activities on the local population, based on a common methodology. In countries where prior authorization and supervision is required, the projects are not undertaken without the authorization of the relevant authorities according to the studies they are provided with.

For new products, risk characterizations and evaluations are performed. Furthermore, life cycle analyses for related risks are performed on certain products to study all the stages of a product's life cycle from its conception until the end of its useful life.

TOTAL's entities actively monitor regulatory developments to comply with local and international rules and standards for the evaluation and management of industrial and environmental risks. 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 (incorporated by reference). Future expenses related to asset retirement obligations are accounted for in accordance with the principles described in paragraph Q of Note 1 to the Consolidated Financial Statements (incorporated by reference).

### *Risk management*

Risk evaluations lead to the establishment of management measures that are designed to minimize the risks of accidents and to limit their consequences and environmental impacts. These measures concern the equipment design itself, the reinforcement of safety devices, the design of structures to be built and the protection against the consequences of environmental events. Risk evaluations may be accompanied, on a case-by-case basis, by an evaluation of the cost of risk control and impact reduction measures.

TOTAL is working to minimize industrial and environmental risks inherent to its activities by putting in place performance procedures and quality, safety and environmental management systems, as well as by moving towards obtaining certification for or assessment of its management systems (including International Safety Rating System, ISO 14001, European Management and Audit Scheme), by performing detailed inspections and audits, training staff and heightening awareness of all the parties involved, and by an active investment policy.

More specifically, following up on the 2002-2005 plan, an action plan was defined for the 2006-2009 period. This plan is focused on two initiatives for improvement: reducing the frequency and seriousness of on-the-job accidents and strengthening the management of industrial risks. The results related to reducing on-the-job accidents are in line with goals, with a significant decrease in the rate of accidents (with or without time-lost) per million hours worked by nearly 75% between the end of 2001 and the end of 2008. In terms of industrial risks, this plan's initiatives include specific organization and behavioral plans as well as plans to minimize risks at source and increase safety for people and equipment use.

Several environmental action plans have been put in place in different activities of the Group covering periods up until 2012. These plans are designed to improve environmental performance, particularly regarding the use of natural resources, air and water pollution, waste production and

treatment, and site decontamination. They also contain quantified objectives to reduce greenhouse gas emissions, water pollution and sulphur dioxide emissions and to improve energy efficiency.

As part of its efforts to reduce greenhouse gases and combat climate change, in December 2006 the Group committed to reducing gas flaring at its Exploration & Production sites by 50% compared to 2005 volumes by 2012. By the end of 2009, the Group intends to obtain ISO 14001 certification for all of its sites that it considers particularly important to the environment (as of today, 80% of such sites are so certified). More than 250 of the Group's sites worldwide are certified ISO 14001. These activities are monitored through periodic, coordinated reporting by all Group entities.

More detailed information on TOTAL's actions regarding safety and environmental concerns is provided in the separate report entitled "Environment and Community: Our Corporate Responsibilities" published by the Group since 2003.

The Group believes that, according to its current estimates, contingencies or liabilities related to health, safety and environmental concerns would not have a material impact on its consolidated financial situation, its cash flow or its income. Due to the nature of such concerns, however, it is impossible to predict whether additional future commitments or liabilities could have a material adverse effect on the Group's activities.

#### *Asbestos*

Like many other industrial groups, TOTAL is involved in claims related to occupational diseases caused by asbestos exposure. The circumstances described in these claims generally concern activities prior to the beginning of the 1980s, long before the adoption of more comprehensive bans on the new installation of asbestos-containing products in most of the countries where the Group operates (January 1, 1997 in France). The Group's various activities are not particularly likely to lead to significant exposure to asbestos-related risks, since this material was generally not used in manufacturing processes, except in limited cases. The main potential sources of exposure are related to the use of certain insulating components in industrial equipment. These components are being gradually eliminated from the Group's equipment through asbestos-elimination plans that have been underway for several years. However, considering the long period of time that may elapse before the harmful results of exposure to asbestos arise (up to 40 years), TOTAL anticipates that claims may be filed in the years to come. Asbestos-related issues have been subject to close monitoring in all branches of the Group. As of December 31, 2008, the Group estimates that the ultimate cost of all asbestos-related claims paid or pending is not likely to have a material adverse effect on the financial situation of the Group.

#### ***Other risks***

##### *Risks related to oil and gas exploration and production*

Oil and gas exploration and production require high levels of investment and are associated with particular risks and opportunities. These activities are subject to risks related specifically to the difficulties of exploring underground, to the characteristics of hydrocarbons and to the physical characteristics of an oil or gas field. Of risks related to oil and gas exploration, geologic risks are the most important. For example, exploratory wells may not result in the discovery of hydrocarbons, or 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 activities 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 activities can be limited, delayed or cancelled as a result of numerous factors, such as administrative delays, particularly in terms of the host states' approval processes for development projects, shortages, late delivery of equipment and weather conditions, including the risk of hurricanes in the Gulf of Mexico. Some of these risks may also affect TOTAL's projects and facilities further down the oil and gas chain.

### *Risks related to economic or political factors*

The oil sector is subject to domestic regulations and the intervention of governments or state-owned companies in such areas as:

- the award of exploration and production interests;
- authorizations by governments or by a state-controlled partner, especially for development projects, annual programs or the selection of contractors or suppliers;
- the imposition of specific drilling obligations;
- environmental protection controls;
- control over the development and abandonment of a field causing restrictions on production;
- calculating the costs that may be recovered from the relevant authority and what expenditures are deductible from taxes; and
- possible, though exceptional, nationalization, expropriation or reconsideration of contract rights.

The oil industry is also subject to the payment of royalties and taxes, which may be high compared with those imposed with respect to other commercial activities and which may be subject to material modifications by the governments of certain countries.

Substantial portions of TOTAL's oil and gas reserves are located in certain countries which may be considered politically and economically unstable. These reserves and the related operations are subject to certain additional risks, including:

- the establishment of production and export limits;
- the compulsory renegotiation of contracts;
- the expropriation or nationalization of assets;
- risks relating to changes of local governments or resulting changes in business customs and practices;
- payment delays;
- currency exchange restrictions;
- depreciation of assets due to the devaluation of local currencies or other measures taken by governments that might have a significant impact on the value of activities; and
- losses and impairment of operations due to armed conflicts, civil unrest or the actions of terrorist groups.

TOTAL, like other major international oil companies, has a geographically diverse portfolio of reserves and operational sites, which allows it to conduct its business and financial affairs so as to reduce its exposure to such political and economic risks. However, there can be no assurance that such events will not adversely affect the Group.

### *Legal aspects of exploration and production activities*

TOTAL's exploration and production activities are conducted in many different countries and are therefore subject to an extremely broad range of regulations. These cover virtually all aspects of exploration and production activities, including matters such as leasehold rights, production rates, royalties, environmental protection, exports, taxes and foreign exchange rates. The terms of the concessions, licenses, permits and contracts governing the Group's ownership of oil and gas interests vary from country to country. These concessions, licenses, permits and contracts are generally granted by or entered into with a government entity or a state-owned company and are sometimes entered into with private owners. These arrangements usually take the form of concessions or production sharing agreements.

The oil concession agreement remains the traditional model for agreements entered into with States: the oil company owns the assets and the facilities and is entitled to the entire production. In exchange, the operating risks, costs and investments are the oil company's responsibility and it agrees to



remit to the relevant State, usually the owner of the subsoil resources, a production-based royalty, income tax, and possibly other taxes that may apply under local tax legislation.

The production sharing contract (PSC) involves a more complex legal framework than the concession agreement: it defines the terms and conditions of production sharing and sets the rules governing the cooperation between the company or consortium in possession of the license and the host State, which is generally represented by a state-owned company. The latter can thus be involved in operating decisions, cost accounting and production allocation.

The consortium agrees to undertake and finance all exploration, development and production activities at its own risk. In exchange, it is entitled to a portion of the production, known as “cost oil”, the sale of which should cover all of these expenses (investments and operating costs). The balance of production, known as “profit oil”, is then shared in varying proportions, between the company or consortium, on the one hand, and with the State or the state-owned company, on the other hand.

In some instances, concession agreements and PSCs coexist, sometimes in the same country. Even though other contractual structures still exist, TOTAL’s license portfolio is comprised mainly of concession agreements. In all countries, the authorities of the host State, often assisted by international accounting firms, perform joint venture and PSC cost audits and ensure the observance of contractual obligations.

In some countries, TOTAL has also signed contracts called “contracts for risk services” which are similar to production sharing contracts, with the main difference being that the repayment of expenses and the compensation for services are established on a monetary basis. Current contracts for risk services are backed by a compensation agreement (buyback), which allows TOTAL to receive part of the production equal to the cash value of its expenses and compensation.

Hydrocarbon exploration and production activities are subject to public authorizations (permits), which can be different for each of these activities. These permits are granted for limited periods of time and include an obligation to return a large portion, in case of failure the entire portion, of the permit area at the end of the exploration period.

TOTAL is required to pay income tax on income generated from its production and sales activities under its concessions or licenses. In addition, depending on the country, TOTAL’s production and sale activities may be subject to a range of other taxes, fees and withholdings, including special petroleum taxes and fees. The taxes imposed on oil and gas production and sale activities may be substantially higher than those imposed on other businesses.

The legal framework of TOTAL’s exploration and production activities, established through concessions, licenses, permits and contracts granted by or entered into with a government entity, a state-owned company or, sometimes, private owners, is subject to certain risks which in certain cases can diminish or challenge the protections offered by this legal framework.

#### *Legal aspects of other activities of the Group*

The other activities of the Group (Gas & Power, Downstream and Chemicals) are also subject to a wide range of regulation.

In European countries and in the United States, sites and products are subject to environmental (water, air, soil, noise, nature protection, waste management, impact studies, etc.), health (on-the-job safety, chemical product risks) and safety (safety of personnel and residents, major risk facilities) regulations. Product quality and consumer protection are also subject to regulations. Within the European Union, EU regulations must be transposed into member states’ national laws or directly enforced. In such member states, EU legislation and regulations may be in addition to national and local government regulations. However, for the European Union, licenses are delivered by local administrations to industrial actors based on national and EU law. As in the European Union, federal regulations may supplement the regulations of each state.

In other countries where the Group operates, legislation is often inspired by European and U.S. rules. These countries may more fully develop certain aspects of regulation, for example protecting water, health and nature.

Irrespective of the particular country in which the Group is operating, TOTAL has developed standards based on best practices existing in countries with more developed regulation and progressively implements policies to improve these standards.

In France, specific legislation governs the oil industry (French law of December 31, 1992 on oil sector reform). However, there is no such general regulation for refining and marketing activities, although there are some restrictions on holding strategic oil reserves, the control (ownership or chartering) of shipping capacity, and the sale or closure of refining facilities. Requirements for strategic oil reserves also exist in other European countries and in the United States.

#### *Regulations concerning Iran and Sudan*

In September 2006, the U.S. legislation implementing sanctions against Iran and Libya (Iran and Libya Sanction Act, referred to as “ILSA”), was amended and extended until December 2011. Pursuant to this statute, which now concerns only Iran (Iran Sanctions Act, referred to as “ISA”), the President of the United States is authorized to initiate an investigation into the possible imposition of sanctions (from a list that includes denial of financing by the U.S. Export-Import Bank and limitations on the amount of loans or credits available from U.S. financial institutions) 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. It also prohibits TOTAL from extending its waiver for South Pars to other activities.

In each of the years since the passage of ILSA (now ISA) until 2007, TOTAL made investments in Iran (excluding South Pars) in excess of \$20 million. TOTAL’s activities in Iran are currently limited mainly to the implementation of two buyback contracts signed between 1995 and 1999 for two permits on which the Group is no longer the operator. As a result, TOTAL’s involvement consists essentially in being reimbursed for its past investments. In 2008, TOTAL’s production in Iran was 8.8 kboe/d, approximately 0.4% of the Group’s worldwide production. TOTAL does not believe that its activities in Iran have a material impact on the Group’s results.

In the future, TOTAL may decide to invest amounts in excess of \$20 million per year in the country. TOTAL cannot predict interpretations of or the implementation policy of the U.S. government under ISA with respect to its possible future activities in Iran. It is possible that the United States may determine that these or other activities constitute activity prohibited by ISA and will subject TOTAL to sanctions. TOTAL does not believe that enforcement of ISA, including the imposition of the maximum sanctions under the current applicable law and regulations would have a material negative effect on its results of operations or financial condition.

France and the European Union have adopted measures, based on United Nations Security Council resolutions, that restrict the movement of certain individuals and goods to or from Iran as well as certain financial transactions with Iran, in each case when such individuals, goods or transactions are related to nuclear proliferation and weapons activities or likely to contribute to their development. As currently applicable, the Group believes that these measures do not cover TOTAL’s activities and projects in this country.

TOTAL has no active business in Sudan. TOTAL has no oil or gas production in Sudan and, to date, has not made any significant investments or industrial investments there.

TOTAL holds a 32.5% interest in Block B in southern Sudan through a 1980 Exploration and Production Sharing Agreement (EPSA). Operations were voluntarily suspended in 1985 because of escalating security concerns, but the company maintained its exploration rights.

The EPSA was revised, effective December 21, 2004, and provided that the parties (the Government of Sudan and the consortium partners) would mutually agree upon a resumption date when the petroleum operations could be undertaken physically in the contract area. Such resumption date would mark the starting point of the Group’s work obligations as foreseen in the contract. A joint decision on the resumption date has not occurred yet.

If TOTAL were to resume its activities in southern Sudan, it would do so in compliance with applicable national, European and international laws and regulations, as well as with the Group’s Code of Conduct and Ethics Charter. Within the Group’s scope of operations and authority, it is committed to upholding human rights and fundamental freedoms, including social, economic and cultural rights,

and the rights and interests of local residents, minorities and any other vulnerable groups. In particular, the Group will study the situation with non-governmental organizations and stakeholders involved in southern Sudan and conduct socio-economic programs adapted to the needs of the local population. Significant programs were launched at the end of 2008 in the fields of access to potable water, social infrastructures and schools with two international non-governmental organizations present in the region.

Certain U.S. states have adopted legislation requiring state pension funds to divest themselves of investments in any company with active business operations in Iran or Sudan. On December 31, 2007, the U.S. Congress adopted the Sudan Accountability and Divestment Act, which supports these state legislative initiatives. If TOTAL's activities in Iran or Sudan were determined to fall within the prohibited scope of these laws, and TOTAL were to not qualify for exemptions provided by such laws, certain U.S. state pension funds holding interests in TOTAL may be required to sell their interests. If significant, such sales could have an adverse effect on TOTAL's share price.

Furthermore, the United States currently imposes economic sanctions, which are administrated by the U.S. Treasury Department's Office of Foreign Assets Control and which apply to U.S. persons, with the objective of denying certain countries, including Iran, Syria and Sudan, the ability to support international terrorism and, additionally in the case of Iran and Syria, to pursue weapons of mass destruction and missile programs. TOTAL does not believe that these sanctions are applicable to any of its activities in these countries.

### *Nigeria*

Security concerns in the Niger Delta region led the Shell Petroleum Development Company (SPDC, of which TOTAL owns 10%) to progressively stop production at certain facilities, which were targeted in attacks, starting in the first quarter 2006. Repair work on facilities in the western zone of the Niger Delta region continued in 2008, allowing production to partially resume. The SPDC joint venture's gas and condensates production was affected by the shutdown of the Soku treatment plant which had to be repaired after vandalism on the export pipelines late in 2008. NLNG export capacity also decreased as a result of this shutdown. The offshore Bonga field on the OML 118 permit, operated by SNEPCO in which the Group holds a 12.5% interest, was attacked in June 2008. This attack did not have a significant impact on the Group's production in the country.

### *Risks related to competition*

The Group is subject to intense competition within the oil sector and between the oil sector and other sectors aiming to fulfill the energy needs of the industry and of individuals. TOTAL is subject to competition from other oil companies in the acquisition of assets and licenses for the exploration and production of oil and natural gas. Competition is particularly strong with respect to the acquisition of resources of oil and natural gas, which are in great demand. Competition is also intense in the sale of manufactured products based on crude and refined oil.

In this regard, the major international oil companies in competition with TOTAL are ExxonMobil, Royal Dutch Shell, Chevron and BP. As of December 31, 2008, TOTAL ranked fifth among these companies in terms of market capitalization<sup>(3)</sup>.

### *Legal and arbitration proceedings*

The principal legal proceedings in which the Group is involved are described in the 2008 Registration Document of Total (incorporated by reference), in the News Release Total Third Quarter 2009 results (incorporated by reference).

### ***Insurance and risk management***

#### *Organization*

TOTAL has its own insurance and reinsurance company, Omnium Insurance and Reinsurance Company (OIRC). OIRC is integrated into the Group's insurance management and is used as a centralized global operations tool for covering the Group's risks. It allows the Group to implement its worldwide insurance program in compliance with the various regulatory environments in the countries where the Group operates.

Some countries require the purchase of insurance from a local insurance company. If the local insurer accepts to cover the subsidiary of the Group in compliance with its worldwide insurance program, OIRC requests a retrocession of the covered risks from the local insurer. As a result, OIRC negotiates reinsurance contracts with the subsidiaries' local insurance companies, which transfer most of

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(3) Source: Reuters.

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 2008, the net amount of risk retained by OIRC after reinsurance was 50 M€ per property/business interruption insurance claim and 60 M€ per third party liability insurance claim.

#### *Risk and insurance management policy*

In this context, the Group risk and insurance management policy is to work with the relevant internal department of each subsidiary to:

- define scenarios of major disaster risks (estimated maximum loss);
- assess the potential financial impact on the Group in case these disasters should occur;
- help in implementing measures to limit the probability of the event and the extent of the occurrences of such events; and
- manage the level of risk from such events to be either covered internally by the Group or to be transferred to the insurance market.

#### *Insurance policy*

The Group has worldwide third party liability and property insurance coverage for all its subsidiaries. These programs are contracted with first-class insurers (or reinsurers and mutual insurance companies of the oil industry through OIRC).

The amounts insured depend on the financial risks defined in the disaster scenarios and the coverage terms offered by the market (available capacities and price conditions).

More specifically, for:

- Third party liability insurance: since the maximum financial risk cannot be evaluated by a systematic approach, the amounts insured are based on market conditions and industry practice, in particular, the oil industry. The insurance cap in 2008 for general and product liability was \$800 million.
- Property damage and business interruption: the amounts insured by sector and by site are based on estimated costs and reconstruction scenarios under the estimated maximum loss scenarios and on insurance market conditions. The Group subscribed for business interruption coverage in 2008 for its main refining and petrochemical sites.

For example, for the highest estimated risks of the Group (main European refineries), the limit of indemnity was \$1.4 billion in 2008.

Deductibles for property damages fluctuate between 0.1 M€ and 10 M€ depending on the level of risk, and are borne by the subsidiary. For business interruption, they represent 60 days.

Other insurance contracts are bought by the Group in addition to property damage and third party liability coverage, mainly for car fleets, credit insurance and employee benefits. These risks are entirely underwritten by outside insurance companies.

The above-described policy is given as an example of past practice over a certain period of time and cannot be considered as representative of future conditions. The Group's insurance policy may be changed at any time depending on the market conditions, specific circumstances and on management's assessment of the risks incurred and the adequacy of their coverage. The Group cannot guarantee that it will not suffer any uninsured loss.

#### **Risk Factors relating to Total Capital**

Total Capital's activity is to raise financing in the markets for the entities of the Total Group. As such, Total Capital is exposed to the credit risks of Total and to the market risks previously described in Total's risk factors. Please refer to the "Financial Markets Related Risks" section on page 18 above.

## Factors Relating to the Notes

*The Notes may not be a suitable investment for all investors*

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Debt Issuance Programme Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

*The trading market for debt securities may be volatile and may be adversely impacted by many events*

The market for debt securities issued by the Issuers is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

*An active trading market for the Notes may not develop*

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected.

*Any early redemption at the option of an Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the relevant Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

*Limited events of default and covenants*

The holder of any Note may only give notice that such Note is immediately due and repayable in a limited number events. Such events of default do not include, for example, a cross-default of the relevant Issuer's other debt obligations. Moreover, the terms and conditions of the Notes do not contain a negative pledge or any other covenants of the Issuers.

*A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or *pro-rata* commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

*A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes*

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally in France is described under "Taxation" below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuers advise all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

*Investors will not be able to calculate in advance their rate of return on Floating Rate Notes*

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Final Terms of the relevant Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

*Fixed to Floating Rate Notes*

Fixed to floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the fixed to floating Rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Zero coupon bonds are subject to higher price fluctuations than non-discounted bonds*

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon bonds than on the prices of ordinary bonds because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon bonds can suffer higher price losses than other bonds having the same maturity and credit rating. Due to their leverage effect, zero coupon bonds are a type of investment associated with a particularly high price risk.

*Foreign currency bonds expose investors to foreign-exchange risk as well as to issuer risk*

As purchasers of foreign currency bonds, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the issuer or the type of Note being issued.

*Structured Notes may entail significant risks not associated with similar investments in a conventional debt security*

An investment in Notes the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae,

either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor could lose all or a substantial portion of the principal of its Notes. Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Note.

*Investments in Index Linked Notes entail significant risks and may not be appropriate for investors lacking financial expertise*

An investment in Index Linked Notes entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. The Issuer believes that Index Linked Notes should only be purchased by investors who are, or who are purchasing under the guidance of, financial institutions or other professional investors that are in a position to understand the special risks that an investment in these instruments involves. These risks include, among other things, the possibility that:

- such index or indices may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer through the Issuer at the same time;
- the repayment of principal can occur at times other than that expected by the investor;
- the holder of an Index Linked Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on the Index Linked Note;
- the risks of investing in an Index Linked Note encompasses both risks relating to the underlying indexed securities or commodities and risks that are unique to the Note itself;
- any Index Linked Note that is indexed to more than one type of underlying asset, or on formulas that encompass the risks associated with more than one type of asset, may carry levels of risk that are greater than Notes that are indexed to one type of asset only;
- it may not be possible for investors to hedge their exposure to these various risks relating to Index Linked Notes; and
- a significant market disruption could mean that the index on which the Index Linked Notes are based ceases to exist.

In addition, the value of Index Linked Notes on the secondary market is subject to greater levels of risk than is the value of other Notes. The secondary market, if any, for Index Linked Notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable currency, commodity, stock, interest rate or other index, including the volatility of the applicable currency, commodity, stock, interest rate or other index, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable currency, commodity, stock or interest rate index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Index Linked Notes contains a multiplier or leverage factor, the effect of any change in the applicable currency, commodity, stock, interest rate or other index will be increased. The historical experience of the relevant currencies, commodities, stocks or interest rate indices should not be taken as an indication of future performance of such currencies, commodities, stock, interest rate or other indices during the term of any Index Linked Note. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Index Linked Notes.

The credit ratings assigned to the Issuers' Programme are a reflection of the credit status of the Issuer, and in no way are a reflection of the potential impact of any of the factors discussed above, or any other factors, on the market value of any Index Linked Note. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Index Linked Notes and the suitability of such Notes in light of their particular circumstances.

### *Holdings of less than the minimum Specified Denomination*

To the extent permitted by the applicable law(s) and in relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the Specified Denomination (or its equivalent) that are not integral multiples of the Specified Denomination (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### *Taxation*

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors are advised not to rely upon the tax summary contained in this Debt Issuance Programme Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Debt Issuance Programme Prospectus.

### *EU Savings Directive*

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the “**Directive**”). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information (see “Taxation – EU Taxation”).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent, the relevant Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

### *French Insolvency Law*

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests, if a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the relevant Issuer (including the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law.

The Assembly deliberates on the draft safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.



For the avoidance of doubt, the provisions relating to the Meetings of the Noteholders described in this Debt Issuance Programme Prospectus will not be applicable in these circumstances.

*Reform of French interest withholding tax rules*

The Issuer understands that a reform of the French interest withholding tax rules may be implemented with effect possibly from 1 January 2010. If the proposed legislation is enacted, it is possible that (subject to, where applicable, the more favourable provisions of a double tax treaty) a 50% withholding tax would be due (without any possibility of exemption) on any interest or other debt securities income paid outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) included in a list to be set up and updated annually by a decision (*arrêté*) of the French Administration. This reform could be implemented by the Amended Finance Act for 2009 (*loi de finances rectificative pour 2009*), which has not been voted at the date of this Debt Issuance Programme Prospectus.

If, as a result of the proposed new legislation, an amount of, or in respect of, French tax were to be withheld from payments under the Notes and consequently, the Issuer or, failing whom, in respect of Notes issued by Total Capital, the Guarantor, is required to pay additional amounts in respect of such withholding, in accordance with Condition 7 – Taxation of the Terms and Conditions of the Notes, the Issuer may have the option to redeem all, but not some only, of the Notes, in accordance with Condition 5 – Redemption, Purchase and Options.

## DOCUMENTS INCORPORATED BY REFERENCE

This Debt Issuance Programme Prospectus should be read and construed in conjunction with the following documents which have been filed with the CSSF and shall be deemed to be incorporated in, and to form part of, this Debt Issuance Programme Prospectus:

- (a) the Registration Document (“RD”) 2007 for Total, containing the audited consolidated annual financial statements and audit reports for the financial year ended 31 December 2007 (and the related notes) of Total except for the third paragraph of the Chief Executive Officer’s certification and the AMF textbox on the front part of the Registration Document for the last paragraph of the “Documents on Display” section on page 151 and the Registration Document (“RD”) 2008 for Total, containing the audited consolidated annual financial statements and audit reports for the financial year ended 31 December 2008 (and the related notes) of Total except for the third paragraph of the Chief Executive Officer’s certification and the AMF textbox on the front part of the Registration Document for the last paragraph of the “Documents on Display” section on page 170;
- (b) the audited annual financial statements and audit reports for the financial years ended 31 December 2007 and 2008 (and the related notes) of Total Capital;
- (c) the News Release Total Third Quarter 2009 Results, containing the unaudited consolidated financial statements for the nine months ended 30 September 2009 of Total and the review report of the auditors relating to the unaudited consolidated financial statements for the nine months ended 30 September 2009 of Total; and
- (d) the unaudited non-consolidated financial statements for the nine months ended 30 September 2009 of Total Capital and the review report of the statutory auditors on the financial statements for the nine months ended 30 September 2009 of Total Capital,

save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Debt Issuance Programme Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Debt Issuance Programme Prospectus.

All documents incorporated by reference in this Debt Issuance Programme Prospectus may be obtained, free of charge, at the offices of each Paying Agent set out at the end of this Debt Issuance Programme Prospectus during normal business hours and as long as any of the Notes are outstanding.

Copies of the documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Information incorporated by reference	Reference	Language version
<b>Registration Document (“RD”) 2007 for Total</b>		English
Organisational Chart	RD, page 46	
Balance Sheet relating to the above	RD, page 156	
Cash Flow Statement	RD, page 157	
Income Statement relating to the above	RD, page 155	
Consolidated statement of changes in shareholders’ equity	RD, page 158	
Notes relating to the above	RD, pages 159-229	
Accounting principles relating to the above	RD, pages 159-166	
Audit Report relating to the above	RD, page 154	
<b>Registration Document (“RD”) 2008 for Total</b>		English
Organisational Chart	RD, page 52	
Balance Sheet relating to the above	RD, page 177	
Cash Flow Statement	RD, page 178	

Information incorporated by reference	Reference	Language version
Income Statement relating to the above	RD, page 176	
Consolidated statement of changes in shareholders' equity	RD, page 179	
Notes relating to the above	RD, pages 180-258	
Accounting principles relating to the above	RD, pages 180-188	
Audit Report relating to the above	RD, page 174	
<b>News Release Total Third Quarter 2009 Results</b>		English
Income Statement relating to the above	Part I, pages 23-24	
Balance Sheet relating to the above	Part I, page 25	
Cash Flow Statement	Part I, pages 26-27	
Consolidated statement of changes in shareholders' equity	Part I, page 28	
Consolidated statement of comprehensive income	Part I, page 29	
Notes relating to the above	Part II, pages 1-15	
Accounting principles relating to the above	Part II, page 1	
Review Report Relating to above	Part III page 1	English
<b>Total Capital S.A. – Statutory auditors' report on the financial statements – Year ended 31 December 2007</b>		English
Balance Sheet relating to the above	page 7	
Income Statement relating the above	page 9	
Cash Flow Statement	page 11	
Notes relating to the above	pages 12-21	
Accounting principles relating to the above	pages 13-14	
Audit Report relating to the above	pages 2-3	
<b>Total Capital S.A. – Statutory auditors' report on the financial statements – Year ended 31 December 2008</b>		English
Balance Sheet relating to the above	page 6	
Income Statement relating to the above	page 8	
Cash Flow Statement	page 10	
Notes relating to the above	pages 13-21	
Accounting principles relating to the above	pages 13-14	
Audit Report relating to the above	pages 2-3	
<b>Total Capital – Statutory Auditors' report on the Interim Financial Statements (Period January 1 to September 30, 2009)</b>		English
Balance Sheet relating to the above	page 7	
Income Statement relating to the above	page 9	
Cash Flow Statement	page 11	
Notes relating to the above	pages 13-22	
Accounting principles relating to the above	pages 14-15	
Review Report relating to the above	pages 2-3	

The information incorporated by reference in this Debt Issuance Programme Prospectus but not listed in the cross-reference table is given for information purposes only.

## **DEBT ISSUANCE PROGRAMME PROSPECTUS SUPPLEMENT**

Each of the Issuers has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Debt Issuance Programme Prospectus whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Debt Issuance Programme Prospectus, for the purpose of making an informed assessment of its assets and liabilities, financial position, profits and losses and prospects and the rights attaching to the Notes, it shall prepare a Debt Issuance Programme Prospectus Supplement or publish a replacement Debt Issuance Programme Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer and the Luxembourg Stock Exchange such number of copies of such supplement hereto as such Dealer and the rules of the Luxembourg Stock Exchange may reasonably request.

In relation to each issue of Notes, this Debt Issuance Programme Prospectus shall be completed by the applicable Final Terms.

## **GENERAL DESCRIPTION OF THE PROGRAMME**

Under the Programme, each of the Issuers may from time to time issue Notes. The issue price, issue date, interest rate, interest period, redemption date applicable to any Notes and any other relevant provisions of such Notes will be specified in the applicable Final Terms.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated 17 November 2009 (as further amended or supplemented as at the Issue Date, the “Agency Agreement”), between TOTAL S.A. (“Total”, in respect of Notes issued by it, the “Issuer” and, in respect of Notes issued by Total Capital, the “Guarantor”), TOTAL CAPITAL (“Total Capital” or, in respect of Notes issued by it, the “Issuer”), Citibank, N.A., London Branch as fiscal agent and the other agents named in it and with the benefit of an amended and restated Deed of Covenant (as amended or supplemented as at the Issue Date, the “Deed of Covenant”) dated 17 November 2009 executed by Total and Total Capital in relation to the Notes. The fiscal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Fiscal Agent”, the “Paying Agents” (which expression shall include the Fiscal Agent) and the “Calculation Agent(s)”. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, “Tranche” means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents.

### **1. Form, Denomination and Title**

The Notes are issued in bearer form in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), the minimum denomination shall be €1,000 (or its equivalent in any other currency as at the date of issue of the Notes).

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes, in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Title to the Notes and the Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss, and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Note and the Receipts relating to it, “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon, and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2. Status of the Notes

The Notes and the Receipts and Coupons relating to them constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer present and future.

## 3. Status of the Guarantee in respect of Notes issued by Total Capital

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by Total Capital under the Notes, Receipts and Coupons. Its obligations in that respect (the “Guarantee”), which are contained in the Deed of Covenant, constitute unsecured obligations of the Guarantor under the Guarantee and shall at all times rank *pari passu* and without preference among themselves and shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor, present and future.

## 4 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

The amount of interest payable shall be determined in accordance with Condition 4(h).

- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is: (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment; (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day; (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

- (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA

Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (y) If the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest



Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) to the Relevant Date at the Rate of Interest in the manner provided in this Condition 4 (as defined in Condition 7).
- (g) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**
  - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
  - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if

necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country/ies of such currency.

- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable, on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (j) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:
- “Business Day”** means:
- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
  - (ii) in the case of euro, a day on which the TARGET system is operating (a “TARGET Business Day”); and/or
  - (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in

such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**”<sup>(1)</sup> is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D<sub>1</sub>** will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D<sub>1</sub>** is greater than 29, in which case **D<sub>2</sub>** will be 30.

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

(1) As announced on 3 February, 2005, ISMA and IPMA merged with effect from 1 July, 2005, and the merged association is called ICMA (the International Capital Markets Association).

“ $D_1$ ” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case  $D_1$  will be 30; and

“ $D_2$ ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case  $D_2$  will be 30.

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“ $Y_1$ ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ $Y_2$ ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ $M_1$ ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ $M_2$ ” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“ $D_1$ ” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case  $D_1$  will be 30; and

“ $D_2$ ” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and  $D_1$  is greater than 29, in which case  $D_2$  will be 30.

- (vii) if “**Actual/Actual – ICMA**” is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified hereon.

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon.

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

**“Reference Rate”** means the rate specified as such hereon.

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon.

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (k) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or

any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **5. Redemption, Purchase and Options**

### **(a) Redemption by Instalments and Final Redemption:**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### **(b) Early Redemption:**

#### **(i) Zero Coupon Notes:**

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon its becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon its becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:**

- (i) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer or, in respect of Notes issued by Total Capital, the Guarantor would on the occasion of the next payment of principal or interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified under Condition 7 below, the Issuer may, at its option, on any Interest Payment Date or, if so specified hereon, at any time, subject to having given not more than 45 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13, redeem all, but not some only, of the Notes at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer or, in respect of Notes issued by Total Capital, the Guarantor would on the occasion of the next payment of principal or interest in respect of the Notes be prevented by French law or by any official application or interpretation of such law from making payment to the Noteholders or Couponholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 7 below, then the Issuer or the Guarantor, as the case may be, shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 13, redeem all, but not some only, of the Notes then outstanding at their Early Redemption Amount together with, unless otherwise specified in the Final Terms, any interest accrued to the date set for redemption on (A) the latest practicable Interest Payment Date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders shall be the later of (i) the latest practicable date on which the Issuer or the Guarantor, as the case may be, could make payment of the full amount then due and payable in respect of the Notes and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or (B) if so specified on this Note, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date at which the Issuer could make payment of the full amount payable in respect of the Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter.

- (d) **Redemption at the Option of the Issuer and Exercise of Issuer's Options:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, or exercise any Issuer's option (as may be described hereon) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon)

redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholder's option that may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.
- (g) **Purchases:** The Issuer, the Guarantor, in respect of Notes issued by Total Capital, and any of their subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes redeemed by the Issuer and all Notes purchased by or on behalf of the Issuer or, in respect of Notes issued by Total Capital, the Guarantor may be surrendered for cancellation by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

## 6. Payments and Talons

- (a) **General:** Payments of principal and interest in respect of Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(e)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (b) **Payments in the United States:** Notwithstanding the foregoing, if any Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (c) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (d) **Appointment of Agents:** The Fiscal Agent, the Paying Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents and the Calculation Agent(s) act solely as agents of the Issuer and, in respect of Notes issued by Total Capital, the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and, in respect of Notes issued by Total Capital, the Guarantor reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the



Conditions so require, (iii) a Paying Agent having a specified office in a major European city provided that (A) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, the Issuer will maintain a Paying Agent in Luxembourg and (B) so long as the Notes are listed on the Paris Stock Exchange and the rules of that exchange so require, the Issuer will maintain a Paying Agent in Paris, and (iv) a Paying Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income or any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 as the taxation of savings income.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (b) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(e) **Unmatured Coupons and Receipts and Unexchanged Talons:**

- (i) Upon the due date for redemption of Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
  - (ii) Upon the due date for redemption of any Note comprising a Floating Rate Note, Dual Currency Interest Note or Index Linked Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.
- (f) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

- (g) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 7. Taxation

- (a) Interest and other revenues paid by Total S.A. or Total Capital in its capacity as Issuer with respect to Notes which, as may be specified in the relevant Final Terms, are issued or are deemed to be issued outside the Republic of France, benefit from the exemption, provided for in Article 131 *quater* of the French General Tax Code, from the withholding tax set out under Article 125 A III of the French General Tax Code. Accordingly, such payments do not give the right to any tax credit from any French source.

*As to the meaning of the expression “issued or deemed to be issued outside the Republic of France,” see “Summary — Withholding Tax”.*

- (b) If French law should require that payments of principal of, or interest on, the Notes, Receipts or Coupons be subject to deduction or withholding with respect to any present or future taxes or duties whatsoever, the Issuer or, failing whom, in respect of Notes issued by Total Capital, the Guarantor will, to the fullest extent then permitted by law, pay such additional amounts as shall result in receipt by the Noteholders, or, if applicable the Receiptholders or the Couponholders, as the case may be, of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon presented for payment, as the case may be:
- (i) by a holder (or a third party on behalf of a holder) who is subject to such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Note, Receipt or Coupon; or
  - (ii) more than 30 days after the Relevant Date, except to the extent that such holder would have been entitled to such additional amount on presenting such Note, Receipt or Coupon for payment on the last day of such period of 30 days; or
  - (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (iv) by or on behalf of a holder of any Note, Coupon or Receipt, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Receipt, as the case may be, to another Paying Agent in a Member State of the European Union.

References in these Conditions to “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Early Redemption Amounts, Final Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any

amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition.

- (c) Each Noteholder, Couponholder or Receiptholder, as the case may be, shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may be required in a timely manner in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

## **8. Prescription**

Claims against the Issuer and, in respect of Notes issued by Total Capital, the Guarantor for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **9. Events of Default**

If any of the following events (“Events of Default”) shall have occurred and be continuing, any Noteholder may give notice to the Fiscal Agent effective upon receipt by the Fiscal Agent that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable:

- (a) if there is failure for more than 60 days to make payment of any amount of principal or interest on any of the Notes; or
- (b) if the Issuer or, in respect of Notes issued by Total Capital, Total Capital or the Guarantor shall fail fully to perform or observe any other term of the Notes required to be performed or observed by it and any such default shall continue for a period of 90 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Fiscal Agent by any Noteholder; or
- (c) if the Issuer or, in respect of Notes issued by Total Capital, Total Capital or the Guarantor applies for the appointment of a *mandataire ad hoc*, or enters into an amicable settlement (*procédure de conciliation*) or a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or the Guarantor, as the case may be, or any other form of bankruptcy or liquidation proceedings is commenced involving the Issuer or the Guarantor, as the case may be, or any judgment is issued for the transfer of the whole of its business (*cession totale de l'entreprise*), or if the Issuer or the Guarantor, as the case may be, is wound up or dissolved except in connection with a merger, provided that the entity resulting from such merger assumes the obligations resulting from the Notes; or
- (d) the Issuer or, in respect of Notes issued by Total Capital, Total Capital or the Guarantor ceases to carry on the whole or substantially the whole of its business; or
- (e) in respect of Notes issued by Total Capital, the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

## **10. Meeting of Noteholders and Modifications**

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes

consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

- (b) **Modification of Agency Agreement:** The Issuer and, in respect of Notes issued by Total Capital, the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

#### **11. Replacement of Notes, Receipts, Coupons and Talons**

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Notes, Receipts, Coupons or Talons) or such other Paying Agent as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **12. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such notes to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

#### **13. Notices**

Any notices to Noteholders will be published, so long as the Notes are listed on the Luxembourg Stock Exchange, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication in the relevant place or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes in accordance with this Condition.

#### **14. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due

to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made.

These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

#### **15. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

#### **16. Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes, the Receipts, the Coupons, the Talons and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("Proceedings") may be brought in such courts. Each of the Issuer and, in respect of Notes issued by Total Capital, the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Service of Process:** Each of the Issuer and, in respect of Notes issued by Total Capital, the Guarantor irrevocably appoints Total UK Holdings Limited of 33 Cavendish Square, London W1M 0HX as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or the Guarantor). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Initial Issue of Notes**

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, they are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depositary for Euroclear and Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

### **Exchange**

#### ***Temporary Global Notes***

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) where the Notes represented by the Temporary Global Note have been issued in an integral multiple of the Specified Denomination, if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary — Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

### ***Permanent Global Notes***

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes:

- (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an “Alternative Clearing System”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only.

A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### ***Partial Exchange of Permanent Global Notes***

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

### ***Delivery of Notes***

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. If the Global Note is a NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Debt Issuance Programme Prospectus, “Definitive Notes” means, in relation to any Global Note, the definitive Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### ***Exchange Date***

“Exchange Date” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located. In the event that a further Tranche of Notes is issued in respect of any Series of Notes pursuant to Condition 12 which is to be consolidated with one or more previously issued Tranches of such Series prior to the Exchange Date relating to the Temporary Global Note representing the most recently previously issued Tranche of such Series, such Exchange Date may be extended until the Exchange Date with respect to such further Tranche provided that in no event shall such first-mentioned Exchange Date be extended beyond the date which is five calendar days prior to the first Interest Payment Date (if any) falling after such first-mentioned Exchange Date.

## **Amendment to Conditions**

The Temporary Global Notes and Permanent Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Debt Issuance Programme Prospectus. The following is a summary of certain of those provisions:

### ***Payments***

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 6(d)(iv) and Condition 7(b)(iv) will apply to the Definitive Notes only. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

### ***Prescription***

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

### ***Meetings***

The holder of a Permanent Global Note shall (unless such Permanent Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

### ***Cancellation***

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the nominal amount of the relevant Permanent Global Note.

### ***Purchase***

Notes represented by a Permanent Global Note may only be purchased by the Issuer, the Guarantor, in respect of Notes issued by Total Capital or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

### ***Issuer's Option***

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).



### ***Noteholders' Options***

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the Permanent Global Note is a CGN, presenting the Permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is an NGN, the Issuer shall procure that details of such exercise shall be entered pro rata in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

### ***NGN Nominal Amount***

Where the Global Note is an NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

### ***Events of Default***

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note may elect for direct enforcement rights against the Issuer and the Guarantor under the terms of an Amended and Restated Deed of Covenant executed as a deed by the Issuer and the Guarantor on 17 November 2009 (as amended or supplemented from time to time) to come into effect in relation to the whole or a part of such Global Note in favour of the persons/entitled to such part of such Global Note as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note will become void as to the specified portion.

### ***Notices***

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

### ***Partly Paid Notes***

The provisions relating to Partly Paid Notes are not set out in this Debt Issuance Programme Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription monies due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

## **USE OF PROCEEDS**

Unless otherwise specified in the relevant Final Terms, the net proceeds from the issue of any Notes will be used to finance the general corporate needs of the relevant Issuer.

# TOTAL S.A.

## History and development

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

With operations in more than 130 countries, TOTAL engages in all aspects of the petroleum industry, including Upstream operations (oil and gas exploration, development and production, LNG) and Downstream operations (refining, marketing and the trading and shipping of crude oil and petroleum products).

TOTAL also produces base chemicals (petrochemicals and fertilizers) and specialty chemicals for the industrial and consumer markets. In addition, TOTAL has interests in the coal mining and power generation sectors, as well as a financial interest in Sanofi-Aventis.

TOTAL began its Upstream operations in the Middle East in 1924. Since that time, the Company has grown and expanded its operations worldwide. Early in 1999 the Company acquired control of PetroFina S.A. and in early 2000, the Company acquired control of Elf Aquitaine S.A. (hereafter referred to as “Elf Aquitaine” or “Elf”). The Company currently owns 99.5% of Elf Aquitaine shares and, since early 2002, 100% of PetroFina shares.

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

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

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

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

## Strategy

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

- expanding hydrocarbon exploration and production activities throughout the world, and strengthening its position as one of the global leaders in the natural gas and LNG markets;
- progressively expanding TOTAL’s energy offerings and developing complementary next generation energy activities (solar, biomass, nuclear);
- adapting its refining system to market changes and consolidating its position in the marketing segment in Europe, while expanding its positions in the Mediterranean basin, Africa and Asia;
- developing its chemicals activities, particularly in Asia and the Middle East, while improving 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.

## 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 thirty countries.

- 2.34 Mboe/d produced in 2008
- 10.5 Bboe of proved reserves as of December 31, 2008<sup>(2)</sup>
- 10.0 B€ invested in 2008
- 16,005 employees

(1) Based on market capitalization (in dollars) as of December 31, 2008.

(2) Based on year-end Brent price of 36.55 \$/b.

Upstream segment financial data

	2008	2007	2006
	<i>(in millions of euros)</i>		
Non-Group sales.....	24,256	19,706	20,782
Adjusted operating income.....	23,639	19,514	20,307
Adjusted net operating income.....	10,724	8,849	8,709

For the full-year 2008, adjusted net operating income for the Upstream segment was 10,724 M€ compared to 8,849 M€ in 2007, an increase of 21% that was mainly due to the hydrocarbon price environment (3.5 B€), partially offset by the impact of exchange rates (-0.6 B€) and -0.5 B€ billion related to higher costs, with the balance related to the decrease of production in 2008.

Expressed in dollars, the 2008 adjusted net operating income for the Upstream segment was 15.8 B\$, an increase of 3.6 B\$ compared to 2007.

	2008	2007	2006
<b>Price realizations<sup>(a)</sup></b>			
Liquids realizations (\$/b).....	91.1	68.9	61.8
Gas realizations (\$/Mbtu).....	7.38	5.40	5.91

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

TOTAL's average realized liquids price increased by 32% in 2008 compared to 2007. The average realized price for TOTAL's natural gas increased by 37%.

ROACE<sup>(3)</sup> for the Upstream segment was 35.9% in 2008 compared to 33.6% in 2007.

*Production*

<b>Hydrocarbon production</b>	2008	2007	2006
Combined production (kboe/d).....	2,341	2,391	2,356
• Liquids (kb/d).....	1,456	1,509	1,506
• Gas (Mcf/d).....	4,837	4,839	4,674

For the full-year 2008, hydrocarbon production was 2,341 kboe/d, a decrease of 2% compared to 2007, mainly as a result of:

+3.5% of growth from start-ups and ramp-ups of new major projects, including Dolphin, Rosa, Jura and Dalia, net of the normal decline on existing fields;

-2.5% for unscheduled shutdowns, mainly on the Elgin Franklin field in February, the Bruce and Alwyn fields in the summer, and the Al Jurf field from April to the end of December 2008;

-2% for the price effect<sup>(4)</sup>; and

-1% for changes in the portfolio.

Underlying production growth in 2008, excluding the price effect and changes in the portfolio, was +1%.

*Reserves*

<b>Reserves as of December 31</b>	2008	2007	2006
Hydrocarbon reserves (Mboe).....	10,458	10,449	11,120
• Liquids (Mb).....	5,695	5,778	6,471
• Gas (Bcf).....	26,218	25,730	25,539

Proved reserves based on United States Securities and Exchange Commission (SEC) rules (Brent at \$36.55/b) were 10,458 Mboe at December 31, 2008. At the 2008 average rate of production, the reserve life is more than 12 years.

The 2008 reserve replacement rate<sup>(5)</sup>, based on SEC proved reserves, was 112% excluding acquisitions and divestments. Including acquisitions and divestments, it was 101%.

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

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

(5) Change in reserves excluding production i.e. (revisions + discoveries, extensions + acquisitions - divestments) / production for the period. The 2008 reserve replacement rate was 99% in a constant 93.72 \$/b Brent environment excluding acquisitions and divestments.

At year-end 2008, TOTAL's solid and diversified portfolio of proved and probable reserves<sup>(6)</sup> represented 20 Bboe, or more than 20 years of production based on the 2008 average production rate, and resources<sup>(7)</sup> representing more than a 40 years of production.

### ***Exploration and development***

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

TOTAL evaluates exploration opportunities based on a variety of geological, technical, political and economic factors (including taxes and licence terms), and on projected oil and gas prices. Discoveries and extensions of existing fields accounted for approximately 42% of the 2,571 Mboe added to the Upstream segment's proved reserves during the three-year period ended December 31, 2008 (before deducting production and sales of reserves in place and adding any acquisitions of reserves in place during this period). The remaining 58% comes from revisions.

TOTAL continued to follow an active exploration program in 2008, with exploration investments of consolidated subsidiaries amounting to 1,243 M€ (including unproved property acquisition costs). The main exploration investments were made in Angola, Nigeria, Norway, the United Kingdom, Australia, the United States, Libya, Brunei, Gabon, Cameroon, Indonesia, China, the Republic of Congo and Canada. In 2007, exploration investments of consolidated subsidiaries amounted to 1,233 M€ (including unproved property acquisition costs), notably in Nigeria, Angola, the United Kingdom, Norway, Libya, the Republic of Congo, Australia, Venezuela, China, Indonesia, Canada, Brunei, Algeria, the United States, Mauritania, Yemen, Kazakhstan, Brazil, Azerbaijan and Thailand. In 2006, TOTAL's exploration investments amounted to 1,214 M€ (including unproved property acquisition costs, excluding the acquisition of an interest in the Ichthys LNG project in Australia), notably in Nigeria, the United Kingdom, Angola, the United States, Libya, Venezuela, Norway, Algeria, the Republic of Congo, Kazakhstan, Canada, Indonesia, Australia, Argentina, Cameroon, Mauritania, Gabon, China, Azerbaijan and Thailand.

The Group's consolidated Exploration & Production subsidiaries' development expenditures amounted to 7 B€ in 2008, primarily in Angola, Nigeria, Norway, Kazakhstan, Indonesia, the Republic of Congo, the United Kingdom, Gabon, Canada, the United States and Qatar. Development expenditures for 2007 amounted to 7 B€ and were carried out principally in Angola, Norway, Nigeria, Kazakhstan, the Republic of Congo, the United Kingdom, Indonesia, Gabon, Canada, Qatar, Venezuela and the United States. In 2006, development expenditures amounted to 6 B€ (including the acquisition of an interest in the Ichthys LNG project in Australia), predominantly in Norway, Angola, Nigeria, Kazakhstan, Indonesia, the Republic of Congo, Yemen, Qatar, the United Kingdom, Canada, Australia, the United States, Venezuela, Azerbaijan and Gabon.

### ***Gas & Power***

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

The division also contributes to the Group's activities in the following areas:

- liquefied petroleum gas (LPG) shipping and trading;
- coal production, marketing and trading;
- power generation from gas-fired power plants or renewable energies;
- trading and marketing of electricity; and
- solar power systems (through its subsidiaries Tenesol and Photovoltech).

The Gas & Power division also conducts research and development related to alternative energies as complementary energy resources to oil and gas.

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

(7) Proved and probable reserves plus potential median recoverable reserves from known accumulations (Society of Petroleum Engineers - March 2007).

## Downstream

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

- No. 1 in Western European refining/marketing<sup>(8)</sup>
- No. 1 in African marketing<sup>(9)</sup>
- Refining capacity of approximately 2.6 Mb/d at year-end 2008
- 16,425 retail stations at year-end 2008
- Approximately 3.7 Mb/d of products sold in 2008
- One of the leading traders of oil and refined products worldwide
- 2.4 B€ invested in 2008
- 34,040 employees

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

In 2008, refinery throughput decreased by 2% from 2,413kb/d to 2,362 kb/d mainly due to the sale of TOTAL's interest in the Milford Haven refinery late in 2007. In 2008, refineries crude utilization rate was 88%.

ROACE<sup>(10)</sup> for the Downstream segment was 19.9% in 2008, compared to 20.6% in 2007.

(a) Including trading activities and TOTAL's share in CEPSA.

### Downstream segment financial data

	2008	2007	2006
	<i>(in millions of euros)</i>		
Non-group Sales .....	135,524	119,212	113,887
Adjusted operating income .....	3,602	3,287	3,644
Adjusted net operating income.....	2,569	2,535	2,784

For the full-year 2008, adjusted net operating income for the Downstream segment was 2,569 M€ compared to 2,535 M€ in 2007, an increase of 1%.

This result, similar to 2007, was mainly due to the generally satisfactory environment along the downstream value chain in Europe (0.55 B€), partially offset by the impact (-0.2 B€) of the difficulties faced by U.S. refineries (environment and hurricanes), the impact of foreign exchange variation (-0.2 B€) and the impact of losses in refining activities (-0.1 B€) in China through TOTAL's interest in the Wepec refinery.

Expressed in dollars, adjusted net operating income for the Downstream segment was 3.8 B\$ in 2008, an increase of 0.3 B\$ compared to 2007.

### Refining & Marketing

As of December 31, 2008, TOTAL's worldwide refining capacity was 2,604 kb/d. The Group's worldwide refined products sales were 3,658 kb/d (including trading activities), compared to 3,774 kb/d in 2007 and 3,682 kb/d in 2006. TOTAL is the largest refiner/marketer in Western Europe<sup>(11)</sup>, and the largest marketer in Africa<sup>(12)</sup>. As of December 31, 2008, TOTAL's worldwide marketing network consisted of 16,425 retail stations (compared to 16,497 in 2007 and 16,534 in 2006), more than 50% of which are owned by the Group. In addition, TOTAL's refineries allow the Group to produce a broad range of specialty products, such as lubricants, liquefied petroleum gas (LPG), jet fuel, special fluids, bitumen and petrochemical feedstock.

In refining, the Group continues to improve its position by focusing on three key areas: adapting its European refining system to market changes; modernizing its Port Arthur refinery (United States) with the construction of a deep-conversion unit; and pursuing the Jubail refinery project in Saudi Arabia.

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

(9) PFC Energy September 2008, based on quantities sold.

(10) Calculated based on adjusted net operating income and replacement-cost average capital employed.

(11) Based on publicly available information, refining capacities.

(12) PFC Energy September 2008, based on quantities sold.

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

#### *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.

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

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 Canada Ltd, Total Trading and Marketing Canada L.P. and Chartering & Shipping Services S.A.

#### *Chemicals*

The Chemicals segment includes Base Chemicals, with petrochemicals and fertilizers, and Specialty Chemicals, with the Group's rubber processing, resins, adhesives and electroplating activities.

TOTAL is one of the world's largest integrated chemical producers<sup>(13)</sup>.

On May 12, 2006, TOTAL's shareholders approved the spin-off of Arkema, which, since October 1, 2004, included vinyl products, industrial intermediates and performance products. Arkema has been listed on Euronext Paris since May 18, 2006.

#### *Chemicals segment financial data*

	<u>2008</u>	<u>2007</u>	<u>2006</u>
	<i>(in millions of euros)</i>		
Non-group Sales .....	20,150	19,805	19,113
<i>Base Chemicals</i> .....	13,176	12,558	12,011
<i>Speciality Chemicals</i> .....	6,974	7,247	7,101
Adjusted operating income .....	873	1,155	1,215
<i>Base Chemicals</i> .....	341	526	623
<i>Speciality Chemicals</i> .....	524	642	606
Adjusted net operating income <sup>(a)</sup> .....	668	847	884
<i>Base Chemicals</i> .....	323	431	486
<i>Speciality Chemicals</i> .....	339	413	381

(a) Including deferred tax changes related to Arkema activities of 18 M€ in 2006.

For the full-year 2008, adjusted net operating income for the Chemicals segment was 668 M€ compared to 847 M€ in 2007, a decrease of 21% reflecting essentially the negative impact of the economic environment.

Expressed in dollars, the decrease was 0.18 B\$ and reflects essentially the negative impact of the economic environment.

The ROACE<sup>(14)</sup> for the Chemicals segment was 9.2% in 2008 compared to 12.1% in 2007.

The Chemicals segment's sales in 2008 were 20.15 B€, compared to 19.81 B€ in 2007 and 19.11 B€ in 2006. Europe and North America accounted for 62% and 18%, respectively, of the Chemicals segment's sales in 2008, with the remaining sales primarily attributable to Asia (14%) and Latin America (2%).

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

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

In 2008, the Chemicals segment was impacted by the global economic slowdown, notably in the second half of the year. During the first half of 2008, the strong increase in commodity and energy prices and the strengthening of the euro against most currencies, in particular the dollar, also adversely affected the Chemicals segment's results. However, the drop in the price of naphtha during the third and fourth quarters of 2008 contributed to a rebound in petrochemicals margins.

#### *Base Chemicals*

The Base Chemicals division includes TOTAL's Petrochemicals and Fertilizers activities.

2008 sales amounted to 13.18 B€, compared to 12.56 B€ in 2007 and 12.01 B€ in 2006. Adjusted net operating income decreased by 25% in 2008 compared to 2007, after an 11% decrease in 2007 compared to 2006. This change primarily reflects the fall in petrochemicals margins in the first half 2008 due to the significant increase in the price of naphtha and the decrease in sales volume of polymers stemming from the global economic slowdown. In petrochemicals, the Group's operations in Qatar helped to offset the decrease in results in the mature markets of Europe and the United States. The Fertilizers activity benefited from a favourable environment and an improvement of its industrial operations, which contributed to the significant recovery of its results in 2008.

#### *Specialty Chemicals*

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

In 2008, Specialty Chemicals faced a difficult environment due to the economic slowdown in the United States and Europe. In this adverse environment, Specialty Chemicals' sales decreased by 4% compared to 2007. Adjusted net operating income decreased by 18% compared to 2007.

#### *Investments*

##### *Principal investments made over the 2006-2008 period*

	<u>2008</u>	<u>2007</u>	<u>2006</u>
	<i>(in millions of euros)</i>		
Upstream.....	10,017	8,882	9,001
Downstream.....	2,418	1,875	1,775
Chemicals.....	1,074	911	995
Corporate.....	131	54	81
<b>Total .....</b>	<b><u>13,640</u></b>	<b><u>11,722</u></b>	<b><u>11,852</u></b>

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

Investments, including net investment in equity affiliates and non consolidated subsidiaries and acquisitions, amounted to \$18.3 billion in 2008, compared to \$15.6 billion in 2007.

In the Upstream segment, capital expenditures are mainly intended to develop new hydrocarbon production facilities, exploration activities and acquisitions of new permits. In 2008, development expenditures were devoted primarily to the following projects: Kashagan in Kazakhstan; Akpo, Usan and OML 58 in Nigeria; Pazflor, Angola LNG and Tombua Landana in Angola; Ekofisk in Norway; the Mahakam zone in Indonesia; the Alwyn zone in the United Kingdom; Moho Bilondo in the Republic of Congo and Anguille in Gabon.

In the Downstream segment, capital expenditures are split between refining and marketing activities (notably for the retail network). Refining investments (approximately \$1.6 billion in 2008) are divided between maintenance of the facilities (included major turnarounds amounting to \$0.5 billion in 2008, similar to 2007) and projects to increase the production of light products, add desulphurization capacities, adapt the system to new specifications and improve the plants energy efficiency. Highlights of 2008 included the start-up of the construction of a deep conversion unit at the Port Arthur refinery in the United States.



In the Chemicals segment, capital expenditures for 2008 were approximately 60% for Base Chemicals and 40% for Specialties.

*Principal investments anticipated*

For the year 2009, TOTAL announced an investment budget<sup>(15)</sup> of approximately \$18 billion (excluding acquisitions) of which approximately 75% are devoted to the Upstream segment.

Capital expenditures in the Upstream segment are expected to be principally dedicated to major development projects, including: Kashagan in Kazakhstan; Pazflor and other projects on Block 17, Angola LNG in Angola; the Mahakam zone in Indonesia; Ekofisk in Norway; Usan, Ofon 2 and Akpo in Nigeria; projects in the British North sea; Anguille in Gabon; Bongkot in Thailand and Moho Bilondo in the Republic of Congo. Furthermore, \$1.7 billion is budgeted for exploration.

In the Downstream segment, investments are expected for, among others, the development of projects intended to increase the conversion and desulphurization capacities, notably through the modernization program of the Port Arthur refinery in the United States.

Beyond 2009, TOTAL plans to pursue a sustained investment effort to supply the growth of its activities, prioritizing the Upstream segment.

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

As part of certain project financing arrangements, TOTAL S.A. has provided guarantees for a maximum aggregate amount of 1.3 B€ in connection with the financing of the Yemen LNG project, recorded under “Guaranties given against borrowings” in Note 23 to the Consolidated Financial Statements (incorporated by reference). 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 0.4 B€, recorded under “Other commitments received” in the same Note. These guaranties and other information on the Company’s commitments and contingencies are contained in Note 23 to the Consolidated Financial Statements (incorporated by reference). The Group does not currently consider that these guaranties, or any other off-balance sheet arrangements of TOTAL S.A. nor any other members of the Group, currently have or are reasonably likely in the future to have a material effect on the Group’s financial condition, changes in revenues or expenses liquidity, capital expenditure or capital resources.

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(15) Including net investments in equity affiliates and non-consolidated companies, excluding acquisitions and divestments, based on 1 € = \$1.30 for 2009.

## Recent Events

**12 February 2009**

### **2008 Results**

- Fourth quarter 2008 adjusted net income : 2.9 billion euros
- Full-year 2008 adjusted net income : 13.9 billion euros
- Proposed 2008 dividend of 2.28 euros per share, a 10% increase
- Fourth quarter adjusted net income
 

2.9 billion euros	-8%
3.8 billion dollars	-16%
1.29 euros per share	-6%
1.69 dollars per share	-15%
- 2008 adjusted net income
 

13.9 billion euros	+14%
20.5 billion dollars	+22%
- 2008 net income (Group share) including price effect on inventory valuation
 

10.6 billion euros	-20%
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**6 May 2009**

### **First quarter 2009 results**

- Adjusted net income
 

2.1 billion euros	-35%
2.8 billion dollars	-44%
0.95 euros per share	-35%
1.23 dollars per share	-43%
- Net income (Group share)
 

2.3 billion euros	-36%
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**15 May 2009**

### **Annual Shareholders' Meeting and Meeting of Board of Directors of May 15, 2009**

The Annual Shareholders' Meeting was held on May 15, 2009 under the chairmanship of Thierry Desmarest.

The shareholders adopted all the resolutions approved by the Board of Directors including:

- Payment of a 2008 cash dividend of 2.28 euros per share, up 10% compared to the previous year. Taking into account the interim dividend of 1.14 euros per share paid on November 19, 2008, the remaining balance of 1.14 euros will be paid on May 22, 2009.
- Renewal of the three-year term for Mrs. Anne Lauvergeon, and MM. Daniel Bouton, Bertrand Collomb, Christophe de Margerie, and Michel Pébereau.
- Appointment of Mr. Patrick Artus as Director for a three-year term.
- Authorization granted to the Board of Directors to trade the Company's share, pursuant to the provisions of Article L. 225-209 of the French Code of Commerce.
- Amendment of the Company's by-laws allowing the Board to appoint as Chairman of the Board, as an exception to the currently applicable 65-year age limit and for a period of up to two years, a director who is more than 65-years old but less than 70 years old.

The full results of the votes will be available on Total's website [www.total.com](http://www.total.com) in the coming days.

The Shareholders' Meeting was also an opportunity for the Chairman of the Board and the Chief Executive Officer to report to the shareholders on the main achievements of 2008 and the main challenges to come.

Thierry Desmarest discussed the main accomplishments of the Board and its Committees, pointing out the discipline and long-term outlook as guiding principles both for strategy and development of activities and for governance.

Regarding trends in corporate governance, Thierry Desmarest pointed out the importance of the complementary skills and experiences of Board members for Total. He informed the Meeting of his decision not to remain Chairman beyond 2010, when he will turn 65, and of the wish of the Board to reinstate the dual Chairman- Chief Executive Officer role.

Thierry Desmarest detailed compensation mechanisms and performance criteria for the Chairman and the Chief Executive Officer, as well as the policies for stock options and restricted share grants.

As the Group seeks to ensure that a large portion of the employees is benefiting from these policies, the Chairman reiterated that almost 20,000 employees were granted stock options and restricted shares.

Thierry Desmarest confirmed the dividend policy and indicated that, after the review of the oil and gas environment and the company situation, the Board is considering maintaining the 2009 interim dividend, which will be paid in the second half of 2009, at an amount equal to the remainder of the 2008 dividend.

The Chairman concluded on the Group's will to pursue its development while being vigilant on distributing fairly created value among its main stakeholders.

Christophe de Margerie, Chief Executive Officer, presented the strategy and outlook for the Group.

Commenting on the results, Christophe de Margerie noted the adjusted net income for 2008: 13.9 billion euros, up 14% compared to 2007 despite the progressive worsening of the environment from the end of 2008.

The first quarter 2009 adjusted net income was 2.1 billion euros: a decrease of 35% compared to the first quarter 2008, the most limited decline among the majors. Total demonstrated its resilience in a sharply weaker environment.

With regard to Total's strategy in the context of the global financial crisis, Christophe de Margerie asserted the Group's wish to continue combining discipline and long-term preparation without compromising commitments to safety, environment and solidarity.

The Group is therefore maintaining a substantial investment program for 2009 with a budget of approximately 14 billion euros (18 billion dollars, an amount similar to 2008). 75% of the budget is allocated to Upstream, the priority growth sector.

In addition, the research and development effort is continuing to grow with a 2009 budget of 800 million euros.

In parallel, Total initiated plans in all of its segments to reduce costs and upgrade its industrial base.

Finally, the continuous improvement in safety and environmental performance remains a priority for Total.

Christophe de Margerie concluded on the Group's will to pursue its solidarity programs wherever it operates, a commitment all the more important in a period of economic crisis as shown by the recent creation in France of a community development fund for young people.

The Group's social commitment is consistent with its status as a leading worldwide industrial firm.

At the close of the Annual Shareholders Meeting, the Board decided to reinstate Mr. Christophe de Margerie to the position of Chief Executive Officer.

**31 July 2009**

**Second quarter and first half 2009 results**

Board approves interim 2009 dividend of 1.14 €/share

- Second quarter adjusted net income
  - 1.7 billion euros -54%
  - 2.3 billion dollars -60%
  - 0.77 euros per share -53%
  - 1.05 dollars per share -59%
- First half adjusted net income
  - 3.8 billion euros -45%
  - 5.1 billion dollars -52%
- First half net income (Group share) 4.5 billion euros -46%

**4 November 2009**

**Third quarter 2009 results**

- Third quarter adjusted net income
  - 1.9 billion euros -54%
  - 2.7 billion dollars -56%
  - 0.84 euros per share -54%
  - 1.20 dollars per share -56%
- First nine months adjusted net income
  - 5.7 billion euros -48%
  - 7.8 billion dollars -54%
- First nine months net income (Group share) 6.4 billion euros -44%

## GENERAL INFORMATION

### Objects and purposes of Total (article 3 of the memorandum and articles of association of Total)

The Company's purposes is, directly or indirectly, in all countries:

1° – To search for and extract mining deposits, and particularly hydrocarbons in all forms, and to perform industrial refining, processing and trading in the said materials, as well as their derivatives and by-products;

2° – To conduct all activities relating to production and distribution of all forms of energy;

3° – To conduct all activities relating to the chemical sector in all of its forms, as well as all activities relating to the rubber and health sectors;

4° – To conduct all forms and all means of transportation and shipping of hydrocarbons or other products or materials relating to the Company's business purpose;

and more generally, to conduct all financial, commercial and industrial operations and operations relating to any fixed or unfixed assets and real estate, acquisitions of interests or holdings, in any form whatsoever, in any business or company existing or to be created that may relate, directly or indirectly, to any of the above-mentioned purposes or to any similar or related purposes, of such nature as to promote the Company's extension or its development.

### Principal Shareholders

#### *Holdings of principal shareholders*

The principal shareholders of Total as of 31 December, 2007, 2006 and 2005 are set forth in the table below:

As of 31 December	2008			2007		2006	
	% 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	3.6	3.9	4.0	3.9	4.0
Compagnie Nationale à Portefeuille <sup>(b)</sup> .....	1.4	1.4	1.3	1.4	1.4	1.4	1.4
Areva <sup>(b)</sup> .....	0.3	0.6	0.6	0.3	0.6	0.3	0.6
BNP Paribas <sup>(b)</sup> .....	0.2	0.2	0.2	0.2	0.3	0.3	0.4
Société Générale .....	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Group employees <sup>(b)(d)</sup> .....	3.8	7.4	6.7	3.6	7.0	3.7	7.1
<b>Other registered shareholders (non-Group) .....</b>	<b>1.2</b>	<b>2.1</b>	<b>1.9</b>	<b>1.2</b>	<b>2.1</b>	<b>1.1</b>	<b>2.0</b>
<b>Treasury shares.....</b>	<b>6.0</b>	–	<b>9.4</b>	<b>6.3</b>	–	<b>6.7</b>	–
of which TOTAL S.A.....	1.8	–	1.7	2.1	–	2.5	–
Of which Total Nucléaire .....	0.1	–	0.2	0.1	–	0.1	–
Of which subsidiaries of Elf Aquitaine .....	4.1	–	7.6	4.1	–	4.1	–
<b>Other bearer shareholders.....</b>	<b>83.1</b>	<b>84.3</b>	<b>76.3</b>	<b>83.1</b>	<b>84.6</b>	<b>82.6</b>	<b>84.5</b>
Of which holders of ADS <sup>(e)</sup> .....	8.2	8.3	7.5	8.5	8.6	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) serving as a director of TOTAL S.A..

(c) Groupe Bruxelles Lambert is a company controlled jointly by the Desmarais family and Frère-Bourgeois S.A., and for the latter mainly through its direct and indirect interest in Compagnie Nationale à Portefeuille.

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

(e) American Depositary Shares listed on the New York Stock Exchange.

## Share Capital

	2008	2007	2006	2005
Common Shares issued				
Number	2,371,808,074	2,395,532,097	2,425,767,953	615,116,296
Nominal value per share (euros)	2.5	2.5	2.5	10
Total amount (in millions of euros)	5,930	5,989	6,064	6,151
Voting rights <sup>(*)</sup>	2,339,251,395	2,353,106,888	2,372,676,292	628,934,441
Theoretical voting rights	2,582,664,758	2,604,859,388	–	–

(\*) 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.

All the issued capital has been paid-up. There is only one class of ordinary shares with a par value 2.50 euros per share. A double voting right is granted to every shareholder, under certain conditions. The shares are in bearer or registered form at the shareholder's discretion. The shares are in book-entry form and registered in a security account.

### Members of the Board of Directors:

The following individuals are members of the Board of Directors of TOTAL S.A.:

The business address of the members of the board is:

2, place Jean Millier – La Défense 6 – 92400 Courbevoie, Tel: +33 (0) 1 47 44 45 46.

#### Thierry Desmarest

Chairman of TOTAL S.A.

Director of TOTAL S.A. since 1995 and until 2010.

#### Christophe de Margerie

Chief Executive Officer of TOTAL S.A.

Director of TOTAL S.A. since 2006 and until 2012.

#### Patricia Barbizet

Independent Director. Vice-President of the Board of PPR

Director of TOTAL S.A. since 16 May 2008 and until 2011.

#### Daniel Boeuf

Director representing employee shareholders.

Director of TOTAL S.A. since 2004 and until 2010.

#### Daniel Bouton

Independent Director. Chairman and Chief Executive Officer of Société Générale.

Director of TOTAL S.A. since 1997 and until 2012.

#### Bertrand Collomb

Independent Director. Former Chairman of the Board of Lafarge.

Director of TOTAL S.A. since 2000 and until 2012.

#### Paul Desmarais Jr.

Independent Director. Chairman of the Board and Co-Chief Executive Officer of Power Corporation of Canada.

Director of TOTAL S.A. since 2002 and until 2011.

#### Bertrand Jacquillat

Independent Director. Chairman and Chief Executive Officer of Associés en Finance.

Director of TOTAL S.A. since 1996 and until 2011.

#### Anne Lauvergeon

Chairman of the Management Board of Areva.

Director of TOTAL S.A. since 2000 and until 2012.

(1) 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).

**Peter Levene of Portsoken**

Independent Director. Chairman of Lloyd's, of International Financial Services London and of General Dynamics UK Ltd.  
Director of TOTAL S.A. since 2005 and until 2011.

**Claude Mandil**

Independent Director. Former Executive Director of the International Energy Agency.  
Director of TOTAL S.A. since 16 May 2008 and until 2011.

**Michel Pébereau**

Independent Director. Chairman of BNP Paribas.  
Director of TOTAL S.A. since 2000 and until 2012.

**Thierry de Rudder**

Independent Director. Acting Managing Director of Groupe Bruxelles Lambert.  
Director of TOTAL S.A. since 1999 and until 2010.

**Serge Tchuruk**

Independent Director. Former Chairman of the Board of Alcatel-Lucent.  
Director of TOTAL S.A. since 1989 and until 2010.

**Patrick Artus**

Independent Director. Head of Research Department of Natixis.  
Director of TOTAL S.A. since 2009 and until 2012.

**The Executive Committee**

The following individuals are members of TOTAL S.A.'s Executive Committee:

Christophe de Margerie	<i>Chairman of the COMEX (Chief Executive Officer of TOTAL)</i>
François Cornélis	<i>Vice-Chairman of the COMEX (President of the Chemicals division)</i>
Michel Bénézit	<i>President of the Refining &amp; Marketing division</i>
Yves-Louis Darricarrère	<i>President of the Exploration &amp; Production division</i>
Jean-Jacques Guilbaud	<i>General Secretary</i>
Patrick de la Chevardière	<i>Chief Financial Officer</i>

**Conflict of interest**

To the knowledge of Total., there are no potential conflicts of interest between any duties to the Total of the persons listed above and their private interests and/or other duties.

**The Audit Committee**

The Audit Committee's role is to assist the Board of Directors in ensuring effective internal control and oversight over financial reporting to shareholders and the financial markets.

The Audit Committee's duties include:

- recommending the appointment of statutory auditors and their compensation, ensuring their independence and monitoring their work;
- establishing the rules for the use of statutory auditors for non-audit services and verifying their implementation;
- supervising the audit by the statutory auditors of the Company's financial statements and consolidated financial statements;
- examining the accounting policies used to prepare the financial statements, examining the parent company's annual financial statements and the consolidated annual, semi-annual, and quarterly financial statements prior to their examination by the Board, after regularly monitoring the financial situation, cash position and obligations of the Company;
- supervising the implementation of internal control and risk management procedures and their effective application, with the assistance of the internal audit department;
- supervising procedures for preparing financial information;

- monitoring the implementation and activities of the disclosure committee, including reviewing the conclusions of this committee;
- reviewing the annual work program of internal and external auditors;
- receiving information periodically on completed audits and examining annual internal audit reports and other reports (statutory auditors, annual reports, etc.);
- reviewing the choice of appropriate accounting principles and methods;
- reviewing the Group's policy for the use of derivative instruments;
- reviewing, if requested by the Board, major transactions contemplated by the Group;
- reviewing significant litigation annually;
- implementing, and monitoring compliance with, the financial code of ethics;
- proposing to the Board, for implementation, a procedure for complaints or concerns of employees, shareholders and others, related to accounting, internal accounting controls or auditing matters, and monitoring the implementation of this procedure; and
- reviewing the procedure for booking the Group's proved reserves.

#### **Audit Committee membership and practices**

The Committee is made up of at least three directors designated by the Board of Directors. Members must be independent directors.

In selecting the members of the Committee, the Board pays particular attention to their independence and their financial and accounting qualifications. Members of the Committee may not be executive officers of the Company or one of its subsidiaries, nor own more than 10% of the Company's shares, whether directly or indirectly, individually or acting together with another party.

Members of the Audit Committee may not receive from the Company and its subsidiaries, whether directly or indirectly, any compensation other than:

- (i) directors' fees paid for their services as directors or as members of the Audit Committee or, if applicable, another committee of the 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 Committee appoints its own Chairman. The Chairman appoints the Committee secretary who may be the Chief Financial Officer. The Committee meets at least four times a year to examine the consolidated annual and quarterly financial statements.

The Audit Committee may meet with the Chairman of the Board, the Chief Executive Officer, and, if applicable, any acting Managing Director of the Company and perform inspections and consult with managers of operating or non-operating departments, as may be useful in performing its duties.

The Committee meets with the statutory auditors and examines their work, and may do so without management being present. If it deems it necessary to accomplish its duties, the Committee may request from the Board the resources to engage external consultants.

The Committee submits written reports to the Board of Directors regarding its work.

The members of the Committee are Messrs. Bertrand Jacquillat and Thierry de Rudder and Mrs Patricia Barbizet. 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 Registration Document, incorporated by reference).

#### **Corporate Governance**

For several years, Total has been actively examining corporate governance matters. At its meeting on November 4, 2008, the Board of Directors confirmed its decision to use the Corporate Governance Code for Listed Companies published in 2008 by the principal French business confederations, the Association Française des Entreprises Privées (AFEP) and the Mouvement des Entreprises de France (MEDEF) (the "AFEP-MEDEF Code") as its reference for corporate governance matters.



## FINANCIAL STATEMENTS OF THE TOTAL GROUP

### Accounting Policies

The Consolidated Financial Statements of TOTAL S.A. and its subsidiaries (the Group) have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standard Board) as of December 31, 2008.

The accounting principles applied in the Consolidated Financial Statements as of December 31, 2008, were the same as those that were used as of December 31, 2007, except for amendments and interpretations of IFRS which were mandatory for the periods beginning after January 1, 2008 (and not early adopted). Their adoption has no impact on the Consolidated Financial Statements as of December 31, 2008.

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.

Lastly, 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.

## SELECTED FINANCIAL INFORMATION OF THE TOTAL GROUP

The main elements of the Group's consolidated financial statements are summarised in the following table:

Consolidated data in M€, except earnings per share, dividends, number of shares and percentages.

	<u>9M09</u>	<u>9M08</u>	<u>Full Year 2008</u>	<u>Full Year 2007</u>	<u>Full Year 2006</u>
Sales.....	95,099	141,262	179,976	158,752	153,802
Adjusted operating income from business segments <sup>(a)</sup> .....	10,169	22,988	28,114	23,956	25,166
<b>Adjusted net operating income from business segments<sup>(a)</sup> .....</b>	<b>5,536</b>	<b>11,019</b>	<b>13,961</b>	<b>12,231</b>	<b>12,377</b>
Net income (Group share) .....	6,382	11,384	10,590	13,181	11,768
<b>Adjusted net income (Group share)<sup>(a)</sup> .....</b>	<b>5,703</b>	<b>11,047</b>	<b>13,920</b>	<b>12,203</b>	<b>12,585</b>
Fully-Diluted weighted-average number of shares <sup>(b)</sup> .....	2,235.9	2,250.4	2,246.7	2,274.4	2,312.3
<b>Adjusted fully-diluted earnings per share (euros)<sup>(a)(b)</sup> .....</b>	<b>2.55</b>	<b>4.91</b>	<b>6.20</b>	<b>5.37</b>	<b>5.44</b>
Dividend per share (euros) <sup>(c)</sup> .....	–	–	2.28	2.07	1.87
Net-debt-to-equity ratio (as of end of period) .....	21%	15%	23%	27%	34%
Return on Average Capital Employed (ROACE <sup>(c)</sup> ) for the twelve months ended September 30/June 30/ December 31 .....	15%	27%	26%	24%	26%
Return on equity for the twelve months ended September 30/June 30/ December 31 .....	18%	31%	32%	31%	33%
<b>Cash flow from operating activities .....</b>	<b>10,471</b>	<b>14,576</b>	<b>18,669</b>	<b>17,686</b>	<b>16,061</b>
Expenditures.....	9,825	8,882	13,640	11,722	11,852
Divestitures at selling price .....	2,137	1,642	2,585	1,556	2,278

(a) Adjusted income is defined as income using replacement cost, adjusted for special items and excluding TOTAL's equity share of amortization of intangibles related to the Sanofi-Aventis merger.

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

(c) Based on adjusted net operating income and average capital employed using replacement cost.

## SUMMARY CONSOLIDATED STATEMENT OF INCOME

	9M 2009	Full Year 2008	9M 2008	Full Year 2007	Full Year 2006
	<i>(in millions of euros)</i>				
<b>Sales</b> .....	<b>95,099</b>	<b>179,976</b>	<b>141,262</b>	<b>158,752</b>	<b>153,802</b>
Excise taxes .....	(14,241)	(19,645)	(14,6365)	(21,928)	(21,113)
Purchases net of inventory variation ....	(50,468)	(111,024)	(84,631)	(87,807)	(83,334)
Other operating expenses .....	(13,907)	(19,101)	(13,979)	(17,414)	(19,536)
Exploration costs .....	(461)	(764)	(537)	(877)	(634)
Depreciation, depletion and amortization of tangible assets and mineral interests .....	(4,755)	(5,755)	(4,007)	(5,425)	(5,055)
Other income .....	191	369	275	674	789
Other expense .....	(398)	(554)	(431)	(470)	(703)
Financial interest on debt .....	(419)	(1,000)	(702)	(1,783)	(1,731)
Financial income from marketable securities & cash equivalents .....	116	473	356	1,244	1,367
Other financial income .....	466	728	485	643	592
Other financial expense .....	(253)	(325)	(230)	(274)	(277)
Equity in income (loss) of affiliates .....	1,258	1,721	1,690	1,775	1,693
Income taxes .....	(5,706)	(14,146)	(13,186)	(13,575)	(13,720)
<b>Net income from continuing operations (Group without Arkema)</b> .....	<b>6,522</b>	<b>10,953</b>	<b>11,729</b>	<b>13,535</b>	<b>12,140</b>
Net income from discontinued operations (Arkema) .....	-	-	-	-	(5)
<b>Consolidated net income</b> .....	<b>6,522</b>	<b>10,953</b>	<b>11,729</b>	<b>13,535</b>	<b>12,135</b>

The earnings per share from continuing and discontinued operations are disclosed in Note 34 to the Consolidated Financial Statements (incorporated by reference)

## SUMMARY CONSOLIDATED BALANCE SHEET

	30 Sept. 2009	31 Dec. 2008	31 Dec. 2007	31 Dec. 2006
	<i>(in millions of euros)</i>			
<b>ASSETS</b>				
Non-current assets .....	74,171	71,252	65,303	62,436
Current assets .....	48,445	47,058	48,238	42,787
<b>Total assets .....</b>	<b>122,616</b>	<b>118,310</b>	<b>113,541</b>	<b>105,223</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>				
Shareholders' equity .....	50,579	49,950	45,700	41,148
Non-current liabilities .....	18,843	17,842	17,303	16,379
Non-current financial debt .....	19,146	16,191	14,876	14,174
Current liabilities .....	34,048	34,327	35,662	33,522
<b>Total liabilities and shareholders' equity .....</b>	<b>122,616</b>	<b>118,310</b>	<b>113,541</b>	<b>105,223</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOW

	9M 2009	Full Year 2008	9M 2008	Full Year 2007	Full Year 2006
	<i>(in millions of euros)</i>				
Cash flow from operating activities .....	10,471	18,669	14,576	17,686	16,061
Cash flow used in investing activities .....	(9,825)	(11,055)	(8,882)	(10,166)	(9,574)
Cash flow used in financing activities .....	(7,688)	(793)	(7,240)	(3,342)	(7,407)
<b>Net increase (decrease) in cash and cash equivalents .....</b>	<b>1,356</b>	<b>6,821</b>	<b>7,466</b>	<b>4,178</b>	<b>(920)</b>
Effect of exchange rates .....	98	(488)	(223)	(683)	(905)
Cash and cash equivalents at the beginning of the period .....	12,321	5,988	5,988	2,493	4,318
<b>Cash and cash equivalents at the end of the period .....</b>	<b>13,775</b>	<b>12,321</b>	<b>13,231</b>	<b>5,988</b>	<b>2,493</b>

## TOTAL CAPITAL

### Introduction

Total Capital was originally incorporated in France on 15 December 1999 as a *société anonyme* governed by French law (with registered number 428 292 023 at the *Registre du Commerce et des Sociétés of Nanterre*). Its corporate existence is fixed by its by-laws for 99 years beginning from 15 December 1999. Total Capital is a direct and wholly-owned subsidiary of Total S.A..

Total Capital has an authorised and issued a capital of Euro 300,000 made of 30,000 fully paid-up ordinary shares of Euro 10 each, all held beneficially by Total.

### Business Activities

Total Capital acts as a finance company on behalf of the Total Group by issuing debt securities and commercial papers. The development of the business of Total Capital is largely determined by the financial requirements of the Total Group companies both in France and abroad. Total Capital developed its short-term activities at the end of the second quarter of 2001 and its long-term activities in the first quarter of 2002.

Total Capital has no subsidiaries.

Total Capital's registered office is located at 2, place Jean Millier, La Défense 6, 92400 Courbevoie, France.

### Directors

The directors of Total Capital, each of whose business address is 2, place Jean Millier, La Défense 6, 92400 Courbevoie, France, Tel: +33 (0) 1 47 44 45 46, and their positions are as follows:

Name	Position	Principal Activities outside the Group
Jérôme Schmitt .....	Chairman	None
Patrick de La Chevardière .....	Director	None
Dominique Bonnet.....	Director	None
Marie-Sophie Wolkenstein .....	Director	None
Matthieu Faury .....	Director	None
Bruno Leconte .....	Director	None

### Conflict of interest

To the knowledge of Total Capital, there are no potential conflicts of interest between any duties to Total Capital of the persons listed above and their private interests and/or other duties.

### Objects and purposes of Total Capital

(free translation of the article 3 of the French language original memorandum and articles of association of Total Capital)

The Company has the following purpose, in France or in any countries:

Raising funds, in any currencies, on any markets and by any means, with a view to contributing to the financing of the companies of the Group to which it belongs.

The funds collected in this way will be assigned to financing group companies in all appropriate forms, particularly by way of assistance, loans, advances or overdrafts, with or without guarantee.

It may also grant any guarantee, endorsement, security or surety, or letter of support to the benefit of third parties in favour of the said Group companies.

The activity defined above shall be carried out solely within the TOTAL Group, in favour of the companies belonging to the said Group, to the exclusion of any other.

The company may also optimise its cash management by making all transactions on the markets or with banks.

In addition, it shall be entitled to manage the cash of all or part of the Group companies, constitute and manage a portfolio of securities, holdings or claims, and more generally, either alone or in participation with third parties, render any services, carry out any administrative, financial, industrial and

commercial operations and operations relating to movables and immovables, including, if appropriate, creation of companies or acquisition of holdings and any companies, existing or to be created, relating directly or indirectly to the purpose defined above.

## SELECTED FINANCIAL INFORMATION OF TOTAL CAPITAL

### Selected Financial Information

The main elements of Total Capital's financial statements are summarised in the following table:

	9M 2009	9M 2008	Full Year 2008	Full Year 2007
	<i>(Amounts in thousands of euros)</i>			
Net Financial Income	5,932	6,076	8,248	7,852
Net Result	2,003	2,233	3,029	2,106
	<b>30 Sept 2009</b>	<b>30 Sept 2008</b>	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
Long Term Debt	18,603,585	13,239,660	14,333,026	11,593,744
Shareholders Equity	2,766	2,980	3,775	3,249
Current Assets	1,797,745	10,145,623	4,906,742	9,265,115
Long Term Assets	17,959,070	3,098,301	11,239,555	2,416,398
Short-term Liabilities	1,149,649	425	1,809,538	84,479

## TOTAL CAPITAL – SUMMARY BALANCE SHEET

	30 Sept. 2009	31 Dec. 2008	31 Dec. 2007
		<i>(in euros)</i>	
<b>ASSETS</b>			
Fixed Assets	17,959,070,133	11,239,555,368	2,416,398,219
Current Assets	1,797,745,015	4,906,742,248	9,265,114,533
Prepaid expenses	–	393,101	–
<b>Total Assets</b>	<b>19,756,815,149</b>	<b>16,146,690,717</b>	<b>11,681,512,752</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>	<b>2,766,257</b>	<b>3,775,310</b>	<b>3,248,760</b>
Debt loans and similar debt debentures	18,603,584,693	14,333,026,051	11,593,744,119
Sundry debts and liabilities	1,149,648,717	1,809,538,116	84,478,731
Operating liabilities	815,483	351,241	41,142
<b>Total Liabilities</b>	<b>19,754,048,893</b>	<b>16,142,915,408</b>	<b>11,678,263,992</b>
Prepaid income	–	–	–
<b>Total liabilities and shareholders' equity</b>	<b>19,756,815,149</b>	<b>16,146,690,717</b>	<b>11,681,512,752</b>

Between 1 October 2009 and 13 November 2009, Total Capital increased its long-term debt by 0.551 billion euros with the issuance of 0.684 billion euros after swaps, the reclassification to the current portion of long-term debt of 0.060 billion euros and currency translation effect on the long-term debt of –0.073 billion euros.

Save as disclosed above, there has been no material change in the capitalisation and indebtedness of Total Capital since 30 September 2009.

## TOTAL CAPITAL – SUMMARY INCOME STATEMENT

	9M 2009	Full Year 2008	9M 2008	Full Year 2007
			<i>(in euros)</i>	
Net operating income	(2,911,157)	(3,683,614)	(2,716,471)	(4,711,605)
Net financial income	5,931,545	8,247,886	6,076,333	7,852,315
Net extraordinary income	–	–	–	–
Income tax	(1,017,441)	(1,535,722)	(1,126,513)	(1,034,800)
Net income for the period	<b>2,002,947</b>	<b>3,028,550</b>	<b>2,233,349</b>	<b>2,105,910</b>



## TAXATION

*The Statements herein regarding taxation are based on the laws in force in France and/or, as the case may be, Belgium, the Federal Republic of Germany, Luxembourg and Austria as of the date of this Programme and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the French or, as the case may be, the Belgian, German or Luxembourg consequences of any investment in or ownership and disposal of the Notes.*

### EU Taxation

On 3 June 2003, the European Council of Economic and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive made by paying agents established within their respective countries to beneficial owners resident in the territory to which the Directive applies, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories of the European Union have agreed to adopt similar measures (transitional withholding or exchange of information) with effect from 1 July 2005.

### Belgium

The following summary describes the principal Belgian tax considerations with respect to the holding of Notes obtained by an investor in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Notes. Nor does it describe the indirect taxes (including *inter alia* transfer taxes, stamp duties, stock exchange taxes, taxes on the physical delivery of bearer securities) that may be due following the acquisition, transfer or disposal of the Notes.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.

### **Individuals resident in Belgium**

Individuals who are Belgian residents for tax purposes, i.e. individuals subject to the Belgian individual income tax (“*Personenbelasting*” / “*Impôt des personnes physiques*”) and who hold the Notes as a private investment, are subject to the following tax treatment in Belgium with respect to the Notes. Other tax rules apply to Belgian resident individuals holding the Notes not as a private investment but in the framework of their professional activity.

Under Belgian tax law, “interest” income includes: (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) if the Notes qualify as “fixed income securities” (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in the case of a realisation of the Notes between two interest payment dates, the interest accrued during the detention period. In general, notes are qualified as fixed income security if there is a causal link between the amount of interest income and the detention period of the notes, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the notes during their lifetime.

Payments of interest on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

However, if the interest is paid outside of Belgium, i.e. without the intervention of a financial intermediary established in Belgium, the interest received on the Notes (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return of the holder of Notes and will be taxed at a flat rate of 15% plus communal surcharges.

Capital gains realised upon the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

### **Belgian resident corporations**

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax (“*Vennootschapsbelasting*” / “*Impôt des sociétés*”) are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax at the ordinary rate of 33.99%. Capital losses on the Notes are in principle tax deductible.

Payments of interest (as defined in the section “Individuals resident in Belgium”) on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, the interest can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

### **Other Belgian legal entities**

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities (“*Rechtspersonenbelasting*” / “*impôt des personnes morales*”) are subject to the following tax treatment in Belgium with respect to the Notes.

Payments of interest (as defined in the section “Individuals resident in Belgium”) on the Notes made through a Belgian establishment of a financial intermediary will in principle be subject to a 15% withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium, i.e. without the intervention of a financial intermediary in Belgium, the legal entity itself is liable for the payment of the Belgian 15% withholding tax.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined in the section “Individuals resident in Belgium”). Capital losses on the Notes are in principle not tax deductible.

### **Organisation for Financing Pensions**

Belgian pension fund entities that have the form of an Organisation for Financing Pensions (“OFP”) are subject to Belgian Corporate Income Tax (“*Vennootschapsbelasting*” / “*Impôt des sociétés*”). OFPs are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived on the Notes and capital gains realised on the Notes will not be subject to Belgian Corporate Income Tax in the hands of OFPs. Any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

### **Belgian non-residents**

The interest income on the Notes paid to a Belgian non-resident outside of Belgium, i.e. without the intervention of a Belgian establishment or a financial intermediary, is not subject to Belgian withholding tax.

Interest income on the Notes paid through a Belgian intermediary will in principle be subject to a 15% Belgian withholding tax, unless the Note holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit.

Non-resident Noteholders that have not allocated the Notes to business activities in Belgium can also obtain an exemption of Belgian withholding tax on interest from the Notes if they are the owners or usufructors of the Notes and they deliver an affidavit confirming that they have not allocated the Notes to business activities in Belgium and that they are non-residents, provided that (i) the interest is paid through a Belgian credit institution, stock market company or clearing or settlement institution and that (ii) the Notes are not used by the Issuer for carrying on a business in Belgium.

Non-resident Noteholders using the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident corporations (see above). Non-resident Note holders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

### **EU Savings Directive**

Under the EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State (the “*Disclosure of Information Method*”); however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding tax system in relation to such payments, deducting tax at rates rising over time to 35% (the “*Source Tax*”). The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

In Belgium, the transitional period will end on 31 December 2009. This means that interest paid on the Notes as from 1 January 2010 and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Interest paid on the Notes before 1 January 2010 and falling under the scope of application of the Savings Directive are subject to the following regime:

### ***Individuals not resident in Belgium***

A Belgian paying agent will withhold a Source Tax at the current rate of 20% on the interest payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat or the British Virgin Islands. The Source Tax is levied pro rata to the period of holding of the Notes by the beneficial owner of the interest payments.

The Source Tax is levied in addition to the Belgian withholding tax which has been withheld.

No Source Tax will be applied if the investor provides the Belgian paying agent with a certificate drawn up in his name by the competent authority of his state of residence for tax purposes. The certificate must at least indicate: (i) name, address and tax or other identification number or, in the absence of the latter, the date and place of birth of the beneficial owner; (ii) name and address of the paying agent; and (iii) the account number of the beneficial owner, or where there is none, the identification of the security.

### ***Individuals resident in Belgium***

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, the Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of 2.5 EUR.

## **Federal Republic of Germany**

The following summary does not consider all aspects of income taxation in the Federal Republic of Germany (“**Germany**”) that may be relevant to a holder of the Notes in the light of the holder’s particular circumstances and income tax situation. The summary applies to investors holding the Notes as private investment assets (except where explicitly stated otherwise) and is not intended to be, nor should it be construed to be, legal or tax advice. This discussion is based on German tax laws and regulations, all as currently in effect (except where explicitly stated otherwise) and all subject to change at any time, possibly with retroactive effect. In particular, the discussion herein is limited to Notes that are issued and acquired after December 31, 2008. The tax treatment of Notes that were issued and acquired prior to January 1, 2009 may, subject to certain transition rules in connection with the introduction of the flat tax (*Abgeltungsteuer*) on investment income, differ significantly from the description in this summary. **Prospective holders should consult their own tax advisers as to the particular tax consequences to them of subscribing, purchasing, holding and disposing of the Notes, including the application and effect of state, local, foreign and other tax laws and the possible effects of changes in the tax laws of Germany.**

### **German resident noteholders**

#### *Interest income*

If the Notes are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, payments of interest under the Notes are taxed as investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax).

The flat tax is generally collected by way of withholding (see succeeding paragraph – Withholding tax) and the tax withheld shall generally satisfy the individual investor’s tax liability with respect to the Notes. If, however, no or insufficient tax was withheld the investor will have to include the income received with respect to the Notes in its income tax return and the flat tax will then be collected by way of tax assessment. The investor may also opt for inclusion of investment income in its income tax return if the aggregated amount of tax withheld on investment income during the year exceeded the investor’s aggregated flat tax liability on investment income (e.g., because of an available loss carry forward or a foreign tax credit). If the investor’s total income tax liability on all taxable income including the investment income determined by generally applicable graduated income tax rates is lower than 25 per cent. the investor may opt to be taxed at graduated rates with respect to its investment income.

Individual investors are entitled to a tax allowance (*Sparer-Pauschbetrag*) for investment income of 801 Euro per year (1,602 Euro for married couples filing their tax return jointly). The tax allowance is taken into account for purposes of the withholding tax (see succeeding paragraph – *Withholding tax*) if the investor files a withholding tax exemption request (*Freistellungsauftrag*) with the respective bank or financial institution where the securities deposit account to which the Notes are allocated is held. The deduction of related expenses for tax purposes is not possible.

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor who is tax resident in Germany (i.e., a corporation with its statutory seat or place of management in Germany), interest income from the Notes is subject to personal income tax at graduated rates or corporate income tax (each plus solidarity surcharge thereon) and trade tax. The trade tax liability depends on the applicable trade tax factor of the relevant municipality where the business is located. In the case of individual investors the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. The interest income will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

#### *Withholding tax*

If the Notes are kept or administered in a domestic securities deposit account by a German credit or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (altogether the “**Domestic Paying Agent**”) which pays or credits the interest, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, resulting in a total withholding tax charge of 26.375 per cent, is levied on the interest payments. The applicable withholding rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

#### *Capital gains from disposal or redemption of the Notes*

Subject to the tax allowance for investment income described under Interest income above capital gains from the sale or redemption of the Notes held as private assets are taxed at the 25 per cent. flat tax (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax). The capital gain is generally determined as the difference between the proceeds from the sale or redemption of the Notes and the acquisition costs.

Expenses directly related to the sale or redemption are taken into account. Otherwise, the deduction of related expenses for tax purposes is not possible.

Where the Notes are denominated in a currency other than Euro, the acquisition costs and the proceeds from the sale or redemption are computed in Euro, each at the time of the acquisition, sale or redemption, respectively.

Capital losses from the Notes held as private assets are tax-recognized irrespective of the holding period of the Notes. The losses may, however, not be used to offset other income like employment or business income but may only be offset against investment income subject to certain limitations. Losses not utilized in one year may be carried forward into subsequent years but may not be carried back into preceding years.

The flat tax is generally collected by way of withholding (see succeeding paragraph – *Withholding tax*) and the tax withheld shall generally satisfy the individual investor's tax liability with respect to the Notes. With respect to the return filing investors are referred to the description under *Interest income* above.

If the Notes are held as business assets (*Betriebsvermögen*) by an individual or corporate investor that is tax resident in Germany, capital gains from the Notes are subject to personal income tax at graduated rates or corporate income tax (plus solidarity surcharge thereon) and trade tax. The trade tax liability depends on the applicable trade tax factor of the relevant municipality where the business is located. In the case of an individual investor the trade tax may, however, be partially or fully creditable against the investor's personal income tax liability depending on the applicable trade tax factor and the investor's particular circumstances. The capital gains will have to be included in the investor's personal or corporate income tax return. Any German withholding tax (including surcharges) is generally fully

creditable against the investor's personal or corporate income tax liability or refundable, as the case may be.

#### *Withholding tax*

If the Notes are kept or administered by a Domestic Paying Agent from the time of their acquisition, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon, is levied on the capital gains, resulting in a total withholding tax charge of 26.375 per cent. If the Notes were sold or redeemed after being transferred to another securities deposit account, the 25 per cent. withholding tax (plus solidarity surcharge thereon) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous account bank was able and allowed to provide evidence for the investor's actual acquisition costs to the new Domestic Paying Agent. If the previous account bank from which the Notes were transferred was a Domestic Paying Agent it would be required to remit the acquisition costs to a new Domestic Paying Agent. The applicable withholding rate is in excess of the aforementioned rate if church tax is collected for the individual investor.

No withholding tax is generally required on capital gains derived by German resident corporate noteholders and upon application by individual noteholders holding the Notes as business assets.

#### **Non-German resident noteholders**

Income derived from the Notes by holders who are not tax resident in Germany is in general exempt from German income taxation, and no withholding tax shall be withheld, provided however (i) the Notes are not held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor or (ii) the Notes are not presented for payment or credit at the offices of a German credit or financial services institution including a German branch of a foreign credit or financial services institution (over-the-counter transaction).

If the income derived from the Notes is subject to German taxation according to (i) or (ii) above, the income is subject to withholding tax similar to that described above under the paragraphs *Withholding tax*. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

#### **Inheritance tax/gift tax**

The transfer of Notes to another person by way of gift or inheritance is subject to German gift or inheritance tax, respectively, if

- (i) the testator, the donor, the heir, the donee or any other acquirer had his residence, habitual abode or, in the case of a corporation, association (*Personenvereinigung*) or estate (*Vermögensmasse*), had its seat or place of management in Germany at the time of the transfer of property,
- (ii) except as provided under (i), the testator's or donor's Notes belong to a business asset attributable to a permanent establishment or a permanent representative in Germany,

Special regulations apply to certain German expatriates.

Investors are urged to consult with their tax advisor to determine the particular inheritance or gift tax consequences in light of their particular circumstances.

#### **Special tax regime under German Investment Tax Act**

It cannot be excluded that the Notes, particularly those issued by Total Capital, may be treated as units in a foreign investment fund for German tax purposes, particularly with respect to (but not limited to) Index Linked Notes if (i) the Notes featured an investor redemption right or (ii) Total Capital was or became subject to supervision by the French regulatory authority similar in nature to the supervision of German regulated investment funds by the German regulatory body. Notwithstanding the aforesaid an exemption from the application of the German Investment Tax Act, as stipulated by the German tax authorities in administrative guidance, could apply if the Issuer was not obliged vis-à-vis the Noteholders to invest in the underlying of the Notes but the Notes simply constituted a promise of the Issuer to repay the Notes depending to the performance of the underlying (so-called exemption for certificates, *Zertifikateausnahme*). If the German Investment Tax Act applied the investment in the Notes would be subject to a special, potentially disadvantageous, tax regime under the German Investment Tax Act (*Investmentsteuergesetz*) and the statements made above regarding German taxation would not apply.

## **Other taxes**

The purchase, sale or other disposal of Notes does not give rise to capital transfer tax, value added tax, stamp duties or similar taxes or charges in Germany. However, under certain circumstances entrepreneurs may choose liability to value added tax with regard to the sales of Notes which would otherwise be tax exempt. Net wealth tax (*Vermögensteuer*) is, at present, not levied in Germany.

## **Luxembourg**

*The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

### **Withholding tax**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders or to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Noteholders or to certain entities, upon repayment of principal in the case of reimbursement, redemption, repurchase or exchange of the Notes.

### **Luxembourg Non-Resident Individuals**

Under the Luxembourg laws dated 21 June 2005 implementing the Directive, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same treatment will apply to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/61 I/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/61 I/EEC).

The withholding tax rate is 20 per cent, increasing to 35 per cent. as from July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### **Luxembourg Resident Individuals**

As of January 1, 2006, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime) are subject to a 10% withholding tax.

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10% tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

## **France**

*The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Notes under French law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.*

The Directive was implemented into French law under Article 242 ter of the French General Tax Code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in

another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Payments of interest and other revenues made by Total S.A. or Total Capital in its capacity as issuer with respect to Notes which are issued or are deemed to be issued outside France benefit from the exemption from the withholding tax set out under Article 125 A III of the French General Tax Code, as provided for in Article 131 *quater* of the French General Tax Code. Accordingly, such payments do not give the right to any tax credit from any French source.

Notes, whether denominated in Euro or in any other currency, and which constitute *obligations* or *titres de créances négociables*, or other debt securities considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France, in accordance with Circular 5 I-11-98 of the *Direction générale des impôts* dated 30 September 1998 and Rulings 2007/59 and 2009/23 of the *Direction générale des impôts* dated 8 January 2008 and 7 April 2009 respectively.

The tax regime applicable to Notes which do not constitute obligations or *titres de créances négociables*, or other debt securities considered by the French tax authorities as falling into similar categories, will be set out in the relevant Final Terms.

The Issuer understands that a reform of the French interest withholding tax rules may be implemented with effect possibly from 1 January 2010. If the proposed legislation is enacted, it is possible that (subject to, where applicable, the more favourable provisions of a double tax treaty) a 50% withholding tax would be due (without any possibility of exemption) on any interest or other debt securities income paid outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) included in a list to be set up and updated annually by a decision (*arrêté*) of the French Administration. This reform could be implemented by the Amended Finance Act for 2009 (*loi de finances rectificative pour 2009*), which has not been voted at the date of this Debt Issuance Programme Prospectus.

See “**Terms and Conditions of the Notes – Taxation**”.

## **Austria**

The following is a brief summary of certain Austrian tax aspects in connection with the Notes. It does not claim to fully describe all Austrian tax consequences of the acquisition, ownership, disposal or redemption of the Notes. In some cases a different tax regime may apply. Further, this summary does not take into account or discuss the tax laws of any country other than Austria nor does it take into account the investors' individual circumstances. Prospective investors are advised to consult their own professional advisers to obtain further information about the tax consequences of the acquisition, ownership, disposal or redemption of the Notes. Only personal advisers are in a position to adequately take into account special tax aspects of the particular Notes in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor.

*This summary is based on Austrian Law as in force when drawing up this Prospectus.* The laws and their interpretation by the tax authorities may change and such changes may also have retroactive effect. With regard to certain innovative or structured financial instruments there is currently neither case law nor comments of the financial authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be ruled out that the Austrian financial authorities and courts or the Austrian paying agents may adopt a view different from that outlined below.

This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into, shares or other securities or rights or which provide for physical settlement in any other way, of the exchange, exercise, physical settlement or redemption of such Notes and/or any tax consequences after exchange, exercise, physical settlement or redemption.

### **1 Austrian Resident Taxpayers**

Income derived by individuals having a domicile or habitual abode in Austria or corporations having their corporate seat or place of management in Austria is taxable pursuant to the Austrian Income Tax Act (*Einkommensteuergesetz*) or the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*).



## 1.1 Notes

### 1.1.1 Risk of re-qualification of Notes as investment fund units

Certain Notes such as non-capital guaranteed basket or index linked notes, fund linked notes or credit linked notes may be re-qualified by the tax authorities as foreign investment fund units under certain conditions.

Pursuant to Section 42 of the Austrian Investment Fund Act, a portfolio of assets which is subject to the laws of a foreign country and which is invested according to the principle of risk-spreading is qualified as a non-Austrian investment fund for tax purposes, without regard to its legal form (a substance over form approach). Pursuant to the Investment Fund Guidelines 2008 applying to index linked notes, a requalification of notes into fund units requires (i) that an investment is structured according to the principle of risk spreading and (ii) that the issuer (or a trustee mandated by the Issuer) factually and predominantly acquires the (underlying) securities or that the investment qualifies as an actively managed portfolio. This, *inter alia*, excludes capital guaranteed notes and notes with not more than six underlyings from reclassification. However, “directly held index linked certificates will in no case be reclassified as foreign investment fund units, irrespective, whether the underlying index is a recognised or individually composed, fixed or flexible index”. The latter provision intends to immunize index linked notes against requalification.

If a requalification of notes into non-Austrian fund units takes place, the following will apply:

Investment funds are treated as transparent for income tax purposes. Taxable income from investment funds includes distributions as well as retained earnings of the fund deemed to be distributed to the investor (“*ausschüttungsgleiche Erträge*”). Such retained earnings are deemed to be distributed to the investor for tax purposes to the extent of the share interest of the investor no later than four months after the end of the business year of the investment fund in which the earnings were derived by the fund. If no Austrian tax representative is appointed for the fund and the retained earnings of the fund deemed to be distributed to the investor are also not reported to the tax authorities by the investors themselves, the non-Austrian fund will be qualified a “black fund” and the retained earnings of the fund deemed to be distributed each calendar year will be determined on a lump-sum-basis which will result in a tax base of 90 per cent. of the difference between the first and the last redemption price of the fund units fixed in a calendar year, at least, however, 10 per cent. of the last redemption price (or net asset value (NAV) or stock exchange price) of the fund units fixed in a calendar year. As the applicable tax rate is 25 per cent. for corporate investors as well as, in general, for individuals, this minimum lump sum tax base results in a minimum tax of 2,5 per cent. per year on the last redemption price (NAV) in any calendar year before maturity. In case of sale (redemption) of black foreign investment fund units the tax base would be the difference between the redemption price (NAV) upon disposal and at the end of the last calendar year, at least, however, 0,8 per cent. of the redemption price (NAV) upon disposal for each month of the current calendar year. The investors will have to include the relevant income into their income tax statement. Further, non-Austrian investment fund units, with the exception of funds that report relevant figures daily to the Oesterreichische Kontrollbank, which are held in an Austrian bank deposit are subject to an annual 1,5 per cent. compliance tax (calculated on the last redemption price (NAV) in any calendar year) unless the investor evidences to the Austrian bank a confirmation by the Austrian tax authorities to have complied with his disclosure duties vis-à-vis the tax authorities. Moreover, a pro rata compliance tax applies in the calendar year of the sale or redemption of the fund unit. This compliance tax will automatically be deducted by the Austrian bank.

In the following Section we assume that the Notes do not qualify as foreign investment funds for income tax purposes.

### 1.1.2 Individuals

Generally, income arising from the Notes will qualify as income from debt-securities (*Kapitalerträge aus Forderungswertpapieren*). Income from debt-securities includes (i) interest payments as well as (ii) income, if any, realised upon redemption or prior redemption (being the difference between the issue price and the redemption amount, or in the case of prior redemption, the repurchase price – a maximum 2 per cent. tax-exempt threshold applies to specified Notes bearing also ongoing coupons; in practice, however, this exemption is not available for index linked notes and notes equally treated as index linked notes) or (iii) realised upon sale of the Notes (only to the extent of accrued interest and comparable consideration for future fixed redemption or interest payments but excluding capital gains, – in the case of index, share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates, however, the whole gain would be treated as income from debt-securities, see also below “Certain aspects of the tax treatment of certain notes”).

If income from debt-securities is paid out by a coupon paying agent (*kuponauszahlende Stelle*) located in Austria, it is subject to 25 per cent. Austrian withholding tax (*Kapitalertragsteuer-KES*t). The coupon paying agent is the bank, including an Austrian branch of a non-Austrian bank, which pays out such income to the holder of the Notes.

Provided that the Notes have been offered to the public within the meaning of Sec 97 of the Austrian Income Tax Act, the 25 per cent. withholding tax constitutes a final taxation (*Endbesteuerung*) for all individuals, no matter whether they act as private investors or hold the Notes as business property. Final taxation means that no further income tax will be assessed and the income is not to be included in the investor’s income tax return.

Final taxation is only applicable to income from debt-securities. As regards the taxation of capital gains please see below.

Where there is no deduction of Austrian withholding tax because the income from the Notes is not received in Austria (not paid out by a coupon paying agent located in Austria) Austrian investors will have to declare the income derived from the Notes in their income tax returns pursuant to the Austrian Income Tax Act.

A special 25 per cent. income tax rate pursuant to Sec 37 subpara 8 of the Austrian Income Tax Act is applicable provided that the Notes have been offered to the public within the meaning of Sec 37 subpara 8 of the Austrian Income Tax Act.

Individuals whose regular personal income tax rate is lower than 25 per cent. may opt for taxation of the income derived from the Notes at such regular personal income tax rate. In this case, the withholding tax will be credited against the income tax liability and the excess amount shall be refunded. Expenses incurred by the investor in connection with income derived from the Notes are not deductible.

It should be noted, that special rules apply if a Noteholder transfers his residence outside Austria.

Upon the sale of the Notes accrued interest realised upon such sale is taxed as income from debt securities being subject to withholding tax and final taxation as set out above (with regard to index, share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates the whole gain would be treated as income from debt-securities, see below “Certain aspects of the tax treatment of certain notes”). For private investors, any additional capital gain on the disposal of the Notes is taxable if the disposal takes place within one year after the date of the acquisition of the Notes pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft* – speculative transaction). Such speculative gain is taxed at normal progressive income tax rates amounting up to 50 per cent. if the total of such speculative gain exceeds €440 per year. Losses from speculative transactions can only be set off against gains of the same calendar year. If the Notes qualify as business

assets, capital gains on the disposal are taxable irrespective of the date of the disposal at normal progressive income tax rates.

### **1.1.3 Corporations**

Corporate investors deriving business income from the Notes may avoid the application of withholding tax by filing a declaration of exemption (*Befreiungserklärung*) with the coupon paying agent. Income including any capital gain derived from the Notes by corporate investors is subject to corporate income tax at the general rate of 25 per cent. There is, inter alia, a special tax regime for Private Foundations established under Austrian law (*Privatstiftungen*).

### **1.1.4 Certain aspects of the tax treatment of certain notes**

Upon the sale of zero bonds the difference between the issue price and the proceeds from the sale would be taxable as income from debt-securities being subject to withholding tax (where such withholding tax applies) merely to the extent of the difference between the issue price and the inner value of the notes; any additional capital gain would be taxable for private investors (only) pursuant to Section 30 Income Tax Act (*Spekulationsgeschäft* – speculative transaction) if the sale took place within one year after the date of the acquisition of the Notes.

It is probable that Austrian tax authorities and coupon paying agents will treat all forms of credit linked notes (with the exemption of cash or share notes and callable yield notes bearing interest) as “index linked notes” so that the whole positive difference amount between redemption price or sale price and issue price will be treated as income from debt securities. In the case of credit linked notes structured as callable yield notes bearing interest payments, however, the notes will be treated in the same way as cash or share (reverse convertible) notes (see below).

Relating to index linked notes (including those notes where only the interest payments are index linked), the positive difference amount between issue price and sale price realised upon redemption or sale of the notes is treated as income from debt-securities and therefore also subject to withholding tax (where such withholding tax applies). The taxable gain is calculated as the difference between issue price and redemption amount/sales price.

The same tax treatment applies to share, fund, commodity or other underlying linked notes including discounted share certificates and bonus certificates – for these, the whole gain is treated as income from debt-securities.

The Austrian tax authorities have decided that notes where only the coupon(s) but not the redemption amount is (are) linked to an index or other underlying must be treated as “index linked notes”. In such case the (whole) difference amount between issue price and sale price (or redemption price) is therefore subject to withholding tax.

Relating to inflation linked notes (where the redemption amount is linked to the performance of an inflation index), withholding tax is payable on (i) any coupon payments, (ii) the difference between the issue price and the redemption price and (iii) the difference between the issue price and the index linked calculated value. However, withholding tax is not payable on the whole capital gain, although the capital gain could be subject to income tax as a speculative transaction.

Income from floating rate notes should, in general, qualify as interest resulting in income from debt-securities.

Currency gains are, in general, taxed as capital gain rather than as income from debt-securities.

However, where the currency gain is determined already by the terms and conditions of the Notes or where a foreign currency only serves as underlying for a performance linked Note the respective income should rather qualify as income from debt-securities.

Guidelines issued by the Austrian Ministry of Finance provide further details for the tax treatment of some other structured financial instruments. In case of reverse convertibles (cash or share-notes) bearing high interest the full coupon would be treated as interest; however, pursuant to current practice, losses incurred to private investors upon the redemption (“cancelled income”) could with an amount equalling to the interest income of the last coupon payment period be set off upon redemption against the positive interest income by coupon paying agents (Income Tax Guidelines no. 6198). Callable yield notes are treated in the same way as reverse convertibles.

Tax consequences of conversion or of any option exercise or of other physical settlement of Notes are not discussed in this context. This entire outline of the taxation of the Notes is based on the assumption that the Notes will be treated as debt-securities (*Forderungswertpapiere*) and will not be qualified as equity instruments for tax purposes such as shares or equity participation rights (*Substanzgenussrechte*). Further, this outline is based on the assumption that the Notes do not qualify as derivative instruments or contracts for differences resulting for private investors in taxation of capital gain pursuant to Sec 30 Income Tax Act (*Spekulationsgeschäft*) at progressive rates rather than being subject to withholding tax. Pursuant to Sec 30 Income Tax Act certain types of transactions such as the sale of securities would be taxable for private investors only if carried out within one year following the acquisition (speculative period) whereas other transactions such as futures, forwards or contracts for differences (*Differenzgeschäfte*) would be taxable irrespective of the one year speculative period.

## **2 Non-Residents**

### **2.1 General**

Income including any capital gain derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria (“non-residents”) is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria (for withholding tax under the EU Savings Directive see below; tax consequences of a re-qualification into a foreign investment fund are not discussed with regard to non-residents herein).

Income including any capital gain derived from the Notes by corporate investors who neither have their corporate seat nor their place of management in Austria (“non-residents”) is not taxable in Austria provided that the income is not attributable to a permanent establishment or other Austrian source income taxable in Austria.

Thus, non-resident investors – also in cases where they receive income from the Notes through a coupon paying agent located in Austria – may avoid the application of Austrian withholding tax if they evidence their non resident-status vis-à-vis the coupon paying agent by disclosing their identity and address. Non-residents who are Austrian citizens or citizens of a neighbouring country will have to confirm their non-resident status in writing to the coupon paying agent. The provision of evidence that the investor is not subject to Austrian withholding tax is the responsibility of the investor.

If any Austrian withholding tax is deducted by the coupon paying agent, the tax withheld shall be refunded to the non-resident investor upon his application, which has to be filed with the competent Austrian tax authority within five calendar years following the date of the imposition of the withholding tax.

Where non-residents receive income from the Notes as part of business income taxable in Austria (permanent establishment), they will be, in general, subject to the same tax treatment as resident investors.

### **2.2 The Directive**

Austria has implemented the Directive by way of the EU Withholding Tax Act (*EU-Quellensteuergesetz*) which provides for a withholding tax rather than for an exchange of information. Such EU Withholding tax will be levied on interest payments within the meaning of the EU Withholding Tax Act made by a paying agent located in Austria to an individual resident in another member state of the European Union or of certain dependent

associated territories. The EU Withholding Tax amounts to 20 per cent. until 1 July 2011 and 35 per cent, thereafter.

Withholding tax will be deducted upon actual or deemed interest payments as well as upon sale, refund or redemption of debt claims. Further, withholding tax will be deducted – on a pro rata temporis basis – in case of changes of the individual's withholding tax status such as changes of his country of residence or transfer of his securities to a non Austrian account.

Deduction of EU withholding tax can be avoided if the EU-resident investor provides the paying agent with a certificate drawn up in his name by the tax office of his member state of residence. Such certificate has to indicate, *inter alia*, the name and address, tax or other identification number or, if not available, the date and the city of birth of the investors, name and address of the paying agent as well as the account number of the investor or the identification of the Notes.

The scope of the definition of interest payments for EU Withholding Tax purposes may differ from the scope of interest payments for Austrian income and withholding tax purposes. For example, under certain conditions and subject to the guidelines and information issued by the Austrian Ministry of Finance income from share linked notes, index linked notes or fund linked notes may not be considered as interest for EU Withholding Tax purposes while being interest for Austrian tax purposes. Subject to the guidelines and information issued by the Austrian Ministry of Finance the treatment of structured notes (certificates) for EU-Withholding tax purposes depends on the underlying as well as whether or not the Notes are capital guaranteed. Generally, interest payments are subject to EU-Withholding tax, whereas the gains realised upon the redemption or sale are treated as follows:

Notes without capital guarantee (the term "capital guarantee" for such tax purposes is deemed to include guaranteed interest payments) are treated as follows: factually paid interest amounts are subject to EU Withholding Tax. Difference amounts from notes linked to shares, share indices, commodities, metals, currencies and the like which are not in advance guaranteed are not subject to EU Withholding Tax. Such difference amounts derived from notes linked to bonds or bond indices are not subject to EU Withholding Tax if the index or basket is comprised of a minimum of five differing bonds from differing issuers, if the portion of a single bond does not exceed 80 per cent. of the index and, with regard to dynamic notes, the 80 per cent.-threshold is complied with throughout the entire term of the notes. With regard to notes linked to funds or fund indices, the difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index/fund is composed of a minimum of five differing funds and a portion of each fund does not exceed 80 per cent.; in the case of dynamic notes the 80 per cent.-threshold must be complied with during the entire term of the notes. If notes are linked to mixed indices composed of funds as well as of bonds, difference amounts do not qualify as interest within the meaning of the EU Withholding Tax Act, if the index is composed of a minimum of five bonds and five funds of differing issuers and a portion of a single bond or a single fund does not exceed 80 per cent, of the pertaining index.

Relating to capital guaranteed notes, factually paid interest amounts, whether guaranteed or not, are subject to EU Withholding Tax. Guaranteed parts of difference amounts (between issue price and redemption price respectively sale price) are subject to EU Withholding Tax on the basis of the yield upon issue. Non-guaranteed income, like non guaranteed parts of difference amounts (difference amounts between issue price and redemption price respectively sale price) are treated as follows: if the underlying qualifies as bond, interest rate or inflation rate, then the difference amounts will qualify as interest within the meaning of the EU Withholding Tax Act and be subject to EU Withholding Tax; if shares, share indices, share baskets, metals, currencies and commodities are referred to as underlyings, the difference amounts are not subject to EU Withholding Tax; if funds and fund indices are referred to as underlying, the difference amounts are not subject to EU Withholding Tax, provided that the funds do not generate interest income within the meaning of the EU Withholding Tax Act; should the underlyings qualify as certificates or other securities

the proceeds of which do not qualify as interest subject to EU Withholding Tax, then the difference amounts derived therefrom are not subject to EU Withholding Tax.

As far as Notes are linked to credit events or credit default swaps, such notes should be treated for EU Withholding Tax purposes, in a substance over form approach, by analogy to notes linked to bonds or bond indices.

Provided that Notes are re-qualified as foreign investment fund units and the interest income of the fund deemed to be distributed to the investors is not reported on a daily basis to the Austrian central depository bank (*Oesterreichische Kontrollbank – OeKB*), Austrian paying agents shall deduct EU Withholding Tax on a lump sum tax base of 6 per cent. of the last redemption price (NAV) of the fund units fixed in a calendar year. Moreover, a pro rata EU Withholding Tax applies in the calendar year of the sale or redemption of the fund unit.

### 3 Other Taxes

There is no transfer tax, registration tax or similar tax payable in Austria by holders of bearer Notes which are addressed to anonymous capital markets as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of securities as well as the redemption of Notes is in general not subject to Austrian stamp duty provided that no other transaction potentially taxable under the Austrian Stamp Duty Act (*Gebührengesetz*) such as a loan or credit agreement is entered into for which a document (*Urkunde*) within the meaning of the Stamp Duty Act is executed. In addition, Sec 15 sub paragraph 3 Stamp Duty Act provides for an exemption from stamp duty for transactions which are covered by chapter II of the Austrian Capital Transfer Tax Act (*Kapitalverkehrsteuergesetz*) (“Chapter II”) concerning securities tax (*Wertpapiersteuer*). Although securities tax is not to be levied for transactions entered into after 31 December 1994, transactions covered by Chapter II are exempt from stamp tax under Sec 15 sub paragraph 3 of the Stamp Duty Act. Chapter II covers, *inter alia*, the acquisition by the first purchaser of interest bearing debt claims (*verzinsliche Forderungsrechte*) in the form of securities (*Schuldverschreibungen*) which are issued as partial debt (“*in Teilabschnitte ausgefertigt*”) within the meaning of Chapter II. Pursuant to the Austrian Administrative Court only securities which are addressed to the anonymous capital markets qualify for such an exemption.

The issue of the notes (that are not addressed to the capital markets, for instance individually tailored private placements of notes) potentially qualifies as loan agreement which is subject to stamp duty if a document (*Urkunde*) or substitute documentation within the meaning of the SDA for the loan is executed (a) within Austria or (b) outside Austria provided that (i) at least one party to the loan has its domicile, habitual abode, seat, place of management or permanent establishment within Austria and (ii) at least one party is entitled or obligated to performance under the loan agreement in Austria (however, pursuant to a recent decision of the Independent Tax Senate Linz dated 3 September 2008 (RV/01746L/06) bonds or notes do not qualify as credit agreements within the meaning of the SDA). An Austrian Administrative Court decision requires that the issuance of notes be addressed to the capital markets in order to qualify for this stamp duty exemption. In this respect, according to Austrian literature an issuer may rely on the stamp duty exemption even in the case of a private placement provided that the respective bonds have features like being fungible (tradeable), uniform terms and conditions, marketable nominal amounts, a larger circle of addressees, no short-term maturity and are freely transferable without the Issuer’s consent. The requirements are as follows: (i) the issue must be a private placement to a larger circle of addressees who are not related to the Issuer, (ii) the Issuer should be able to participate in capital markets activity, and (iii) the issue should be objectively adequate for the capital market.

The Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) was abolished on 1 August 2008. No such tax will be levied any longer upon a transfer of assets by way of inheritance or gifts occurring after 31 July 2008. However, according to the Gift Notification Act 2008 (*Schenkungsmitteilungsgesetz 2008*) gifts have to be notified to the tax authorities within a three-month notification period. There are certain exemptions from such notification obligation, e.g. for gifts among relatives that do not exceed €50,000 (for gifts received from one donor by the same donee within one year) or gifts among unrelated persons that do not exceed €15,000 (for gifts received from one donor by the same donee within five years).

## **SUBSCRIPTION AND SALE**

### **Summary of Dealership Agreement**

Subject to the terms and on the conditions contained in an Amended and Restated Dealership Agreement dated 17 November 2009 (the “Dealership Agreement”) between the Issuers, the Guarantor (in respect of Notes issued by Total Capital), the Permanent Dealers and the Arranger named therein, the Notes will be offered on a continuous basis by the relevant Issuer to the Permanent Dealers. However, each of the Issuers has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by an Issuer through the Dealers, acting as agents of that Issuer. The Dealership Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Each of the Issuers has entered into an agreement with the Arranger for any expenses incurred by it in connection with the establishment of the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

Each of the Issuers and, in respect of Notes issued by Total Capital, the Guarantor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealership Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

### **Selling Restrictions**

#### **United States**

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealership Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Issuer, by the Fiscal Agent or, in respect of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

#### **Public Offer Selling Restrictions under the Prospective Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect

from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;
- (ii) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (iii) at any time to any legal entity which has two or more of: (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000; and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (iv) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (v) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (ii) to (v) above shall require the Issuer or Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **United Kingdom**

In relation to each Tranche of Notes, each Dealer subscribing for or purchasing such Notes has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year from the date of issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by any Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to any Issuer or the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.



## France

Each of the Dealers and the Issuer has represented, warranted and agreed that (x) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and (y) offers and sales of Notes in France will be made only to (a) persons providing investment services relating to portfolio management for the accounts of third parties and/or (b) qualified investors (“*investisseurs qualifiés*”) as defined and in accordance with Articles L. 411-1, L. 411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

In addition, each of the Dealers and the Issuer has represented, warranted and agreed that it has not distributed or caused to be distributed, and will not distribute or cause to be distributed in France, this Debt Issuance Programme Prospectus or any other offering material relating to the Notes or any Final Terms other than to those investors (if any) and/or persons to whom offers and sales of the Notes in France may be made as described above.

If necessary, these selling restrictions will be amended in the relevant Final Terms.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “Financial Instruments and Exchange Act”). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Austria

*The following selling restriction shall apply to offers of Notes in Austria in addition to the “Public Offer Selling Restrictions under the Prospectus Directive”.*

No offer of Notes may be made to the public in Austria, except that an offer of Notes may be made to the public in Austria (a) in the period beginning one bank working day following (i) the date of publication of a prospectus in relation to those Notes which has been approved by *Finanzmarktaufsichtsbehörde* in Austria (the “FMA”) or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive and (ii) the date of filing of a notification with the *Oesterreichische Kontrollbank*, all as prescribed by the Capital Market Act 1991 (the “CMA”; *Kapitalmarktgesetz* 1991), or (b) otherwise in compliance with the CMA.

For the purposes of this provision, the expression “an offer of Notes to the public” means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

## General

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Debt Issuance Programme Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Debt Issuance Programme Prospectus or any other offering material relating to any Notes or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Debt Issuance Programme Prospectus, any other offering material relating to any Notes or any Final Terms and neither the Issuer, the Guarantor (in respect of Notes issued by Total Capital), nor any other Dealer shall have responsibility therefor.

**FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH  
A DENOMINATION OF LESS THAN €50,000 TO BE ADMITTED TO TRADING ON AN EEA  
REGULATED MARKET AND/OR OFFERED TO THE PUBLIC ON A NON-EXEMPT BASIS IN  
THE EUROPEAN ECONOMIC AREA**

Final Terms dated [●]

**TOTAL S.A.**

**TOTAL CAPITAL**

**Issue of Euro [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €18,000,000,000 Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

[The Debt Issuance Programme Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided that such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.<sup>(1)(2)</sup>

[The Debt Issuance Programme Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.<sup>(3)</sup>

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Debt Issuance Programme Prospectus dated [●] [and the Supplement to the Debt Issuance Programme Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Debt Issuance Programme Prospectus [as so supplemented]. Full information on the Issuer [, the Guarantor(s)] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Debt Issuance Programme Prospectus [as so supplemented]. The Debt Issuance Programme Prospectus [and the Supplement to the Debt Issuance Programme Prospectus] [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address] as so supplemented].

(1) Include this legend where a non-exempt offer of Notes is anticipated.

(2) If this paragraph is included, the relevant Dealer must obtain prior written approval from the Issuer, including from its internal legal department, regarding mandatory compliance with local public offer restrictions.

(3) Include this legend only where an exempt offer of Notes is anticipated.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Debt Issuance Programme Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Debt Issuance Programme Prospectus dated [●] [and the Debt Issuance Programme Prospectus dated [●]]<sup>(4)</sup>. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Debt Issuance Programme Prospectus dated [●] [and the Supplement to the Debt Issuance Programme Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Debt Issuance Programme Prospectus dated [●] [and the Supplement to the Debt Issuance Programme Prospectus dated [●]] and are attached hereto. Full information on the Issuer [, the Guarantor(s)] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [●] and [●] [and the Supplements to the Debt Issuance Programme Prospectuses dated [●] and [●]]. The Debt Issuance Programme Prospectuses [and the Supplements to the Debt Issuance Programme Prospectuses] are available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[Include whichever of the following apply or specify as “Not Applicable” (NIA). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.]*

- |    |                        |     |
|----|------------------------|-----|
| 1. | [(i)] Issuer:          | [●] |
|    | [[ii)] Guarantor:      | [●] |
| 2. | [(i)] Series Number:   | [●] |
|    | [(ii)] Tranche Number: | [●] |

*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*

- |    |                                   |  |
|----|-----------------------------------|--|
| 3. | Specified Currency or Currencies: | [●]  |
| 4. | Aggregate Nominal Amount:         | [●]  |
|    | [(i)] Series:                     | [●]  |
|    | [(ii)] Tranche:                   | [●]  |
| 5. | Issue Price:                      | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]               |
| 6. | (i) Specified Denominations:      | [●] <sup>(5)</sup>   |
|    | (ii) Calculation Amount:          | [●]  |
| 7. | (i) Issue Date:                   | [●]  |
|    | (ii) Interest Commencement Date:  | [Specify/Issue Date/Not applicable]  |
| 8. | Maturity Date:                    | [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] |

(4) Include this legend where a non-exempt offer of Notes is anticipated.

(5) Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

9. Interest Basis:  per cent. Fixed Rate]  
 [*specify reference rate*] +/-  per cent.  
Floating Rate]  
 Zero Coupon]  
 Index Linked Interest]  
 Other (*specify*)  
(further particulars specified below)
10. Redemption/Payment Basis:  Redemption at par]  
 Index Linked Redemption]  
 Dual Currency]  
 Partly Paid]  
 Instalment]  
 Other (*specify*)
- 11 Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12. Put/Call Options:  Investor Put]  
 Issuer Call]  
 [(further particulars specified below)]
13. (i) Status of the Notes: Senior  
(ii) Status of the Guarantee: Senior  
[(iii)] [Date [Board] approval for issuance of Notes [and Guarantee] obtained:<sup>(6)</sup>  [and , respectively]]
14. Method of distribution:  Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions**  Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest:  per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s):  in each year<sup>(7)</sup> [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]:  per Calculation Amount
- (iv) Broken Amount(s):  per Calculation Amount, payable on the Interest Payment Date falling [in/on]
- (v) Day Count Fraction:  [30/360/Actual/Actual ([ICMA]/ISDA)/other]
- (vi) [Determination Dates:  in each year]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:  [Not Applicable/*give details*]

(6) Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee.

(7) Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)).

16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s):
  - (ii) Specified Interest Payment Dates:
  - (iii) First Interest Payment Date:
  - (iv) Interest Period Date:  [Not Applicable unless different from Interest Payment Date]
  - (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
  - (vi) Business Centre(s):
  - (vii) Manner in which the Rate(s) of Interest is/ are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
  - (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]):
  - (ix) Screen Rate Determination:
    - Reference Rate:
    - Interest Determination Date(s):
    - Primary Source for Floating Rate: [specify relevant screen page or “Reference Banks”]
    - Relevant Screen Page:
  - (x) ISDA Determination:
    - Floating Rate Option:
    - Designated Maturity:
    - Reset Date:
    - [ISDA Definitions: 2006]
  - (xi) Margin(s): [+/-][] per cent. per annum
  - (xii) Minimum Rate of Interest:  per cent. per annum
  - (xiii) Maximum Rate of Interest:  per cent. per annum
  - (xiv) Day Count Fraction:
  - (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield:  per cent. per annum

- (ii) Any other formula/basis of determining amount payable: [●]
18. **Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Interest Determination Date(s): [●]
- (v) [Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]]
- (vi) Interest Period(s): [●]
- (vii) Specified Interest Payment Dates: [●]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)]
- (ix) Business Centre(s): [●]
- (x) Minimum Rate of Interest: [●] per cent. per annum
- (xi) Maximum Rate of Interest: [●] per cent. per annum
- (xii) Day Count Fraction: [●]
19. **Dual Currency Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Calculation Agent): [●]
- (iii) [Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: [●]]
- PROVISIONS RELATING TO REDEMPTION**
20. **Call Option** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]
21. **Put Option** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) Notice period: [●]
22. **Final Redemption Amount of each Note** [●] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: [Give or annex details]
- (ii) Party responsible for calculating the Final Redemption Amount (if not the [Agent]): [Give or annex details]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Determination Date(s): [●]
- (v) [Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]]
- (vi) Payment Date: [●]
23. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: **Bearer Notes** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
25. New Global Note: [Yes/No]
26. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [●]] apply]
31. Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] apply]
32. Other final terms: [Not Applicable/give details]  
[(*When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.*)]

## DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]  
(*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.*)
- (ii) Date of [Subscription] Agreement: [●]



- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
34. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
35. Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
36. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/TEFRA D/ TEFRA not applicable]
37. Non-exempt offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) – which must be jurisdictions where the Debt Issuance Programme Prospectus and any supplements have been passported*] (“Public Offer Jurisdictions”) during the period from [*specify date*] until [*specify date*] (“Offer Period”). See further Paragraph 10 of Part B below] [Managers must obtain prior written approval from the Issuer, including its internal Legal Department, before any non-Article 3(2) offer is made]
38. Additional selling restrictions: [Not Applicable/*give details*]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] and admission to trading on the Luxembourg Stock Exchange of the Notes described herein pursuant to the €18,000,000,000 Euro Medium Term Note Programme of Total and Total Capital.

**RESPONSIBILITY**

The Issuer [and the Guarantor(s)] accept[s] responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from [*specify source*]. [Each of the] [The] Issuer [and the Guarantor(s)] confirm[s] that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

Signed on behalf of the Guarantor:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange with effect from [●].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [●].] [Not Applicable.]<sup>(8)</sup>

### 2. RATINGS

Ratings:<sup>(9)</sup>

The Notes to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:<sup>(10)</sup>

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i)] Reasons for the offer:<sup>(11)</sup> [●]

[(ii)] Estimated net proceeds:<sup>(12)</sup> [●]

[(iii)] Estimated total expenses:<sup>(13)</sup> [●] [Include breakdown of expenses]

### 5. [Fixed Rate Notes only – YIELD

Indication of yield: [●]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6. [Floating Rate Notes only – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

(8) Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.

(9) Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider. This disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.

(10) When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

(11) See “Use of Proceeds” wording in Debt Issuance Programme Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.

(12) If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.

(13) If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.

**7. [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/ FORMULA/other variable, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained. Where the underlying is not an index, need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]<sup>(14)</sup>*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

*Explanation of how value of investment is affected by the value of the underlying instrument, especially under the circumstances where the risks are most evident.*

**8. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]<sup>(15)</sup>*

**9. OPERATIONAL INFORMATION**

ISIN Code:

Common Code:

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *soci t  anonyme* and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]

Delivery: Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s):

Names and addresses of additional Paying Agent(s) (if any):

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]  
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if “yes” selected, in which case the Notes must be issued in NGN form]

(14) When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

(15) When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

**10. TERMS AND CONDITIONS OF THE OFFER**

Total Amount of offer:	[•]
Offer Price:	[Issue Price][ <i>specify</i> ]
Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i> ]
Time Period/Description of the application process:	[Not Applicable/ <i>give details</i> ]
Description of possibility of reducing subscriptions and manner of refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i> ]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i> ]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>give details</i> ]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i> ]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i> ]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i> ]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i> ]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i> ]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None/ <i>give details</i> ]

**FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH  
A DENOMINATION OF AT LEAST €50,000 TO BE ADMITTED TO TRADING ON AN EEA  
REGULATED MARKET**

Final Terms dated [●]

**TOTAL S.A.**

**TOTAL CAPITAL**

**Issue of Euro [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the €15,000,000,000 Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Debt Issuance Programme Prospectus dated [●] [and the Supplement to the Debt Issuance Programme Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Debt Issuance Programme Prospectus [as so supplemented]. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Debt Issuance Programme Prospectus [and the Supplement to the Debt Issuance Programme Prospectus]. [The Debt Issuance Programme Prospectus [and the Supplement to the Debt Issuance Programme Prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Debt Issuance Programme Prospectus with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Debt Issuance Programme Prospectus dated [●] [and the Supplement to the Debt Issuance Programme Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Debt Issuance Programme Prospectus dated [current date] [and the Supplement to the Debt Issuance Programme Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Debt Issuance Programme Prospectus dated [original date] [and the Supplement to the Debt Issuance Programme Prospectus dated [●]] and are attached hereto. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Debt Issuance Programme Prospectuses dated [●] and [●] [and the Supplements to the Debt Issuance Programme Prospectuses dated [●] and [●]]. [The Debt Issuance Programme Prospectuses [and the Supplements to the Debt Issuance Programme Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

1. [(i)] Issuer: [●]  
 [[(ii)] Guarantor: [●]]
2. [(i)] Series Number: [●]  
 [(ii)] Tranche Number: [●]  
*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount of Notes: [●]  
 [(i)] Series: [●]  
 [(ii)] Tranche: [●]]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: [●]<sup>(1)(2)</sup>  
 (ii) Calculation Amount: [●]
7. [(i)] Issue Date: [●]  
 [(ii)] Interest Commencement Date: [*Specify/Issue Date/Not Applicable*]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
9. Interest Basis: [[●] per cent. Fixed Rate]  
 [[*Specify reference rate*] +/- [●] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Other (*specify*)]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment]  
 [Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]

(1) Notes [(including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

(2) If the specified denomination is expressed to be 50,000 or its equivalent and multiples of a lower principal amount (for example 1,000), insert: “[50,000] and integral multiples of [1,000] in excess thereof up to and including [99,000]. No Notes in definitive form will be issued with a denomination above [99,000]”.

13. (i) Status of the Notes: Senior
- (ii) Status of the Guarantee: Senior
- [(iii)] [Date [Board] approval for issuance of Notes [and Guarantee] obtained:<sup>(3)</sup> [●] [and [●], respectively]]
14. Method of distribution: [Syndicated/Non-syndicated]
15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[s] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360/Actual/Actual ([ICMA]/ISDA)/other]
- (vi) Determination Dates: [●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]

(3) Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee.

- (vii) Screen Rate Determination:
- Reference Rate:
  - Interest Determination Date(s):
  - Relevant Screen Page:
- (viii) ISDA Determination:
- Floating Rate Option:
  - Designated Maturity:
  - Reset Date:
  - ISDA Definitions: 2006
- (ix) Margin(s):  per cent. per annum
- (x) Minimum Rate of Interest:  per cent. per annum
- (xi) Maximum Rate of Interest:  per cent. per annum
- (xii) Day Count Fraction:
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
17. **Zero Coupon Note Provisions**  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield:  per cent. per annum
  - (ii) Any other formula/basis of determining amount payable:
18. **Index-Linked Interest Note/other variable-linked interest Note Provisions**  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula/other variable:  [Give or annex details]
  - (ii) Calculation Agent responsible for calculating the interest due:
  - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:
  - (iv) [Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:
  - (v) Interest Periods:
  - (vi) Specified Interest Payment Dates:
  - (vii) Business Day Convention:  [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]



- (viii) Business Centre(s):
- (ix) Minimum Rate of Interest:  per cent. per annum
- (x) Maximum Rate of Interest:  per cent. per annum
- (xi) Day Count Fraction:
19. **Dual Currency Note Provisions**  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/Method of calculating Rate of Exchange:  [Give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the [Agent]):
- (iii) [Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable:
20. **Call Option**  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount:  per Calculation Amount
- (b) Maximum Redemption Amount:  per Calculation Amount
- (iv) Notice period:
21. **Put Option**  [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s):
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):  per Calculation Amount
- (iii) Notice period:
22. **Final Redemption Amount of each Note**  per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable:  [Give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount (if not the [Agent]):

- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [●]
- (iv) Determination Date(s): [●]
- (v) [Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]]
- (vi) Payment Date: [●]

23. **Early Redemption Amount**

- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 24. Form of Notes: **Bearer Notes**<sup>(4)</sup> [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]<sup>(5)</sup>  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- 25. New Global Note: [Yes/No]
- 26. Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]<sup>(6)</sup>
- 27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
- 29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]

(4) The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denominations of the Notes in paragraph 6 includes language that reflects the circumstances referred to in Note 2 above (for example Specified Denominations of €50,000 and multiples of €1,000).

(5) Only applicable where the Notes represented by the Temporary Global Note have been issued in an integrated multiple of the Specified Denomination.

(6) Note that this item relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 15 (ii), 16 (v) and 18(ix) relate.

- 30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 31. Consolidation provisions: [Not Applicable/The provisions [in Condition [●]] apply]
- 32. Other final terms: [Not Applicable/give details]<sup>(7)</sup>

**DISTRIBUTION**

- 33. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 34. If non-syndicated, name of Dealer: [Not Applicable/give name]
- 35. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA C/ TEFRA D/ TEFRA not applicable]
- 36. Additional selling restrictions: [Not Applicable/give details]

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange of the Notes described herein pursuant to the €18,000,000,000 Euro Medium Term Note Programme of Total and Total Capital.

**RESPONSIBILITY**

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [*Relevant third party information*] has been extracted from [*specify source*]. [Each of the] [The] Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from information published by a [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: .....  
Duly authorised

Signed on behalf of the Guarantor:

By: .....  
Duly authorised

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(7) When adding any other final terms, consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to trading:<sup>(8)</sup> [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange with effect from [●].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings:<sup>(9)</sup> The Notes to be issued have been rated:  
[S & P: [●]]  
[Moody's: [●]]  
[[Other]: [●]]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:<sup>(10)</sup>

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i)] Reasons for the offer:<sup>(11)</sup> [●]
- [(ii)] Estimated net proceeds:<sup>(12)</sup> [●]
- [(iii)] Estimated total expenses:<sup>(13)</sup> [●] [*Include breakdown of expenses*]

### 5. [Fixed Rate Notes only – YIELD

- Indication of yield: [●]  
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

(8) Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.

(9) This disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.

(10) When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

(11) See “Use of Proceeds” wording in Debt Issuance Programme Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.

(12) If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.

(13) If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.

**6. [Index-Linked or other variable-linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

*Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained. Where the underlying is not an index, need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]<sup>(14)</sup>*

**7. [Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE**

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]<sup>(15)</sup>*

**8. OPERATIONAL INFORMATION**

ISIN Code:

Common Code:

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *soci t  anonyme* and the relevant identification number(s):  [Not Applicable/give name(s) and number(s) and addresses]

Delivery:  Delivery [against/free of] payment

Names and addresses of initial Paying Agent(s):

Names and addresses of additional Paying Agent(s) (if any):

Intended to be held in a manner which would allow Eurosystem eligibility:  [Yes]  [No]  
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [Include this text if “yes” selected, in which case the Notes must be issued in NGN form]

(14) When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

(15) When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Debt Issuance Programme Prospectus under Article 16 of the Prospectus Directive.

## GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market.
- (2) Each of Total and Total Capital has obtained all necessary consents, approvals and authorisations in France and in Luxembourg in connection with the establishment and update of the Programme and (in respect of Notes issued by Total Capital) the guarantees relating to the Programme.
  - (i) For the purpose of the giving of the guarantees, the *Directeur Général* of Total benefits from an authority granted by the *Conseil d'Administration* of Total, to grant guarantees up to a maximum aggregate amount of €60 billion which authority will expire on 11 February 2010.
  - (ii) Any issue of Notes by each of Total and Total Capital under the Programme will, to the extent that such Notes constitute obligations under French law, require the prior authorisation of its *Conseil d'Administration*, unless its Statuts grant such power to the shareholders' meeting or the latter decides to exercise such power. The relevant *Conseil d'Administration* may in turn sub-delegate its powers to any member of the *Conseil d'Administration*, the *Directeur Général* or, subject to the approval of the *Directeur Général*, one or several *directeurs généraux délégués*. Authorisations have been obtained to issue obligations subject to (A) an overall maximum global aggregate limit affecting both companies, being (i) in respect of Total, up to €10 billion (such authority to expire on the date on which the *Conseil d'Administration* meets for the first time in 2010, and (ii) in respect of Total Capital, up to €16 billion (such authority to expire on 1 September 2010) and (B) (i) in respect of Total, a maximum limit per issue of €3 billion and (ii) in respect of Total Capital only, a maximum limit per issue of €3 billion. To the extent that Notes do not constitute obligations under French law, their issue will fall within the general authority of the *Président* of the *Conseil d'Administration* or of a *Directeur Général* of either Total or Total Capital or any other authorised official of either Total or Total Capital acting by delegation.
- (3) Except as disclosed in this Debt Issuance Programme Prospectus, there has been no significant change in the financial or trading position of Total on a consolidated basis since 30 September 2009 and no material adverse change in the prospects of Total on a consolidated basis since 31 December 2008.

Except as disclosed in this Debt Issuance Programme Prospectus, there has been no significant change in the financial or trading position of Total Capital since 30 September 2009 and no material adverse change in the prospects of Total Capital since 31 December 2008.

- (4) Neither Total nor any of its respective subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Total is aware) during the 12 months preceding the date of this Debt Issuance Programme Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Group.

Total Capital is not, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Total Capital is aware) during the last 12 months preceding the date of this Debt Issuance Programme Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of Total Capital.

- (5) Each Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165Q) and 1287(a) of the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems and (where applicable) Euroclear France (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

- (7) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuers will not provide any post-issuance information, except if required by applicable laws and regulations.
- (8) For so long as Notes may be issued pursuant to this Debt Issuance Programme Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted) for inspection at the office of the Fiscal Agent and each of the Paying Agents:
  - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Notes, the Coupons, the Receipts and the Talons), together with any supplement thereto;
  - (ii) the Deed of Covenant (which includes the guarantee);
  - (iii) the *Statuts* of each of the Issuers;
  - (iv) the published annual reports and audited accounts of the Issuer for the two financial years ended 2007 and 2008;
  - (v) each Final Terms for Notes listed on a stock exchange; and
  - (vi) a copy of this Debt Issuance Programme Prospectus, together with any Supplement to this Debt Issuance Programme Prospectus or further Debt Issuance Programme Prospectus.
- (9) Copies of the latest registration documents (please refer to “Documents Incorporated by Reference” on page 34 above) and audited and consolidated and non-consolidated accounts of Total for the financial years ended 31 December 2007 and 2008, the latest quarterly and semi-annual interim consolidated, and a summary of the semi-annual interim non-consolidated, accounts of Total and the latest audited accounts of Total Capital for the financial years ended 31 December 2007 and 31 December 2008 and the latest quarterly, and the latest semi-annual interim accounts of Total Capital may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding. Copies of this Debt Issuance Programme Prospectus, further Debt Issuance Programme Prospectus and any Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).
- (10) The Auditors of Total and Total Capital are Ernst & Young Audit and KPMG-S.A. of 41, rue Ybry, 92576 Neuilly-sur-Seine Cedex and 1, Cours Valmy, 92923 Paris La Défense Cedex, respectively. They have audited and expressed unqualified opinions in the audit reports they have issued on the consolidated financial statements of Total. The French auditors carry out their duties in accordance with the principles of the *Compagnie Nationale des Commissaires aux Comptes* (CNCC) and are members of the CNCC professional body.

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