

TOTAL SA
Form 424B5
September 08, 2010

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The information in this preliminary prospectus is not complete and may be changed. A registration statement relating to these securities has become effective upon filing with the Securities and Exchange Commission. We are not using this prospectus supplement or the attached prospectus to offer or sell these securities or to solicit offers to buy these securities in any place where the offer is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 8, 2010

**Filed pursuant to Rule 424(b)(5)
Registration Statement Nos. 333-159335 and
333-159335-01**

**PROSPECTUS SUPPLEMENT
(To prospectus dated August 4, 2010)**

**\$
TOTAL CAPITAL

(A wholly-owned subsidiary of TOTAL S.A.)
consisting of
% Guaranteed Notes Due
Guaranteed on an unsecured, unsubordinated basis by

TOTAL S.A.**

The % notes due September , (the notes) will bear interest at the rate of % per year. Total Capital will pay interest on the notes on March and September of each year, beginning on March , 2011. Interest on the notes will accrue from September , 2010. The notes will mature on September , . The notes will be issued only in denominations of \$1,000 and integral multiples of \$1,000.

Payment of the principal of, premium, if any, and interest on the notes is guaranteed by TOTAL S.A.

We may redeem the notes in whole or in part at any time and from time to time at the make-whole redemption price set forth in this prospectus supplement. In addition, we may redeem the notes at any time at 100% of the principal amount upon the occurrence of certain tax events described in this prospectus supplement and the attached prospectus.

See Risk Factors beginning on page S-3 of this prospectus supplement, on page 4 of the attached prospectus and on page 4 of our Annual Report on Form 20-F for the fiscal year ended December 31, 2009, which is incorporated by reference in this prospectus supplement and the attached prospectus, to read about factors you should consider before investing in the notes.

Neither the Securities and Exchange Commission nor any state securities commission or other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the attached prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price(1)	%	\$
Underwriting Discount	%	\$
Proceeds, before expenses, to Total Capital	%	\$

(1) Plus accrued interest from _____, 2010, if settlement occurs after that date.

The underwriters expect to deliver the notes in book-entry form through the facilities of The Depository Trust Company (DTC) and its participants, including Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, Luxembourg (Clearstream), against payment in New York, New York on or about September _____, 2010.

BNP PARIBAS

Joint Book-Running Managers

Deutsche Bank Securities

Morgan Stanley

Prospectus Supplement dated September _____, 2010.

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In this prospectus, unless the context indicates otherwise, the terms we, our and us refer to both TOTAL S.A. and Total Capital, TOTAL refers to TOTAL S.A., the Total Group refers to TOTAL and its subsidiaries, and Total Capital refers to Total Capital.

INCORPORATION OF INFORMATION FILED WITH THE SEC

The U.S. Securities and Exchange Commission, referred to herein as the SEC, allows us to incorporate by reference into this prospectus supplement and the attached prospectus the information in documents filed with the SEC, which means that:

incorporated documents are considered part of this prospectus supplement and the attached prospectus;

we can disclose important information to you by referring to those documents; and

information filed with the SEC in the future will automatically update and supersede this prospectus supplement and the attached prospectus.

The information that we incorporate by reference is an important part of this prospectus supplement and the attached prospectus.

We incorporate by reference in this prospectus supplement and the attached prospectus the documents described in *Where You Can Find More Information About Us* in the attached prospectus which we filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, referred to herein as the Exchange Act, except to the extent amended or superseded by subsequent filings. We also incorporate by reference any future filings that we make with the SEC under Sections 13(a), 13(c) or 15(d) of the Exchange Act after the date of this prospectus supplement but before the end of the notes offering and that, in the case of any future filings on Form 6-K, are identified in such filing as being incorporated into this prospectus supplement or the attached prospectus.

The documents incorporated by reference in this prospectus supplement and the attached prospectus and, in particular, those set forth below contain important information about TOTAL and its financial condition. We incorporate by reference in this prospectus supplement and the attached prospectus the following documents:

TOTAL's Annual Report on Form 20-F for the year ended December 31, 2009, filed with the SEC on April 1, 2010;

TOTAL's Report on Form 6-K, furnished to the SEC on August 3, 2010; and

TOTAL's Report on Form 6-K, furnished to the SEC on September 8, 2010.

You should read *Where You Can Find More Information About Us* in the attached prospectus for information on how to obtain the documents incorporated by reference or other information relating to TOTAL.

GENERAL INFORMATION

No person has been authorized to provide you with information that is different from what is contained in, or incorporated by reference into, this prospectus supplement and the attached prospectus, and, if given or made, such information must not be relied upon as having been authorized. This prospectus supplement and the attached prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the notes to which it relates or an offer to sell or the solicitation of an offer to buy such notes by any person in any circumstances

in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement and the attached prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus supplement or that the information contained in this prospectus supplement and the attached prospectus is correct as of any time subsequent to its date.

The distribution of this prospectus supplement and the attached prospectus and the offering and sale of the notes in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus supplement and the attached prospectus come are required by us and the underwriters to inform themselves about and to observe any such restrictions.

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To the extent that the offer of the notes is made in any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the Prospectus Directive) before the date of publication of an approved prospectus in relation to such notes which has been approved by the competent authority in that Member State in accordance with the Prospectus Directive (or, where appropriate, published in accordance with the Prospectus Directive and notified to the competent authority in that Member State in accordance with the Prospectus Directive), the offer (including any offer pursuant to this document) is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive or has been or will be made otherwise in circumstances that do not require us to publish a prospectus pursuant to the Prospectus Directive.

In the United Kingdom, this prospectus supplement and the attached prospectus is only being distributed to and is only directed at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order) or (ii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). In the United Kingdom, this prospectus supplement and the attached prospectus and any of their contents must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this prospectus supplement relates is available only to relevant persons and will be engaged in only with relevant persons.

Total Capital s and TOTAL s headquarters are located at 2, place Jean Millier, La Défense 6, 92400 Courbevoie, France.

In this prospectus, references to United States dollars , U.S. dollars , dollars , US\$ and \$ are to the currency of the United States and references to euros and are to the single European currency adopted by certain participating member countries of the European Union.

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RISK FACTORS

Investing in the securities offered using this prospectus involves risk. You should consider carefully the risks described below, together with the risks described in the documents incorporated by reference into this prospectus, and any risk factors included in the attached prospectus, before you decide to buy our notes. If any of these risks actually occurs, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the securities offered using this prospectus could decline, in which case you may lose all or part of your investment.

Risks related to the offering and owning the notes

Since TOTAL is a holding company and currently conducts its operations through subsidiaries, your right to receive payments on the notes and the guarantee is subordinated to the other liabilities of TOTAL's subsidiaries.

TOTAL is organized as a holding company, and substantially all of its operations are carried on through subsidiaries. TOTAL's principal source of income is the dividends and distributions it receives from its subsidiaries. On an unconsolidated basis, TOTAL's obligations consisted of \$35,458 million of debt as of June 30, 2010. TOTAL's ability to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments. TOTAL's subsidiaries are not guarantors on the notes. Moreover, these subsidiaries and affiliated companies are not required and may not be able to pay dividends to TOTAL. Claims of the creditors of TOTAL's subsidiaries have priority as to the assets of such subsidiaries over the claims of creditors of TOTAL. Consequently, holders of Total Capital's notes that are guaranteed by TOTAL are in fact structurally subordinated, on TOTAL's insolvency, to the prior claims of the creditors of TOTAL's subsidiaries.

In addition, some of TOTAL's subsidiaries are subject to laws restricting the amount of dividends they may pay. For example, these laws may prohibit dividend payments when net assets would fall below subscribed share capital, when the subsidiary lacks available profits or when the subsidiary fails to meet certain capital and reserve requirements. For example, French law prohibits those subsidiaries incorporated in France from paying dividends unless these payments are made out of distributable profits. These profits consist of accumulated, realized profits, which have not been previously utilized, less accumulated, realized losses, which have not been previously written off. Other statutory and general law obligations may also affect the ability of directors of TOTAL's subsidiaries to declare dividends and the ability of our subsidiaries to make payments to us on account of intercompany loans.

Since the notes are unsecured, your right to receive payments may be adversely affected.

The notes will be unsecured. The notes are not subordinated to any of our other debt obligations, and therefore they will rank equally with all our other unsecured and unsubordinated indebtedness (save for certain mandatory exceptions provided by French law). There is no limitation on TOTAL's or Total Capital's ability to issue secured debt. As of June 30, 2010, TOTAL had approximately \$310 million of consolidated secured indebtedness outstanding and Total Capital had no secured indebtedness outstanding. If Total Capital, as issuer of the notes, defaults on the notes or TOTAL, as guarantor, defaults on the guarantee, or after bankruptcy, liquidation or reorganization, then, to the extent the relevant obligor has granted security over its assets, the assets that secure that entity's debts will be used to satisfy the obligations under that secured debt before the obligor can make payment on the notes or the guarantee. There may only be limited assets available to make payments on the notes or the guarantee in the event of an acceleration of the notes. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness (save for certain mandatory exceptions provided by French law).

At any point in time there may or may not be an active trading market for our notes.

At any point in time there may or may not be an active trading market for our notes. We have not and do not intend to list the notes on any securities exchange or automated quotation system. In addition, underwriters, broker-dealers and agents that participate in the distribution of the notes may make a market in the notes as permitted by applicable laws and regulations but will have no obligation to do so, and any such market-making activities with respect to the notes may be discontinued at any time without notice. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Among the factors that could cause the notes to trade at a discount are: an increase in prevailing interest rates; a decline in our credit worthiness; the time remaining to the maturity; a weakness in the market for similar securities; and declining general economic conditions.

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(Unaudited)

The following table sets out the unaudited consolidated capitalization and long-term indebtedness, as well as short-term indebtedness, of the Group as of June 30, 2010, prepared on the basis of IFRS.

(In millions of euros)	At June 30, 2010	
	Actual	As adjusted(1)
Current financial debt, including current portion of non-current financial debt		
Current portion of non-current financial debt	1,692	1,692
Current financial debt	6,829	6,829
Current portion of financial instruments for interest rate swaps liabilities	151	151
Other current financial instruments liabilities	227	227
Total current financial debt	8,899	8,899
Non-current financial debt	22,813	
Minority interests	858	858
Shareholders equity		
Common shares	5,872	5,872
Paid-in surplus and retained earnings	58,274	58,274
Currency translation adjustment	381	381
Treasury shares	(3,572)	(3,572)
Total shareholders equity	60,955	60,955
Total capitalization and non-current indebtedness	84,626	

(1) As adjusted to reflect the issuance of debt securities offered pursuant to this prospectus supplement translated from U.S. dollars into euro using the September 30, 2010 European Central Bank reference exchange rate of 1=\$ 0.75 for a total amount of 17,109 million.

As of June 30, 2010, TOTAL had an authorized share capital of 3,442,498,291 ordinary shares with a par value of 2.50 per share, and an issued share capital of 2,348,729,461 ordinary shares (including 114,148,378 treasury shares from shareholders equity).

As of June 30, 2010, approximately 310 million of TOTAL's non-current financial debt was secured and approximately 22,503 million was unsecured, and all of TOTAL's current financial debt of 6,829 million was unsecured. As of June 30, 2010, TOTAL had no outstanding guarantees from third parties relating to its consolidated indebtedness. For more information about TOTAL's commitments and contingencies, see Note 23 of the Notes to TOTAL's audited consolidated financial statements in its Annual Report on Form 20-F for the year ended December 31, 2009. Since June 30, 2010, Total Capital has issued \$442 million (or approximately 342 million using

the September 6, 2010 European Central Bank reference exchange rate of 1=€1.29) (after swaps) of non-current financial debt (of which \$70 million will settle on September 8, 2010). In addition, Total Capital on September 8, 2010 priced an issuance of 500 million principal amount of medium term notes. This transaction is expected to close on September 16, 2010.

Except as disclosed herein, there have been no material changes in the consolidated capitalization, indebtedness and contingent liabilities of TOTAL since June 30, 2010.

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DESCRIPTION OF NOTES

This section outlines the specific financial and legal terms of the notes that are more generally described under Description of Debt Securities and Guarantee beginning on page 7 of the prospectus that is attached to this prospectus supplement. If anything described in this section is inconsistent with the terms described under Description of Debt Securities and Guarantee in the attached prospectus, the terms described below shall prevail.

The term notes shall mean the notes of each series originally issued on the original issuance date taken together with any additional notes of the same series subsequently issued.

Issuer: Total Capital.

Guarantor: TOTAL S.A.

Title: % Guaranteed Notes due September , .

Total initial principal amount being issued: \$.

Public Offering Price: %.

Issuance date: September , 2010.

Maturity date: The notes will mature on September , .

Interest rate: The notes will bear interest at the rate of % per annum.

Day count: Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Date interest starts accruing: September , 2010.

Interest due dates: Each March and September .

First interest due date: March , 2011.

Regular record dates for interest: Each and .

Business Day: If any payment is due in respect of the notes on a day that is not a business day, it will be made on the next following business day, provided that no interest will accrue on the payment so deferred. A business day for these purposes is any weekday on which banking or trust institutions in the City of New York are not authorized generally or obligated by law, regulation or executive order to close.

Guarantee: Payment of the principal of, premium, if any, and interest on the notes is guaranteed by TOTAL. For more information about the guarantee, you should read Description of Debt Securities and Guarantee beginning on page 7 of the attached prospectus.

Ranking: The notes and the guarantees will constitute unsecured and unsubordinated indebtedness of Total Capital and TOTAL S.A., respectively, and will rank equally with all other unsecured and unsubordinated

indebtedness from time to time outstanding.

Name of depository: The Depository Trust Company, commonly referred to as DTC .

Form of notes: The notes will be issued as one or more global securities. You should read Description of Debt Securities and Guarantee Legal Ownership Global Securities beginning on page 9 of the attached prospectus for more information about global securities. The notes will be issued in the form of global securities deposited with DTC and registered in the name of Cede & Co, as the nominee of DTC. Beneficial interests in the notes may be held through DTC, Clearstream or Euroclear. For more information

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about global securities held through DTC, Clearstream or Euroclear, you should read Clearance and Settlement beginning on page 18 of the prospectus.

Redemption: The notes are not redeemable, except (i) as described under Description of Debt Securities and Guarantee Optional Tax Redemption beginning on page 16 of the attached prospectus; the provisions for optional tax redemption described therein will apply to changes in tax treatment occurring after the issuance date; at maturity, the notes will be repaid at par; and (ii) as described below under Optional make-whole redemption .

Optional make-whole redemption: We have the right to redeem the notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of payments of interest accrued to the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus basis points, plus accrued and unpaid interest to the date of redemption.

For purposes of determining the optional make-whole redemption price, the following definitions are applicable.

Treasury rate means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity or interpolated (on a day count basis) of the comparable treasury issue, assuming a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

Comparable treasury issue means the U.S. Treasury security or securities selected by the quotation agent as having an actual or interpolated maturity comparable to the remaining term of the applicable series of notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable treasury price means, with respect to any redemption date, the average of the reference treasury dealer quotations for such redemption date.

Quotation agent means one of the reference treasury dealers appointed by us. *Reference treasury dealer* means each of , and or its affiliates which are primary U.S. government securities dealers, and their respective successors, and three other primary U.S. government securities dealers selected by us, provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the United States (a primary treasury dealer), we shall substitute therefor another primary treasury dealer.

Reference treasury dealer quotations means with respect to each reference treasury dealer and any redemption date, the average, as determined by the quotation agent, of the bid and asked prices for the comparable treasury issue (expressed in each case as a percentage of its principal amount) quoted in writing to the quotation agent by such reference treasury dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

Additional Amounts: We will make payments on the notes without withholding any taxes unless otherwise required to do so by law. If the Republic of France or any tax authority therein requires Total Capital or TOTAL to withhold or deduct amounts from payment on a note or any amounts to be paid under the guarantee in respect of the notes or as additional amounts for or on account of taxes or any other governmental charges, or any other jurisdiction requires such withholding or deduction as a result of a merger or similar event, Total Capital or TOTAL may be required to pay you an additional amount so that the net amount you receive will be

the amount specified in the note to which you are entitled as more fully described in the attached prospectus.

Sinking fund: There is no sinking fund.

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Trustee: Total Capital will issue the notes under an indenture with The Bank of New York Mellon, as trustee, entered into on October 2, 2009, which is referred to on page 7 of the attached prospectus.

Net proceeds: The net proceeds will be \$ (before expenses).

Listing: We do not plan to have the notes listed on any securities exchange or included in any quotation system.

Risk factors: You should read carefully all of the information in this prospectus supplement and the attached prospectus, which includes information incorporated by reference. In particular, you should evaluate the specific factors under Risk Factors beginning on page S-3 of this prospectus supplement, on page 4 of the attached prospectus and on page 4 of our Annual Report on Form 20-F for the fiscal year ended December 31, 2009 for risks involved with an investment in the notes.

Further issues: We may issue notes of the same series as the notes offered hereby without the consent of holders of such notes. Any additional notes so issued will have the same terms as the existing notes in all respects (except for the first interest payment on the new notes, if any), so that such additional notes will be consolidated and form a single series with the existing notes.

Governing law and jurisdiction: The indenture and the notes are governed by New York law. Any legal proceeding arising out of or based upon the indenture and the notes may be instituted in any state or federal court in the Borough of Manhattan in New York City, New York.

Timing and delivery: We currently expect delivery of the notes to occur on or about September , 2010, which will be the fifth business day following the initial date of trading of the notes (such settlement cycle being referred to as T+5). Under applicable rules and regulations, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the initial trading date of the notes and the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of notes who wish to trade notes on the initial date of trading of the notes or the next succeeding business day should consult their own advisor.

CUSIP/ISIN -Year Notes: / .

USE OF PROCEEDS

We estimate that the net proceeds (after deducting underwriting discounts and commissions but before expenses of the offering) from the sale of the notes will be approximately \$. We intend to use the proceeds from the sale of the notes for general corporate purposes.

EXCHANGE RATE INFORMATION

TOTAL publishes its consolidated financial statements in euros. As used in this prospectus supplement, the term Noon Buying Rate refers to the rate of exchange for euros, expressed in U.S. dollars per euro, as announced by The Federal Reserve Bank of New York for customs purposes as the rate in The City of New York for cable transfers payable in foreign currencies. Effective January 1, 2009, The Federal Reserve Bank discontinued the daily publication of Noon Buying Rates.

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The following tables set out the average dollar/euro exchange rate for the years indicated, based on the Noon Buying Rate expressed in dollars per 1.00. Such rates are not used by TOTAL in preparation of its consolidated financial statements. No representation is made that the euro could have been converted into dollars at the rates shown or at any other rates for such periods or at such dates.

DOLLAR/EURO EXCHANGE RATES

Year	Average Rate (a)
2005	1.24
2006	1.26
2007	1.37
2008	1.47
2009	1.40

(a) The average of the Noon Buying Rate expressed in dollars/euro on the last business day of each full month during the relevant year.

The table below shows the high and low dollar/euro exchange rates for the six months listed below based on the Noon Buying Rate expressed in dollars per euro.

DOLLAR/EURO EXCHANGE RATES

Period	High	Low
March 2010	1.38	1.33
April 2010	1.37	1.31
May 2010	1.32	1.22
June 2010	1.24	1.20
July 2010	1.31	1.25
August 2010	1.33	1.26

The European Central Bank reference exchange rate on September 6, 2010 for the dollar against the euro was \$1.29/ .

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Subject to the terms and conditions of the Purchase Agreement with Total Capital and TOTAL, dated the date of this prospectus supplement, each of the underwriters has severally agreed to purchase, and we have agreed to sell to each underwriter, the principal amount of notes set forth opposite the name of each underwriter:

Underwriters	Principal Amount of the Notes
BNP Paribas Securities Corp.	\$
Deutsche Bank Securities Inc.	\$
Morgan Stanley & Co. Incorporated	\$
Total	\$

The notes are a new issue of securities with no established trading market. We do not plan to have the notes listed on any securities exchange or included in any quotation system and there may be little or no secondary market for the notes. Total Capital and TOTAL have been advised by the underwriters that they intend to make a market in the notes but are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the notes.

Delivery of the notes will be made against payment on September , 2010. Under Rule 15c6-1 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, trades of securities in the secondary market generally are required to settle in three business days, referred to as T+3, unless the parties to a trade agree otherwise. Accordingly, by virtue of the fact that the initial delivery of the notes will not be made on a T+3 basis, investors who wish to trade the notes before a final settlement will be required to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. See Description of Notes Timing and Delivery.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters and their affiliates have provided from time to time, and expect to provide in the future, investment and commercial banking and financial advisory services (including entering into swap arrangements) to TOTAL and its affiliates in the ordinary course of business, for which they have received and may continue to receive customary fees and commissions.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The underwriters have advised us that they propose to offer the notes, initially, to the public at the public offering price on the cover of this prospectus supplement and may offer notes to dealers at that price less a concession not in excess of % of the principal amount of the notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of % of the principal amount of the notes to other dealers. After the initial public offering, the public offering price may be changed. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding

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a decline in the market price of the notes while the offering is in progress. The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

Total Capital and TOTAL have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Each underwriter has represented, warranted and agreed that:

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), 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 the notes which are the subject of the offering contemplated in this prospectus supplement (the Offered Securities) 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 such Offered Securities to the public in that Relevant Member State:

(a) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000; and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or

(c) at any time in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of notes within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the underwriters which constitute a final offering of notes contemplated in this prospectus supplement.

For the purposes of this provision, the expression an offer of the Offered Securities to the public in relation to any Offered Securities 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 Offered Securities to be offered so as to enable an investor to decide to purchase or subscribe the Offered Securities, 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.

This European Economic Area selling restriction is in addition to the other selling restrictions set out below.

France

Each underwriter has represented, warranted and agreed that:

(a) no prospectus (including any amendment, supplement or replacement thereto) or any other offering material in connection with the offering of the Offered Securities has been submitted to the clearance procedures of the *Autorité des marchés financiers* or of the competent authority of another State that is a contracting party to the Agreement on the European Economic Area and notified to the *Autorité des marchés financiers*;

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(b) it has not offered or sold and will not offer or sell, directly or indirectly, the Offered Securities to the public in France, and has not released, issued, distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the Offered Securities, the Prospectus or any other offering material relating to the Offered Securities, and that such offers, sales and distributions have been and shall be made in France only (i) to qualified investors (*investisseurs qualifiés*) and/or a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account and as provided in Articles L. 411-2, D. 411-1 to D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*, or (ii) to investment services providers authorized to engage in portfolio management on behalf of third parties, or (iii) in a transaction that, in accordance with Article L.411-2-I-1°-or-2° -or 3° of the French *Code monétaire et financier* and Article 211-2 of the General Regulations (*Règlement Général*) of the *Autorité des Marchés Financiers*, does not constitute an offer of securities to the public (*offre au public de titres financiers*); and

(c) the Offered Securities may be resold only in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*.

United Kingdom

Each underwriter has represented, warranted and agreed that:

(a) 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 Financial Services and Markets Act 2000 (the FSMA)) received by it in connection with the issue or sale of any Offered Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Company or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Offered Securities in, from or otherwise involving the United Kingdom.

Canada

Each underwriter has represented, warranted and agreed not to offer, sell, solicit an offer to purchase or take any other action in furtherance of a trade in the debt securities in Canada or any province or territory thereof unless such offer, sale, solicitation or other action is made pursuant to an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable provincial or territorial securities laws or, alternatively, pursuant to an exemption from the dealer registration requirement in the relevant province or territory of Canada in which such offer, sale, solicitation or other action is made or taken.

Hong Kong

Each underwriter has represented, warranted and agreed that:

The Offered Securities may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Offered Securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Offered Securities which are or are intended to be disposed of only to persons outside

Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.