

HARDING JOHN R
Form 3
August 30, 2012

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2015
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *			2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â HARDING JOHN R			(Month/Day/Year)	ADVANCED MICRO DEVICES INC [AMD]	
(Last)	(First)	(Middle)	08/28/2012	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
ADVANCED MICRO DEVICES, INC.,Â ONE AMD PLACE				(Check all applicable)	
(Street)				<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
SUNNYVALE,Â CAÂ 94088-3453				<input type="checkbox"/> Officer	<input type="checkbox"/> Other
(City)	(State)	(Zip)		(give title below)	(specify below)
				6. Individual or Joint/Group Filing(Check Applicable Line)	
				<input checked="" type="checkbox"/> Form filed by One Reporting Person	
				<input type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	0	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	

Shares (I)
(Instr. 5)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARDING JOHN R ADVANCED MICRO DEVICES, INC. ONE AMD PLACE SUNNYVALE, CA 94088-3453	X			

Signatures

John R. Harding 08/29/2012

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

- (a) *Exercise price as of May 24, 2006. To take into account the four-for-one stock split that took place on May 18, 2006, the exercise price of stock options from plans then effective has been divided by four. In addition, to take into account the spin-off of Arkema, the exercise price of stock options was multiplied by an adjustment ratio of 0.986147, effective as of May 24, 2006. Exercise prices prior to May 24, 2006, are shown in Note 25 to the Consolidated Financial Statements.*
- (b) *The number of options awarded before May 23, 2006, has been multiplied by four to take into account the four-for-one stock split approved by the Shareholders Meeting on May 12, 2006.*
- (c) *Adjustments approved by the Board on its meeting on March 14, 2006 pursuant to Articles 174-9, 174-12 and 174-13 of Decree No. 67-236 dated March 23, 1967 in effect at the time of the Board meeting and at the time of the Shareholders Meeting on May 12, 2006, related to the spin-off of Arkema. These adjustments were made on May 22, 2006 effective as of May 24, 2006.*
- (d) *113,576 options that were not exercised expired due to the expiry of the 2002 purchase option plan on July 9, 2010.*
- (e) *The acquisition rate applicable to the subscription options that were subject to the performance condition of the 2008 plan was 60%.*

As part of the 2007, 2008, 2009 and 2010 plans, the Board has conditioned the grant of these options to the Chairman and Chief Executive Officer on the satisfaction of performance conditions. For the 2008 plan, the acquisition rate, linked to the performance condition, was 60%.

As of December 31, 2010, the outstanding options of the Chairman and Chief Executive Officer represented 0.056%⁽¹⁾ of the Company's potential share capital as of such date.

(1) *Out of a total potential share capital of 2,398,908,757 shares.*

Table of Contents

STOCK OPTIONS AWARDED TO THE TEN EMPLOYEES (OTHER THAN DIRECTORS) RECEIVING THE LARGEST AWARDS / STOCK OPTIONS EXERCISED BY THE TEN EMPLOYEES (OTHER THAN DIRECTORS) EXERCISING THE LARGEST NUMBER OF OPTIONS

	Total number of options awarded/ options exercised	Exercise price ()	Grant date^(a)	Expiry date
Options awarded in 2010 to the ten employees of TOTAL S.A., or any company in the Group, receiving the largest number of options	742,000	38.20	09/14/2010	09/14/2018
Options exercised in 2010 by the ten employees of	75,858	39.03	07/09/2002	07/09/2010
TOTAL S.A., or any company in the Group,	79,793	32.84	07/16/2003	07/16/2011
exercising the largest number of options ^(b)	24,000	39.30	07/20/2004	07/20/2012
	179,651	36.32^(c)		

(a) *The grant date is the date of the Board meeting awarding the options.*

(b) *Exercise price as of May 24, 2006. To take into account the four-for-one stock split that took place on May 18, 2006, the exercise price of stock options from plans then effective has been divided by four. In addition, to take into account the spin-off of Arkema, the exercise price of stock options was multiplied by an adjustment ratio of 0.986147, effective as of May 24, 2006. Exercise prices prior to May 24, 2006, are shown in Note 25 to the Consolidated Financial Statements.*

(c) *Weighted-average price.*

Table of Contents**TOTAL restricted share grants****GLOBAL FREE TOTAL SHARE PLAN**

In addition to the restricted shares granted, the Board of Directors decided at its meeting on May 21, 2010, to implement a global free share plan intended for all the Group employees, that is more than 100,000 employees. On June 30, 2010, rights to 25 free shares were granted to every employee. The shares are subject to a vesting period of two to four years depending on the case. However, the shares awarded are not subject to a performance condition. Following the vesting period, the shares will be issued.

BREAKDOWN OF RESTRICTED TOTAL SHARE GRANTS

The following table gives a breakdown of restricted share grants by category of grantee (executive officers, senior managers and other employees).

		Number of beneficiaries	Number of shares awarded^(a)	Percentage	Average number of restricted shares per beneficiary
2005 Plan ^(b)	Executive officers ^(c)	29	13,692	2.4%	472
Decision of the Board on July 19, 2005	Senior managers	330	74,512	13.1%	226
	Other employees ^(d)	6,956	481,926	84.5%	69
	Total	7,315	570,130	100%	78
2006 Plan ^(b)	Executive officers ^(c)	26	49,200	2.2%	1,892
Decision of the Board on July 18, 2006	Senior managers	304	273,832	12.0%	901
	Other employees ^(d)	7,509	1,952,332	85.8%	260
	Total	7,839	2,275,364	100%	290
2007 Plan ^(b)	Executive officers ^(c)	26	48,928	2.1%	1,882
Decision of the Board on July 17, 2007	Senior managers	297	272,128	11.5%	916
	Other employees ^(d)	8,291	2,045,309	86.4%	247
	Total	8,614	2,366,365	100%	275
2008 Plan ^(b)	Executive officers ^(c)	25	49,100	1.8%	1,964
Grant on October 9, 2008, by decision of the Board on September 9, 2008	Senior managers	300	348,156	12.5%	1,161
	Other employees ^(d)	9,028	2,394,712	85.8%	265
	Total	9,353	2,791,968	100%	299
2009 Plan	Executive officers ^(c)	25	48,700	1.6%	1,948
Decision of the Board on September 15, 2009	Senior managers	284	329,912	11.1%	1,162
	Other employees ^(d)	9,693	2,593,406	87.3%	268
	Total	10,002	2,972,018	100%	297
2010 Plan ^(e)	Executive officers ^(c)	24	46,780	1.6%	1,949

Edgar Filing: HARDING JOHN R - Form 3

Decision of the Board on September 14, 2010	Senior managers	283	343,080	11.4%	1,212
	Other employees ^(d)	10,074	2,620,151	87.0%	260
	Total	10,381	3,010,011	100%	290

- (a) *The number of restricted shares awarded shown in this table has not been recalculated to take into account the four-for-one stock split approved by the Shareholders Meeting on May 12, 2006.*
- (b) *For the 2005, 2006 and 2007 plans, the acquisition rates of the shares awarded, linked to the performance conditions, were 100%. For the 2008 plan, the acquisition rate, linked to the performance condition, was 60%.*
- (c) *Members of the Management Committee and the Treasurer as of the date of the Board meeting granting the restricted shares. The Chairman of the Board and the Chief Executive Officer were not awarded any restricted shares.*
- (d) *Mr. Clément, employee of Total Raffinage Marketing, a subsidiary of TOTAL S.A. and the director of TOTAL S.A. representing employee shareholders, was awarded 320 restricted shares under the 2005 plan, 200 restricted shares under the 2007 plan, 500 restricted shares under the 2008 plan and 240 restricted shares under the 2010 plan.*
- (e) *Excluding free shares granted as part of the 2010 global free share plan.*

The grant of these restricted shares, which were bought back by the Company on the market, will become final after a 2-year vesting period. This final grant is subject to continued employment and condition performances. Moreover, the transfer of the restricted shares will not be permitted until the end of a 2-year mandatory holding period.

Table of Contents**RESTRICTED SHARE PLANS AS OF DECEMBER 31, 2010**

	2005 Plan^(a)	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan
Date of the Shareholders Meeting	05/17/2005	05/17/2005	05/17/2005	05/16/2008	05/16/2008	05/16/2008
Grant date^(b)	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010
Closing price on grant date ^(c)	52.13	50.40	61.62	35.945	41.615	39.425
Average repurchase price per share paid by the Company	51.62	51.91	61.49	41.63	38.54	39.11
Total number of restricted shares awarded, including to Directors ^(d)	2,280,520 416	2,275,364 416	2,366,365 432	2,791,968 588	2,972,018	3,010,011 240
Ten employees with largest grants ^(e)	20,000	20,000	20,000	20,000	20,000	20,000
Start of the vesting period:	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010
Date of final grant, subject to specific condition (end of the vesting period)	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	09/15/2012
Transfer possible from (end of the mandatory holding period)	07/20/2009	07/19/2010	07/18/2011	10/10/2012	09/16/2013	09/15/2014
Number of restricted shares:						
Outstanding as of January 1, 2010				2,762,476	2,966,036	
Awarded in 2010						3,010,011

Canceled in 2010 ^(f)	1,024 ^(h)	3,034 ^(h)	552 ^(h)	(1,113,462)	(9,796)	(8,738)
Finally granted in 2010 ^(g)	(1,024) ^(h)	(3,034) ^(h)	(552) ^(h)	(1,649,014)	(1,904)	(636)
Outstanding as of December 31, 2010					2,954,336	3,000,637

- (a) *The number of restricted shares awarded has been multiplied by four to take into account the four-for-one stock split approved by TOTAL Shareholders Meeting on May 12, 2006.*
- (b) *The grant date is the date of the Board meeting awarding the restricted share grant, except for the restricted shares awarded on October 9, 2008, approved by the Board on September 9, 2008.*
- (c) *To take into account the four-for-one stock split in May 18, 2006, the closing price for TOTAL shares on July 19, 2005, (208.50) has been divided by four.*
- (d) *Mr. Desmarest, Chairman of the Board of Directors until May 21, 2010, was not awarded any restricted shares under the 2005, 2006, 2007, 2008 2009 and 2010 plans. Furthermore, Mr. de Margerie, director of TOTAL S.A. since May 12, 2006, Chief Executive Officer of TOTAL S.A. since February 14, 2007, and Chairman and Chief Executive Officer of TOTAL S.A. since May 21, 2010, was not awarded any restricted shares under the 2006, 2007, 2008, 2009 and 2010 plans. Mr. de Margerie was finally awarded on July 20, 2007, the 2,000 restricted shares he had been awarded under the 2005 plan since he was not a director of TOTAL S.A as of the date of the grant. In addition, Mr. Boeuf, director of TOTAL S.A. representing employee shareholders until December 31, 2009, was awarded restricted shares under the plans approved by the Board of Directors of TOTAL S.A. on July 19, 2005, July 18, 2006, July 17, 2007 and September 9, 2008. Mr. Boeuf was not awarded any restricted shares under the plan approved by the Board of Directors of TOTAL S.A. on September 15, 2009. Mr. Clément, director of TOTAL S.A. representing employee shareholders since May 21, 2010, was awarded 240 restricted shares under the plan approved by the Board of Directors of TOTAL S.A. on September 14, 2010. In addition, Mr. Clément was finally awarded 300 shares on October 10, 2010, under the restricted share plan approved by the Board of Directors of TOTAL S.A. on September 9, 2008.*
- (e) *Employees of TOTAL S.A., or of any Group company, who were not directors of TOTAL S.A. as of the date of grant.*
- (f) *Out of the 1,113,462 canceled rights to the grant share under the 2008 plan, 1,094,914 entitlement rights were canceled due to the performance condition. The acquisition rate for the 2008 plan was 60%.*
- (g) *For the 2009 and 2010 plans, final grants following the death of the beneficiary.*
- (h) *Restricted shares finally awarded for which the entitlement right had been canceled erroneously.*

In case of a final grant of the outstanding restricted shares as of December 31, 2010, the corresponding shares would represent 0.25%⁽¹⁾ of the Company's potential share capital as of such date.

- (1) *Out of a total potential share capital of 2,398,908,757 shares.*

Table of Contents**GLOBAL FREE SHARE PLAN AS OF DECEMBER 31, 2010**

	2010 plan (2+2)	2010 plan (4+0)	Total
Date of the Shareholders Meeting	05/16/2008	05/16/2008	
Grant date^(a)	06/30/2010	06/30/2010	
Final grant date (end of vesting period)	07/01/2012	07/01/2014	
Transfer possible from	07/01/2014	07/01/2014	
Number of restricted shares awarded			
Outstanding as of January 1, 2008			
Awarded			
Canceled			
Finally granted			
Outstanding as of January 1, 2009			
Awarded			
Canceled			
Finally granted			
Outstanding as of January 1, 2010			
Awarded	1,508,850	1,070,650	2,579,500
Canceled	(125)	(75)	(200)
Finally granted ^(c)	(75)		(75)
Outstanding as of December 31, 2010	1,508,650	1,070,575	2,579,225

(a) The June 30, 2010 grant was decided by the Board of Directors on May 21, 2010.

(b) Final grant following the death or disability of the beneficiary of the shares.

In case of a final grant of the outstanding shares as of December 31, 2010, the corresponding shares would represent 0.11%⁽¹⁾ of the Company's potential share capital as of such date.

RESTRICTED SHARE GRANTS TO THE TEN EMPLOYEES (OTHER THAN DIRECTORS) RECEIVING THE LARGEST AMOUNT OF GRANTS / RESTRICTED SHARE FINALLY AWARDED TO THE TEN EMPLOYEES (OTHER THAN DIRECTORS) RECEIVING THE LARGEST AMOUNT OF SHARES

	Restricted share grants / Shares finally awarded	Grant date	Date of final grant	End of mandatory holding period
Restricted share grants approved by the Board meeting on September 14, 2010 to the ten TOTAL S.A. employees (other than directors) receiving the largest amount of grants ^(a)	20,000 ^(b)	09/14/2010	09/15/2012	09/15/2014
Restricted share finally awarded in 2010 following the restricted share plan approved by the	12,000	10/09/2008	10/10/2010	10/10/2012

Board meeting on September 9, 2008, to the ten employees (other than directors) receiving the largest amount of shares^(c)

- (a) *Grant approved by the Board on September 14, 2010. Grants of these restricted shares will become final, subject to a performance condition, after a 2-year vesting period, i.e. on September 15, 2012. Moreover, the transfer of the restricted shares will not be permitted until the end of a 2-year mandatory holding period, i.e. on September 15, 2014.*
- (b) *In addition, as of June 30, 2010, as part of the global free share plan, the ten employees were granted rights to twenty-five free shares.*
- (c) *Restricted share plan approved by the Board of Directors on September 9, 2008, and awarded on October 9, 2008. Grants of these restricted shares will become final, subject to a performance condition, after a 2-year vesting period, i.e. on October 10, 2010. The acquisition rate of the shares awarded, linked to the performance condition, was 60%. Moreover, the transfer of the restricted shares finally awarded will only be permitted after the end of a 2-year mandatory holding period, i.e. from October 10, 2012.*

(1) *Out of a total potential share capital of 2,398,908,757 shares.*

Table of Contents

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 by the principal French business confederations, the *Association Française des Entreprises Privées* (AFEP) and the *Mouvement des Entreprises de France* (MEDEF) (AFEP-MEDEF Code) as its reference for corporate governance matters.

The AFEP-MEDEF Code was amended in April 2010 to make recommendations related to the balanced number of men and women sitting in Board and Committees meetings. The code recommends that a target of at least 20% of women be reached before April 2013 and at least 40% before April 2016. As of December 31, 2010, the Company's Board of Directors was comprised of two women out of a total of fifteen members (*i.e.*, 13%). At the Shareholders Meeting in May 2011, it will be proposed to appoint two additional women to replace two directors whose terms are coming to an end. If the resolutions are approved by the Shareholders Meeting, the percentage of women sitting in the Board will rise to 26%. The Board of Directors will keep examining corporate governance issues to continue diversifying in the years to come.

The Company's corporate governance practices differ from the recommendations contained in the AFEP-MEDEF Code on the following limited matters:

The AFEP-MEDEF Code recommends that a director no longer be considered as independent upon the expiry of the term of office during which the length of his service on the board reaches twelve years. The Board has not followed this recommendation with regards to one of its members considering the long-term nature of its investments and operation as well as the experience and authority of which this director is in possession, which reinforce his independence and contribute to the Board's work. This directorship expired on May 21, 2010.

Mr. Desmarest chairs the Nominating & Governance Committee since it was created in February 2007. Although Mr. Desmarest chaired the Board of Directors until May 2010, the Board and this Committee considered that Mr. Desmarest chairing the Nominating & Governance Committee would enable this Committee to benefit from his experience and his knowledge of the Company's businesses, environment and executive teams, which is particularly useful to inform the Committee's deliberations concerning the appointment of executives and directors. This committee is comprised of a majority of independent directors and the Chairman and the Chief Executive Officer do not attend deliberations concerning their own situation.

Mr. Desmarest, who was appointed Honorary Chairman of TOTAL and renewed as a director on May 21, 2010, can still be entrusted with representative missions for the Group.

In compliance with the AFEP-MEDEF Code, the Chairman and Chief Executive Officer does not have any employment contract with the Group or any company of the Group.

Since 2004, the Board of Directors has had a Financial Code of Ethics that, in the overall context of the Group's Code of Conduct, sets forth specific rules for its Chairman, Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and the financial and accounting officers for its principal activities. The Board has made the Audit Committee responsible for implementing and ensuring compliance with this code.

In 2005, the Board approved the procedure for alerting the Audit Committee of complaints or concerns regarding accounting, internal accounting controls or auditing matters.

Rules of procedure of the Board of Directors

At its meeting on February 13, 2007, the Board of Directors adopted rules of procedure to replace the Directors Charter.

The Board's rules of procedure specify the obligations of each director and set forth the mission and working procedures of the Board of Directors. They also define the respective responsibilities and authority of the Chairman and of the Chief Executive Officer. It is reviewed on a regular basis to match the changes in rules and practices related to governance.

An unabridged version of these rules of procedure is available herein.

Mission of the Board of Directors

The mission of the Board of Directors is to determine the strategic direction of the Group and supervise the implementation of this vision. With the exception of the powers and authority expressly reserved for shareholders

Table of Contents

and within the limits of the Company's legal purpose, the Board may address any issue related to the operation of the Company and take any decision concerning the matters falling within its purview. Within this framework, the Board's duties and responsibilities include, but are not limited to, the following:

- appointing the Chairman and the Chief Executive Officer and supervising the handling of their responsibilities;
- defining the Company's strategic orientation and, more generally, that of the Group;
- approving investments or divestments under study by the Group that concern amounts greater than 3% of shareholders' equity, whether or not the project is part of the announced strategy;
- reviewing information on significant events related to the Company's affairs, in particular for investments or divestments that are greater than 1% of shareholders' equity;
- conducting audits and investigations as it may deem appropriate. The Board, with the assistance of the Audit committee where appropriate, ensures that:
 - authority within the Company has been properly delegated before it is exercised, and that the various entities of the Company respect the authority, duties and responsibilities they have been given;
 - no individual is authorized to contract on behalf of the Company or to commit to pay, or to make payments, on behalf of the Company, without proper supervision and control;
 - the internal control function operates properly and that the statutory auditors are able to conduct their audits under appropriate circumstances; and
 - the committees it has created duly perform their responsibilities;
- monitoring the quality of the information provided to the shareholders and the financial markets through the financial statements that it approves and the annual reports, or when major transactions are conducted;
- convening and setting the agenda for Shareholders' Meetings;
- preparing, for each year, a list of the directors it deems to be independent under generally recognized corporate governance criteria; and
- the Board of Directors is regularly informed, through the Audit Committee, of the Group's financial position, cash position and obligations.

Directors' obligations

Before accepting a directorship, every candidate receives a copy of TOTAL S.A.'s by-laws and Rules of Procedures. He ensures that he has broad knowledge of the general and particular commitments related to his duty, especially the laws and regulations governing directorships in French limited liability companies (*société anonyme*) whose shares are listed in one or several regulated markets.

Accepting a directorship involves upholding the Rules of Procedures and the Group's values as described in its Code of Conduct.

When directors participate in and vote at Board meetings, they are required to represent the interest of the shareholders and the Company as a whole.

Independence of judgment: Directors undertake, under any circumstance, to maintain the independence of their analysis, judgment, decision making and actions as well as not to be unduly influenced, directly or indirectly, by other directors, particular groups of shareholders, creditors, suppliers and, more generally, any third-party.

Preparation of each Board's meeting: Directors undertake to devote the amount of time required to consider the information they are given and otherwise prepare for meetings of the Board and of the committees on which they sit. Directors may request any additional information that they feel is necessary or useful from the Chairman and Chief Executive Officer. Directors, if they consider it necessary, may request training on the Company's specificities, businesses and activities.

Directors attend all Board meetings and all committees or Shareholders Meetings, unless they have previously contacted the Chairman to inform him of scheduling conflicts.

Files reviewed at each meeting of the Board as well as the information collected before or during the meetings are confidential. Directors cannot use them for or share them with a third party whatever the reason. Directors take any necessary measures to keep them confidential. Confidentiality and privacy are lifted when such information are made publicly available by the Company.

The Chairman of the Board makes sure that the Company provides the directors with the relevant information, including criticisms, in particular financial statement reports and press releases.

Duty of loyalty: Directors cannot take advantage of his office or duties to ensure, for himself or a third party, any monetary or non-monetary benefit.

Table of Contents

They notify the Board of Directors any potential conflicts of interest with the Company or any other company of the Group. They refrain from participating in the vote relating to the corresponding resolution or even to the debate preceding the vote.

Directors must inform the Board of Directors of their entering in a transaction that involves directly the Company or any other company of the Group before such transaction is closed.

Directors cannot take any responsibility in a personal capacity in companies or businesses that are competing with the Company or any other company of the Group without previously informing the Board.

Directors are committed not to seek or accept directly or indirectly from the Company or any other company of the Group benefits that may be considered as compromising their independence.

Duty of expression: Directors are committed to clearly expressing their opposition if they deem that a decision made by the Board of Directors is contrary to the Company's corporate interest and should strive to convince the Board of the relevancy of their position.

Company's securities and stock exchange rules: While in office, directors are required to hold the minimum number of registered shares as set by the Company's by-laws (*i.e.*, 1,000 shares with the exception of the director representing employee shareholders for whom the requirements are more flexible).

Directors refrain from trading any shares and ADRs of TOTAL S.A. and its publicly traded subsidiaries for which they hold non-public information that could impact the securities market value. To this purpose, directors act in compliance with the following procedures:

any shares and ADRs of TOTAL S.A. and its publicly traded subsidiaries are to be held in registered form, either bearer shares with the Company or its agent (currently BNP-Paribas Securities Services for TOTAL shares and Bank of New-York Mellon for TOTAL ADRs), or administered registered shares with a French broker (or U.S. broker for ADRs) whose contact details are communicated to the Board's Secretariat by the director; buying on margin or short selling (Paris option market (MONEP), warrants, exchangeable obligations, etc.) those same securities is also prohibited;

any transaction of the TOTAL share (or ADR) is strictly prohibited, including hedging transactions, on the day when the Company discloses its periodic earnings (quarterly, interim and annual) as well as the fifteen calendar days preceding such date; and

directors make all necessary arrangements to declare to the French Financial Markets Authority (*Autorité des marchés financiers*) and inform the Board's secretary, under the form and timeframe provided for by applicable laws, of any transaction on the company's securities entered into by himself or any other individual with whom he is closely related.

Board of Directors practices

The Board of Directors meets at least four times a year and as often as circumstances may require.

Before each meeting of the Board, the agenda is sent out to directors and, whenever possible, it is sent together with the documents that are necessary to consider.

Directors can delegate their authority to another director at the meetings of the Board, within the limit of one delegation per director per meeting.

Whenever authorized by the law, those directors attending the meeting of the Board via video conference (in compliance with the technical requirements set by applicable regulations) are considered present for the calculation of the quorum and majority.

The Board allocates directors' fees, and may allocate additional directors' fees, to directors who participate on specialized committees within the total amount established by the Shareholders' Meeting. The Chairman and the Chief Executive Officer are not awarded directors' fees for their work on the Board and Committees.

The Board of Directors, based on the recommendation of its Chairman, appoints a Secretary. Every member of the Board of Directors can refer to the Secretary and benefit from his assistance. The Secretary is responsible for the working procedures of the Board of Directors. The Board shall review such procedures periodically.

The Board conducts, at regular intervals not to exceed three years, an assessment of its practices. Such assessment is carried out under the supervision of an independent director or with the contribution of an outside counsel. In addition, the Board of Directors conducts an annual discussion of its methods.

Responsibility and authority of the Chairman

The Chairman represents the Board, and, except under exceptional circumstances, is the sole member authorized to act and speak on behalf of the Board.

Table of Contents

He is responsible for organizing and presiding over the Board's activities and monitors corporate bodies to ensure that they are functioning effectively and respecting corporate governance principles. He coordinates the activity of the Board and its committees. He sets the agenda for the meeting by including the issues proposed by the Chief Executive Officer.

He ensures that directors have in due course clear and appropriate information that are necessary to carry out their duties.

He is responsible, with the Group's management, for maintaining relations between the Board and the Company's shareholders. He monitors the quality of the information disclosed by the Company.

In close cooperation with the Group's management, he may represent the Group in high level discussions with government authorities and the Group's important partners, on both a national and international level.

He is regularly informed by the Chief Executive Officer of events and situations that are important for the Group relating to the strategy, organization, monthly financial reporting, major investment and divestment projects and major financial operations. He may request that the Chief Executive Officer provide any useful information for the Board or its committees to carry out their duties.

He may also work with the statutory auditors to prepare matters before the Board or the Audit Committee.

He presents every year in a report to the Shareholders' Meeting, practices of the Board of Directors and potential limits set by the Board of Directors concerning the powers of the Chief Executive Officer. For this purpose, he receives from the Chief Executive Officer the relevant information.

Authority of the Chief Executive Officer

The Chief Executive Officer is responsible for the general management of the Company. He chairs the Group's Executive Committee and Management Committee. Subject to the Company's corporate governance rules and in particular the Rules of Procedures of the Board of Directors (see above: the Board of Directors' mission), he has the full extent of authority to act on behalf of the Company in all instances, with the exception of actions that are, by law, reserved to the Board of Directors or to Shareholders' Meetings.

The Chief Executive Officer is responsible for periodic reporting of the Group's results and outlook to shareholders and the financial community.

At each meeting of the Board, the Chief Executive Officer reports the highlights in the Group's activity.

Committees of the Board of Directors

The Board of Directors approved the creation of:

an Audit Committee;

a Nominating & Governance Committee; and

a Compensation Committee.

The missions and composition of these committees are defined in their relevant rules of procedure approved by the Board of Directors.

The Committees carry out their duty for and report to the Board of Directors.

Each committee reports on its activities to the Board of Directors.

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;

Table of Contents

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

Audit Committee membership and practices

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

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

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

directors' fees paid for their services as directors or as members of the Audit Committee or, if applicable, another committee of the Board; and
compensation and pension benefits related to prior employment by the Company, or another Group company, which are not dependent upon future work or activities.

The Committee appoints its own Chairman. The Chairman appoints the Committee secretary who may be the Chief Financial Officer. The Committee meets at least four times a year to examine the consolidated annual and quarterly financial statements.

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

The Committee consults with the statutory auditors. It has the capacity of consulting them without Company representatives attending. If it deems it necessary to accomplish its duties, the Committee may request from the Board the resources to engage external consultants.

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

In 2010, the Committee's members were Mrs. Patricia Barbizet and Messrs. Bertrand Jacquillat and Thierry de Rudder. 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 Directors and Senior Management Composition of the Board of Directors).

The Committee is chaired by Mrs. Patricia Barbizet.

The Board of Directors, at its meeting on July 30, 2009, decided to appoint Mr. Bertrand Jacquillat to serve as the Audit Committee financial expert based on a recommendation by the Audit Committee.

Compensation Committee

The Compensation Committee is focused on:

examining the executive compensation policies implemented by the Group and the compensation of members of the Executive Committee; and

evaluating the performance and recommend the compensation of the Chairman of the Board and of the Chief Executive Officer.

Its duties include the following:

examining the criteria and objectives proposed by management for executive compensation and advising on this subject;

presenting recommendations and proposals to the Board concerning:

- compensation, pension and insurance plans, in-kind benefits, and other compensation, including severance benefits, for the Chairman and the Chief Executive Officer of the Company, and
- stock options and restricted share grants to the Chairman and the Chief Executive Officer; and

examining stock option plans, restricted share grants, equity-based plans and pension and insurance plans.

Table of Contents

Compensation Committee membership and practices

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

A majority of the members must be independent directors. Members of the Compensation Committee may not receive from the Company and its subsidiaries, either directly or indirectly, any compensation other than:

directors' fees paid for their services as directors or as members of the committee, or, if applicable, as members of another committee of the Company's Board; and
compensation and pension benefits related to prior employment by the Company which are not dependent upon future work or activities.

The Committee appoints its chairman and its secretary. The secretary is a Company senior executive.

The Committee meets at least twice a year.

The Committee invites the Chairman and the Chief Executive Officer of the Company to present their recommendations.

Neither the Chairman nor the Chief Executive Officer may be present during deliberations regarding his own situation.

While maintaining the appropriate level of confidentiality for its discussions, the Committee may request that the Chief Executive Officer provide it with the assistance of any senior executive of the Company whose skills and qualifications could facilitate the handling of an agenda item.

If it deems it necessary to accomplish its duties, the Committee may request from the Board the resources to engage external consultants.

The Committee reports on its activities to the Board of Directors.

In 2010, the Committee's members were Messrs. Bertrand Collomb, Michel Pébureau and, until May 21, 2010, Mr. Serge Tchuruk. Messrs. Patrick Artus and Thierry Desmarest were appointed members of this Committee as from May 21, 2010. Messrs. Artus, Collomb, Pébureau, Tchuruk are independent directors.

Mr. Michel Pébureau chairs the Committee.

Nominating & Governance Committee

The Committee is focused on:

recommending to the Board of Directors the persons that are qualified to be appointed as directors, Chairman or Chief Executive Officer;
preparing the Company's corporate governance rules and supervise their implementation; and
examining any questions referred to it by the Board or the Chairman of the Board, in particular questions related to ethics.

Its duties include the following:

presenting recommendations to the Board for its membership and the membership of its committees;
proposing annually to the Board the list of directors who may be considered as independent directors of the Company;
assisting the Board in the selection and evaluation of the Chairman of the Board and the Chief Executive Officer and examining the preparation of their possible successors, in cooperation with the Compensation Committee;
preparing a list of individuals who might be considered for election as Directors and those who might be named to serve on Board committees;
proposing methods for the Board to evaluate its performance;
proposing the procedure for allocating directors' fees;
developing and recommending to the Board the corporate governance principles applicable to the Company; and
examining ethical issues at the request of the Board or its Chairman.

Nominating & Governance Committee membership and practices

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

A majority of the members must be independent directors.

Members of the Nominating & Governance Committee, other than the Chairman of the Board and the Chief Executive Officer, may not receive from the Company and its subsidiaries any compensation other than:

directors' fees paid for their services as directors or as members of the committee, or, if applicable, as members of another committee of the Company's Board; and

Table of Contents

compensation and pension benefits related to prior employment by the Company which are not dependent upon future work or activities.

The Committee appoints its chairman and its secretary. The secretary is a Company senior executive.

The Committee meets at least twice a year.

The Committee may invite the Chairman of the Board or the Chief Executive Officer of the Company, as applicable, to present recommendations.

Neither the Chairman nor the Chief Executive Officer may be present during deliberations regarding his own situation.

While maintaining the appropriate level of confidentiality for its discussions, the Committee may request that the Chief Executive Officer provide it with the assistance of any senior executive of the Company whose skills and qualifications could facilitate the handling of an agenda item.

If it deems it necessary to accomplish its duties, the Committee may request from the Board the resources to engage external consultants.

The Committee reports on its activities to the Board of Directors.

In 2010, the Committee's members were Messrs. Bertrand Collomb, Thierry Desmarest, Michel Pébureau and, until May 21, 2010, Mr. Serge Tchuruk. Messrs. Collomb, Pébureau and Tchuruk are independent directors.

Mr. Thierry Desmarest chairs the Committee.

Board of Directors practices

On May 21, 2010, the Board of Directors decided to reunify the positions of Chairman and Chief Executive Officer and appoint the Chief Executive Officer to the duties of Chairman of the Board. This decision was made taking into account the advantage of the unified management and the majority of independent directors appointed at the Committees, which ensures balanced authority. The Board of Directors deemed that the unified management form was the most appropriate to the Group's business and specificities of the oil and gas sector.

At its meeting on February 10, 2011, the Board of Directors discussed its practices and stated it was globally satisfied with such practices.

Compliant with the recommendation by the Nominating and Governance Committee, the Board made suggestions for improvement with respect to broadening criteria when benchmarking with other companies, and for a thorough study of the Group's opportunities in the energy sector.

EMPLOYEES AND SHARE OWNERSHIP

Employees

The tables below set forth the number of employees, by division and geographic location, of the Group (fully consolidated subsidiaries) as of the end of the periods indicated:

	Upstream	Downstream	Chemicals	Corporate	Total
2010	17,192	32,631	41,658	1,374	92,855
2009	16,628	33,760	44,667	1,332	96,387
2008	16,005	34,040	45,545	1,369	96,959

		France	Rest of Europe	Rest of world	Total
2010		35,169	24,931	32,755	92,855
2009		36,407	26,299	33,681	96,387
2008		37,101	27,495	32,363	96,959

TOTAL believes that the relationship between its management and labor unions is, in general, satisfactory.

Arrangements for involving employees in the Company's share capital

Pursuant to agreements signed on March 15, 2002, as amended, the Group created a Total Group Savings Plan (PEGT), a Partnership for Voluntary Wage Savings Plan (PPESV, later becoming PERCO) and a Complementary Company Savings Plan (PEC) for employees of the Group's French companies having adhered to these plans. These plans allow investments in a number of mutual funds including one invested in Company shares (TOTAL ACTIONNARIAT FRANCE). A Shareholder Group Savings Plan (PEG-A) has also been in place since November 19, 1999 to facilitate capital increases reserved for employees of the Group's French and foreign subsidiaries covered by these plans.

Table of Contents***Company savings plans***

The various Company savings plans (PEGT, PEC) give the employees of French Group Companies belonging to these savings plans access to several collective investment funds (*Fonds communs de placement*), including a Fund invested in shares of the Company (TOTAL ACTIONNARIAT FRANCE).

The capital increases reserved for employees are conducted under PEG-A through the TOTAL ACTIONNARIAT FRANCE fund for employees of the Group's French subsidiaries and through the TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION fund for the employees of foreign subsidiaries. In addition, U.S. employees participate in these operations through American Depositary Receipts (ADRs) and Italian employees (as well as German employees starting in 2011) may participate by directly subscribing to new shares at the Group *Caisse Autonome* in Belgium.

Incentive agreements

Performance indicators used under the June 26, 2009, profit-sharing agreements for employees of ten Group companies, when permitted by local law, link amounts available for profit sharing to the performance (ROE) of the Group as a whole.

Employee shareholding

The total number of TOTAL shares held by employees as of December 31, 2010, is as follows:

TOTAL ACTIONNARIAT FRANCE	73,117,185
TOTAL ACTIONNARIAT INTERNATIONAL CAPITALISATION	16,446,122
ELF PRIVATISATION No. 1	977,948
Shares held by U.S. employees	705,829
Group Caisse Autonome (Belgium)	295,866
TOTAL shares from the exercise of the Company's stock options and held as registered shares within a Company Savings Plan (PEE) ^(a)	3,185,510
Total shares held by employee shareholder funds	94,728,460

(a) *Company savings plans.*

As of December 31, 2010, the employees of the Group held, on the basis of the definition of employee shareholding contained in Article L. 225-102 of the French Commercial Code, 94,728,460 TOTAL shares, representing 4.03% of the Company's share capital and 7.72% of the voting rights that could be exercised at a Shareholders' Meeting on that date.

Capital increase reserved for Group employees

At the Shareholders' Meeting held on May 21, 2010, the shareholders delegated to the Board of Directors the authority to increase the share capital of the Company in one or more transactions and within a maximum period of twenty-six months from the date of the meeting, reserving subscriptions for such issuance to the Group employees participating in a company savings plan in accordance with the provisions of Articles L. 3332-2 and L. 3332-18 and following of

the French Labor Code, and Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code. The number of ordinary shares that are likely to be issued pursuant to this delegation of authority will not exceed 1.5% of the share capital outstanding on the date of the meeting of the Board of Directors at which a decision to proceed with an issuance is made.

Pursuant to this delegation of authority, the Board of Directors decided on October 28, 2010, to proceed with a capital increase of a maximum of 12 million shares reserved for TOTAL employees, bearing dividends as of January 1, 2010. The Board of Directors decided to delegate the authority to set the subscription period to the Chairman and Chief Executive Officer.

The Board of Directors had decided on November 6, 2007, to proceed with a capital increase of a maximum of 12 million shares with a subscription price of 44.40 per share reserved for TOTAL employees, bearing dividends as of January 1, 2007. Subscription was open from March 10, 2008, through March 28, 2008, and 4,870,386 new TOTAL shares were issued in 2008.

On March 14, 2011, the Chairman and Chief Executive Officer decided that the subscription period would be set from March 16 to April 1, 2011, and acknowledged that the subscription price per ordinary share would be set at 34.80.

The management of each of the three collective investment funds mentioned above is controlled by a dedicated supervisory board, two-third of its members representing holders of fund units and one-third representing the Company. This board is responsible for reviewing the collective investment funds management report and annual financial statements as well as the financial, administrative and accounting management, exercising voting rights attached to portfolio securities, deciding contribution of securities in case of a public tender offer, deciding mergers, spin-offs or liquidations, and granting its approval prior to changes in the rules and procedures of the collective investment fund in the conditions provided for by the rules and procedures.

Table of Contents

These rules and procedures also stipulate a simple majority vote for decisions, except for decisions requiring a qualified majority vote of two-third plus one related to a change in a fund's rules and procedures, its conversion or disposal, and decisions related to contribution of securities of the Elf Privatisation collective investment fund in case of a public tender offer.

For employees holding shares outside of the employee collective investment funds mentioned in the table above, voting rights are exercised individually.

Shares held by Directors and Executive Officers

As of December 31, 2010, based on information from the members of the Board and the share registrar, the members of the Board and the Group Executive Officers (Management Committee and Treasurer) held a total of less than 0.5% of the share capital:

Members of the Board of Directors (including the Chairman and Chief Executive Officer): 474,450 shares;
Chairman and Chief Executive Officer: 85,230 shares and 48,529 shares of the TOTAL ACTIONNARIAT FRANCE collective investment plan;
Management Committee (including the Chief Executive Officer) and Treasurer: 572,527 shares.

By decision of the Board of Directors:

The Chairman and the Chief Executive Officer are required to hold a number of shares of the Company equal in value to two years of the fixed portion of their annual compensation.

Members of the Executive Committee are required to hold a number of shares of the Company equal in value to two years of the fixed portion of their annual compensation. These shares have to be acquired within three years from the appointment to the Executive Committee.

The number of TOTAL shares to be considered includes:

directly held shares, whether or not they are subject to transfer restrictions; and
shares in collective investment funds invested in TOTAL shares.

Table of Contents**Summary of transactions in the Company's securities**

The following table presents transactions, of which the Company has been informed, in the Company's shares or related financial instruments carried out in 2010 by the individuals concerned under paragraphs a) through c) of Article L. 621-18-2 of the French Monetary and Financial Code.

Year 2010

		Acquisition	Subscription	Transfer	Exchange	Exercise of stock options
Thierry Desmarest ^(a)	TOTAL shares			45,372		25,372
	Shares in collective investment plans (FCPE), and other related financial instruments ^(b)					
Christophe de Margerie ^(a)	TOTAL shares					
	Shares in collective investment plans (FCPE), and other related financial instruments ^(b)	4,815.21				
Michel Bénézit ^(a)	TOTAL shares		3,170			
	Shares in collective investment plans (FCPE), and other related financial instruments ^(b)	27.68	47.23			
François Cornélis ^(a)	TOTAL shares					
	Shares in collective investment plans (FCPE), and other related financial instruments ^(b)	1,241.32				
Yves-Louis Darricarrère ^(a)	TOTAL shares					
	Shares in collective investment plans (FCPE), and other	4.61				

	related financial instruments ^(b)			
Jean-Jacques Guilbaud ^(a)	TOTAL shares		5,000	5,000
	Shares in collective investment plans (FCPE), and other related financial instruments ^(b)	345.33	259.48	652.79
Patrick de La Chevardière ^(a)	TOTAL shares			
	Shares in collective investment plans (FCPE), and other related financial instruments ^(b)	79.25	12.79	

(a) Including the related individuals in the meaning of the provisions of the Article R. 621-43-1 of the French Monetary and Financial Code.

(b) Collective investment funds (FCPE) primarily invested in Company shares.

Table of Contents**ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS****Major shareholders***Holdings of major shareholders*

The major shareholders of TOTAL as of December 31, 2010, 2009 and 2008 are set forth in the table below:

	2010		% of	2009		2008	
	% of	% of	theoretical	% of	% of	% of	% of
	share	voting	voting	share	voting	share	voting
	capital	rights	rights(a)	capital	rights	capital	rights
As of December 31,							
Groupe Bruxelles Lambert^{(b)(c)}	4.0	4.0	3.7	4.0	4.0	4.0	4.0
Compagnie Nationale à Portefeuille^{(b)(c)}	1.6	1.6	1.4	1.4	1.4	1.4	1.4
Areva^(b)	0.0	0.0	0.0	0.0	0.0	0.3	0.6
BNP Paribas^(b)	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Group employees^{(b)(d)}	4.0	7.7	7.1	3.9	7.5	3.8	7.4
Other registered shareholders (non-Group)	1.4	2.5	2.3	1.4	2.4	1.2	2.1
Treasury shares	4.8		8.3	4.9		6.0	
<i>of which TOTAL S.A.</i>	0.5		0.5	0.6		1.8	
<i>of which Total Nucléaire</i>	0.1		0.1	0.1		0.1	
<i>of which subsidiaries of Elf Aquitaine</i>	4.2		7.7	4.2		4.1	
Other bearer shareholders	84.0	84.0	77.0	84.2	84.5	83.1	84.3
<i>of which holders of ADS^(e)</i>	8.0	8.0	7.4	7.5	7.6	8.2	8.3

- (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. In addition, Groupe Bruxelles Lambert and Compagnie Nationale à Portefeuille declared their acting in concert.
- (d) Based on the definition of employee shareholding pursuant to Article L. 225-102 of the French Commercial Code.
- (e) American Depositary Shares listed on the New York Stock Exchange.

As of December 31, 2010, the holdings of the major shareholders were calculated based on 2,349,640,931 shares, representing 2,350,274,592 voting rights exercisable at Shareholders Meetings or 2,563,093,539 theoretical voting rights⁽¹⁾ including:

200,662,536 voting rights attached to the 100,331,268 TOTAL shares held by TOTAL S.A. subsidiaries that cannot be exercised at Shareholders Meetings; and

12,156,411 voting rights attached to the 12,156,411 TOTAL shares held by TOTAL S.A. that are deprived of voting rights.

For prior years, the holdings of the major shareholders were established on the basis of 2,348,422,884 shares, to which were attached 2,339,384,550 voting rights that could be exercised at the Shareholders Meeting, as of December 31, 2009, and of 2,371,808,074 shares to which were attached 2,339,251,395 voting rights that could be exercised at the Shareholders Meeting, as of December 31, 2008.

Identification of the holders of bearer shares

In accordance with Article 9 of its by-laws, the Company is authorized, to the extent permitted under applicable law, to identify the holders of securities that grant immediate or future voting rights at the Company's Shareholders Meetings.

Legal thresholds

In addition to the legal obligation to inform the Company and the French Financial Markets Authority within four business days when thresholds representing 5%, 10%, 15%, 20%, 25%, 30%, 33^{1/3}%, 50%, 66^{2/3}%, 90% or 95% of the share capital or voting rights⁽²⁾ are crossed (Article L. 233-7 of the French Commercial Code), any individual or entity who directly or indirectly acquires a percentage of the share capital, voting rights or rights giving future access to the share capital of the Company which is equal to or greater than 1%, or a multiple of this percentage, is required to notify the Company within 15 days by registered mail with return receipt requested, and declare the number of securities held.

(1) Pursuant to Article 223-11 of the AMF General Regulation, the number of theoretical voting rights is calculated on the basis of all outstanding shares, including those shares held by the Group that are deprived of voting rights.

(2) Pursuant to Article 223-11 of the AMF General Regulation, the number of voting rights is calculated on the basis of all outstanding shares, including those shares held by the Group that are deprived of voting rights.

Table of Contents

In case the shares above these thresholds are not declared, any shares held in excess of the threshold and undeclared may be deprived of voting rights at future Shareholders Meetings if, at that meeting, the failure to make a declaration is acknowledged and if one or more shareholders holding collectively at least 3% of the Company's share capital or voting rights so request at that meeting.

All individuals and entities are also required to notify the Company in due form and within the time limits stated above when their direct or indirect holdings fall below each of the aforementioned thresholds.

Declarations are to be sent to the Vice President of the Investor Relations department in Paris.

Temporary transfer of securities

Pursuant to legal obligations, any legal entity or individual (with the exception of those described in paragraph 3 of Article L. 233-7 of the French Commercial Code) holding alone or together a number of shares representing more than 0.5% of the Company's voting rights pursuant to one or several temporary transfers or similar operations as described by Article L. 225-126 of the French Commercial Code is required to inform the Company and the French Financial Markets Authority of the number of shares temporarily held no later than the third business days preceding the Shareholders Meeting at midnight.

Declarations are to be e-mailed to the Company at: holding.df-shareholdingnotification@total.com.

Failing to declare such information, any share bought under any of the above described temporary transfer operations shall be deprived of voting rights at the relevant Shareholders Meeting and at any Shareholders Meeting that would be held until such shares are transferred again or returned.

Holdings above the legal thresholds

In accordance with Article L. 233-13 of the French Commercial Code, only one shareholder, Compagnie Nationale à Portefeuille (CNP) and Groupe Bruxelles Lambert (GBL), acting in concert, holds 5% or more of TOTAL's share capital at year-end 2010⁽¹⁾.

In addition, two known shareholders held 5% or more of the voting rights exercisable at TOTAL Shareholders Meetings at year-end 2010:

CNP jointly with GBL:

In the AMF notice No. 209C1156 dated September 2, 2009, CNP and GBL acting in concert declared that they held more than the threshold of 5% of the voting rights of TOTAL as of August 25, 2009 and held 127,149,464 TOTAL shares representing 127,745,604 voting rights, *i.e.* 5.42% of the share capital and 5.0009% of the theoretical voting rights⁽²⁾ (based on a share capital of 2,347,601,812 shares representing 2,554,431,468 voting rights). To the Company's knowledge, CNP, jointly with GBL, held, as of December 31, 2010, 5.56% of the share capital representing 5.59% of the voting rights exercisable at Shareholders Meetings and 5.12% of the theoretical voting rights⁽³⁾.

The collective investment fund (*fonds commun de placement*) TOTAL ACTIONNARIAT FRANCE :

To the Company's knowledge, the collective investment fund (*fonds commun de placement*) TOTAL ACTIONNARIAT FRANCE held, as of December 31, 2010, 3.11% of the share capital representing 5.94% of the voting rights exercisable at a Shareholders Meeting and 5.44% of the theoretical voting rights⁽³⁾.

Shareholders agreements

TOTAL is not aware of any agreements among its shareholders.

Treasury shares

As of December 31, 2010, the Company held 112,487,679 TOTAL shares either directly or through its indirect subsidiaries, which represented 4.79% of the share capital, as of this date. By law, these shares are also deprived of voting rights.

TOTAL shares held directly by the Company

The Company held 12,156,411 treasury shares as of December 31, 2010, representing 0.52% of the share capital, as of that date.

TOTAL shares held directly by Group companies

As of December 31, 2010, Total Nucléaire, a Group company wholly-owned indirectly by TOTAL held 2,023,672 TOTAL shares. As of December 31, 2010, Financière Valorgest, Sogapar and Fingestval, indirect subsidiaries of Elf Aquitaine, held respectively 22,203,704,

(1) AMF notice No. 207C1811 dated September 2, 2009.

(2) Pursuant to Article 223-11 of the AMF General Regulation, the number of theoretical voting rights is calculated on the basis of all outstanding shares, including those shares held by the Group that are deprived of voting rights.

Table of Contents

4,104,000 and 71,999,892 TOTAL shares, representing a total of 98,307,596 TOTAL shares. As of December 31, 2010, the Company held through its indirect subsidiaries, 4.27% of the share capital.

Related Party Transactions

The Group's main transactions with related parties (principally all the investments carried under the equity method) and the balances receivable from and payable to them are shown in Note 24 to the Consolidated Financial Statements.

In the ordinary course of its business, TOTAL enters into transactions with various organizations with which certain of its directors or executive officers may be associated, but no such transactions of a material or unusual nature have been entered into during the period commencing on January 1, 2008, and ending on March 24, 2011.

ITEM 8. FINANCIAL INFORMATION

Consolidated Statements and other supplemental information

See pages F-1 through F-97 and S-1 through S-20 for TOTAL's Consolidated Financial Statements and other supplemental information.

Legal or arbitration proceedings

While it is not feasible to predict the outcome of the pending claims, proceedings, and investigations described below with certainty, management is of the opinion that their ultimate disposition should not have a material adverse effect on the Company's financial position, cash flows, or results of operations.

Grande Paroisse

An explosion occurred at the Grande Paroisse industrial site in the city of Toulouse in France on September 21, 2001. Grande Paroisse, a former subsidiary of Atofina which became a subsidiary of Elf Aquitaine Fertilisants on December 31, 2004, as part of the reorganization of the Chemicals segment, was principally engaged in the production and sale of agricultural fertilizers. The explosion, which involved a stockpile of ammonium nitrate pellets, destroyed a portion of the site and caused the death of thirty-one people, including twenty-one workers at the site, and injured many others. The explosion also caused significant damage to certain property in part of the city of Toulouse.

This plant has been closed and individual assistance packages have been provided for employees. The site has been rehabilitated.

On December 14, 2006, Grande Paroisse signed, under the supervision of the city of Toulouse, the deed whereby it donated the former site of the AZF plant to the greater agglomeration of Toulouse (CAGT) and the *Caisse des dépôts et consignations* and its subsidiary ICADE. Under this deed, TOTAL S.A. guaranteed the site restoration obligations of Grande Paroisse and granted a 10 million endowment to the InNaBioSanté research foundation as part of the setting up of a cancer research center at the site by the city of Toulouse.

Regarding the cause of the explosion, the hypothesis that the explosion was caused by Grande Paroisse through the accidental mixing of hundreds of kilos of a chlorine compound at a storage site for ammonium nitrate was discredited over the course of the investigation. As a result, proceedings against ten of the eleven Grande Paroisse employees charged during the criminal investigation conducted by the Toulouse Regional Court (*Tribunal de grande instance*) were dismissed and this dismissal was upheld by the Court of Appeal of Toulouse. Nevertheless, the final experts report filed on May 11, 2006 continued to focus on the hypothesis of a chemical accident, although this hypothesis

was not confirmed during the attempt to reconstruct the accident at the site. After having articulated several hypotheses, the experts no longer maintain that the accident was caused by pouring a large quantity of a chlorine compound over ammonium nitrate. Instead, the experts have retained a scenario where a container of chlorine compound sweepings was poured between a layer of wet ammonium nitrate covering the floor and a quantity of dry agricultural nitrate at a location not far from the principal storage site. This is claimed to have caused an explosion which then spread into the main storage site. Grande Paroisse was investigated based on this new hypothesis in 2006; Grande Paroisse is contesting this explanation, which it believes to be based on elements that are not factually accurate.

The Court of Appeal of Toulouse denied all the requests for additional investigations that were submitted by Grande Paroisse, the former site manager and various plaintiffs after the end of the criminal investigation procedure. On July 9, 2007, the investigating judge brought charges against Grande Paroisse and the former plant manager before the criminal chamber of the Court of Appeal of Toulouse. In late 2008, TOTAL S.A. and Mr. Thierry Desmarest were summoned to appear in court pursuant to a request by a victims association. The trial for this case began on February 23, 2009, and lasted approximately four months.

Table of Contents

On November 19, 2009, the Toulouse Criminal Court acquitted both the former Plant Manager, and Grande Paroisse due to the lack of reliable evidence for the explosion. The Court also ruled that the summonses against TOTAL S.A. and Thierry Desmarest, Chairman and CEO at the time of the disaster, were inadmissible.

Due to the presumption of civil liability that applied to Grande Paroisse, the Court declared Grande Paroisse civilly liable for the damages caused by the explosion to the victims in its capacity as custodian and operator of the plant.

The Prosecutor's office, together with certain third parties, has appealed the Toulouse Criminal Court verdict. In order to preserve its rights, Grande Paroisse lodged a cross-appeal with respect to civil charges.

The appeal proceedings are expected to start before the Court of Appeal of Toulouse on November 3, 2011.

A compensation mechanism for victims was set up immediately following the explosion. 2.3 billion were paid for the compensation of claims and related expenses amounts. As of December 31, 2010, a 31 million reserve was recorded in the Group's consolidated balance sheet.

Antitrust investigations

For the year ended 2010, the Group has not been fined pursuant to a Court ruling. The principal antitrust proceedings in which the Group is involved are described hereafter.

Chemicals segment

As part of the spin-off of Arkema⁽¹⁾ in 2006, TOTAL S.A. or certain other Group companies agreed to grant Arkema guarantees for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

These guarantees cover, for a period of ten years, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings. The guarantee related to anti-competition violations in Europe applies to amounts above a 176.5 million threshold. On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by these guarantees.

If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the voting rights of Arkema, or if Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, these guarantees will become void.

In the United States, investigations into certain commercial practices of some subsidiaries of the Arkema group have been closed since 2007; no charges have been brought against Arkema. Civil liability lawsuits, for which TOTAL S.A. has been named as the parent company, are about to be closed and are not expected to have a significant impact on the Group's financial position.

In Europe, since 2006, the European Commission has fined companies of the Group in its configuration prior to the spin-off an overall amount of 385.47 million, of which Elf Aquitaine and/or TOTAL S.A. and their subsidiaries were held jointly liable for 280.17 million, Elf Aquitaine being personally fined 23.6 million for

deterrence. These fines are entirely settled as of today.

As a result⁽²⁾, since the spin-off, the Group has paid the overall amount of 188.07 million, corresponding to 90% of the fines overall amount once the threshold provided for by the guarantee is deducted.

The European Commission imposed these fines following investigations between 2000 and 2004 into commercial practices involving eight products sold by Arkema. Five of these investigations resulted in prosecutions from the European Commission for which Elf Aquitaine has been named as the parent company and two of these investigations named TOTAL S.A. as the ultimate parent company of the Group.

TOTAL S.A. and Elf Aquitaine are contesting their liability based solely on their status as parent companies and appealed for cancelation and reformation of the rulings that are still pending before the relevant EU court of appeals or supreme court of appeals.

(1) Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A. Arkema became an independent company after being spun-off from TOTAL S.A. in May 2006.

(2) This amount does not take into account a case that led to Arkema, prior to Arkema's spin-off from TOTAL, and Elf Aquitaine being fined jointly 45 million and Arkema being fined 13.5 million. This case is referred to in past Registration Documents.

Table of Contents

Besides, a civil proceeding against Arkema and five groups of companies was initiated before a German regional court by a third party for an alleged damage pursuant to one of the above described legal proceedings. TOTAL S.A. was summoned to serve notice of the dispute before this court. At this point, the probability to have a favorable verdict and the financial impacts of this procedure are uncertain due to the number of legal difficulties it gave rise to, the lack of documented claim and the complex evaluation of the alleged damage.

Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema regarding events prior to the spin-off, as well as Elf Aquitaine and/or TOTAL S.A. based on their status as parent company.

Within the framework of the legal proceedings described above, a 17 million reserve is booked in the Group's consolidated financial statements as of December 31, 2010.

Downstream segment

Pursuant to a statement of objections received by Total Nederland N.V. and TOTAL S.A. (based on its status as parent company) from the European Commission, Total Nederland N.V. was fined in 2006 20.25 million, which has been paid, and for which TOTAL S.A. was held jointly liable for 13.5 million. TOTAL S.A. appealed this decision before the relevant court and this appeal is still pending.

In addition, pursuant to a statement of objections received by Total Raffinage Marketing (formerly Total France) and TOTAL S.A. from the European Commission regarding another product line of the Refining & Marketing division, Total Raffinage Marketing was fined 128.2 million in 2008, which has been paid, and for which TOTAL S.A. was held jointly liable based on its status as parent company. TOTAL S.A. also appealed this decision that is still pending before the relevant court.

Finally, TotalGaz and Total Raffinage Marketing received in July 2009 a statement of objections from the French Antitrust Authority (*Autorité de la concurrence française*) regarding alleged antitrust practices concerning another product line of the Refining & Marketing division. The case was dismissed by decision of the French antitrust authorities on December 17, 2010.

Given the discretionary powers granted to the antitrust authorities for determining fines relating to antitrust regulations, it is not currently possible to determine with certainty the outcome of these investigations and proceedings. TOTAL S.A. and Elf Aquitaine are contesting their liability and the method of determining these fines. Although it is not possible to predict the ultimate outcome of these proceedings, the Group believes that they will not have a material adverse effect on its financial situation or consolidated results.

Sinking of the Erika

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding that TOTAL S.A. was negligent in its vetting procedure for vessel selection and ordering TOTAL S.A. to pay a fine of 375,000. The court also ordered compensation to be paid to those affected by the pollution from the Erika up to an aggregate amount of 192 million, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

TOTAL has appealed the verdict of January 16, 2008. In the meantime, it nevertheless proposed to pay third parties who so requested definitive compensation as determined by the court. Forty-one third parties have been compensated for an aggregate amount of 171.5 million.

By a decision dated March 30, 2010, the Court of Appeal of Paris upheld the lower court verdict pursuant to which TOTAL S.A. was convicted of marine pollution and fined 375,000. TOTAL appealed this decision to the French Supreme Court (*Cour de cassation*).

However, the Court of Appeal ruled that TOTAL S.A. bears no civil liability according to the applicable international conventions and consequently ruled that TOTAL S.A. be not convicted.

TOTAL S.A. believes that, based on the information currently available, the case should not have a significant impact on the Group's financial situation or consolidated results.

Table of Contents

Buncefield

On December 11, 2005, several explosions, followed by a major fire, occurred at an oil storage depot at Buncefield, north of London. This depot was operated by Hertfordshire Oil Storage Limited (HOSL), a company in which TOTAL's UK subsidiary holds 60% and another oil group holds 40%.

The explosion caused injuries, most of which were minor injuries, to a number of people and caused property damage to the depot and the buildings and homes located nearby. The official Independent Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report was released on December 11, 2008. The civil procedure for claims, which had not yet been settled, took place between October and December 2008. The Court's decision of March 20, 2009, declared TOTAL's UK subsidiary liable for the accident and solely liable for indemnifying the victims. The subsidiary appealed the decision. The appeal trial took place in January 2010. The Court of Appeals, by a decision handed down on March 4, 2010, confirmed the prior judgment. The Supreme Court of United Kingdom has partially authorized TOTAL's UK subsidiary to contest the decision. TOTAL's UK subsidiary finally decided to withdraw from this recourse due to settlement agreements reached in mid-February 2011.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The provision for the civil liability that appears in the Group's consolidated financial statements as of December 31, 2010, stands at 194 million after taking into account the payments previously made.

The Group believes that, based on the information currently available, on a reasonable estimate of its liability and on provisions recognized, this accident should not have a significant impact on the Group's financial situation or consolidated results.

In addition, on December 1, 2008, the Health and Safety Executive (HSE) and the Environment Agency (EA) issued a Notice of prosecution against five companies, including TOTAL's UK subsidiary. By a judgment on July 16, 2010, TOTAL's UK subsidiary was fined £3.6 million. The decision takes into account a number of elements that have mitigated the impact of the charges brought against it.

Myanmar

Under the Belgian universal jurisdiction laws of June 16, 1993 and February 10, 1999, a complaint was filed in Belgium on April 25, 2002, against the Company, its Chairman and the former president of its subsidiary in Myanmar. These laws were repealed by the Belgian law of August 5, 2003 on serious violations of international human rights, which also provided a procedure for terminating certain proceedings that were underway. In this framework, the Belgian *Cour de cassation* terminated the proceedings against TOTAL in a decision dated June 29, 2005. The plaintiffs' request to withdraw this decision was rejected by the *Cour de cassation* on March 28, 2007.

Despite this decision, the Belgian Ministry of Justice asked the Belgian federal prosecutor to request that the investigating judge reopen the case. The Belgian federal prosecutor decided to submit the admissibility of this request to the Court of Appeal of Brussels. In its decision of March 5, 2008, the Court of Appeal confirmed the termination of the proceedings against TOTAL, its Chairman and the former president of its subsidiary, based on the principle of *res judicata* applying to the *Cour de cassation*'s decision of June 29, 2005. The plaintiffs appealed the decision of March 5, 2008. On October 29, 2008, the *Cour de cassation* rejected the plaintiffs' appeal, thus ending definitively the proceedings.

TOTAL has always maintained that the accusations made against the Company and its management arising out of the activities of its subsidiary in Myanmar were without substance as a matter of fact and as a matter of law.

South Africa

In a threatened class action proceeding in the United States, TOTAL, together with approximately 100 other multinational companies, is the subject of accusations by certain South African citizens who alleged that their human rights were violated during the era of apartheid by the army, the police or militias, and who consider that these companies were accomplices in the actions by the South African authorities at the time.

The claims against the companies named in the class action, which were not officially brought against TOTAL, were dismissed by a federal judge in New York. The plaintiffs appealed this dismissal and, after a procedural hearing on November 3, 2008, decided to remove TOTAL from the list of companies against which it was bringing claims.

Iran

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran, by certain oil companies including, among others, TOTAL.

The inquiry concerns an agreement concluded by the Company with a consultant concerning a gas field in Iran

Table of Contents

and aims to verify whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations.

Investigations are still pending and the Company is cooperating with the SEC and the DoJ. In 2010, the Company opened talks with U.S. authorities, without any acknowledgement of facts, to consider an out-of-court settlement. Generally, out-of-court settlements with U.S. authorities include payment of fines and the obligation to improve internal compliance systems or other measures.

In this same case, a judicial inquiry related to TOTAL was initiated in France in 2006. In 2007, the Company's Chief Executive Officer was placed under formal investigation in relation to this inquiry, as the former President of the Middle East department of the Group's Exploration & Production division. The Company has not been notified of any significant developments in the proceedings since the formal investigation was launched.

At this point, the Company cannot determine when these investigations will terminate, and cannot predict their results, or the outcome of the talks that have been initiated, or the costs of a potential out-of-court settlement. Resolving this case is not expected to have a significant impact on the Group's financial situation or any impact on its future planned operations.

Italy

As part of an investigation led by the Prosecutor of the Republic of the Potenza court, Total Italia and certain Group's employees are the subject of an investigation related to certain calls for tenders that Total Italia made for the preparation and development of the Tempa Rossa oil field. On February 16, 2009, as a preliminary measure before the proceedings go before the court, the preliminary investigation judge of Potenza served notice to Total Italia of a decision that would suspend the concession for this field for one year. Total Italia has appealed the decision by the preliminary investigation judge before the Court of Appeal of Potenza. In a decision dated April 8, 2009, the Court reversed the suspension of the Gorgoglione concession and appointed for one year, *i.e.* until February 16, 2010, a judicial administrator to supervise the operations related to the development of the concession, allowing the Tempa Rossa project to continue.

The criminal investigation was closed in the first half of 2010. The preliminary hearing judge, who will decide whether the case shall be returned to the Criminal Court to be judged on the merits, held the first hearing on December 6, 2010. The next hearing is scheduled during the first half of 2011.

In 2010, Total Italia's exploration and production operations were transferred to Total E&P Italia and refining and marketing operations were merged with those of Erg Petroli.

Oil-for-Food Program

Several countries have launched investigations concerning possible violations related to the United Nations (UN) Oil-for-Food program in Iraq.

Pursuant to a French criminal investigation, certain current or former Group employees were placed under formal criminal investigation for possible charges as accessories to the misappropriation of corporate assets and as accessories to the corruption of foreign public agents. The Chairman and Chief Executive Officer of the Company, formerly President of the Group's Exploration & Production division, was also placed under formal investigation in October 2006. In 2007, the criminal investigation was closed and the case was transferred to the Prosecutor's office. In 2009, the Prosecutor's office recommended to the investigating judge that the case against the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued.

In early 2010, despite the recommendation of the Prosecutor's office, a new investigating judge, having taken over the case, decided to indict TOTAL S.A. on bribery charges as well as complicity and influence peddling. The indictment was brought eight years after the beginning of the investigation without any new evidence being added to the affair.

In October 2010, the Prosecutor's office recommended to the investigating judge that the case against TOTAL S.A. the Group's current and former employees and TOTAL's Chairman and Chief Executive Officer not be pursued. The investigating judge's decision on this matter is pending.

The Company believes that its activities related to the Oil-for-Food program have been in compliance with this program, as organized by the UN in 1996. The Volcker report released by the independent investigating committee set up by the UN had discarded any bribery grievance within the framework of the Oil-For-Food program with respect to TOTAL.

Blue Rapid and the Russian Olympic Committee – Russian regions and Interneft

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine concerning the withdrawal of one of its subsidiaries from an exploration and

Table of Contents

production project in Russia that was negotiated in the early 1990s. Elf Aquitaine believes this claim to be unfounded. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim and found that the Russian Olympic Committee did not have standing in the matter. This decision has been appealed. The hearings are expected to be held during the first half of 2011.

In connection with the same facts, and fifteen years after the termination of this exploration and production project, a Russian company and two regions of the Russian Federation have launched an arbitration procedure against a former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming damages of an unspecified amount at this stage of the procedure. The Group considers this claim to be unfounded. The Group has reserved its rights to take any actions and/or measures that would be appropriate to defend its interests.

Dividend policy

The Company has paid dividends on its share capital in each year since 1946. Future dividends will depend on the Company's earnings, financial condition and other factors. The payment and amount of dividends are subject to the recommendation of the Board of Directors and resolution by the Company's shareholders at the annual shareholders meeting.

Since 2004, the Company has paid an interim dividend in November and the remainder after the Shareholders Meeting held in May of each year. The 2010 interim dividend and the remainder will still be paid in compliance with this policy.

The Board of Directors met on July 29, 2010, and approved a 2010 interim dividend of € 1.14 per share. The ex-dividend date for the interim dividend on Euronext Paris was November 12, 2010 and the payment date was November 17, 2010.

For 2010, TOTAL plans to continue its dividend policy by proposing a dividend of € 2.28 per share at the Shareholders Meeting on May 13, 2011, including a remainder of € 1.14 per share, with an ex-dividend date on May 23, 2011, and a payment on May 26, 2011. This € 2.28 per share dividend is stable compared to the previous year. Over the past five fiscal years, the dividend has increased by an average of 5.1%⁽¹⁾ per year.

On October 28, 2010, the Board of Directors decided to change its interim dividend policy and to adopt a new policy based on quarterly dividend payments.

Pending the approval by the Board of Directors for the interim dividends and by the shareholders at the Shareholders Meeting for the accounts and the final dividend, the calendar for the interim quarterly dividends and the final dividend for 2011 should be as follows: September 19, 2011; December 19, 2011; March 19, 2012; and June 18, 2012. The provisional ex-dividend dates above relate to the TOTAL shares traded on Euronext Paris.

Dividends paid to holders of ADRs will be subject to a charge by the Depositary for any expenses incurred by the Depositary in the conversion of euro to dollars. See Item 10. Additional Information - Taxation, for a summary of certain U.S. federal and French tax consequences to holders of shares and ADRs.

Significant changes

In February 2011, TOTAL signed an agreement to dispose of its 48.83% interest in CEPSA. The transaction is conditioned on obtaining all requisite approvals.

In early March 2011, the Group also announced the signature of two agreements on principle with the Russian Company Novatek and its major shareholders.

For a further description of significant changes that have occurred since the date of the Company's Consolidated Financial Statements, see Item 4. Information on the Company and Item 5. Operating and Financial Review and Prospects, which include descriptions of certain recent 2011 activities.

ITEM 9. THE OFFER AND LISTING

Markets

The principal trading market for the shares is the Euronext Paris exchange in France. The shares are also listed on Euronext Brussels and the London Stock Exchange.

Offer and listing details

Trading on Euronext Paris

Official trading of listed securities on Euronext Paris, including the shares, is transacted through French investment service providers that are members of Euronext Paris and takes place continuously on each business day in Paris from 9:00 a.m. to 5:30 p.m. (Paris time), with a fixing of the closing price at 5:35 p.m. Euronext Paris may suspend or resume trading in a security listed on Euronext Paris, if the quoted price of the security exceeds certain price limits defined by the regulations of Euronext Paris.

The markets of Euronext Paris settle and transfer ownership three trading days after a transaction (T+3).

(1) This increase does not take into account the Arkema share allotment right granted on May 18, 2006.

Table of Contents

Highly liquid shares, including those of the Company, are eligible for deferred settlement (*Service de Règlement Différé* - SRD). Payment and delivery for shares under the SRD occurs on the last trading day of each month. Use of the SRD service requires payment of a commission. Under this system, the determination date for settlement on the following month occurs on the fifth trading day prior to the last trading day (inclusive) of each month.

In France, the shares are included in the principal index published by Euronext Paris (the CAC 40 Index). The CAC 40 Index is derived daily by comparing the total market capitalization of 40 stocks traded on Euronext Paris to the total market capitalization of the stocks that made up the CAC 40 Index on December 31, 1987. Adjustments are made to allow for expansion of the sample due to new issues. The CAC 40 Index indicates trends in the French stock market as a whole and is one of the most widely followed stock price indices in France. In the UK, the shares are listed in both the FTSE Eurotop 100 and FTSEurofirst 300 index. As a result of the creation of Euronext, the shares are included in Euronext 100, the index representing Euronext's blue chip companies based on market capitalization. The shares are also included in the Dow Jones Stoxx 50 and Dow Jones Euro Stoxx 50, blue chip indices comprised of the fifty most highly capitalized and most actively traded equities throughout Europe and within the European Monetary Union, respectively. Since June 2000, the shares have been included in the Dow Jones Global Titans Index which consists of fifty global companies selected based on market capitalization, book value, assets, revenue and earnings.

Pursuant to the vote of the May 12, 2006, shareholders' meeting approving TOTAL's four-for-one stock split, each shareholder received on May 18, 2006, four new TOTAL shares, par value of €2.50 per share, in return for each old share with a par value of €10. The table below sets forth, for the periods indicated, the reported high and low quoted prices in euros for the currently outstanding shares on Euronext Paris. Data prior to May 18, 2006, reported in this table has been adjusted to reflect this stock split by dividing stock prices by four. The May 12, 2006, shareholders' meeting also approved the spin-off of Arkema and the allocation, as of May 18, 2006, of one Arkema share allocation right for each TOTAL share with a par value of €10, ten allocation rights entitling the holder to one Arkema share. Data prior to May 18, 2006, reported in the third and fourth columns of this table are adjusted in order to consider Arkema's share allocation right partition.

Price per share (€)	High	Low	High adjusted	Low adjusted
2006	58.15	46.52	57.40	46.52
2007	63.40	48.33		
2008	59.50	31.52		
2009	45.785	34.25		
First Quarter	42.465	34.25		
Second Quarter	42.455	34.72		
Third Quarter	42.45	35.75		
Fourth Quarter	45.785	39.005		
2010	46.735	35.655		
First Quarter	46.735	40.05		
Second Quarter	44.625	36.21		
Third Quarter	41.00	35.655		
September	39.67	36.77		
Fourth Quarter	41.275	36.91		
October	39.72	37.52		
November	41.275	36.91		
December	40.79	37.195		
2011 (through February 28)	44.47	40.01		
January	43.575	40.01		
February	44.47	42.325		

Trading on the New York Stock Exchange

ADRs have been listed on the New York Stock Exchange since October 25, 1991. The Bank of New York Mellon serves as depositary with respect to the ADRs traded on the New York Stock Exchange. The table below sets forth, for the periods indicated, the reported high and low prices quoted in dollars for the currently outstanding ADRs on the New York Stock Exchange. After the four-for-one stock split, which was approved by the shareholders' meeting on May 12, 2006, and effective on May 18, 2006, and after the split of the ADRs by two on May 23, 2006, one ADR corresponds to one TOTAL share. Data prior to May 23, 2006, reported in this table

Table of Contents

has been adjusted to take into account this stock split by dividing ADR prices by two. The May 12, 2006, shareholders meeting also approved the spin-off of Arkema and the allocation, as from May 18, 2006, of one Arkema share allocation right for each TOTAL share with a par value of 10, ten allocation rights entitling the holder to one Arkema share. Data prior to May 23, 2006, reported in the third and fourth columns of this table has been adjusted in order to reflect Arkema's share allocation right partition.

Price Per ADR (\$)	High	Low	High adjusted	Low adjusted
2006	73.46	58.06	73.46	58.06
2007	87.34	63.89		
2008	91.34	42.60		
2009	65.98	42.88		
First Quarter	57.85	42.88		
Second Quarter	59.93	45.02		
Third Quarter	62.43	49.78		
Fourth Quarter	65.98	57.05		
2010	67.52	43.07		
First Quarter	67.52	54.01		
Second Quarter	60.24	43.07		
Third Quarter	54.14	44.43		
September	52.46	48.15		
Fourth Quarter	58.06	48.08		
October	55.50	51.20		
November	58.06	48.08		
December	53.97	49.03		
2011 (through February 28)	61.44	52.61		
January	59.84	52.61		
February	61.44	58.05		

ITEM 10. ADDITIONAL INFORMATION**Memorandum and Articles of Association****Register Information**

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

Objects and Purposes

The Company's purpose can be found in Article 3 of its bylaws (*statuts*). Generally, the Company may engage in all activities relating to: (i) the exploration and extraction of mining deposits and the performance of industrial refining, processing, and trading of these materials, as well as their derivatives and by-products; (ii) the production and distribution of all forms of energy; (iii) the chemicals, rubber and health industries; (iv) the transportation and shipping of hydrocarbons and other products or materials relating to the Company's business purpose; and (v) 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 business or company that may relate 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.

Director Issues

Compensation

Directors receive attendance fees, the maximum aggregate amount of which, determined by the shareholders acting at a shareholders meeting, remains in effect until a new decision is made. The Board of Directors may apportion this amount among its members in whatever way it considers appropriate. In addition, the Board may also grant its Chairman compensation.

Retirement

The number of directors of TOTAL who are acting in their own capacity or as permanent representatives of a legal entity and are over seventy years old may not exceed one-third of the number of directors in office at the end of the fiscal year. If such number is exceeded, the oldest Board member is automatically deemed to have resigned. Directors who are the permanent representative of a legal

Table of Contents

person may not continue in office beyond their seventieth birthday.

Currently, the duties of the Chairman of the Board automatically cease on his sixty-fifth birthday at the latest. At their meeting of May 15, 2009, the shareholders adopted an amendment of the bylaws pertaining to the rules relating to the nomination of the Chairman. The amendment allows the Board, as an exception to the currently applicable sixty-five year age limit, to appoint as Chairman of the Board for a period of up to two years a director who is more than sixty-five years old but less than seventy years old.

Shareholdings

Each director must own at least 1,000 shares of TOTAL during his or her term of office, except the director representing the employees shareholder who shall hold, either individually or through an investment trust governed by Article L.214-40 of the Monetary & Financial Code (French FCPE), at least one share or a number of stocks in such investment trust amounting to at least one share.

Election

Directors are elected for a term of three years. In 2003, TOTAL amended its Articles of Incorporation to provide for the election of one director to represent employee shareholders. This director was appointed for the first time at the shareholders' meeting held on May 14, 2004.

Description of Shares

The following is a summary of the material rights of holders of fully paid shares and is based on the bylaws of the Company and French Company Law as codified in Volume II (*Livre II*) of the French Commercial Code (referred to herein as the French Company Law). For more complete information, please read the bylaws of TOTAL S.A., a copy of which has been filed as an exhibit to this Annual Report.

Dividend rights

The Company may make dividend distributions to its shareholders from net income in each fiscal year, after deduction of the overhead and other social charges, as well as of any amortization of the business assets and of any provisions for commercial and industrial contingencies, as reduced by any loss carried forward from prior years, and less any contributions to reserves or amounts that the shareholders decide to carry forward. These distributions are also subject to the requirements of French Company Law and the Company's bylaws.

Under French Company Law, the Company must allocate 5% of its net profits in each fiscal year to a legal reserve fund until the amount in that fund is equal to 10% of the nominal amount of its share capital.

The Company's bylaws provide that its shareholders may decide to allocate all or a part of any distributable profits among special or general reserves, to carry them forward to the next fiscal year as retained earnings, or to allocate them to the shareholders as dividends. The bylaws provide that the shareholders' meeting held to approve the financial statements for the financial year may decide to grant an option to each shareholder between payment of the dividend in cash and payment in shares with respect to all or part of the dividend or interim dividends.

Under French Company Law, the Company must distribute dividends to its shareholders pro rata, according to their shareholdings. Dividends are payable to holders of outstanding shares on the date fixed by the shareholders' meeting approving the distribution of dividends or, in the case of interim dividends, on the date fixed by the Company's Board of Directors at the meeting that approves the distribution of interim dividends. Under French law, dividends not

claimed within five years of the date of payment revert to the French State.

Voting rights

Each shareholder of the Company is entitled to the number of votes he or she possesses, or for which he or she holds proxies. According to French Company Law, voting rights may not be exercised in respect of fractional shares.

According to the Company's bylaws, each registered share that is fully paid and registered in the name of the same shareholder for a continuous period of at least two years is granted a double voting right after such two-year period. Upon capital increase by capitalization of reserves, profits or premiums on shares, a double voting right is granted to each registered share allocated to a shareholder relating to previously existing shares that already carry double voting rights. The double voting right is automatically canceled when the share is converted into a bearer share or when the share is transferred, unless the transfer is due to inheritance, division of community property between spouses, or a donation during the lifetime of the shareholder to the benefit of a spouse or relatives eligible to inherit.

Table of Contents

French Company Law limits a shareholder's right to vote notably in the following circumstances:

- shares held by the Company or by entities controlled by the Company under certain conditions, which cannot be voted;
- shares held by shareholders making a contribution in-kind to the Company, which cannot be voted with respect to resolutions relating to such in-kind contributions; and
- shares held by interested parties, which cannot be voted with respect to resolutions relating to such shareholders.

Under the Company's bylaws, the voting rights exercisable by a shareholder, directly, indirectly or by proxy, at any shareholders' meeting are limited to 10% of the total number of voting rights attached to the shares on the date of such shareholders' meeting. This 10% limitation may be increased by taking into account double voting rights held directly or indirectly by the shareholder or by proxy, provided that the voting rights exercisable by a shareholder at any shareholders' meeting may never exceed 20% of the total number of voting rights attached to the shares.

According to the Company's bylaws, these limitations on voting lapse automatically if any individual or entity acting alone or in concert with an individual or entity holds at least two-thirds of the total number of shares as a result of a tender offer for 100% of the shares.

Liquidation rights

In the event the Company is liquidated, its assets remaining after payment of its debts, liquidation expenses and all of its other remaining obligations will first be distributed to repay the nominal value of the shares. After these payments have been made, any surplus will be distributed pro rata among the holders of shares based on the nominal value of their shareholdings.

Future capital calls

Shareholders are not liable to the Company for further capital calls on their shares.

Preferential subscription rights

Holders of shares have preferential rights to subscribe on a pro rata basis for additional shares issued for cash. Shareholders may waive their preferential rights, either individually or, under certain circumstances, as a specifically named group at an extraordinary shareholders' meeting. During the subscription period relating to a particular offering of shares, shareholders may transfer their preferential subscription rights that they have not previously waived.

Changes in share capital

Under French Company Law, the Company may increase its share capital only with the approval of its shareholders at an extraordinary shareholders' meeting (or with a delegation of authority from its shareholders). There are two methods to increase share capital: (i) by issuing additional shares, including the creation of a new class of securities and (ii) by increasing the nominal value of existing shares. The Company may issue additional shares for cash or for assets contributed in kind, upon the conversion of debt securities, or other securities giving access to its share capital, that it may have issued, by capitalization of its reserves, profits or issuance premiums or, subject to certain conditions, in satisfaction of its indebtedness.

Under French Company Law, the Company may decrease its share capital only with the approval of its shareholders at an extraordinary shareholders' meeting (or with a delegation of authority from its shareholders). There are two methods to reduce share capital: (i) by reducing the number of shares outstanding, and (ii) by decreasing the nominal

value of existing shares. The conditions under which the share capital may be reduced will vary depending upon whether the reduction is attributable to losses. The Company may reduce the number of outstanding shares either by an exchange of shares or by the repurchase and cancellation of its shares. If the reduction is attributable to losses, shares are cancelled through offsetting the Company's losses. Any decrease must meet the requirements of French Company Law, which states, among other things, that all the holders of shares in each class of shares must be treated equally, unless the affected shareholders otherwise agree.

Form of shares

The Company has only one class of shares, par value 2.50 per share. Shares may be held in either bearer or registered form. Shares traded on Euronext Paris are cleared and settled through Euroclear France. The Company may use any lawful means to identify holders of shares, including a procedure known as *titres au porteur identifiable* according to which Euroclear France will, upon the Company's request, disclose to the Company the name, nationality, address and number of shares held by each shareholder in bearer form. The information may only be requested by the Company and may not be communicated to third parties.

Table of Contents

Holding of shares

Under French Company Law and since the dematerialization of securities, the ownership rights of shareholders are represented by book entries instead of share certificates (other than certificates representing French securities which are outstanding exclusively outside the territory of France and are not held by French residents). Registered shares are entered into an account maintained by the Company or by a representative that it has nominated, while shares in bearer form must be held in an account maintained by an accredited financial intermediary on the shareholder's behalf.

For all shares in registered form, the Company maintains a share account with Euroclear France which is administered by BNP Paribas Securities Services. In addition, the Company maintains accounts in the name of each registered shareholder either directly or, at a shareholder's request, through a shareholder's accredited intermediary, in separate accounts maintained by BNP Paribas Securities Services on behalf of the Company. Each shareholder's account shows the name and number of shares held and, in the case of shares registered through an accredited financial intermediary, the fact that they are so held. BNP Paribas Securities Services, as a matter of course, issues confirmations to each registered shareholder as to shares registered in a shareholder's account, but these confirmations do not constitute documents of title.

Shares held in bearer form are held and registered on the shareholder's behalf in an account maintained by an accredited financial intermediary and are credited to an account at Euroclear France maintained by the intermediary. Each accredited financial intermediary maintains a record of shares held through it and will issue certificates of inscription for the shares that it holds. Transfers of shares held in bearer form only may be made through accredited financial intermediaries and Euroclear France.

Cancellation of treasury shares

After receiving authorization through a shareholders' meeting, the Board of Directors of the Company may cancel treasury shares owned by the Company in accordance with French Company Law up to a maximum of 10% of the share capital within any period of twenty-four months.

Description of TOTAL Share Certificates

The TOTAL share certificates are issued by Euroclear France. French law allows Euroclear France to create certificates representing French securities provided that these certificates are intended to be outstanding exclusively outside the territory of France and cannot be held by residents of France. Furthermore, TOTAL share certificates may not be held by a foreign resident in France, either personally or in the form of a bank deposit, but the coupons and rights may be exercised in France.

Certificates for TOTAL shares are either in bearer form or registered in a securities trading account. Under Euroclear France regulations applicable to bearer stock certificates, TOTAL share certificates cannot be categorized as secondary securities, such as ADSs, issued by a foreign company to represent TOTAL shares.

TOTAL share certificates have the characteristics of a bearer security, meaning they are:

- negotiable outside France;
- transmitted by delivery; and
- fungible with TOTAL share certificates, which may be converted freely from bearer form to registration in an account.

All rights attached to TOTAL shares must be exercised directly by the bearer of the TOTAL share certificates.

Table of Contents

Share Capital History

Fiscal 2008

- April 25, 2008 Certification of the subscription to 4,870,386 new shares, par value 2.50, as part of the capital increase reserved for Group employees approved by the Board of Directors on November 6, 2007, raising the share capital by 12,175,965, from 5,988,830,242.50 to 6,001,006,207.50.
- July 31, 2008 Reduction of the share capital from 6,001,006,207.50 to 5,926,006,207.50, through the cancelation of 30,000,000 treasury shares, par value 2.50.
- January 13, 2009 Certification of the issuance of 1,405,591 new shares, par value 2.50 per share, between January 1 and December 31, 2008, raising the share capital by 3,513,977.50 from 5,926,006,207.50 to 5,929,520,185 (of which 1,178,167 new shares issued through the exercise of the Company's stock options and 227,424 new shares through the exchange of 37,904 shares of Elf Aquitaine stock resulting from the exercise of Elf Aquitaine stock options and eligible for a guaranteed exchange for TOTAL shares).

Fiscal 2009

- July 30, 2009 Reduction of the share capital from 5,929,520,185 to 5,867,520,185, through the cancelation of 24,800,000 treasury shares, par value 2.50.
- January 12, 2010 Certification of the issuance of 1,414,810 new shares, par value 2.50 per share, between January 1 and December 31, 2009, raising the share capital by 3,537,025 from 5,867,520,185 to 5,871,057,210 (of which 934,780 new shares issued through the exercise of the Company's stock options and 480,030 new shares through the exchange of 80,005 shares of Elf Aquitaine stock resulting from the exercise of Elf Aquitaine stock options and eligible for a guaranteed exchange for TOTAL shares).

Fiscal 2010

- January 12, 2011 Certification of the issuance of 1,218,047 new shares, par value 2.50, through the exercise of the Company's stock options between January 1 and December 31, 2010, raising the share capital by 3,045,117.50 from 5,871,057,210 to 5,874,102,327.50.

Other Issues

Shareholders meetings

French companies may hold either ordinary or extraordinary shareholders meetings. Ordinary shareholders meetings are required for matters that are not specifically reserved by law to extraordinary shareholders meetings: the election of the members of the Board of Directors, the appointment of statutory auditors, the approval of a management report prepared by the Board of Directors, the approval of the annual financial statements, the declaration of dividends and the issuance of bonds. Extraordinary shareholders meetings are required for approval of amendments to a company's bylaws, modification of shareholders rights, mergers, increases or decreases in share capital, including a waiver of preferential subscription rights, the creation of a new class of shares, the authorization of the issuance of investment certificates or securities convertible, exchangeable or redeemable into shares and for the sale or transfer of substantially all of a company's assets.

The Company's Board of Directors is required to convene an annual shareholders meeting for approval of the annual financial statements. This meeting must be held within six months of the end of the fiscal year. However, the president of the *Tribunal de Commerce* of Nanterre, the local French commercial court, may grant an extension of this six-month period. The Company may convene other ordinary and extraordinary meetings at any time during the year. Meetings of shareholders may be convened by the Board of Directors or, if it fails to call a meeting, by the Company's statutory auditors or by a court-appointed agent. A shareholder or shareholders holding at least 5% of the share

capital, the employee committee or another interested party under certain exceptional circumstances, may request that the court appoint an agent. The notice of meeting must state the agenda for the meeting.

French Company Law requires that a preliminary notice of a listed company's shareholders' meeting be published in the *Bulletin des annonces légales obligatoires* (BALO) at least thirty-five days prior to the meeting (or fifteen days in the event the Company is subject to a tender offer and the Company calls a shareholders' meeting to approve measures, the implementation of which would be likely to cause such tender offer to fail). The preliminary notice must first be sent to the French Financial Markets Authority (*Autorité des marchés financiers*) (AMF) with an indication of the date it is to be published in the BALO.

The preliminary notice must include the agenda of the meeting and the proposed resolutions that will be submitted to a shareholders' vote.

One or more shareholders holding a certain percentage of the Company's share capital determined on the basis of a formula related to capitalization may propose to add on the shareholders' meeting's agenda additional resolutions to be submitted to a shareholders' vote and/or matters without a shareholders' vote (*points*), provided that the text of additional resolutions or matters be received by the Company on at least the twenty-fifth day preceding the meeting (or at least the tenth day in the event the

Table of Contents

Company is subject to a tender offer and the Company calls a shareholders meeting to approve measures which, if implemented, would likely cause such tender offer to fail). The demand of the shareholders that are eligible to require for the inscription of matters on the meeting agenda has to be duly motivated.

French Company Law also requires that the preliminary notice of a listed company's shareholders meeting, as well as the additional resolutions and/or matters presented by the shareholders under the terms and conditions prescribed under French law, be published on the Company's Web site during a period starting at the latest on the twenty-first day prior to the meeting (or the fifteenth day in the event the Company is subject to a tender offer and the Company calls a shareholders meeting to approve measures which, if implemented, would likely cause such tender offer to fail).

Notice of a shareholders meeting is sent by mail at least fifteen days (or six days in the event of shareholders meetings convened in the situation where the Company was subject to a tender offer to approve measures, the implementation of which would be likely to cause such tender offer to fail) before the meeting to all holders of registered shares who have held their shares for more than one month. However, in the case where the original meeting was adjourned because a quorum was not met, this time period is reduced to ten days (or four days in the event of shareholders meetings convened in the situation where the Company were subject to a tender offer to approve measures, the implementation of which would be likely to cause such tender offer to fail).

Attendance and the exercise of voting rights at both ordinary and extraordinary shareholders meetings are subject to certain conditions. Pursuant to French Company Law, participation at shareholders meetings is subject to the condition that an entry of registration has been made, for the owner of registered shares, in the records maintained by the Company, or, for the owner of bearer shares, in the records of an authorized intermediary, in each case at 12:00 a.m. (Paris time) on the third trading day preceding the shareholders meeting. For the owner of bearer shares the registration is evidenced by a certificate of participation (*attestation de participation*) issued by the authorized intermediary.

Subject to the above restrictions, all of the Company's shareholders have the right to participate in the Company's shareholders meetings, either in person or by proxy. Each shareholder may delegate voting authority to another shareholder, the shareholder's spouse, or the companion with whom the shareholder has registered a civil partnership (PACS). Every shareholder may also delegate voting authority to any other individual or legal entity he or she may choose, provided among other things, that a written proxy be provided to the Company. Shareholders may vote, either in person, by proxy, or by mail, and each is entitled to as many votes as he or she possesses or as many shares as he or she holds proxies for, subject to the voting rights limitations provided by the Company's bylaws. If the shareholder is a legal entity, it may be represented by a legal representative. A shareholder may grant a proxy to the Company by returning a blank proxy form. In this last case, the chairman of the shareholders meeting may vote the shares in favor of all resolutions proposed or agreed to by the Board of Directors and against all others. The Company will send proxy forms to shareholders upon request. In order to be counted, proxies must be received at least one day prior to the shareholders meeting at the Company's registered office or at another address indicated in the notice convening the meeting. Under French Company Law, shares held by entities controlled directly or indirectly by the Company are not entitled to voting rights. There is no requirement that a shareholder have a minimum number of shares in order to be able to attend or be represented at shareholders meetings.

Under French Company Law, a quorum requires the presence, in person or by proxy, including those voting by mail, of shareholders having at least 20% of the shares entitled to vote in the case of (i) an ordinary shareholders meeting, (ii) an extraordinary meeting where shareholders are voting on a capital increase by capitalization of reserves, profits or share premium, or (iii) an extraordinary general meeting of shareholders convened in the situation where the Company is subject to a tender offer in order to approve an issuance of warrants allowing the subscription, at preferential conditions, of shares of the Company and the free allotment of such warrants to existing shareholders of the Company, the implementation of which would be likely to cause such tender offer to fail, or 25% of the shares

entitled to vote in the case of any other extraordinary shareholders meeting. If a quorum is not present at any meeting, the meeting is adjourned. There is no quorum requirement when an ordinary shareholders meeting is reconvened, but the reconvened meeting may consider only questions which were on the agenda of the adjourned meeting. When an extraordinary shareholders meeting is reconvened, the quorum required is 20% of the shares entitled to vote, except where the reconvened meeting is considering capital increases through capitalization of reserves, profits or share premium. For these matters, no quorum is required at the reconvened meeting. If a quorum is not present at a reconvened meeting requiring a quorum, then the

Table of Contents

meeting may be adjourned for a maximum of two months.

At an ordinary shareholders' meeting, approval of any resolution requires the affirmative vote of a simple majority of the votes of the shareholders present or represented by proxy. The approval of any resolution at an extraordinary shareholders' meeting requires the affirmative vote of a two-thirds majority of the votes cast, except that (i) any resolution to approve a capital increase by capitalization of reserves profits, or share premium, or (ii) any resolution, in the situation where the Company is subject to a tender offer in order to approve an issuance of warrants allowing the subscription, at preferential conditions, of shares of the Company and the free allotment of such warrants to existing shareholders of the Company, the implementation of which would be likely to cause such tender offer to fail, only requires the affirmative vote of a simple majority of the votes cast. Notwithstanding these rules, a unanimous vote is required to increase shareholders' liabilities. Abstention from voting by those present or represented by proxy is counted as a vote against any resolution submitted to a vote.

As set forth in the Company's bylaws, shareholders' meetings are held at the Company's registered office or at any other location specified in the written notice.

Requirements for temporary transfer of securities

French Company Law provides that any legal entity or individual (with the exception of those described in paragraph IV-3° of Article L. 233-7 of the French Commercial Code) holding alone or in concert a number of shares representing more than 0.5% of the Company's voting rights as a result of one or several temporary stock transfers or assimilated transactions within the meaning of Article L. 225-126 of the French Commercial Code is required to inform the Company and the AMF of the number of the shares that are temporarily possessed no later than the third business day preceding the shareholders' meeting at midnight.

If such declaration is not made, the shares bought under any of the above described temporary stock transfers or assimilated transactions shall be deprived of their voting rights at the relevant shareholders' meeting and at any shareholders' meeting that would be held until such shares are transferred again or returned.

Ownership of shares by non-French persons

There is no limitation on the right of non-resident or foreign shareholders to own securities of the Company, either under French Company Law or under the bylaws of the Company.

Requirement for holdings exceeding certain percentages

French Company Law provides that any individual or entity, acting alone or in concert with others, that holds, directly or indirectly, more than 5%, 10%, 15%, 20%, 25%, 30%, 33 1/3%, 50%, 66 2/3%, 90% or 95% of the outstanding shares or the voting rights⁽¹⁾ attached to the shares, or that increases or decreases its shareholding or voting rights by any of the above percentages must notify the Company by registered letter, with return receipt, within four business days of crossing that threshold, of the number of shares and voting rights it holds. An individual or entity must also notify the AMF, the self-regulatory organization that has general regulatory authority over the French stock exchanges and whose members include representatives of French stockbrokers, by registered letter, with return receipt, within four trading days of crossing that threshold. Any shareholder who fails to comply with these requirements will have its voting rights in excess of such thresholds suspended for a period of two years from the date such shareholder complies with the notification requirements and may have all or part of its voting rights suspended for up to five years by the commercial court at the request of the Company's Chairman, any of the Company's shareholders or the AMF. In addition, every shareholder who, directly or indirectly, acting alone or in concert with others, acquires ownership or control of shares representing 10%, 15%, 20% or 25% of the Company's share capital must notify the Company and

the AMF of its intentions for the six months following such an acquisition. Failure to comply with this notification of intentions will result in the suspension of the voting rights attached to the shares exceeding the applicable threshold held by the shareholder for a period of two years from the date on which the shareholder has cured such default and, upon a decision of the commercial court part or all the shares held by such shareholder may be suspended for up to five years.

In addition, the Company's bylaws provide that any person, whether a natural person or a legal entity, who comes to hold, directly or indirectly, 1% or more, or any multiple of 1%, of the Company's share capital or voting rights or of securities that may include future voting rights

(1) For purposes of shareholding threshold declarations, pursuant to Article 223-11 of the General Regulation of the AMF, voting rights are calculated on the basis of all outstanding shares, whether or not these shares would have rights to vote at a shareholders' meeting.

Table of Contents

or future access to share capital or voting rights, must notify the Company by registered letter with return receipt requested, within 15 calendar days of crossing such threshold. Failure to comply with these notification provisions will result in the suspension of the voting rights attached to the shares exceeding this 1% threshold held by the shareholder if requested at a shareholders meeting by one or more shareholders holding shares representing at least 3% of the share capital.

Any individual or legal entity whose direct or indirect holding of shares falls below each of the levels mentioned must also notify the Company in the manner and within the time limits set forth above.

Subject to certain limited exemptions, any person, or persons acting in concert, owning in excess of 33 1/3% of the share capital or voting rights of the Company must initiate a public tender offer for the balance of the share capital, voting rights and securities giving access to such share capital or voting rights.

Material Contracts

There have been no material contracts (not entered into in the ordinary course of business) entered into by members of the Group since March 25, 2009.

Exchange Controls

Under current French exchange control regulations, no limits exist on the amount of payments that TOTAL may remit to residents of the United States. Laws and regulations concerning foreign exchange controls do require, however, that an accredited intermediary must handle all payments or transfer of funds made by a French resident to a non-resident.

Taxation

General

This section generally summarizes the material U.S. federal income tax and French tax consequences of owning and disposing of shares and ADSs of TOTAL to U.S. Holders that hold their shares or ADSs as capital assets for tax purposes. A U.S. Holder is a beneficial owner of shares or ADSs that is (i) a citizen or resident of the United States for U.S. federal income tax purposes, (ii) a domestic corporation or other domestic entity treated as a corporation for U.S. federal income tax purposes, (iii) an estate whose income is subject to U.S. federal income tax regardless of its source, or (iv) a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

This section does not apply to members of special classes of holders subject to special rules, including:

- dealers in securities;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- tax-exempt organizations;
- life insurance companies;
- persons liable for alternative minimum tax;
- persons that actually or constructively own 10% or more of the share capital or voting rights in TOTAL;
- persons that hold the shares or ADSs as part of a straddle or a hedging or conversion transaction; or
- persons whose functional currency is not the U.S. dollar.

If a partnership holds ordinary shares or ADSs, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of a partnership holding these ordinary shares or ADSs

should consult their tax advisors as to the tax consequences of owning or disposing of ordinary shares or ADSs, as applicable.

In addition, the discussion of the material French tax consequences is limited to U.S. Holders that (i) are residents of the United States for purposes of the Treaty (as defined below), (ii) do not maintain a permanent establishment or fixed base in France to which the shares or ADSs are attributable and through which the respective U.S. Holders carry on, or have carried on, a business (or, if the holder is an individual, performs or has performed independent personal services), and (iii) are otherwise eligible for the benefits of the Treaty in respect of income and gain from the shares or ADSs. In addition, this section is based in part upon the representations of the Depositary and the assumption that each obligation in the Deposit Agreement and any related agreement will be performed in accordance with its terms.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, and with respect to the description of the material French tax consequences, the laws of the Republic of France and French tax regulations, all as currently in effect, as well as on the Convention Between the United States and the Republic of France for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital dated August 31, 1994 as amended (the Treaty). These laws, regulations and the Treaty are subject to change, possibly on a retroactive basis.

Table of Contents

This discussion is intended only as a descriptive summary and does not purport to be a complete analysis or listing of all potential tax effects of the ownership or disposition of the shares and ADSs and is not intended to substitute competent professional advice. Individual situations of holders of shares and ADSs may vary from the description made below. The following summary does not address the French tax treatment applicable to dividends transferred to so called "Non Cooperative Countries and Territories" within the meaning of the new Section 238-0 A of the French Tax Code.

Holders are urged to consult their own tax advisors regarding the U.S. federal, state and local, and French and other tax consequences of owning and disposing shares or ADSs of TOTAL in their respective circumstances. In particular, a holder is encouraged to confirm whether the holder is a U.S. Holder eligible for the benefits of the Treaty with its advisor.

Taxation of Dividends

French taxes

The term "dividends" used in the following discussion means dividends within the meaning of applicable income tax treaties, or, where not defined by such treaties, within the meaning of the French domestic tax law as set forth in administrative guidelines dated February 25, 2005 (4 J-1-05) (the "Administrative Guidelines").

Dividends paid to non-residents of France are subject to French withholding tax at a rate of 25%. This withholding tax is reduced to 19% with respect to dividends received as from January 1, 2011, by non-residents of France who are residents of certain States located within the European Economic Area.

However, the rate may be reduced pursuant to a tax treaty or similar agreement. Under the Treaty, a U.S. Holder is generally entitled to a reduced rate of French withholding tax of 15% with respect to dividends, provided the ownership of shares or ADSs is not effectively attributable to a permanent establishment or to a fixed base in France and certain other requirements are satisfied.

U.S. Holders should consult their own tax advisors in order to determine the effect of the Treaty and the applicable procedures in respect of the Administrative Guidelines, in light of such particular circumstances.

The Administrative Guidelines set forth the conditions under which the reduced French withholding tax at the rate of 15% may be available. The immediate application of the reduced 15% rate is available to those U.S. Holders that may benefit from the so-called "simplified procedure" (within the meaning of the Administrative Guidelines).

Under the "simplified procedure", U.S. Holders may claim the immediate application of withholding tax at the rate of 15% on the dividends to be received by them, provided that:

- (i) they furnish to the U.S. financial institution managing their securities account a certificate of residence conforming with the model attached to the Administrative Guidelines. The immediate application of the 15% withholding tax will be available only if the certificate of residence is sent to the U.S. financial institution managing their securities account before the dividend payment date. Furthermore, each financial institution managing the U.S. Holders' securities account must also send to the French paying agent the figure of the total amount of dividends to be received which are eligible to the reduced withholding tax rate before the dividend payment date;
- (ii) the U.S. financial institution managing the U.S. Holder's securities account provides to the French paying agent a list of the eligible U.S. Holders and other pieces of information set forth in the Administrative Guidelines.

Furthermore, the financial institution managing the U.S. Holders' securities account should certify that each U.S. Holder is, to the best of its knowledge, a United States resident within the meaning of the Treaty. These documents must be sent as soon as possible, in all cases before the end of the third month computed as from the end of the month of the dividend payment date.

Where the U.S. Holder's identity and tax residence are known by the French paying agent, the latter may release such U.S. Holder from furnishing to (i) the financial institution managing its securities account, or (ii) as the case may be, the Internal Revenue Service, the abovementioned certificate of residence, and apply the 15% withholding tax rate to dividends it pays to such U.S. Holder.

U.S. Pension Funds and Other Tax-Exempt Entities created and operating in accordance with the provisions of Sections 401 (a), 403 (b), 457 or 501 (c) (3) of the U.S. Internal Revenue Code (IRC) are subject to the same general filing requirements except that, in addition, they have to supply a certificate issued by the U.S. Internal Revenue Service (IRS) or any other document stating that they have been created and are operating in accordance with the provisions of the abovementioned Code Sections. This certificate must be produced

Table of Contents

together with the first request of application of the reduced rate, once together with the first request of immediate application of the 15% withholding tax and at French Tax Authorities specific request.

In the same way, regulated companies such as RIC, REIT or REMIC will have to send to the financial institution managing their securities account a certificate from the IRS indicating that they are classified as Regulated Companies (RIC, REIT or REMIC) within the provisions of the relevant sections of the IRC. In principle, this certification must be produced each year and before the dividend payment.

For a U.S. Holder that is not entitled to the simplified procedure and whose identity and tax residence are not known by the paying agent at the time of the payment, the 25% French withholding tax will be levied at the time the dividends are paid. Such U.S. Holder may, however, be entitled to a refund of the withholding tax in excess of the 15% rate under the standard, as opposed to the simplified, procedure, provided that the U.S. Holder furnishes to the French paying agent an application for refund on forms No. 5000-FR and/or 5001-FR (or any other relevant form to be issued by the French tax authorities), certified by the U.S. financial institution managing the U.S. Holder's securities account (or, if not, by the competent U.S. tax authorities), before December 31 of the second year following the date of payment of the withholding tax at the 25% rate to the French tax authorities, according to the requirements provided by the Administrative Guidelines.

Copies of forms No. 5000-FR and 5001-FR (or any other relevant form to be issued by the French tax authorities) as well as the form of the certificate of residence and the U.S. financial institution certification, together with instructions, are available from the U.S. Internal Revenue Service and the French *Centre des Impôts des Non-Residents* at 10, rue du Centre, 93463 Noisy le Grand, France.

These forms, together with instructions, will also be provided by the Depositary to all U.S. Holders of ADRs registered with the Depositary. The Depositary will use reasonable efforts to follow the procedures established by the French tax authorities for U.S. Holders to benefit from the immediate application of the 15% French withholding tax rate or, as the case may be, to recover the excess 10% French withholding tax initially withheld and deducted in respect of dividends distributed to them by TOTAL. To effect such benefit or recovery, the Depositary shall advise such U.S. Holder to return the relevant forms to it, properly completed and executed. Upon receipt of the relevant forms properly completed and executed by such U.S. Holder, the Depositary shall cause them to be filed with the appropriate French tax authorities, and upon receipt of any resulting remittance, the Depositary shall distribute to the U.S. Holder entitled thereto, as soon as practicable, the proceeds thereof in U.S. dollars.

The identity and address of the French paying agent are available from TOTAL.

U.S. taxation

For U.S. federal income tax purposes and subject to the passive foreign investment company rules discussed below, the gross amount of any dividend a U.S. Holder must include in gross income equals the amount paid by TOTAL to the extent of the current and accumulated earnings and profits of TOTAL (as determined for U.S. federal income tax purposes). The dividend will be income from foreign sources. Dividends paid to a noncorporate U.S. Holder in taxable years beginning before January 1, 2013, that constitute qualified dividend income will be taxable to the holder at a maximum tax rate of 15% provided that the shares or ADSs are held for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and the holder meets other holding period requirements. TOTAL believes that dividends paid by TOTAL with respect to its shares or ADSs will be qualified dividend income. The dividend will not be eligible for the dividends-received deduction allowed to a U.S. corporation under Section 243 of the Code. The dividend is taxable to the U.S. Holder when the holder, in the case of shares, or the Depositary, in the case of ADSs, receives the dividend, actually or constructively. To the extent that an amount received by a U.S. Holder exceeds the allocable share of TOTAL's current and accumulated earnings and profits, it will be applied

first to reduce such holder's tax basis in shares or ADSs owned by such holder and then, to the extent it exceeds the holder's tax basis, it will constitute capital gain.

The amount of any dividend distribution includible in the income of a U.S. Holder equals the U.S. dollar value of the euro payment made, determined at the spot euro/dollar exchange rate on the date the dividend distribution is includible in the U.S. Holder's income, regardless of whether the payment is in fact converted into U.S. dollars. Any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in the U.S. Holder's income to the date the payment is converted into U.S. dollars will generally be treated as ordinary income or loss from sources within the United States and will not be eligible

Table of Contents

for the special tax rate applicable to qualified dividend income.

Subject to certain conditions and limitations, French taxes withheld in accordance with the Treaty will generally be eligible for credit against the U.S. Holder's U.S. federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. In addition, special rules apply in determining the foreign tax credit limitation with respect to dividends that are subject to the maximum 15% tax rate. To the extent a refund of the tax withheld is available to a U.S. Holder under French law or under the Treaty, the amount of tax withheld that is refundable will not be eligible for credit against such an individual's United States federal income tax liability.

For this purpose, dividends distributed by TOTAL will constitute passive income, or, in the case of certain U.S. Holders, general income, which are treated separately from one another for purposes of computing the foreign tax credit allowable to the U.S. Holder. Alternatively, a U.S. Holder may claim all foreign taxes paid as an itemized deduction in lieu of claiming a foreign tax credit.

Taxation of Disposition of Shares

In general, a U.S. Holder who is eligible for the benefits of the Treaty will not be subject to French tax on any capital gain from the sale or exchange of the ADSs or redemption of the underlying shares unless those ADSs or shares form part of a business property of a permanent establishment or fixed base that the U.S. Holder has in France. Special rules may apply to individuals who are residents of more than one country.

A 3% registration duty assessed on the higher of the purchase price and the market value of the shares (subject to a maximum of 5,000 per transfer) applies to certain transfers of shares in French companies. The duty does not apply to transfers of shares in TOTAL provided that the transfer is not evidenced by a written agreement, or that such written agreement is executed outside France.

For U.S. federal income tax purposes and subject to the passive foreign investment company rules discussed below, a U.S. Holder generally will recognize capital gain or loss upon the sale or disposition of shares or ADSs equal to the difference between the U.S. dollar value of the amount realized on the sale or disposition and the holder's tax basis, determined in U.S. dollars, in the shares or ADSs. The gain or loss generally will be U.S. source gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period of the shares or ADSs is more than one year at the time of the disposition. Long-term capital gain of a non-corporate U.S. Holder is generally taxed at preferential rates. The deductibility of capital losses is subject to limitation.

Passive Foreign Investment Status

TOTAL believes that the shares or ADSs will not be treated as stock of a passive foreign investment company, or PFIC, for United States federal income tax purposes, but this conclusion is a factual determination that is made annually and thus is subject to change. If TOTAL is treated as a PFIC, unless a U.S. Holder elects to be taxed annually on a mark-to-market basis with respect to the shares or ADSs, gain realized on the sale or other disposition of the shares or ADSs would in general not be treated as capital gain. Instead a U.S. Holder would be treated as if he or she had realized such gain and certain excess distributions ratably over the holding period for the shares or ADSs and would be taxed at the highest tax rate in effect for each such year to which the gain was allocated, in addition to which an interest charge in respect of the tax attributable to each such year would apply. With certain exceptions, a U.S. Holder's shares or ADSs will be treated as stock in a PFIC if TOTAL were a PFIC at any time during his or her holding period in the shares or ADSs. Dividends paid will not be eligible for the special tax rates applicable to qualified dividend income if TOTAL is treated as a PFIC with respect to a U.S. Holder either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income.

French Estate and Gift Taxes

In general, a transfer of ADSs or shares by gift or by reason of the death of a U.S. Holder that would otherwise be subject to French gift or inheritance tax, respectively, will not be subject to such French tax by reason of the Convention between the United States of America and the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates, Inheritances and Gifts, dated November 24, 1978, unless the donor or the transferor is domiciled in France at the time of making the gift, or at the time of his death, or if the ADSs or shares were used in, or held for use in, the conduct of a business through a permanent establishment or a fixed base in France.

French Wealth Tax

The French wealth tax does not apply to a U.S. Holder (i) that is not an individual, or (ii) in the case of individuals

Table of Contents

who are eligible for the benefits of the Treaty and who own, alone or with related persons, directly or indirectly, TOTAL shares which give right to less than 25% of TOTAL's earnings.

U.S. State and Local Taxes

In addition to U.S. federal income tax, U.S. Holders of shares or ADSs may be subject to U.S. state and local taxes with respect to their shares or ADSs. U.S. Holders should consult their own tax advisors.

Dividends and Paying Agents

After BNP Paribas Securities Services performs centralizing procedures, dividends are paid through the accounts of financial intermediaries participating in Euroclear France's direct payment procedures. The Bank of New York Mellon acts as paying agent for dividends distributed to ADS holders.

Documents on Display

TOTAL files annual, periodic, and other reports and information with the Securities and Exchange Commission. You may read and copy any reports, statements or other information TOTAL files with the United States Securities and Exchange Commission (SEC) at the SEC's public reference rooms by calling the SEC for more information at 1-800-SEC-0330. All of TOTAL's SEC filings made after December 31, 2001, are available to the public at the SEC Web site at <http://www.sec.gov> and from certain commercial document retrieval services. You may also read and copy any document the Company files with the SEC at the offices of The New York Stock Exchange, 20 Broad Street, New York, New York 10005.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Please refer to Note 31 to the Consolidated Financial Statements included elsewhere herein for a qualitative and quantitative discussion of the Group's exposure to market risks. Please also refer to Notes 29 and 30 to the Consolidated Financial Statements included elsewhere herein for details of the different derivatives owned by the Group in these markets.

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

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. The impact of changes in crude oil prices on Downstream and Chemicals operations depends upon the speed at which the prices of finished products adjust to reflect these changes. All of the Group's activities are, to various degrees, sensitive to fluctuations in the dollar/euro exchange rate.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

American Depositary Receipts fees and charges

The Bank of New York Mellon, as a depository, collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may generally refuse to provide fee-attracting services until its fees for those services are paid.

Table of Contents

Investors must pay:

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

A fee equivalent to the fee that would be payable if securities distributed to the investor had been shares and the shares had been deposited for issuance of ADSs
Registration or transfer fees

Expenses of the depositary

Taxes and other governmental charges the depositary or the custodian have to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depositary or its agents for servicing the deposited securities

For:

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property, stocks splits or merger

Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

Distribution of securities distributed to holders of deposited securities that are distributed by the depositary to ADS registered holders

Transfer and registration of shares on the Company's share register to or from the name of the depositary or its agent when the investor deposits or withdraws shares

Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)

Converting foreign currency to U.S. dollars
As necessary

As necessary

The depositary has agreed to reimburse expenses (Reimbursed Expenses) incurred by the Company for the establishment and maintenance of the ADS program that include, but are not limited to, exchange listing fees, annual meeting expenses, standard out-of-pocket maintenance costs for the ADRs (e.g., the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls), shareholder identification, investor relations activities or programs in North America, accounting fees (such as external audit fees incurred in connection with the Sarbanes-Oxley Act, the preparation of the Company's Form 20-F and paid to the FASB and the PCAOB), legal fees and other expenses incurred in connection with the preparation of regulatory filings and other documentation related to ongoing SEC, NYSE and U.S. securities law compliance. In certain instances, the depositary has agreed to provide additional payments to the Company based on certain applicable performance indicators relating to the ADR facility. There are limits on the amount of expenses for which the depositary will reimburse the Company, but the amount of reimbursement available to the Company is not necessarily tied to the amount of fees the depositary collects from investors.

From March 16, 2010 to March 15, 2011, the Company received from the depositary a payment of 3,771,262.29 with respect to certain Reimbursed Expenses. The Bank of New-York Mellon has also paid \$347,622 on behalf of the Company with respect to continuing annual stock exchange listing fees.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF
SECURITY HOLDERS AND USE OF PROCEEDS**

None.

139

Table of Contents

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Group's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness, as of the end of the period covered by this report, of the design and operation of the Group's disclosure controls and procedures, which are defined as those controls and procedures designed to ensure that information required to be disclosed in reports filed under the U.S. Securities Exchange Act of 1934, as amended, is recorded, summarized and reported within specified time periods. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can provide only reasonable assurance of achieving their control objectives. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that the Company files under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

The Group's management is responsible for establishing and maintaining adequate internal control over financial reporting. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, the effectiveness of an internal control system may change over time.

The Group's management, including the Chief Executive Officer and the Chief Financial Officer, conducted an evaluation of the effectiveness of internal control over financial reporting using the criteria set forth in the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the results of this evaluation, the Group's management concluded that its internal control over financial reporting was effective as of December 31, 2010.

The effectiveness of internal control over financial reporting as of December 31, 2010, was audited by KPMG S.A. and Ernst & Young Audit, independent registered public accounting firms, as stated in their report on page F-2 of this Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in the Group's internal control over financial reporting that occurred during the period covered by this report that have materially affected, or that were reasonably likely to materially affect, the Group's internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Mr. Bertrand Jacquillat is the Audit Committee financial expert. Mr. Jacquillat is an independent member of the Board of Directors in accordance with the NYSE listing standards applicable to TOTAL, as are the other members of the

Audit Committee.

ITEM 16B. CODE OF ETHICS

At its meeting on February 18, 2004, the Board of Directors adopted a code of ethics that applies to its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and the financial and accounting officers for its principal activities. A copy of this code of ethics is included as an exhibit to this Annual Report.

Table of Contents**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

During the fiscal years ended December 31, 2010 and 2009, fees for services provided by Ernst & Young Audit and KPMG were as follows:

(M)	KPMG		Ernst & Young Audit	
	Year Ended December 31, 2010	2009	Year Ended December 31, 2010	2009
Audit Fees	15.1	16.0	15.2	17.7
Audit-Related Fees ^(a)	3.6	2.9	0.7	0.8
Tax Fees ^(b)	1.2	1.2	1.7	1.4
All Other Fees ^(c)	0.1	0.3	0.2	0.1
Total	20.0	20.4	17.8	20.0

- (a) *Audit-related fees are generally fees billed for services that are closely related to the performance of the audit or review of financial statements. These include due diligence services related to business combinations, attestation services not required by statute or regulation, agreed upon or expanded auditing procedures related to accounting or billing records required to respond to or comply with financial, accounting or regulatory reporting matters, consultations concerning financial accounting and reporting standards, information system reviews, internal control reviews and assistance with internal control reporting requirements.*
- (b) *Tax fees are fees for services related to international and domestic tax compliance, including the preparation of tax returns and claims for refund, tax planning and tax advice, including assistance with tax audits and tax appeals, and tax services regarding statutory, regulatory or administrative developments and expatriate tax assistance and compliance.*
- (c) *All other fees are principally for risk management advisory services.*

Audit Committee Pre-Approval Policy

The Audit Committee has adopted an Audit and Non-Audit Services Pre-Approval Policy that sets forth the procedures and the conditions pursuant to which services proposed to be performed by the statutory auditors may be pre-approved and that are not prohibited by regulatory or other professional requirements. This policy provides for both pre-approval of certain types of services through the use of an annual budget approved by the Audit Committee for these types of services and special pre-approval of services by the Audit Committee on a case-by-case basis. The Audit Committee reviews on an annual basis the services provided by the statutory auditors. During 2010, no audit-related fees, tax fees or other non-audit fees were approved by the Audit Committee pursuant to the *de minimis* exception to the pre-approval requirement provided by paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

None.

141

Table of Contents**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

Period	Total Number Of Shares Purchased	Average Price Paid Per Share ()	Total Number Of Shares Purchased, As Part Of Publicly Announced Plans Or Programs^(a)	Maximum Number Of Shares That May Yet Be Purchased Under The Plans Or Programs^(b)
January 2010				119,798,107
February 2010				119,813,214
March 2010				119,911,829
April 2010				120,319,759
May 2010				120,418,644
June 2010				120,724,568
July 2010				120,734,750
August 2010				120,742,346
September 2010				120,675,024
October 2010				122,411,798
November 2010				122,432,721
December 2010				122,476,414
January 2011				122,526,633
February 2011				122,588,776

- (a) *The shareholders meeting of May 21, 2010, cancelled and replaced the previous resolution from the shareholders meeting of May 15, 2009, authorizing the Board of Directors to trade in the Company's own shares on the market for a period of 18 months within the framework of the stock purchase program. The maximum number of shares that may be purchased by virtue of this authorization or under the previous authorization may not exceed 10% of the total number of shares constituting the share capital, this amount being periodically adjusted to take into account operations modifying the share capital after each shareholders meeting. Under no circumstances may the total number of shares the Company holds, either directly or indirectly through its subsidiaries, exceed 10% of the share capital.*
- (b) *Based on 10% of the Company's share capital, and after deducting the shares held by the Company for cancellation and the shares held by the Company to cover the share purchase option plans for Company employees and restricted share grants for Company employees, as well as after deducting the shares held by the subsidiaries.*

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

Table of Contents

ITEM 16G. CORPORATE GOVERNANCE

Summary of Significant Differences between French Corporate Governance Practices and the NYSE's Corporate Governance Standards

Overview

The following paragraphs provide a brief, general summary of significant differences between the corporate governance standards followed by TOTAL under French law and guidelines, and those required by the listing standards of the New York Stock Exchange (the NYSE) for U.S. companies that have common stock listed on the NYSE.

The principal sources of corporate governance standards in France are the French Commercial Code (*Code de Commerce*), the French Financial and Monetary Code (*Code monétaire et financier*), both as amended *inter alia* since August 2003 by the French Financial Security Act (*Loi de sécurité financière*) and the various subsequent acts, and the regulations and recommendations provided by the French Financial Markets Authority (*Autorité des marchés financiers*, AMF), as well as a number of general recommendations and guidelines on corporate governance, most notably the Corporate Governance Code for Listed Companies published in 2008 (as amended in April 2010) 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). The AFEP-MEDEF Code includes, among other things, recommendations relating to the role and operation of the board of directors (creation, composition and evaluation of the board of directors and the audit, compensation and nominating committees) and the independence criteria for board members. The French Financial Security Act prohibits statutory auditors from providing certain non-audit services and defines certain criteria for the independence of statutory auditors. In France, the independence of statutory auditors is also monitored by an independent body, the High Council for Statutory Auditors (*Haut Conseil du commissariat aux comptes*).

Composition of Board of Directors; Independence

The NYSE listing standards provide that the board of directors of a U.S. listed company must consist of a majority of independent directors and that certain committees must consist solely of independent directors. A director qualifies as independent only if the board affirmatively determines that the director has no material relationship with the company, either directly or indirectly. In addition, the listing standards enumerate a number of relationships that preclude independence.

French law does not contain any independence requirement for the members of the board of directors of a French company, unless the board establishes an audit committee, as described below. Under French law, the functions of board chairman and chief executive officer may be performed by the same person. The AFEP-MEDEF Code recommends, however, that at least half of the members of the board of directors be independent in companies that have a dispersed ownership structure and no controlling shareholder. The AFEP-MEDEF Code states that a director is independent when he or she has no relationship of any nature with the company, its group or the management of either, that may compromise the exercise of his or her freedom of judgment. The Code also enumerates specific criteria for determining independence, which are on the whole consistent with the goals of the NYSE's rules although the specific tests under the two standards may vary on some points.

Based on the proposal of TOTAL's Nominating & Corporate Governance Committee, the Board of Directors of TOTAL at its meeting on February 10, 2011, examined the independence of the Company's directors as of

December 31, 2010, and considered that all of the directors of the Company are independent, with the exceptions of, Mr. de Margerie, Chairman and Chief Executive Officer of the Company since May 21, 2010, Mr. Desmarest, Chairman of the Board of Directors until May 21, 2010, and Mr. Clément, director representing employee shareholders.

Representation of women on corporate boards

The French *Journal Officiel* published a statute n° 2011-103 dated January 27, 2011, relating to the representation of women on the boards of certain French companies, including French companies listed on Euronext-Paris.

New rules provide for legally binding quotas to boost the percentage of women on boards of directors of French listed companies, requiring that women represent: (i) at least 20% within three years (following the first ordinary shareholders meeting held after January 1, 2014), and (ii) at least 40% within six years (following the first ordinary shareholders meeting held after January 1, 2017). When the board of directors consists of less than nine members, the difference between the number of directors of each gender at the end of the six-year period should not be higher than two. Any appointment of a director

Table of Contents

made in violation of these rules shall be declared null and void and the payment of the directors' compensation shall be suspended until the board composition complies with the law's requirements. However, decisions of a board of directors that fails to comply with these quotas may not be declared null and void.

Board committees

Overview. The NYSE listing standards require that a U.S. listed company have an audit committee, a nominating/corporate governance committee and a compensation committee. Each of these committees must consist solely of independent directors and must have a written charter that addresses certain matters specified in the listing standards.

With the exception of an audit committee, as described below, French law requires neither the establishment of board committees nor the adoption of written charters.

The AFEP-MEDEF Code recommends, however, that the board of directors set up, in addition to an audit committee, a nominating committee and a compensation committee, indicating that the nominating and compensation committees may form one committee. The AFEP-MEDEF Code also recommends that at least two-thirds of the audit committee members and a majority of the members of each of the compensation committee and the nominating committee be independent directors.

TOTAL has established an Audit Committee, a Nominating & Corporate Governance Committee and a Compensation Committee, and considers all of the members of these committees to be independent with the exception of Mr. Desmarest, who is a member of the Compensation Committee and chairs the Nominating & Corporate Governance Committee. For the membership of each committee, see Item 6. Corporate Governance. Each of these committees has a charter that defines the scope of its activity.

Audit committee. The NYSE listing standards contain detailed requirements for the audit committees of U.S. listed companies. Some, but not all, of these requirements also apply to non-U.S. listed companies, such as TOTAL.

French law requires the board of directors of companies listed in France to establish an audit committee, at least one member of which must be an independent director and must be competent in finance or accounting.

Pursuant to French law and the AFEP-MEDEF Code, the audit committee is responsible for, among other things, examining the company's risk exposure and material off-balance sheet commitments and the scope of consolidation, reviewing the financial statements and ensuring the relevance and consistency of accounting methods used in drawing up the consolidated and corporate accounts, monitoring the process for the preparation of financial information, monitoring the efficiency of internal control procedures and risk management systems, managing the process of selecting statutory auditors, expressing an opinion on the amount of their fees and monitoring compliance with rules designed to ensure auditor independence, regularly interviewing statutory auditors without executive management present and calling upon outside experts if necessary.

Although the audit committee requirements under French law and recommendations under the AFEP-MEDEF Code are less detailed than those contained in the NYSE listing standards, the NYSE listing standards, French law and the AFEP-MEDEF Code share the goal of establishing a system for overseeing the company's accounting that is independent from management and that ensures auditor independence. As a result, they address similar topics, and there is some overlap.

For the specific tasks performed by the Audit Committee of TOTAL that exceed those required by French law and those recommended by the AFEP-MEDEF Code, see Item 6. Corporate Governance - Audit Committee.

One structural difference between the legal status of the audit committee of a U.S. listed company and that of a French listed company concerns the degree of the committee's involvement in managing the relationship between the company and the auditor. French law requires French companies that publish consolidated financial statements, such as TOTAL, to have two co-auditors. While the NYSE listing standards require that the audit committee of a U.S. listed company have direct responsibility for the appointment, compensation, retention, and oversight of the work of the auditor, French law provides that the election of the co-auditors is the sole responsibility of the shareholders meeting. In making its decision, the shareholders meeting may rely on proposals submitted to it by the board of directors, the decision of the latter being taken upon consultation with the audit committee. The shareholders meeting elects the auditors for an audit period of six fiscal years. The auditors may only be dismissed by a court and only on grounds of professional negligence or incapacity to perform their mission.

Disclosure

The NYSE listing standards require U.S. listed companies to adopt, and post on their websites, a set of corporate governance guidelines. The guidelines must address, among other things: director qualification standards, director responsibilities, director access to management and independent advisers, director compensation, director orientation and continuing education, management succession, and an annual performance evaluation of the board. In addition, the chief executive officer of a U.S. listed company must certify to the NYSE annually that he or she is not aware of any violations by the company of the NYSE's corporate governance listing standards.

French law requires neither the adoption of such guidelines nor the provision of such certification. The AFEP-MEDEF Code recommends, however, that the board of directors of a French listed company perform an annual review of its operation and that a formal evaluation, possibly with the assistance of an outside consultant, be undertaken every three years, which for TOTAL took place end of 2009, and that shareholders be informed each year in the annual report of the evaluations. In addition, the AFEP-MEDEF Code addresses deontology rules that the directors are expected to comply with.

Code of business conduct and ethics

The NYSE listing standards require each U.S. listed company to adopt, and post on its website, a code of business conduct and ethics for its directors, officers and employees. There is no similar requirement or recommendation under French law. However, under the SEC's rules and regulations, all companies required to submit periodic reports to the SEC, including TOTAL, must disclose in their annual reports whether they have adopted a code of ethics for their principal executive officer and senior financial officers. In addition, they must file a copy of the code with the SEC, post the text of the code on their website or undertake to provide a copy upon request to any person without charge. There is significant, though not complete, overlap between the code of ethics required by the NYSE listing standards and the code of ethics for senior financial officers required by the SEC's rules. For a discussion of the code of ethics adopted by TOTAL, see Item 6. Corporate Governance and Item 16B. Code of Ethics.

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

The following financial statements, together with the report of Ernst & Young Audit and KPMG S.A. thereon, are held as part of this annual report.

	Page
<u>Report of Independent Registered Public Accounting Firms on the Consolidated Financial Statements</u>	F-1
<u>Report of Independent Registered Public Accounting Firms on the Internal Control over Financial Reporting</u>	F-2
<u>Consolidated Statement of Income for the Years Ended December 31, 2010, 2009 and 2008</u>	F-3
<u>Consolidated Statement of Comprehensive Income for the Years Ended December 31, 2010, 2009 and 2008</u>	F-4
<u>Consolidated Balance Sheet at December 31, 2010, 2009 and 2008</u>	F-5
<u>Consolidated Statement of Cash Flow for the Years Ended December 31, 2010, 2009 and 2008</u>	F-6
<u>Consolidated Statement of Changes in Shareholders' Equity for the Years Ended December 31, 2010, 2009 and 2008</u>	F-7

Notes to the Consolidated Financial Statements

F-8

Supplemental Oil and Gas Information (Unaudited)

S-1

Schedules have been omitted since they are not required under the applicable instructions or the substance of the required information is shown in the financial statements.

Table of Contents

ITEM 19. EXHIBITS

The following documents are filed as part of this annual report:

- 1 Bylaws (*Statuts*) of TOTAL S.A. (as amended through December 31, 2010)
- 8 List of Subsidiaries (see Note 35 to the Consolidated Financial Statements included in this Annual Report)
- 11 Code of Ethics (incorporated by reference to the Company's Annual Report on Form 20-F for the year ended December 31, 2005)
- 12.1 Certification of Chairman and Chief Executive Officer
- 12.2 Certification of Chief Financial Officer
- 13.1 Certification of Chairman and Chief Executive Officer
- 13.2 Certification of Chief Financial Officer
- 15 Consent of ERNST & YOUNG AUDIT and of KPMG S.A.

Table of Contents

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

TOTAL S.A.

By: /s/ Christophe de Margerie

Name: Christophe de Margerie

Title: Chairman and Chief Executive Officer

Date: March 28, 2011

147

Table of Contents

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

Year ended December 31, 2010

The Board of Directors and Shareholders

We have audited the accompanying consolidated balance sheets of TOTAL S.A. and subsidiaries (the Company) as of December 31, 2010, 2009 and 2008, and the related consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2010, 2009 and 2008, and the consolidated results of its operations and its consolidated cash flows for each of the three years in the period ended December 31, 2010, in conformity with International Financial Reporting Standards as adopted by the European Union and in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

As discussed in the Introduction of the Notes to the consolidated financial statements, the Company has changed its accounting policy regarding jointly controlled entities under standard IAS 31 Interests in Joint Ventures.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria) and our report dated March 10, 2011 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Paris La Défense, March 10, 2011

KPMG AUDIT

A division of KPMG S.A.

ERNST & YOUNG Audit

/s/ Jay Nirsimloo

/s/ Pascal Macioce

/s/ Laurent Vitse

Jay Nirsimloo
Partner

Pascal Macioce
Partner

Laurent Vitse
Partner

Table of Contents

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS
ON THE INTERNAL CONTROL OVER FINANCIAL REPORTING**

Year ended December 31, 2010

The Board of Directors and Shareholders

We have audited TOTAL S.A. and subsidiaries (the Company) internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management's annual report on internal control over financial reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2010, 2009 and 2008 and the related consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for each of the three years in the period ended December 31, 2010, and our report dated March 10, 2011 expressed an unqualified opinion on those consolidated financial statements.

Paris La Défense, March 10, 2011

KPMG AUDIT
A division of KPMG S.A.

ERNST & YOUNG Audit

/s/ Jay Nirsimloo

/s/ Pascal Macioce

/s/ Laurent Vitse

Jay Nirsimloo
Partner

Pascal Macioce
Partner

Laurent Vitse
Partner

F-2

Table of Contents**CONSOLIDATED STATEMENT OF INCOME****TOTAL**

For the year ended December 31, (M ^(a))		2010	2009	2008
Sales	(Notes 4 & 5)	159,269	131,327	179,976
Excise taxes		(18,793)	(19,174)	(19,645)
Revenues from sales		140,476	112,153	160,331
Purchases net of inventory variation	(Note 6)	(93,171)	(71,058)	(111,024)
Other operating expenses	(Note 6)	(19,135)	(18,591)	(19,101)
Exploration costs	(Note 6)	(864)	(698)	(764)
Depreciation, depletion and amortization of tangible assets and mineral interests		(8,421)	(6,682)	(5,755)
Other income	(Note 7)	1,396	314	369
Other expense	(Note 7)	(900)	(600)	(554)
Financial interest on debt		(465)	(530)	(1,000)
Financial income from marketable securities & cash equivalents		131	132	473
Cost of net debt	(Note 29)	(334)	(398)	(527)
Other financial income	(Note 8)	442	643	728
Other financial expense	(Note 8)	(407)	(345)	(325)
Equity in income (loss) of affiliates	(Note 12)	1,953	1,642	1,721
Income taxes	(Note 9)	(10,228)	(7,751)	(14,146)
Consolidated net income		10,807	8,629	10,953
Group share		10,571	8,447	10,590
Minority interests		236	182	363
Earnings per share ()		4.73	3.79	4.74
Fully-diluted earnings per share ()		4.71	3.78	4.71

(a) Except for per share amounts.

Table of Contents**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME****TOTAL**

For the year ended December 31, (M)	2010	2009	2008
Consolidated net income	10,807	8,629	10,953
Other comprehensive income			
Currency translation adjustment	2,231	(244)	(722)
Available for sale financial assets	(100)	38	(254)
Cash flow hedge	(80)	128	
Share of other comprehensive income of associates, net amount	302	234	173
Other	(7)	(5)	1
Tax effect	28	(38)	30
Total other comprehensive income (net amount) (note 17)	2,374	113	(772)
Comprehensive income	13,181	8,742	10,181
- Group share	12,936	8,500	9,852
- Minority interests	245	242	329

F-4

Table of Contents**CONSOLIDATED BALANCE SHEET****TOTAL**

As of December 31, (M)		2010	2009	2008	
ASSETS					
Non-current assets					
Intangible assets, net	(Notes 5 & 10)	8,917	7,514	5,341	
Property, plant and equipment, net	(Notes 5 & 11)	54,964	51,590	46,142	
Equity affiliates: investments and loans	(Note 12)	11,516	13,624	14,668	
Other investments	(Note 13)	4,590	1,162	1,165	
Hedging instruments of non-current financial debt	(Note 20)	1,870	1,025	892	
Other non-current assets	(Note 14)	3,655	3,081	3,044	
Total non-current assets		85,512	77,996	71,252	
Current assets					
Inventories, net	(Note 15)	15,600	13,867	9,621	
Accounts receivable, net	(Note 16)	18,159	15,719	15,287	
Other current assets	(Note 16)	7,483	8,198	9,642	
Current financial assets	(Note 20)	1,205	311	187	
Cash and cash equivalents	(Note 27)	14,489	11,662	12,321	
Total current assets		56,936	49,757	47,058	
Assets classified as held for sale	(Note 34)	1,270			
Total assets		143,718	127,753	118,310	
LIABILITIES & SHAREHOLDERS EQUITY					
Shareholders equity					
Common shares		5,874	5,871	5,930	
Paid-in surplus and retained earnings		60,538	55,372	52,947	
Currency translation adjustment		(2,495)	(5,069)	(4,876)	
Treasury shares		(3,503)	(3,622)	(5,009)	
Total shareholders equity	Group share	(Note 17)	60,414	52,552	48,992
Minority interests		857	987	958	
Total shareholders equity		61,271	53,539	49,950	
Non-current liabilities					
Deferred income taxes	(Note 9)	9,947	8,948	7,973	
Employee benefits	(Note 18)	2,171	2,040	2,011	
Provisions and other non-current liabilities	(Note 19)	9,098	9,381	7,858	

Total non-current liabilities		21,216	20,369	17,842
Non-current financial debt	(Note 20)	20,783	19,437	16,191
Current liabilities				
Accounts payable		18,450	15,383	14,815
Other creditors and accrued liabilities	(Note 21)	11,989	11,908	11,632
Current borrowings	(Note 20)	9,653	6,994	7,722
Other current financial liabilities	(Note 20)	159	123	158
Total current liabilities		40,251	34,408	34,327
Liabilities directly associated with the assets classified as held for sale	(Note 34)	197		
Total liabilities and shareholders equity		143,718	127,753	118,310

F-5

Table of Contents**CONSOLIDATED STATEMENT OF CASH FLOW****TOTAL****(Note 27)**

For the year ended December 31, (M)	2010	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated net income	10,807	8,629	10,953
Depreciation, depletion and amortization	9,117	7,107	6,197
Non-current liabilities, valuation allowances, and deferred taxes	527	441	(150)
Impact of coverage of pension benefit plans	(60)		(505)
(Gains) losses on disposals of assets	(1,046)	(200)	(257)
Undistributed affiliates' equity earnings	(470)	(378)	(311)
(Increase) decrease in working capital	(496)	(3,316)	2,571
Other changes, net	114	77	171
Cash flow from operating activities	18,493	12,360	18,669
CASH FLOW USED IN INVESTING ACTIVITIES			
Intangible assets and property, plant and equipment additions	(13,812)	(11,849)	(11,861)
Acquisitions of subsidiaries, net of cash acquired	(862)	(160)	(559)
Investments in equity affiliates and other securities	(654)	(400)	(416)
Increase in non-current loans	(945)	(940)	(804)
Total expenditures	(16,273)	(13,349)	(13,640)
Proceeds from disposals of intangible assets and property, plant and equipment	1,534	138	130
Proceeds from disposals of subsidiaries, net of cash sold	310		88
Proceeds from disposals of non-current investments	1,608	2,525	1,233
Repayment of non-current loans	864	418	1,134
Total divestments	4,316	3,081	2,585
Cash flow used in investing activities	(11,957)	(10,268)	(11,055)
CASH FLOW USED IN FINANCING ACTIVITIES			
Issuance (repayment) of shares:			
- Parent company shareholders	41	41	262
- Treasury shares	49	22	(1,189)
- Minority shareholders			(4)
Dividends paid:			
- Parent company shareholders	(5,098)	(5,086)	(4,945)
- Minority shareholders	(152)	(189)	(213)
Other transactions with minority shareholders	(429)		
Net issuance (repayment) of non-current debt	3,789	5,522	3,009
Increase (decrease) in current borrowings	(731)	(3,124)	1,437

Edgar Filing: HARDING JOHN R - Form 3

Increase (decrease) in current financial assets and liabilities	(817)	(54)	850
Cash flow used in financing activities	(3,348)	(2,868)	(793)
Net increase (decrease) in cash and cash equivalents	3,188	(776)	6,821
Effect of exchange rates	(361)	117	(488)
Cash and cash equivalents at the beginning of the period	11,662	12,321	5,988
Cash and cash equivalents at the end of the period	14,489	11,662	12,321

F-6

Table of Contents**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY**

	TOTAL							
	Common shares issued		Paid-in surplus and retained earnings	Currency translation adjustment	Treasury shares		Shareholders equity-Group share	Minority interests
	Number	Amount			Number	Amount		
2008	2,395,532,097	5,989	48,797	(4,396)	(151,421,232)	(5,532)	44,858	842
			10,590				10,590	363
ative)			(258)	(480)			(738)	(34)
income			10,332	(480)			9,852	329
			(4,945)				(4,945)	(213)
non ury	6,275,977	16	246				262	
hares ^(a) ments			(71)		(27,600,000)	(1,339)	(1,339)	
			154		5,939,137	221	150	
with s							154	
on	(30,000,000)	(75)	(1,566)		30,000,000	1,641		
th	(23,724,023)	(59)	(6,182)		8,339,137	523	(5,718)	(213)
31,	2,371,808,074	5,930	52,947	(4,876)	(143,082,095)	(5,009)	48,992	958
			8,447				8,447	182
ative)			246	(193)			53	60
income			8,693	(193)			8,500	242
			(5,086)				(5,086)	(189)
non	1,414,810	3	38				41	

ury								
hares ^(a)			(143)		2,874,905	165	22	
ments			106				106	
with			(23)				(23)	(24)
on	(24,800,000)	(62)	(1,160)		24,800,000	1,222		
th	(23,385,190)	(59)	(6,268)		27,674,905	1,387	(4,940)	(213)
31,	2,348,422,884	5,871	55,372	(5,069)	(115,407,190)	(3,622)	52,552	987
			10,571				10,571	236
usive			(216)	2,581			2,365	9
income			10,355	2,581			12,936	245
			(5,098)				(5,098)	(152)
non	1,218,047	3	38				41	
ury								
hares ^(a)			(70)		2,919,511	119	49	
ments			140				140	
with			(199)	(7)			(206)	(223)
on								
th	1,218,047	3	(5,189)	(7)	2,919,511	119	(5,074)	(375)
31,	2,349,640,931	5,874	60,538	(2,495)	(112,487,679)	(3,503)	60,414	857

(a) Treasury shares related to the stock option purchase plans and restricted stock grants.

Table of Contents

TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On February 10, 2011, the Board of Directors established and authorized the publication of the Consolidated Financial Statements of TOTAL S.A. for the year ended December 31, 2010, which will be submitted for approval to the shareholders meeting to be held on May 13, 2011.

INTRODUCTION

The Consolidated Financial Statements of TOTAL S.A. and its subsidiaries (the Group) are presented in Euros and have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standard Board) as of December 31, 2010.

The accounting principles applied in the Consolidated Financial Statements as of December 31, 2010 were the same as those that were used as of December 31, 2009 except for amendments and interpretations of IFRS which were mandatory for the periods beginning after January 1, 2010 (and not early adopted). Their adoption has no material impact on the Consolidated Financial Statements as of December 31, 2010.

Among these new standards or interpretations effective for annual periods beginning on or after January 1, 2010, the revised versions of IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements should be noted. These revised standards introduce new provisions regarding the accounting for business combinations. Their application is prospective.

In addition, as of January 1, 2010, jointly-controlled entities are consolidated under the equity method, as provided for in the alternative method of IAS 31 Interests in Joint Ventures. Until December 31, 2009, these entities were consolidated under the proportionate consolidation method. This change involves two entities and is not material (see Note 12 to the Consolidated Financial Statements).

The preparation of financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. The management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates relate principally to the application of the successful efforts method for the oil and gas accounting, the valuation of long-lived assets, the provisions for asset retirement obligations and environmental remediation, the pensions and post-retirements benefits and the income tax computation.

Furthermore, where the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis; and
- are complete in all material aspects.

1) ACCOUNTING POLICIES

Pursuant to the accrual basis of accounting followed by the Group, the financial statements reflect the effects of transactions and other events when they occur. Assets and liabilities such as property, plant and equipment and intangible assets are usually measured at amortized cost. Financial assets and liabilities are usually measured at fair value.

Accounting policies used by the Group are described below:

A) *PRINCIPLES OF CONSOLIDATION*

Subsidiaries that are directly controlled by the parent company or indirectly controlled by other consolidated subsidiaries are fully consolidated.

Investments in jointly-controlled entities are consolidated under the equity method. The Group accounts for jointly-controlled operations and jointly-controlled assets by recognising its share of assets, liabilities, income and expenses.

F-8

Table of Contents

Investments in associates, in which the Group has significant influence, are accounted for by the equity method. Significant influence is presumed when the Group holds, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting rights. Companies in which ownership interest is less than 20%, but over which the Company is deemed to exercise significant influence, are also accounted for by the equity method.

All significant intercompany balances, transactions and income are eliminated.

B) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. This method implies the recognition of the acquired identifiable assets, assumed liabilities and any minority interest in the companies acquired by the Group at their fair value.

The acquirer shall recognize goodwill at the acquisition date, being the excess of:

The consideration transferred, the amount of minority interest and, in business combinations achieved in stages, the fair value at the acquisition date of the investment previously held in the acquired company
Over the fair value at the acquisition date of acquired identifiable assets and assumed liabilities.

If the consideration transferred is lower than the fair value of acquired identifiable assets and assumed liabilities, an additional analysis is performed on the identification and valuation of the identifiable elements of the assets and liabilities. Any residual goodwill is recorded as income.

In transactions with minority interests, the difference between the price paid (received) and the book value of minority interests acquired (sold) is recognized directly in equity.

The analysis of goodwill is finalized within one year from the acquisition date.

Non-monetary contributions by venturers to a jointly-controlled entity in exchange for an equity interest in the jointly-controlled entity are accounted for by applying guidance provided in SIC 13 Jointly Controlled Entities Non-Monetary Contributions by Venturers . A gain or loss on disposal of the previously held investment is recorded up to the share of the co-venturer in the jointly controlled entity.

C) FOREIGN CURRENCY TRANSLATION

The financial statements of subsidiaries are prepared in the currency that most clearly reflects their business environment. This is referred to as their functional currency.

(i) Monetary transactions

Transactions denominated in foreign currencies are translated at the exchange rate on the transaction date. At each balance sheet date, monetary assets and liabilities are translated at the closing rate and the resulting exchange differences are recognized in Other income or Other expenses .

(ii) Translation of financial statements denominated in foreign currencies

Assets and liabilities of foreign entities are translated into euros on the basis of the exchange rates at the end of the period. The income and cash flow statements are translated using the average exchange rates for the period. Foreign

exchange differences resulting from such translations are either recorded in shareholders' equity under 'Currency translation adjustments' (for the Group share) or under 'Minority interests' (for the minority share) as deemed appropriate.

D) SALES AND REVENUES FROM SALES

Revenues from sales are recognized when the significant risks and rewards of ownership have been passed to the buyer and when the amount is recoverable and can be reasonably measured. Sales figures include excise taxes collected by the Group within the course of its oil distribution operations. Excise taxes are deducted from sales in order to obtain the 'Revenues from sales' indicator.

Revenues from sales of crude oil, natural gas and coal are recorded upon transfer of title, according to the terms of the sales contracts.

Revenues from the production of crude oil and natural gas properties, in which the Group has an interest with other producers, are recognized based on actual volumes sold during the period. Any difference between volumes sold and entitlement volumes, based on the Group net working interest, is recognized as 'Crude oil and natural gas inventories' or 'Accounts receivable, net' or 'Accounts payable', as appropriate.

Revenues from gas transport are recognized when services are rendered. These revenues are based on the quantities transported and measured according to procedures defined in each service contract.

Revenues from sales of electricity are recorded upon transfer of ownership, according to the terms of the related contracts.

Revenues from services are recognized when the services have been rendered.

Table of Contents

Shipping revenues and expenses from time-charter activities are recognized on a pro rata basis over a period that commences upon the unloading of the previous voyage and terminates upon the unloading of the current voyage. Shipping revenue recognition starts only when a charter has been agreed to by both the Group and the customer.

Oil and gas sales are inclusive of quantities delivered that represent production royalties and taxes, when paid in cash, and outside the United States and Canada.

Certain transactions within the trading activities (contracts involving quantities that are purchased to third parties then resold to third parties) are shown at their net value in sales.

Exchanges of crude oil and petroleum products within normal trading activities do not generate any income and therefore these flows are shown at their net value in both the statement of income and the balance sheet.

E) SHARE-BASED PAYMENTS

The Group may grant employees stock options, create employee share purchase plans and offer its employees the opportunity to subscribe to reserved capital increases. These employee benefits are recognized as expenses with a corresponding credit to shareholders' equity.

The expense is equal to the fair value of the instruments granted. The fair value of the options is calculated using the Black-Scholes model at the grant date. The expense is recognized on a straight-line basis between the grant date and vesting date.

For restricted share plans, the expense is calculated using the market price at the grant date after deducting the expected distribution rate during the vesting period.

The cost of employee-reserved capital increases is immediately expensed. A discount reduces the expense in order to account for the nontransferability of the shares awarded to the employees over a period of five years.

F) INCOME TAXES

Income taxes disclosed in the statement of income include the current tax expenses and the deferred tax expenses.

The Group uses the liability method whereby deferred income taxes are recorded based on the temporary differences between the carrying amounts of assets and liabilities recorded in the balance sheet and their tax bases, and on carry-forwards of unused tax losses and tax credits.

Deferred tax assets and liabilities are measured using the tax rates that have been enacted or substantially enacted at the balance sheet date. The tax rates used depend on the timing of reversals of temporary differences, tax losses and other tax credits. The effect of a change in tax rate is recognized either in the Consolidated Statement of Income or in shareholders' equity depending on the item it relates to.

Deferred tax assets are recognized when future recovery is probable.

Asset retirement obligations and finance leases give rise to the recognition of assets and liabilities for accounting purposes as described in paragraph K Leases and paragraph Q Asset retirement obligations of this Note. Deferred income taxes resulting from temporary differences between the carrying amounts and tax bases of such assets and liabilities are recognized.

Deferred tax liabilities resulting from temporary differences between the carrying amounts of equity-method investments and their tax bases are recognized. The deferred tax calculation is based on the expected future tax effect (dividend distribution rate or tax rate on the gain or loss upon disposal of these investments).

G) EARNINGS PER SHARE

Earnings per share is calculated by dividing net income (Group share) by the weighted-average number of common shares outstanding during the period, excluding TOTAL shares held by TOTAL S.A. (Treasury shares) and TOTAL shares held by the Group subsidiaries which are deducted from consolidated shareholders' equity.

Diluted earnings per share is calculated by dividing net income (Group share) by the fully-diluted weighted-average number of common shares outstanding during the period. Treasury shares held by the parent company, TOTAL S.A., and TOTAL shares held by the Group subsidiaries are deducted from consolidated shareholders' equity. These shares are not considered outstanding for purposes of this calculation which also takes into account the dilutive effect of stock options, restricted share grants and capital increases with a subscription period closing after the end of the fiscal year.

The weighted-average number of fully-diluted shares is calculated in accordance with the treasury stock method provided for by IAS 33. The proceeds, which would be recovered in the event of an exercise of rights related to dilutive instruments, are presumed to be a share buyback at the average market price over the period. The number of shares thereby obtained leads to a reduction in the total number of shares that would result from the exercise of rights.

Table of Contents

H) OIL AND GAS EXPLORATION AND PRODUCING PROPERTIES AND MINING ACTIVITY

The Group applies IFRS 6 Exploration for and Evaluation of Mineral Resources . Oil and gas exploration and production properties and assets are accounted for in accordance with the successful efforts method.

(i) Exploration costs

Geological and geophysical costs, including seismic surveys for exploration purposes are expensed as incurred.

Mineral interests are capitalized as intangible assets when acquired. These acquired interests are tested for impairment on a regular basis, property-by-property, based on the results of the exploratory activity and the management's evaluation.

In the event of a discovery, the unproved mineral interests are transferred to proved mineral interests at their net book value as soon as proved reserves are booked.

Exploratory wells are tested for impairment on a well-by-well basis and accounted for as follows:

Costs of exploratory wells which result in proved reserves are capitalized and then depreciated using the unit-of-production method based on proved developed reserves;

Costs of dry exploratory wells and wells that have not found proved reserves are charged to expense;

Costs of exploratory wells are temporarily capitalized until a determination is made as to whether the well has found proved reserves if both of the following conditions are met:

The well has found a sufficient quantity of reserves to justify its completion as a producing well, if appropriate, assuming that the required capital expenditures are made;

The Group is making sufficient progress assessing the reserves and the economic and operating viability of the project. This progress is evaluated on the basis of indicators such as whether additional exploratory works are under way or firmly planned (wells, seismic or significant studies), whether costs are being incurred for development studies and whether the Group is waiting for governmental or other third-party authorization of a proposed project, or availability of capacity on an existing transport or processing facility.

Costs of exploratory wells not meeting these conditions are charged to expense.

(ii) Oil and Gas producing assets

Development costs incurred for the drilling of development wells and for the construction of production facilities are capitalized, together with borrowing costs incurred during the period of construction and the present value of estimated future costs of asset retirement obligations. The depletion rate is usually equal to the ratio of oil and gas production for the period to proved developed reserves (unit-of-production method).

With respect to production sharing contracts, this computation is based on the portion of production and reserves assigned to the Group taking into account estimates based on the contractual clauses regarding the reimbursement of exploration, development and production costs (cost oil) as well as the sharing of hydrocarbon rights (profit oil).

Transportation assets are depreciated using the unit-of-production method based on throughput or by using the straight-line method whichever best reflects the economic life of the asset.

Proved mineral interests are depreciated using the unit-of-production method based on proved reserves.

(iii) Mining activity

Before an assessment can be made on the existence of resources, exploration costs, including studies and core drilling campaigns as a whole, are expensed.

When the assessment concludes that resources exist, the costs engaged subsequently to this assessment are capitalized temporarily while waiting for the field final development decision, if a positive decision is highly probable. Otherwise, these costs are expensed.

Once the development decision is taken, the predevelopment costs capitalized temporarily are integrated with the cost of development and depreciated from the start of production at the same pace than development assets.

Mining development costs include the initial stripping costs and all costs incurred to access resources, and particularly the costs of:

- Surface infrastructures;
- Machinery and mobile equipment which are significantly costly;
- Utilities and off-sites.

These costs are capitalized and depreciated either on a straight line basis or depleted using the UOP method from the start of production.

Table of Contents

I) GOODWILL AND OTHER INTANGIBLE ASSETS EXCLUDING MINERAL INTERESTS

Other intangible assets include goodwill, patents, trademarks, and lease rights.

Intangible assets are carried at cost, after deducting any accumulated depreciation and accumulated impairment losses.

Guidance for calculating goodwill is presented in Note 1 paragraph B to the Consolidated Financial Statements. Goodwill is not amortized but is tested for impairment annually or as soon as there is any indication of impairment (see Note 1 paragraph L to the Consolidated Financial Statements).

In equity affiliates, goodwill is included in the investment book value.

Other intangible assets (except goodwill) have a finite useful life and are amortized on a straight-line basis over 3 to 20 years depending on the useful life of the assets.

Research and development

Research costs are charged to expense as incurred.

Development expenses are capitalized when the following can be demonstrated:

- the technical feasibility of the project and the availability of the adequate resources for the completion of the intangible asset;
- the ability of the asset to generate probable future economic benefits;
- the ability to measure reliably the expenditures attributable to the asset; and
- the feasibility and intention of the Group to complete the intangible asset and use or sell it.

Advertising costs are charged to expense as incurred.

J) OTHER PROPERTY, PLANT AND EQUIPMENT

Other property, plant and equipment are carried at cost, after deducting any accumulated depreciation and accumulated impairment losses. This cost includes borrowing costs directly attributable to the acquisition or production of a qualifying asset incurred until assets are placed in service. Borrowing costs are capitalized as follows:

- if the project benefits from a specific funding, the capitalization of borrowing costs is based on the borrowing rate;
- if the project is financed by all the Group's debt, the capitalization of borrowing costs is based on the weighted average borrowing cost for the period.

Routine maintenance and repairs are charged to expense as incurred. The costs of major turnarounds of refineries and large petrochemical units are capitalized as incurred and depreciated over the period of time between two consecutive major turnarounds.

Other property, plant and equipment are depreciated using the straight-line method over their useful lives, which are as follows:

Furniture, office equipment, machinery and tools

3-12 years

Transportation equipments	5-20 years
Storage tanks and related equipment	10-15 years
Specialized complex installations and pipelines	10-30 years
Buildings	10-50 years

K) LEASES

A finance lease transfers substantially all the risks and rewards incidental to ownership from the lessor to the lessee. These contracts are capitalized as assets at fair value or, if lower, at the present value of the minimum lease payments according to the contract. A corresponding financial debt is recognized as a financial liability. These assets are depreciated over the corresponding useful life used by the Group.

Leases that are not finance leases as defined above are recorded as operating leases.

Certain arrangements do not take the legal form of a lease but convey the right to use an asset or a group of assets in return for fixed payments. Such arrangements are accounted for as leases and are analyzed to determine whether they should be classified as operating leases or as finance leases.

L) IMPAIRMENT OF LONG-LIVED ASSETS

The recoverable amounts of intangible assets and property, plant and equipment are tested for impairment as soon as any indication of impairment exists. This test is performed at least annually for goodwill.

The recoverable amount is the higher of the fair value (less costs to sell) or its value in use.

Assets are grouped into cash-generating units (or CGUs) and tested. A cash-generating unit is a homogeneous group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets.

The value in use of a CGU is determined by reference to the discounted expected future cash flows, based upon the management's expectation of future economic and operating conditions. If this value is less than the carrying

Table of Contents

amount, an impairment loss on property, plant and equipment and mineral interests, or on other intangible assets, is recognized either in Depreciation, depletion and amortization of property, plant and equipment and mineral interests or in Other expense , respectively. This impairment loss is first allocated to reduce the carrying amount of any goodwill.

Impairment losses recognized in prior periods can be reversed up to the original carrying amount, had the impairment loss not been recognized. Impairment losses recognized for goodwill cannot be reversed.

M) FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are financial loans and receivables, investments in non-consolidated companies, publicly traded equity securities, derivatives instruments and current and non-current financial liabilities.

The accounting treatment of these financial assets and liabilities is as follows:

(i) Loans and Receivables

Financial loans and receivables are recognized at amortized cost. They are tested for impairment, by comparing the carrying amount of the assets to estimates of the discounted future recoverable cash flows. These tests are conducted as soon as there is any evidence that their fair value is less than their carrying amount, and at least annually. Any impairment loss is recorded in the statement of income.

(ii) Other investments

These assets are classified as financial assets available for sale and therefore measured at their fair value. For listed securities, this fair value is equal to the market price. For unlisted securities, if the fair value is not reliably determinable, securities are recorded at their historical value. Changes in fair value are recorded in shareholders equity. If there is any evidence of a significant or long-lasting impairment loss, a loss is recorded in the Statement of Income. This impairment is reversed in the statement of income only when the securities are sold.

(iii) Derivative instruments

The Group uses derivative instruments to manage its exposure to risks of changes in interest rates, foreign exchange rates and commodity prices. Changes in fair value of derivative instruments are recognized in the statement of income or in shareholders equity and are recognized in the balance sheet in the accounts corresponding to their nature, according to the risk management strategy described in Note 31 to the Consolidated Financial Statements. The derivative instruments used by the Group are the following:

Cash management

Financial instruments used for cash management purposes are part of a hedging strategy of currency and interest rate risks within global limits set by the Group and are considered to be used for transactions (held for trading). Changes in fair value are systematically recorded in the statement of income. The balance sheet value of those instruments is included in Current financial assets or Other current financial liabilities .

Long-term financing

When an external long-term financing is set up, specifically to finance subsidiaries, and when this financing involves currency and interest rate derivatives, these instruments are qualified as:

- i. Fair value hedge of the interest rate risk on the external debt and of the currency risk of the loans to subsidiaries. Changes in fair value of derivatives are recognized in the statement of income as are changes in fair value of underlying financial debts and loans to subsidiaries.

The fair value of those hedging instruments of long-term financing is included in the assets under Hedging instruments on non-current financial debt or in the liabilities under Non-current financial debt for the non-current portion. The current portion (less than one year) is accounted for in Current financial assets or Other current financial liabilities .

In case of the anticipated termination of derivative instruments accounted for as fair value hedges, the amount paid or received is recognized in the statement of income and:

If this termination is due to an early cancellation of the hedged items, the adjustment previously recorded as revaluation of those hedged items is also recognized in the statement of income;

If the hedged items remain in the balance sheet, the adjustment previously recorded as a revaluation of those hedged items is spread over the remaining life of those items.

- ii. Cash flow hedge of the currency risk of the external debt. Changes in fair value are recorded in equity for the effective portion of the hedging and in the statement of income for the ineffective portion of

Table of Contents

the hedging. Amounts recorded in equity are transferred to the income statement when the hedged transaction affects profit or loss.

The fair value of those hedging instruments of long-term financing is included in the assets under Hedging instruments on non-current financial debt or in the liabilities under Non-current financial debt for the non-current portion. The current portion (less than one year) is accounted for in Current financial assets or Other current financial liabilities .

If the hedging instrument expires, is sold or terminated by anticipation, gains or losses previously recognized in equity remain in equity. Amounts are recycled in the income statement only when the hedged transaction affects profit or loss.

Foreign subsidiaries equity hedge

Certain financial instruments hedge against risks related to the equity of foreign subsidiaries whose functional currency is not the euro (mainly the dollar). These instruments qualify as net investment hedges . Changes in fair value are recorded in shareholders equity.

The fair value of these instruments is recorded under Current financial assets or Other current financial liabilities .

Financial instruments related to commodity contracts

Financial instruments related to commodity contracts, including crude oil, petroleum products, gas, power and coal purchase/sales contracts within the trading activities, together with the commodity contract derivative instruments such as energy contracts and forward freight agreements, are used to adjust the Group s exposure to price fluctuations within global trading limits. These instruments are considered, according to the industry practice, as held for trading. Changes in fair value are recorded in the statement of income. The fair value of these instruments is recorded in Other current assets or Other creditors and accrued liabilities depending on whether they are assets or liabilities.

Detailed information about derivatives positions is disclosed in Notes 20, 28, 29, 30 and 31 to the Consolidated Financial Statements.

(iv) Current and non-current financial liabilities

Current and non-current financial liabilities (excluding derivatives) are recognized at amortized cost, except those for which a hedge accounting can be applied as described in the previous paragraph.

(v) Fair value of financial instruments

Fair values are estimated for the majority of the Group s financial instruments, with the exception of publicly traded equity securities and marketable securities for which the market price is used.

Estimated fair values, which are based on principles such as discounting future cash flows to present value, must be weighted by the fact that the value of a financial instrument at a given time may be influenced by the market environment (liquidity especially), and also the fact that subsequent changes in interest rates and exchange rates are not taken into account.

As a consequence, the use of different estimates, methodologies and assumptions could have a material effect on the estimated fair value amounts.

The methods used are as follows:

Financial debts, swaps

The market value of swaps and of bonds that are hedged by those swaps has been determined on an individual basis by discounting future cash flows with the zero coupon interest rate curves existing at year-end.

Financial instruments related to commodity contracts

The valuation methodology is to mark to market all open positions for both physical and derivative transactions. The valuations are determined on a daily basis using observable market data based on organized and over the counter (OTC) markets. In particular cases when market data are not directly available, the valuations are derived from observable data such as arbitrages, freight or spreads and market corroboration. For valuation of risks which are the result of a calculation, such as options for example, commonly known models are used to compute the fair value.

Other financial instruments

The fair value of the interest rate swaps and of FRA (Forward Rate Agreement) are calculated by discounting future cash flows on the basis of zero coupon interest rate curves existing at year-end after adjustment for interest accrued but unpaid.

Forward exchange contracts and currency swaps are valued on the basis of a comparison of the negotiated

Table of Contents

forward rates with the rates in effect on the financial markets at year-end for similar maturities.

Exchange options are valued based on the Garman-Kohlhagen model including market quotations at year-end.

Fair value hierarchy

IFRS 7 Financial instruments: disclosures, amended in 2009, introduces a fair value hierarchy for financial instruments and proposes the following three-level classification:

Level 1: quotations for assets and liabilities (identical to the ones that are being valued) obtained at the valuation date on an active market to which the entity has access;

Level 2: the entry data are observable data but do not correspond to quotations for identical assets or liabilities;

Level 3: the entry data are not observable data. For example: these data come from extrapolation. This level applies when there is no market or observable data and the company has to use its own hypotheses to estimate the data that other market players would have used to determine the fair value of the asset.

Fair value hierarchy is disclosed in Notes 29 and 30 to the Consolidated Financial Statements.

N) INVENTORIES

Inventories are measured in the Consolidated Financial Statements at the lower of historical cost or market value. Costs for petroleum and petrochemical products are determined according to the FIFO (First-In, First-Out) method and other inventories are measured using the weighted-average cost method.

Downstream (Refining Marketing)

Petroleum product inventories are mainly comprised of crude oil and refined products. Refined products principally consist of gasoline, kerosene, diesel, fuel oil and heating oil produced by the Group's refineries. The turnover of petroleum products does not exceed two months on average.

Crude oil costs include raw material and receiving costs. Refining costs principally include the crude oil costs, production costs (energy, labor, depreciation of producing assets) and allocation of production overhead (taxes, maintenance, insurance, etc.). Start-up costs and general administrative costs are excluded from the cost price of refined products.

Chemicals

Costs of chemical products inventories consist of raw material costs, direct labor costs and an allocation of production overhead. Start-up costs and general administrative costs are excluded from the cost of inventories of chemicals products.

O) TREASURY SHARES

Treasury shares of the parent company held by its subsidiaries or itself are deducted from consolidated shareholders equity. Gains or losses on sales of treasury shares are excluded from the determination of net income and are recognized in shareholders' equity.

P) PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Provisions and non-current liabilities are comprised of liabilities for which the amount and the timing are uncertain. They arise from environmental risks, legal and tax risks, litigation and other risks.

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. The amount of the liability corresponds to the best possible estimate.

Q) ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations, which result from a legal or constructive obligation, are recognized based on a reasonable estimate in the period in which the obligation arises.

The associated asset retirement costs are capitalized as part of the carrying amount of the underlying asset and depreciated over the useful life of this asset.

An entity is required to measure changes in the liability for an asset retirement obligation due to the passage of time (accretion) by applying a risk-free discount rate to the amount of the liability. The increase of the provision due to the passage of time is recognized as Other financial expense .

R) EMPLOYEE BENEFITS

In accordance with the laws and practices of each country, the Group participates in employee benefit plans offering retirement, death and disability, healthcare and special termination benefits. These plans provide benefits based on various factors such as length of service, salaries, and contributions made to the governmental bodies responsible for the payment of benefits.

Table of Contents

These plans can be either defined contribution or defined benefit pension plans and may be entirely or partially funded with investments made in various non-Group instruments such as mutual funds, insurance contracts, and other instruments.

For defined contribution plans, expenses correspond to the contributions paid.

Defined benefit obligations are determined according to the Projected Unit Method. Actuarial gains and losses may arise from differences between actuarial valuation and projected commitments (depending on new calculations or assumptions) and between projected and actual return of plan assets.

The Group applies the corridor method to amortize its actuarial gains and losses. This method amortizes the net cumulative actuarial gains and losses that exceed 10% of the greater of the present value of the defined benefit obligation and the fair value of plan assets at the opening balance sheet date, over the average expected remaining working lives of the employees participating in the plan.

In case of a change in or creation of a plan, the vested portion of the cost of past services is recorded immediately in the statement of income, and the unvested past service cost is amortized over the vesting period.

The net periodic pension cost is recognized under Other operating expenses .

S) CONSOLIDATED STATEMENT OF CASH FLOWS

The Consolidated Statement of Cash Flows prepared in foreign currencies has been translated into euros using the exchange rate on the transaction date or the average exchange rate for the period. Currency translation differences arising from the translation of monetary assets and liabilities denominated in foreign currency into euros using the closing exchange rates are shown in the Consolidated Statement of Cash Flows under Effect of exchange rates . Therefore, the Consolidated Statement of Cash Flows will not agree with the figures derived from the Consolidated Balance Sheet.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and highly liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

Investments with maturity greater than three months and less than twelve months are shown under Current financial assets .

Changes in current financial assets and liabilities are included in the financing activities section of the Consolidated Statement of Cash Flows.

Non-current financial debt

Changes in non-current financial debt are presented as the net variation to reflect significant changes mainly related to revolving credit agreements.

T) CARBON DIOXIDE EMISSION RIGHTS

In the absence of a current IFRS standard or interpretation on accounting for emission rights of carbon dioxide, the following principles have been applied:

emission rights granted free of charge are accounted for at zero carrying amount;
liabilities resulting from potential differences between available quotas and quotas to be delivered at the end of the compliance period are accounted for as liabilities and measured at fair market value;
spot market transactions are recognized in income at cost; and
forward transactions are recognized at their fair market value on the face of the balance sheet. Changes in the fair value of such forward transactions are recognized in income.

U) NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Pursuant to IFRS 5 Non-current assets held for sale and discontinued operations , assets and liabilities of affiliates that are held for sale are presented separately on the face of the balance sheet.

Net income from discontinued operations is presented separately on the face of the statement of income. Therefore, the notes to the Consolidated Financial Statements related to the statement of income only refer to continuing operations.

A discontinued operation is a component of the Group for which cash flows are independent. It represents a major line of business or geographical area of operations which has been disposed of or is currently being held for sale.

V) ALTERNATIVE IFRS METHODS

For measuring and recognizing assets and liabilities, the following choices among alternative methods allowable under IFRS have been made:

property, plant and equipment, and intangible assets are measured using historical cost model instead of revaluation model;

Table of Contents

actuarial gains and losses on pension and other post-employment benefit obligations are recognized according to the corridor method (see Note 1 paragraph R to the Consolidated Financial Statements); jointly-controlled entities are consolidated under the equity method, as provided for in the alternative method of IAS 31 Interests in joint ventures, as from January 1st, 2010.

W) NEW ACCOUNTING PRINCIPLES NOT YET IN EFFECT

The standards or interpretations published respectively by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) which were not yet in effect at December 31, 2010, were as follows:

IFRS 9 Financial Instruments

In November 2009, the IASB issued standard IFRS 9 Financial Instruments that introduces new requirements for the classification and measurement of financial assets, and included in October 2010 requirements regarding classification and measurement of financial liabilities. This standard shall be completed with texts on impairment and hedge accounting. Under standard IFRS 9, financial assets and liabilities are generally measured either at fair value through profit or loss or at amortised cost if certain conditions are met. The standard is applicable for annual periods starting on or after January 1, 2013. The application of the standard as published in 2010 should not have any material effect on the Group's consolidated balance sheet, statement of income and shareholder's equity.

Revised IAS 24 Related Party Disclosures

In November 2009, the IASB issued revised standard IAS 24 Related Party Disclosures that clarifies the definition of a related party and reduces the disclosure requirements for entities controlled by a government. The standard is applicable for annual periods starting on or after January 1, 2011. The application of this standard should not have any material impact on information presented in the notes to the Consolidated Financial Statements.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

In November 2009, the IFRIC issued interpretation IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The interpretation deals with accounting for debt to equity swaps. It clarifies that equity instruments issued are measured at fair value and that any difference with the carrying amount of the liability is recognised in profit or loss. The interpretation is effective for annual periods starting on or after July 1, 2010 (i.e. starting January 1, 2011 for the Group). The application of IFRIC 19 should not have any material effect on the Group's consolidated balance sheet, statement of income and shareholder's equity.

2) MAIN INDICATORS INFORMATION BY BUSINESS SEGMENT

Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income, and adjusted net income are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

Adjustment items

The detail of these adjustment items is presented in Note 4 to the Consolidated Financial Statements.

Adjustment items include :

(i) Special items

Due to their unusual nature or particular significance, certain transactions qualified as special items are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or assets disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

(ii) The inventory valuation effect

The adjusted results of the Downstream and Chemicals segments are presented according to the replacement cost method. This method is used to assess the segments performance and facilitate the comparability of the segments performance with those of its competitors.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end prices differential between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

Table of Contents

(iii) Until June 30, 2010, TOTAL s equity share of adjustment items reconciling Business net income to Net income attributable to equity holders of Sanofi-Aventis (see Note 3, paragraph on the sales of Sanofi-Aventis shares and loss of significant influence over Sanofi-Aventis)

Main indicators:

(i) Operating income (measure used to evaluate operating performance)

Revenue from sales after deducting cost of goods sold and inventory variations, other operating expenses, exploration expenses and depreciation, depletion, and amortization.

Operating income excludes the amortization of intangible assets other than mineral interests, currency translation adjustments and gains or losses on the disposal of assets.

(ii) Net operating income (measure used to evaluate the return on capital employed)

Operating income after taking into account the amortization of intangible assets other than mineral interests, currency translation adjustments, gains or losses on the disposal of assets, as well as all other income and expenses related to capital employed (dividends from non-consolidated companies, equity in income of affiliates, capitalized interest expenses), and after income taxes applicable to the above.

The only income and expense not included in net operating income but included in net income are interest expenses related to net financial debt, after applicable income taxes (net cost of net debt) and minority interests.

(iii) Adjusted income

Operating income, net operating income, or net income excluding the effect of adjustment items described above.

(iv) Fully-diluted adjusted earnings per share

Adjusted net income divided by the fully-diluted weighted-average number of common shares.

(v) Capital employed

Non-current assets and working capital, at replacement cost, net of deferred income taxes and non-current liabilities.

(vi) ROACE (Return on Average Capital Employed)

Ratio of adjusted net operating income to average capital employed between the beginning and the end of the period.

(vii) Net debt

Non-current debt, including current portion, current borrowings, other current financial liabilities less cash and cash equivalents and other current financial assets.

3) CHANGES IN THE GROUP STRUCTURE, MAIN ACQUISITIONS AND DIVESTMENTS

During 2010, 2009 and 2008, main changes in the Group structure and main acquisitions and divestments were as follows:

2010

Upstream

Total E&P Canada Ltd., a TOTAL subsidiary, signed in July 2010 an agreement with UTS Energy Corporation (UTS) to acquire UTS Corporation with its main asset, a 20% interest in the Fort Hills mining project in the Athabasca region of the Canadian province of Alberta.

Total E&P Canada completed on September 30, 2010 the acquisition of all UTS shares for a cash amount of 3.08 Canadian dollars per share. Taking into account the cash held by UTS and acquired by TOTAL (232 million), the cost of the acquisition for TOTAL amounts to 862 million. This amount mainly represents the value of mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for 646 million and the value of tangible assets that have been recognized on the face of the Consolidated Balance Sheet for 217 million.

TOTAL completed in September 2010 an agreement for the sale to BP and Hess of its interests in the Valhall (15.72%) and Hod (25%) fields, in the Norwegian North Sea, for an amount of 800 million.

TOTAL signed in September 2010 an agreement with Santos and Petronas to acquire a 20% interest in the GLNG project in Australia. Upon completion of this transaction finalised in October 2010, the project brings together Santos (45%, operator), Petronas (35%) and TOTAL (20%).

The acquisition cost amounts to 566 million and it mainly represents the value of mineral interests that have been recognized as intangible assets on

Table of Contents

the face of the Consolidated Balance Sheet for 617 million.

In addition, TOTAL announced in December 2010 the signature of an agreement to acquire an additional 7.5% interest in this project (see Note 34 to the Consolidated Financial Statements).

TOTAL sold in December 2010 its 5% interest in Block 31, located in the Angolan ultra deep offshore, to the company China Sonangol International Holding Limited.

Downstream

TOTAL and ERG announced in January 2010 that they have signed an agreement to create a joint venture, named TotalErg, by contribution of the major part of their activities in the refining and marketing business in Italy. TotalErg has been operational since October 1st, 2010. The shareholder pact calls for joint governance as well as operating independence for the new entity. TOTAL's interest in TotalErg is 49% and is accounted for by the equity method (see Note 12 to the Consolidated Financial Statements).

Chemicals

TOTAL closed on April 1, 2010 the sale of its consumer specialty chemicals business, Mapa Spontex, to U.S.-based Jarden Corporation for an enterprise value of 335 million.

Corporate

On March 24, 2010, TOTAL S.A. filed a public tender offer followed by a squeeze out with the French Autorité des Marchés Financiers (AMF) in order to buy the 1,468,725 Elf Aquitaine shares that it did not already hold, representing 0.52% of Elf Aquitaine's share capital and 0.27% of its voting rights, at a price of 305 per share (including the remaining 2009 dividend). On April 13, 2010, the French Autorité des Marchés Financiers (AMF) issued its clearance decision for this offer.

The public tender offer was open from April 16 to April 29, 2010 inclusive. The Elf Aquitaine shares targeted by the offer which were not tendered to the offer have been transferred to TOTAL S.A. under the squeeze out upon payment to the shareholders equal to the offer price on the first trading day after the offer closing date, i.e. on April 30, 2010.

On April 30, 2010, TOTAL S.A. announced that, following the squeeze out, it held 100% of Elf Aquitaine shares, with the transaction amounting to 450 million.

In application of revised standard IAS 27 Consolidated and Separate Financial Statements, effective for annual periods beginning on or after January 1, 2010, transactions with minority interests are accounted for as equity transactions, i.e. in consolidated shareholder's equity.

As a consequence, following the squeeze out of the Elf Aquitaine shares by TOTAL S.A., the difference between the consideration paid and the book value of minority interests acquired was recognized directly as a decrease in equity.

During 2010, TOTAL progressively sold 1.88% of Sanofi-Aventis's share capital, thus reducing its interest to 5.51%.

As from July 1, 2010, given its reduced representation on the Board of Directors and the decrease in the percentage of voting rights, TOTAL ceases to have a significant influence over Sanofi-Aventis and no longer consolidates this

investment under the equity method. The investment in Sanofi-Aventis is accounted for as a financial asset available for sale in the line Other investments of the balance sheet at its fair value, i.e. at the stock price.

Net income as of December 31, 2010 includes a 135 million gain relating to this change in the accounting treatment.

2009

Upstream

In December 2009, TOTAL signed an agreement with Chesapeake Energy Corporation whereby Total acquired a 25% share in Chesapeake's Barnett shale gas portfolio located in the United States (State of Texas). The acquisition cost of these assets amounted to 1,562 million and it represented the value of mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for 1,449 million and the value of tangible assets that have been recognized on the face of the Consolidated Balance Sheet for 113 million. As no cash payment has occurred in 2009, a corresponding debt has been recognized in the

Table of Contents

sections Provisions and other non-current liabilities and Other creditors and accrued liabilities for 818 million and 744 million respectively.

Corporate

During 2009, TOTAL progressively sold 3.99% of Sanofi-Aventis share capital, thus reducing its interest to 7.39%. Sanofi-Aventis is accounted for by the equity method in TOTAL's Consolidated Financial Statements for the year ended December 31, 2009.

2008

Upstream

Pursuant to the tender offer described in the prospectus on May 13, 2008 and renewed by the notices on June 19, July 4 and July 16, 2008, TOTAL acquired 100% of Synenco Energy Inc's Class A ordinary shares. Synenco's main asset is a 60% interest in the Northern Lights project in the Athabasca region of the Canadian province of Alberta.

The acquisition cost, net of cash acquired (161 million) for all shares amounted to 352 million. This cost essentially represented the value of the company's mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for 221 million.

Synenco Energy Inc. is fully consolidated in TOTAL's Consolidated Financial Statements. Its contribution to the consolidated net income for fiscal year 2008 was not material.

In August 2008, TOTAL acquired the Dutch company Goal Petroleum BV. The acquisition cost amounted to 349 million. This cost essentially represented the value of the company's mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for 292 million.

Goal Petroleum BV is fully consolidated in TOTAL's Consolidated Financial Statements. Its contribution to the consolidated net income for fiscal year 2008 was not material.

Pursuant to the agreements signed between the partners in November 2008, the Group's participation in the Kashagan field decreased from 18.52% to 16.81%.

Corporate

During 2008, TOTAL progressively sold 1.68% of Sanofi-Aventis share capital, thus reducing its interest to 11.38%. Sanofi-Aventis is accounted for by the equity method in TOTAL's Consolidated Financial Statements for the year ended December 31, 2008.

4) BUSINESS SEGMENT INFORMATION

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL. The Group's activities are conducted through three business segments: Upstream, Downstream and Chemicals.

Edgar Filing: HARDING JOHN R - Form 3

The Upstream segment includes the activities of the Exploration & Production division and the Gas & Power division;

The Downstream segment includes activities of the Refining & Marketing division and the Trading & Shipping division; and

The Chemicals segment includes Base Chemicals and Specialties.

The Corporate segment includes the operating and financial activities of the holding companies (including the investment in Sanofi-Aventis).

The operational profit and assets are broken down by business segment prior to the consolidation and inter-segment adjustments.

Sales prices between business segments approximate market prices.

F-20

Table of Contents**A) INFORMATION BY BUSINESS SEGMENT****For the year ended December 31, 2010**

(M)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	18,527	123,245	17,490	7		159,269
Intersegment sales	22,540	4,693	981	186	(28,400)	
Excise taxes		(18,793)				(18,793)
Revenues from sales	41,067	109,145	18,471	193	(28,400)	140,476
Operating expenses	(18,271)	(105,660)	(16,974)	(665)	28,400	(113,170)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,346)	(2,503)	(533)	(39)		(8,421)
Operating income	17,450	982	964	(511)		18,885
Equity in income (loss) of affiliates and other items	1,533	141	215	595		2,484
Tax on net operating income	(10,131)	(201)	(267)	263		(10,336)
Net operating income	8,852	922	912	347		11,033
Net cost of net debt						(226)
Minority interests						(236)
Net income						10,571

For the year ended December 31, 2010 (adjustments^(a))

(M)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses			923	92		1,015
Depreciation, depletion and amortization of tangible assets and mineral interests		(203)	(1,192)	(21)		(1,416)
Operating income^(b)		(203)	(269)	71		(401)
Equity in income (loss) of affiliates and other items ^(c)		183	(126)	(16)	227	268
Tax on net operating income		275	149		(6)	418
Net operating income^(b)		255	(246)	55	221	285

Net cost of net debt	
Minority interests	(2)
Net income	283

(a) *Adjustments include special items, inventory valuation effect and, until June 30, 2010, equity share of adjustments related to Sanofi-Aventis.*

<i>(b) Of which inventory valuation effect</i>	Upstream	Downstream	Chemicals	Corporate
<i>on operating income</i>		863	130	
<i>on net operating income</i>		640	113	
<i>(c) Of which equity share of adjustments related to Sanofi-Aventis</i>				(81)

F-21

Table of Contents**For the year ended December 31, 2010 (adjusted)**

(M)	Upstream	Downstream	Chemical	Corporate	Intercompany	Total
Non-Group sales	18,527	123,245	17,490	7		159,269
Intersegment sales	22,540	4,693	981	186	(28,400)	
Excise taxes		(18,793)				(18,793)
Revenues from sales	41,067	109,145	18,471	193	(28,400)	140,476
Operating expenses	(18,271)	(106,583)	(17,066)	(665)	28,400	(114,185)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,143)	(1,311)	(512)	(39)		(7,005)
Adjusted operating income	17,653	1,251	893	(511)		19,286
Equity in income (loss) of affiliates and other items	1,350	267	231	368		2,216
Tax on net operating income	(10,406)	(350)	(267)	269		(10,754)
Adjusted net operating income	8,597	1,168	857	126		10,748
Net cost of net debt						(226)
Minority interests						(234)
Adjusted net income						10,288
Adjusted fully-diluted earnings per share ()						4.58

(a) Except for earnings per share

For the year ended December 31, 2010

(M)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	13,208	2,343	641	81		16,273
Total divestments	2,067	499	347	1,403		4,316
Cash flow from operating activities	15,573	1,441	934	545		18,493

Balance sheet as of December 31, 2010

Property, plant and equipment, intangible assets, net	50,565	8,675	4,388	253		63,881
Investments in equity affiliates	5,002	2,782	1,349			9,133
Loans to equity affiliates and other non-current assets	4,184	1,366	979	4,099		10,628
Working capital	(363)	9,154	2,223	(211)		10,803
Provisions and other non-current liabilities	(16,076)	(2,328)	(1,631)	(1,181)		(21,216)
Assets and liabilities classified as held for sale	660		413			1,073

Capital Employed (balance sheet)	43,972	19,649	7,721	2,960	74,302
Less inventory valuation effect		(4,088)	(409)	1,061	(3,436)
Capital Employed (Business segment information)	43,972	15,561	7,312	4,021	70,866
ROACE as a percentage	21%	8%	12%		16%

F-22

Table of Contents

For the year ended December 31, 2009						
(M)	Upstream	Downstream	Chemical	Corporate	Intercompany	Total
Non-Group sales	16,072	100,518	14,726	11		131,327
Intersegment sales	15,958	3,786	735	156	(20,635)	
Excise taxes		(19,174)				(19,174)
Revenues from sales	32,030	85,130	15,461	167	(20,635)	112,153
Operating expenses	(14,752)	(81,281)	(14,293)	(656)	20,635	(90,347)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,420)	(1,612)	(615)	(35)		(6,682)
Operating income	12,858	2,237	553	(524)		15,124
Equity in income (loss) of affiliates and other items	846	169	(58)	697		1,654
Tax on net operating income	(7,486)	(633)	(92)	326		(7,885)
Net operating income	6,218	1,773	403	499		8,893
Net cost of net debt						(264)
Minority interests						(182)
Net income						8,447
For the year ended December 31, 2009 (adjustments^(a))						
(M)	Upstream	Downstream	Chemical	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses		(17)	1,558	344		1,885
Depreciation, depletion and amortization of tangible assets and mineral interests		(4)	(347)	(40)		(391)
Operating income^(b)		(21)	1,211	304		1,494
Equity in income (loss) of affiliates and other items ^(c)		(160)	22	(123)	(117)	(378)
Tax on net operating income		17	(413)	(50)	(3)	(449)
Net operating income^(b)		(164)	820	131	(120)	667
Net cost of net debt						
Table of Contents						130

Minority interests	(4)
Net income	663

(a) *Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.*

<i>(b) Of which inventory valuation effect</i>	Upstream	Downstream	Chemicals	Corporate
<i>on operating income</i>		1,816	389	
<i>on net operating income</i>		1,285	254	
<i>(c) Of which equity share of adjustments related to Sanofi-Aventis</i>				(300)

F-23

Table of Contents**For the year ended December 31, 2009****(adjusted)**

(M)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	16,072	100,518	14,726	11		131,327
Intersegment sales	15,958	3,786	735	156	(20,635)	
Excise taxes		(19,174)				(19,174)
Revenues from sales	32,030	85,130	15,461	167	(20,635)	112,153
Operating expenses	(14,735)	(82,839)	(14,637)	(656)	20,635	(92,232)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,416)	(1,265)	(575)	(35)		(6,291)
Adjusted operating income	12,879	1,026	249	(524)		13,630
Equity in income (loss) of affiliates and other items	1,006	147	65	814		2,032
Tax on net operating income	(7,503)	(220)	(42)	329		(7,436)
Adjusted net operating income	6,382	953	272	619		8,226
Net cost of net debt						(264)
Minority interests						(178)
Adjusted net income						7,784
Adjusted fully-diluted earnings per share ()						3.48

*(a) Except for earnings per share***For the year ended December 31, 2009****(M)**

	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	9,855	2,771	631	92		13,349
Total divestments	398	133	47	2,503		3,081
Cash flow from operating activities	10,200	1,164	1,082	(86)		12,360

Balance sheet as of December 31, 2009

Property, plant and equipment, intangible assets, net	43,997	9,588	5,248	271		59,104
Investments in equity affiliates	4,260	2,110	652	4,235		11,257
Loans to equity affiliates and other non-current assets	3,844	1,369	850	547		6,610
Working capital	660	7,624	2,151	58		10,493

Edgar Filing: HARDING JOHN R - Form 3

Provisions and other non-current liabilities	(15,364)	(2,190)	(1,721)	(1,094)	(20,369)
Assets and liabilities classified as held for sale					
Capital Employed (balance sheet)	37,397	18,501	7,180	4,017	67,095
Less inventory valuation effect		(3,202)	(282)	840	(2,644)
Capital Employed (Business segment information)	37,397	15,299	6,898	4,857	64,451
ROACE as a percentage	18%	7%	4%		13%

F-24

Table of Contents**For the year ended December 31, 2008**

(M)	Upstream	Downstream	Chemical	Corporate	Intercompany	Total
Non-Group sales	24,256	135,524	20,150	46		179,976
Intersegment sales	25,132	5,574	1,252	120	(32,078)	
Excise taxes		(19,645)				(19,645)
Revenues from sales	49,388	121,453	21,402	166	(32,078)	160,331
Operating expenses	(21,915)	(119,425)	(20,942)	(685)	32,078	(130,889)
Depreciation, depletion and amortization of tangible assets and mineral interests	(4,005)	(1,202)	(518)	(30)		(5,755)
Operating income	23,468	826	(58)	(549)		23,687
Equity in income (loss) of affiliates and other items	1,541	(158)	(34)	590		1,939
Tax on net operating income	(14,563)	(143)	76	315		(14,315)
Net operating income	10,446	525	(16)	356		11,311
Net cost of net debt						(358)
Minority interests						(363)
Net income						10,590

For the year ended December 31, 2008 (adjustments^(a))

(M)	Upstream	Downstream	Chemical	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses			(2,776)	(925)		(3,701)
Depreciation, depletion and amortization of tangible assets and mineral interest		(171)		(6)		(177)
Operating income^(b)		(171)	(2,776)	(931)		(3,878)
Equity in income (loss) of affiliates and other items ^(c)		(164)	(195)	(82)	(345)	(786)
Tax on net operating income		57	927	329	(2)	1,311
Net operating income^(b)		(278)	(2,044)	(684)	(347)	(3,353)
Net cost of net debt						

Minority interests	23
Net income	(3,330)

(a) *Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.*

<i>(b) Of which inventory valuation effect</i>	Upstream	Downstream	Chemicals	Corporate
<i>on operating income</i>		(2,776)	(727)	
<i>on net operating income</i>		(1,971)	(504)	
<i>(c) Of which equity share of adjustments related to Sanofi-Aventis</i>				(393)

F-25

Table of Contents**For the year ended December 31, 2008****(adjusted)**

(M ^(a))	Upstream	Downstream	Chemical	Corporate	Intercompany	Total
Non-Group sales	24,256	135,524	20,150	46		179,976
Intersegment sales	25,132	5,574	1,252	120	(32,078)	
Excise taxes		(19,645)				(19,645)
Revenues from sales	49,388	121,453	21,402	166	(32,078)	160,331
Operating expenses	(21,915)	(116,649)	(20,017)	(685)	32,078	(127,188)
Depreciation, depletion and amortization of tangible assets and mineral interests	(3,834)	(1,202)	(512)	(30)		(5,578)
Adjusted operating income	23,639	3,602	873	(549)		27,565
Equity in income (loss) of affiliates and other items	1,705	37	48	935		2,725
Tax on net operating income	(14,620)	(1,070)	(253)	317		(15,626)
Adjusted net operating income	10,724	2,569	668	703		14,664
Net cost of net debt						(358)
Minority interests						(386)
Adjusted net income						13,920
Adjusted fully-diluted earnings per share ()						6.20

*(a) Except for earnings per share***For the year ended December 31, 2008****(M)**

	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	10,017	2,418	1,074	131		13,640
Total divestments	1,130	216	53	1,186		2,585
Cash flow from operating activities	13,765	3,111	920	873		18,669

Balance sheet as of December 31, 2008

Property, plant and equipment, intangible assets, net	37,090	8,823	5,323	247		51,483
Investments in equity affiliates	3,892	1,958	677	6,134		12,661
Loans to equity affiliates and other non-current assets	3,739	1,170	762	545		6,216
Working capital	570	5,317	2,348	(132)		8,103

Edgar Filing: HARDING JOHN R - Form 3

Provisions and other non-current liabilities	(12,610)	(2,191)	(1,903)	(1,138)	(17,842)
Assets and liabilities classified as held for sale					
Capital Employed (balance sheet)	32,681	15,077	7,207	5,656	60,621
Less inventory valuation effect		(1,454)	(46)	387	(1,113)
Capital Employed (Business segment information)	32,681	13,623	7,161	6,043	59,508
ROACE as a percentage	36%	20%	9%		26%

F-26

Table of Contents**B) RECONCILIATION BETWEEN BUSINESS SEGMENT INFORMATION AND THE CONSOLIDATED STATEMENT OF INCOME**

The table below presents the impact of adjustment items on the Consolidated Statement of Income:

For the year ended December 31, 2010 (M)	Adjusted	Adjustments^(a)	Consolidated statement of income
Sales	159,269		159,269
Excise taxes	(18,793)		(18,793)
Revenues from sales	140,476		140,476
Purchases, net of inventory variation	(94,286)	1,115	(93,171)
Other operating expenses	(19,035)	(100)	(19,135)
Exploration costs	(864)		(864)
Depreciation, depletion and amortization of tangible assets and mineral interests	(7,005)	(1,416)	(8,421)
Other income	524	872	1,396
Other expense	(346)	(554)	(900)
Financial interest on debt	(465)		(465)
Financial income from marketable securities & cash equivalents	131		131
Cost of net debt	(334)		(334)
Other financial income	442		442
Other financial expense	(407)		(407)
Equity in income (loss) of affiliates	2,003	(50)	1,953
Income taxes	(10,646)	418	(10,228)
Consolidated net income	10,522	285	10,807
Group share	10,288	283	10,571
Minority interests	234	2	236

(a) Adjustments include special items, inventory valuation effect and, until June 30, 2010, equity share of adjustments related to Sanofi-Aventis.

Table of Contents

For the year ended December 31, 2009			Consolidated
(M)	Adjusted	Adjustments^(a)	statement of
			income
Sales	131,327		131,327
Excise taxes	(19,174)		(19,174)
Revenues from sales	112,153		112,153
Purchases, net of inventory variation	(73,263)	2,205	(71,058)
Other operating expenses	(18,271)	(320)	(18,591)
Exploration costs	(698)		(698)
Depreciation, depletion and amortization of tangible assets and mineral interests	(6,291)	(391)	(6,682)
Other income	131	183	314
Other expense	(315)	(285)	(600)
Financial interest on debt	(530)		(530)
Financial income from marketable securities & cash equivalents	132		132
Cost of net debt	(398)		(398)
Other financial income	643		643
Other financial expense	(345)		(345)
Equity in income (loss) of affiliates	1,918	(276)	1,642
Income taxes	(7,302)	(449)	(7,751)
Consolidated net income	7,962	667	8,629
Group share	7,784	663	8,447
Minority interests	178	4	182

(a) Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.

For the year ended December 31, 2008			Consolidated
(M)	Adjusted	Adjustments^(a)	statement of
			income
Sales	179,976		179,976
Excise taxes	(19,645)		(19,645)
Revenues from sales	160,331		160,331
Purchases, net of inventory variation	(107,521)	(3,503)	(111,024)
Other operating expenses	(18,903)	(198)	(19,101)
Exploration costs	(764)		(764)
Depreciation, depletion and amortization of tangible assets and mineral interests	(5,578)	(177)	(5,755)
Other income	153	216	369
Other expense	(147)	(407)	(554)
Financial interest on debt	(1,000)		(1,000)
Financial income from marketable securities & cash equivalents	473		473
Cost of net debt	(527)		(527)

Other financial income	728		728
Other financial expense	(325)		(325)
Equity in income (loss) of affiliates	2,316	(595)	1,721
Income taxes	(15,457)	1,311	(14,146)
Consolidated net income	14,306	(3,353)	10,953
Group share	13,920	(3,330)	10,590
Minority interests	386	(23)	363

(a) *Adjustments include special items, inventory valuation effect and equity share of adjustments related to Sanofi-Aventis.*

F-28

Table of Contents***C) ADJUSTMENT ITEMS BY BUSINESS SEGMENT***

The adjustment items for income as per Note 2 to the Consolidated Financial Statements are detailed as follows:

Adjustments to operating income

For the year ended December 31, 2010 (M)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect		863	130		993
Restructuring charges					
Asset impairment charges	(203)	(1,192)	(21)		(1,416)
Other items		60	(38)		22
Total	(203)	(269)	71		(401)

Adjustments to net income, Group share

For the year ended December 31, 2010 (M)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect		635	113		748
TOTAL's equity share of adjustments related to Sanofi-Aventis				(81)	(81)
Restructuring charges		(12)	(41)		(53)
Asset impairment charges	(297)	(913)	(14)		(1,224)
Gains (losses) on disposals of assets	589	122	33	302	1,046
Other items	(37)	(83)	(33)		(153)
Total	255	(251)	58	221	283

Adjustments to operating income

For the year ended December 31, 2009 (M)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect		1,816	389		2,205
Restructuring charges					
Asset impairment charges	(4)	(347)	(40)		(391)
Other items	(17)	(258)	(45)		(320)
Total	(21)	1,211	304		1,494

Adjustments to net income, Group share

For the year ended December 31, 2009 (M)	Upstream	Downstream	Chemicals	Corporate	Total
--	-----------------	-------------------	------------------	------------------	--------------

Edgar Filing: HARDING JOHN R - Form 3

Inventory valuation effect		1,279	254		1,533
TOTAL s equity share of adjustments related to Sanofi-Aventis				(300)	(300)
Restructuring charges		(27)	(102)		(129)
Asset impairment charges	(52)	(253)	(28)		(333)
Gains (losses) on disposals of assets				179	179
Other items	(112)	(182)	7		(287)
Total	(164)	817	131	(121)	663

F-29

Table of Contents**Adjustments to operating income**

For the year ended December 31, 2008 (M)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect		(2,776)	(727)		(3,503)
Restructuring charges					
Asset impairment charges	(171)		(6)		(177)
Other items			(198)		(198)
Total	(171)	(2,776)	(931)		(3,878)

Adjustments to net income, Group share

For the year ended December 31, 2008 (M)	Upstream	Downstream	Chemicals	Corporate	Total
Inventory valuation effect		(1,949)	(503)		(2,452)
TOTAL's equity share of adjustments related to Sanofi-Aventis				(393)	(393)
Restructuring charges		(47)	(22)		(69)
Asset impairment charges	(172)	(26)	(7)		(205)
Gains (losses) on disposals of assets	130			84	214
Other items	(236)		(151)	(38)	(425)
Total	(278)	(2,022)	(683)	(347)	(3,330)

D) ADDITIONAL INFORMATION ON IMPAIRMENTS

In the Upstream, Downstream and Chemicals segments, impairments of assets have been recognized for the year ended December 31, 2010, with an impact of 1,416 million in operating income and 1,224 million in net income, Group share. These impairments have been disclosed as adjustments to operating income and adjustments to net income, Group share. These items are identified in paragraph 4C above as adjustment items with the heading Asset impairment charges .

The impairment losses impact certain Cash Generating Units (CGU) for which there were indications of impairment, due mainly to changes in the operating conditions or the economic environment of their specific businesses.

The principles applied are the following:

The recoverable amount of CGUs has been based on their value in use, as defined in Note 1 paragraph L to the Consolidated Financial Statements Impairment of long-lived assets ;

Future cash flows have been determined with the assumptions in the long-term plan of the Group. These assumptions (including future prices of products, supply and demand for products, future production volumes) represent the best estimate by management of the Group of all economic conditions during the remaining life of assets;

Future cash flows, based on the long-term plan, are prepared over a period consistent with the life of the assets within the CGU. They are prepared post-tax and include specific risks attached to CGU assets. They are

discounted using a 8% post-tax discount rate, this rate being a weighted-average capital cost estimated from historical market data. This rate has been applied consistently for the years ending in 2008, 2009 and 2010; Value in use calculated by discounting the above post-tax cash flows using a 8% post-tax discount rate is not materially different from value in use calculated by discounting pre-tax cash flows using a pre-tax discount rate determined by an iterative computation from the post-tax value in use. These pre-tax discount rates are in a range from 9% to 12% in 2010.

The CGUs of the Upstream segment affected by these impairments are oil fields and investments in associates accounted for by the equity method. For the year ended December 31, 2010, the Group has recognized impairments with an impact of 203 million in operating income and 297 million in net income, Group share, mainly including an impairment of assets related to its project to build an upgrader in Edmonton, the Group giving up this project as part of its agreements with Suncor.

Table of Contents

The CGUs of the Downstream segment are affiliates or groups of affiliates (or industrial assets) organized mostly by country for the refining activities and by relevant geographical area for the marketing activities. In 2010, the economic environment of refining activities remained unfavorable, with a worldwide context of surplus in refining capacities compared to the demand for petroleum products. This surplus is more and more based in Europe, where the demand has been decreasing whereas in emerging countries (in Middle East and Asia) the consumption growth is strong. Considering the specificities of industrial tools, this remaining context of deteriorated margins had a particularly negative impact on the results of the refining CGUs in France and in the United Kingdom and lead to strong operational losses despite the efforts made to improve operations. Moreover in the last few months some operators have announced site closures or tried to dispose of some sites although no material transaction has occurred in 2010. These factors have triggered off the recognition of impairments of assets in Europe, especially within the CGUs Refining France and United Kingdom, reducing the operating income by 1,192 million and the net income, Group share by 913 million. Sensitivity analysis performed on other European refining CGUs, using different actualization rates and margins, have not led to additional impairment charge.

The CGUs of the Chemicals segment are worldwide business units, including activities or products with common strategic, commercial and industrial characteristics.

For the year ended December 31, 2009, impairments of assets have been recognized in the Upstream, Downstream and Chemicals segments with an impact of 413 million in operating income and 382 million in net income, Group share. These impairments have been disclosed as adjustments to operating income for 391 million and adjustments to net income, Group share for 333 million.

For the year ended December 31, 2008, impairments of assets have been recognized in the Upstream, Downstream and Chemicals segments with an impact of 216 million in operating income and 244 million in net income, Group share. These impairments have been disclosed as adjustments to operating income for 177 million and adjustments to net income, Group share for 205 million.

For the years ended December 31, 2010 and 2009, no reversal of impairment has been recognized. For the year ended December 31, 2008, reversals of impairment losses have been recognized in the Upstream segment with an impact of 41 million in operating income and 29 million in net income, Group share.

5) INFORMATION BY GEOGRAPHICAL AREA

		Rest of	North		Rest of	
(M)	France	Europe	America	Africa	the	Total
					world	
For the year ended December 31, 2010						
Non-Group sales	36,820	72,636	12,432	12,561	24,820	159,269
Property, plant and equipment, intangible assets, net	5,666	14,568	9,584	20,166	13,897	63,881
Capital expenditures	1,062	2,629	3,626	4,855	4,101	16,273
For the year ended December 31, 2009						
Non-Group sales	32,437	60,140	9,515	9,808	19,427	131,327
Property, plant and equipment, intangible assets, net	6,973	15,218	8,112	17,312	11,489	59,104
Capital expenditures	1,189	2,502	1,739	4,651	3,268	13,349

For the year ended December 31, 2008

Non-Group sales	43,616	82,761	14,002	12,482	27,115	179,976
Property, plant and equipment, intangible assets, net	7,260	13,485	5,182	15,460	10,096	51,483
Capital expenditures	1,997	2,962	1,255	4,500	2,926	13,640

F-31

Table of Contents**6) OPERATING EXPENSES**

For the year ended December 31, (M)	2010	2009	2008
Purchases, net of inventory variation ^(a)	(93,171)	(71,058)	(111,024)
Exploration costs	(864)	(698)	(764)
Other operating expenses ^(b)	(19,135)	(18,591)	(19,101)
<i>of which non-current operating liabilities (allowances) reversals</i>	<i>387</i>	<i>515</i>	<i>459</i>
<i>of which current operating liabilities (allowances) reversals</i>	<i>(101)</i>	<i>(43)</i>	<i>(29)</i>
Operating expenses	(113,170)	(90,347)	(130,889)

(a) Includes taxes paid on oil and gas production in the Upstream segment, namely royalties.

(b) Principally composed of production and administrative costs (see in particular the payroll costs as detailed in Note 26 to the Consolidated Financial Statements Payroll and staff).

7) OTHER INCOME AND OTHER EXPENSE

For the year ended December 31, (M)	2010	2009	2008
Gains (losses) on disposal of assets	1,117	200	257
Foreign exchange gains			112
Other	279	114	
Other income	1,396	314	369
Foreign exchange losses		(32)	
Amortization of other intangible assets (excl. mineral interests)	(267)	(142)	(162)
Other	(633)	(426)	(392)
Other expense	(900)	(600)	(554)

Other income

In 2010, gains and losses on disposal of assets are mainly related to sales of assets in the Upstream segment (sale of the interests in the Valhall and Hod fields in Norway and sale of the interest in Block 31 in Angola, see Note 3 to the Consolidated Financial Statements), as well as the change in the accounting treatment and the disposal of shares of Sanofi-Aventis (see Note 3 to the Consolidated Financial Statements).

In 2009, gains and losses on disposal of assets were mainly related to the disposal of shares of Sanofi-Aventis.

In 2008, gains and losses on disposal of assets were mainly related to sales of assets in the Upstream segment, as well as the disposal of shares of Sanofi-Aventis.

Other expense

In 2010, the heading Other is mainly comprised of 248 million of restructuring charges in the Downstream and Chemicals segments.

In 2009, the heading Other was mainly comprised of 190 million of restructuring charges in the Downstream and Chemicals segments.

In 2008, the heading Other was mainly comprised of:

107 million of restructuring charges in the Upstream, Downstream and Chemicals segments; and
48 million of changes in provisions related to various antitrust investigations as described in Note 32 to the Consolidated Financial Statements Other risks and contingent liabilities .

Table of Contents**8) OTHER FINANCIAL INCOME AND EXPENSE**

As of December 31, (M)	2010	2009	2008
Dividend income on non-consolidated subsidiaries	255	210	238
Capitalized financial expenses	113	117	271
Other	74	316	219
Other financial income	442	643	728
Accretion of asset retirement obligations	(338)	(283)	(229)
Other	(69)	(62)	(96)
Other financial expense	(407)	(345)	(325)

9) INCOME TAXES

Since 1966, the Group has been taxed in accordance with the consolidated income tax treatment approved on a renewable basis by the French Ministry of Economy, Finance and Industry. The renewal of this approval has been requested for the 2011-2013 period. It is being reviewed by the French Department of Budget, Public Accounts, Civil Service and State Reform.

No deferred tax is recognized for the temporary differences between the carrying amounts and tax bases of investments in foreign subsidiaries which are considered to be permanent investments. Undistributed earnings from foreign subsidiaries considered to be reinvested indefinitely amounted to 26,458 million as of December 31, 2010. The determination of the tax effect relating to such reinvested income is not practicable.

In addition, no deferred tax is recognized on unremitted earnings (approximately 21,147 million) of the Group's French subsidiaries since the remittance of such earnings would be tax exempt for the subsidiaries in which the Company owns 95% or more of the outstanding shares.

Income taxes are detailed as follows:

For the year ended December 31, (M)	2010	2009	2008
Current income taxes	(9,934)	(7,213)	(14,117)
Deferred income taxes	(294)	(538)	(29)
Total income taxes	(10,228)	(7,751)	(14,146)

Before netting deferred tax assets and liabilities by fiscal entity, the components of deferred tax balances are as follows:

As of December 31, (M)	2010	2009	2008
Net operating losses and tax carry forwards	1,145	1,114	1,031
Employee benefits	535	517	519

Edgar Filing: HARDING JOHN R - Form 3

Other temporary non-deductible provisions	2,757	2,184	2,075
Gross deferred tax assets	4,437	3,815	3,625
Valuation allowance	(576)	(484)	(475)
Net deferred tax assets	3,861	3,331	3,150
Excess tax over book depreciation	(10,966)	(9,791)	(8,836)
Other temporary tax deductions	(1,339)	(1,179)	(1,171)
Gross deferred tax liability	(12,305)	(10,970)	(10,007)
Net deferred tax liability	(8,444)	(7,639)	(6,857)

F-33

Table of Contents

After netting deferred tax assets and liabilities by fiscal entity, deferred taxes are presented on the balance sheet as follows:

As of December 31, (M)	2010	2009	2008
Deferred tax assets, non-current (note 14)	1,378	1,164	1,010
Deferred tax assets, current (note 16)	151	214	206
Deferred tax liabilities, non-current	(9,947)	(8,948)	(7,973)
Deferred tax liabilities, current	(26)	(69)	(100)
Net amount	(8,444)	(7,639)	(6,857)

The net deferred tax variation in the balance sheet is analyzed as follows:

As of December 31, (M)	2010	2009	2008
Opening balance	(7,639)	(6,857)	(7,251)
Deferred tax on income	(294)	(538)	(29)
Deferred tax on shareholders' equity ^(a)	28	(38)	30
Changes in scope of consolidation	(59)	(1)	(1)
Currency translation adjustment	(480)	(205)	394
Closing balance	(8,444)	(7,639)	(6,857)

(a) This amount includes mainly current income taxes and deferred taxes for changes in fair value of listed securities classified as financial assets available for sale as well as deferred taxes related to the cash flow hedge (see Note 17 to the Consolidated Financial Statements).

Reconciliation between provision for income taxes and pre-tax income:

For the year ended December 31, (M)	2010	2009	2008
Consolidated net income	10,807	8,629	10,953
Provision for income taxes	10,228	7,751	14,146
Pre-tax income	21,035	16,380	25,099
French statutory tax rate	34.43%	34.43%	34.43%
Theoretical tax charge	(7,242)	(5,640)	(8,642)
Difference between French and foreign income tax rates	(4,921)	(3,214)	(6,326)
Tax effect of equity in income (loss) of affiliates	672	565	593
Permanent differences	1,375	597	315
Adjustments on prior years income taxes	(45)	(47)	12
Adjustments on deferred tax related to changes in tax rates	2	(1)	(31)
Changes in valuation allowance of deferred tax assets	(65)	(6)	(63)
Other	(4)	(5)	(4)

Net provision for income taxes	(10,228)	(7,751)	(14,146)
---------------------------------------	-----------------	----------------	-----------------

The French statutory tax rate includes the standard corporate tax rate (33.33%) and additional applicable taxes that bring the overall tax rate to 34.43% in 2010 (identical to 2009 and 2008).

Permanent differences are mainly due to impairment of goodwill and to dividends from non-consolidated companies as well as the specific taxation rules applicable to certain activities and within the consolidated income tax treatment.

F-34

Table of Contents**Net operating losses and tax credit carryforwards**

Deferred tax assets related to net operating losses and tax carryforwards expire in the following years:

As of December 31, (M)	2010		2009		2008	
	Basis	Tax	Basis	Tax	Basis	Tax
2009					233	115
2010			258	126	167	79
2011	225	110	170	83	93	42
2012	177	80	121	52	61	19
2013 ^(a)	146	59	133	43	1,765	587
2014 ^(b)	1,807	602	1,804	599		
2015 and after	190	62				
Unlimited	774	232	661	211	560	189
Total	3,319	1,145	3,147	1,114	2,879	1,031

(a) Net operating losses and tax credit carryforwards in 2013 and after for 2008

(b) Net operating losses and tax credit carryforwards in 2014 and after for 2009

10) INTANGIBLE ASSETS

As of December 31, 2010 (M)	Cost	Amortization and impairment		Net
Goodwill	1,498	(596)		902
Proved and unproved mineral interests	10,099	(2,712)		7,387
Other intangible assets	2,803	(2,175)		628
Total intangible assets	14,400	(5,483)		8,917

As of December 31, 2009 (M)	Cost	Amortization and impairment		Net
Goodwill	1,776	(614)		1,162
Proved and unproved mineral interests	8,204	(2,421)		5,783
Other intangible assets	2,712	(2,143)		569
Total intangible assets	12,692	(5,178)		7,514

Amortization

As of December 31, 2008 (M)	Cost	and impairment	Net
Goodwill	1,690	(616)	1,074
Proved and unproved mineral interests	6,010	(2,268)	3,742
Other intangible assets	2,519	(1,994)	525
Total intangible assets	10,219	(4,878)	5,341

Changes in net intangible assets are analyzed in the following table:

(M)	Net amount as of January 1,	Acquisitions	Disposals	Amortization and impairment	Currency translation adjustment	Other	Net amount as of December 31,
2010	7,514	2,466	(62)	(553)	491	(939)	8,917
2009	5,341	629	(64)	(345)	2	1,951	7,514
2008	4,650	404	(3)	(259)	(93)	642	5,341

F-35

Table of Contents

In 2010, the heading "Other" mainly includes Chesapeake's Barnett shale mineral interests reclassified into the acquisitions for (975) million and the reclassification of Joslyn's mineral interests in accordance with IFRS 5

Non-current assets held for sale and discontinued operations for (390) million, including the currency translation adjustment (see Note 34 to the Consolidated Financial Statements), partially compensated by the acquisition of UTS for 646 million (see Note 3 to the Consolidated Financial Statements).

In 2009, the heading "Other" mainly included Chesapeake's Barnett shale mineral interests for 1,449 million (see Note 3 to the Consolidated Financial Statements).

In 2008, the heading "Other" mainly included the impact of proved and unproved mineral interests from Synenco Energy Inc. for 221 million and from Goal Petroleum B.V. for 292 million.

A summary of changes in the carrying amount of goodwill by business segment for the year ended December 31, 2010 is as follows:

(M)	Net goodwill as of				Net goodwill as of
	January 1, 2010	Increases	Impairments	Other	December 31, 2010
Upstream	78				78
Downstream	202	22	(88)	(54)	82
Chemicals	857			(140)	717
Corporate	25				25
Total	1,162	22	(88)	(194)	902

The heading "Other" mainly corresponds to the sale of Mapa Spontex and the reclassification of the goodwill of resins businesses subject to a disposal plan in accordance with IFRS 5 Non-current assets held for sale and discontinued operations .

11) PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2010 (M)	Cost	Depreciation and impairment	Net
Upstream properties			
Proved properties	77,183	(50,582)	26,601
Unproved properties	347	(1)	346
Work in progress	14,712	(37)	14,675
Subtotal	92,242	(50,620)	41,622
Other property, plant and equipment			
Land	1,304	(393)	911
Machinery, plant and equipment (including transportation equipment)	23,831	(17,010)	6,821

Edgar Filing: HARDING JOHN R - Form 3

Buildings	6,029	(3,758)	2,271
Work in progress	2,350	(488)	1,862
Other	6,164	(4,687)	1,477
Subtotal	39,678	(26,336)	13,342
Total property, plant and equipment	131,920	(76,956)	54,964

F-36

Table of Contents

As of December 31, 2009 (M)	Cost	Depreciation and impairment	Net
Upstream properties			
Proved properties	71,082	(44,718)	26,364
Unproved properties	182	(1)	181
Work in progress	10,351	(51)	10,300
Subtotal	81,615	(44,770)	36,845
Other property, plant and equipment			
Land	1,458	(435)	1,023
Machinery, plant and equipment (including transportation equipment)	22,927	(15,900)	7,027
Buildings	6,142	(3,707)	2,435
Work in progress	2,774	(155)	2,619
Other	6,506	(4,865)	1,641
Subtotal	39,807	(25,062)	14,745
Total property, plant and equipment	121,422	(69,832)	51,590
As of December 31, 2008 (M)	Cost	Depreciation and impairment	Net
Upstream properties			
Proved properties	61,727	(39,315)	22,412
Unproved properties	106	(1)	105
Work in progress	9,586		9,586
Subtotal	71,419	(39,316)	32,103
Other property, plant and equipment			
Land	1,446	(429)	1,017
Machinery, plant and equipment (including transportation equipment)	21,734	(14,857)	6,877
Buildings	5,739	(3,441)	2,298
Work in progress	2,226	(10)	2,216
Other	6,258	(4,627)	1,631
Subtotal	37,403	(23,364)	14,039
Total property, plant and equipment	108,822	(62,680)	46,142

Changes in net property, plant and equipment are analyzed in the following table:

	Net amount as of			Depreciation and impairment	Currency translation adjustment	Other	Net amount as of
(M)	January 1,	Acquisitions	Disposals				December 31,
2010	51,590	11,346	(1,269)	(8,564)	2,974	(1,113)	54,964
2009	46,142	11,212	(65)	(6,765)	397	669	51,590
2008	41,467	11,442	(102)	(5,941)	(1,151)	427	46,142

In 2010, the heading "Disposals" mainly includes the impact of sales of assets in the Upstream segment (sale of the interests in the Valhall and Hod fields in Norway and sale of the interest in Block 31 in Angola, see Note 3 to the Consolidated Financial Statements).

In 2010, the heading "Depreciation and impairment" includes the impact of impairments of assets recognized for 1,416 million (see Note 4C to the Consolidated Financial Statements).

F-37

Table of Contents

In 2010, the heading "Other" mainly corresponds to the change in the consolidation method of Samsung Total Petrochemicals (see Note 12 to the Consolidated Financial Statements) for (541) million and the reclassification for (537) million, including the currency translation adjustment, of property, plant and equipment related to Joslyn, Total E&P Cameroun, and resins businesses subject to a disposal project in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (see Note 34 to the Consolidated Financial Statements), partially compensated by the acquisition of UTS for 217 million (see Note 3 to the Consolidated Financial Statements).

In 2009, the heading "Other" mainly included changes in net property, plant and equipment related to asset retirement obligations and Chesapeake's Barnett shale tangible assets for 113 million (see Note 3 to the Consolidated Financial Statements).

In 2008, the heading "Other" mainly included changes in net property, plant and equipment related to asset retirement obligations.

Property, plant and equipment presented above include the following amounts for facilities and equipment under finance leases that have been capitalized:

	Cost	Depreciation and impairment	Net
As of December 31, 2010 (M)			
Machinery, plant and equipment	480	(332)	148
Buildings	54	(24)	30
Other			
Total	534	(356)	178

	Cost	Depreciation and impairment	Net
As of December 31, 2009 (M)			
Machinery, plant and equipment	548	(343)	205
Buildings	60	(30)	30
Other			
Total	608	(373)	235

	Cost	Depreciation and impairment	Net
As of December 31, 2008 (M)			
Machinery, plant and equipment	558	(316)	242
Buildings	35	(28)	7
Other			
Total	593	(344)	249

12) EQUITY AFFILIATES: INVESTMENTS AND LOANS

As from January 1st, 2010, jointly-controlled entities are consolidated under the equity method, as provided for in the alternative method of IAS 31 Interests in joint ventures (see Note 1 Accounting policies paragraphs A and V to the Consolidated Financial Statements). Until December 31, 2009, these entities were consolidated using the proportionate method.

F-38

Table of Contents

Equity value (M)	As of December 31,					
	2010	2009	2008	2010	2009	2008
	% owned			equity value		
NLNG	15.00%	15.00%	15.00%	1,108	1,136	1,135
PetroCedeño EM	30.32%	30.32%	30.32%	1,136	874	760
CEPSA (Upstream share)	48.83%	48.83%	48.83%	340	385	403
Angola LNG Ltd.	13.60%	13.60%	13.60%	710	490	326
Qatargas	10.00%	10.00%	10.00%	85	83	251
Société du Terminal Méthanier de Fos Cavaou	28.03%	28.79%	30.30%	125	124	114
Dolphin Energy Ltd (Del) Abu Dhabi	24.50%	24.50%	24.50%	172	118	85
Qatar Liquefied Gas Company Limited II (Train B)	16.70%	16.70%	16.70%	184	143	82
Shtokman Development AG ^(a)	25.00%	25.00%	25.00%	214	162	35
AMYRIS ^(b)	22.03%			101		
Other				749	745	700
Total associates				4,924	4,260	3,891
Other				78		
Total jointly-controlled entities				78		
Total Upstream				5,002	4,260	3,891
CEPSA (Downstream share)	48.83%	48.83%	48.83%	2,151	1,927	1,810
Saudi Aramco Total Refining & Petrochemicals (Downstream share) ^(a)	37.50%	37.50%	37.50%	47	60	75
Wepec	22.41%	22.41%	22.41%			
Other				159	123	73
Total associates				2,357	2,110	1,958
SARA ^(d)	50.00%			134		
TotalErg ^(b)	49.00%			289		
Other				2		
Total jointly-controlled entities				425		
Total Downstream				2,782	2,110	1,958
CEPSA (Chemicals share)	48.83%	48.83%	48.83%	411	396	424
Qatar Petrochemical Company Ltd.	20.00%	20.00%	20.00%	221	205	192
Saudi Aramco Total Refining & Petrochemicals (Chemicals share) ^(a)	37.50%	37.50%	37.50%	4	5	6
Other				68	46	55
Total associates				704	652	677
Samsung Total Petrochemicals ^(d)	50.00%			645		
Total jointly-controlled entities				645		
Total Chemicals				1,349	652	677
Sanofi-Aventis ^(c)		7.39%	11.38%		4,235	6,137
Total associates					4,235	6,137
Total jointly-controlled entities						

Total Corporate		4,235	6,137
Total investments	9,133	11,257	12,663
Loans	2,383	2,367	2,005
Total investments and loans	11,516	13,624	14,668

- (a) *Investment accounted for by the equity method as from 2008.*
- (b) *Investment accounted for by the equity method as from 2010.*
- (c) *End of the accounting for by the equity method of Sanofi-Aventis as of July 1st, 2010 (see Note 3 to the Consolidated Financial Statements).*
- (d) *Change in the consolidation method as of January 1st, 2010.*

Table of Contents

Equity in income (loss) (M)	As of December 31,			For the year ended December 31,		
	2010	2009	2008	2010	2009	2008
		% owned		equity in income (loss)		
NLNG	15.00%	15.00%	15.00%	207	227	554
PetroCedeño EM	30.32%	30.32%	30.32%	195	166	193
CEPSA (Upstream share)	48.83%	48.83%	48.83%	57	23	50
Angola LNG Ltd.	13.60%	13.60%	13.60%	8	9	10
Qatargas	10.00%	10.00%	10.00%	136	114	126
Société du Terminal Méthanier de Fos Cavaou	28.03%	28.79%	30.30%			(5)
Dolphin Energy Ltd (Del) Abu Dhabi	24.50%	24.50%	24.50%	121	94	83
Qatar Liquefied Gas Company Limited II (Train B)	16.70%	16.70%	16.70%	288	8	(11)
Shtokman Development AG ^(a)	25.00%	25.00%	25.00%	(5)	4	
AMYRIS ^(b)	22.03%			(3)		
Other				177	214	178
Total associates				1,181	859	1,178
Other				6		
Total jointly-controlled entities				6		
Total Upstream				1,187	859	1,178
CEPSA (Downstream share)	48.83%	48.83%	48.83%	172	149	76
Saudi Aramco Total Refining & Petrochemicals (Downstream share) ^(a)	37.50%	37.50%	37.50%	(19)	(12)	
Wepec	22.41%	22.41%	22.41%	29		(110)
Other				47	81	(13)
Total associates				229	218	(47)
SARA ^(d)	50.00%			31		
TotalErg ^(b)	49.00%			(11)		
Other				2		
Total jointly-controlled entities				22		
Total Downstream				251	218	(47)
CEPSA (Chemicals share)	48.83%	48.83%	48.83%	78	10	10
Qatar Petrochemical Company Ltd.	20.00%	20.00%	20.00%	84	74	66
Saudi Aramco Total Refining & Petrochemicals (Chemicals share) ^(a)	37.50%	37.50%	37.50%	(1)	(1)	
Other				41	(4)	(1)
Total associates				202	79	75
Samsung Total Petrochemicals ^(d)	50.00%			104		
Total jointly-controlled entities				104		
Total Chemicals				306	79	75
Sanofi-Aventis ^(c)		7.39%	11.38%	209	486	515
Total associates				209	486	515
Total jointly-controlled entities						

Total Corporate	209	486	515
Total investments	1,953	1,642	1,721

- (a) *Investment accounted for by the equity method as from 2008.*
(b) *Investment accounted for by the equity method as from 2010.*
(c) *End of the accounting for by the equity method of Sanofi-Aventis as of July 1st, 2010 (see Note 3 to the Consolidated Financial Statements).*
(d) *Change in the consolidation method as of January 1st, 2010.*

The market value of the Group's share in CEPESA amounts to 2,389 million as of December 31, 2010 for an equity value of 2,902 million. The recoverable amount of CEPESA determined by reference to the value of discounted future cash flows being greater than the equity value, no impairment loss has been accounted for.

F-40

Table of Contents

In Group share, the main financial items of the equity affiliates are as follows :

As of December 31, (M)	2010		2009		2008	
	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities
Assets	19,192	2,770	22,681		23,173	
Shareholders equity	7,985	1,148	11,257		12,663	
Liabilities	11,207	1,622	11,424		10,510	

For the year ended December 31, (M)	2010		2009		2008	
	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities	Associates	Jointly-controlled entities
Revenues from sales	16,529	2,575	14,434		19,982	
Pre-tax income	2,389	166	2,168		2,412	
Income tax	(568)	(34)	(526)		(691)	
Net income	1,821	132	1,642		1,721	

13) OTHER INVESTMENTS

The investments detailed below are classified as Financial assets available for sale (see Note 1 paragraph M(ii) to the Consolidated Financial Statements).

As of December 31, 2010 (M)	Carrying amount	Unrealized gain (loss)	Balance sheet value
Sanofi-Aventis ^(a)	3,510	(56)	3,454
Areva ^(b)	69	63	132
Arkema			
Chicago Mercantile Exchange Group ^(c)	1	9	10
Olympia Energy Fund energy investment fund ^(d)	37	(3)	34
Other publicly traded equity securities	2	(1)	1
Total publicly traded equity securities^(e)	3,619	12	3,631
BBPP	60		60
BTC Limited	141		141
Other equity securities	758		758
Total other equity securities^(e)	959		959

Other investments	4,578	12	4,590
--------------------------	--------------	-----------	--------------

F-41

Table of Contents

As of December 31, 2009 (M)	Carrying amount	Unrealized gain, (loss)	Balance sheet value
Areva ^(b)	69	58	127
Arkema	15	47	62
Chicago Mercantile Exchange Group ^(c)	1	9	10
Olympia Energy Fund – energy investment fund ^(d)	35	(2)	33
Other publicly traded equity securities			
Total publicly traded equity securities^(e)	120	112	232
BBPP	72		72
BTC Limited	144		144
Other equity securities	714		714
Total other equity securities^(e)	930		930
Other investments	1,050	112	1,162

As of December 31, 2008 (M)	Carrying amount	Unrealized gain (loss)	Balance sheet value
Areva ^(b)	69	59	128
Arkema	16	15	31
Chicago Mercantile Exchange Group ^(c)	1	5	6
Olympia Energy Fund – energy investment fund ^(d)	36	(5)	31
Other publicly traded equity securities			
Total publicly traded equity securities^(e)	122	74	196
BBPP	75		75
BTC Limited	161		161
Other equity securities	733		733
Total other equity securities^(e)	969		969
Other investments	1,091	74	1,165

(a) End of the accounting for by the equity method of Sanofi-Aventis as of July 1st, 2010 (see Note 3 to the Consolidated Financial Statements).

(b) Unrealized gain based on the investment certificate.

(c)

The Nymex Holdings Inc. securities have been traded during the acquisition process running from June 11 to August 22, 2008 through which Chicago Mercantile Exchange Group acquired all the Nymex Holdings Inc. securities.

(d) Securities acquired in 2008.

(e) Including cumulative impairments of 597 million in 2010, 599 million in 2009 and 608 million in 2008.

F-42

Table of Contents**14) OTHER NON-CURRENT ASSETS**

As of December 31, 2010 (M)	Gross value	Valuation allowance	Net value
Deferred income tax assets	1,378		1,378
Loans and advances ^(a)	2,060	(464)	1,596
Other	681		681
Total	4,119	(464)	3,655
As of December 31, 2009 (M)	Gross value	Valuation allowance	Net value
Deferred income tax assets	1,164		1,164
Loans and advances ^(a)	1,871	(587)	1,284
Other	633		633
Total	3,668	(587)	3,081
As of December 31, 2008 (M)	Gross value	Valuation allowance	Net value
Deferred income tax assets	1,010		1,010
Loans and advances ^(a)	1,932	(529)	1,403
Other	631		631
Total	3,573	(529)	3,044

(a) Excluding loans to equity affiliates.

Changes in the valuation allowance on loans and advances are detailed as follows:

For the Year Ended December 31, (M)	Valuation allowance as of			Currency translation adjustment and other variations	Valuation allowance as of
	January 1,	Increases	Decreases		
2010	(587)	(33)	220	(64)	(464)
2009	(529)	(19)	29	(68)	(587)
2008	(527)	(33)	52	(21)	(529)

15) INVENTORIES

As of December 31, 2010 (M)	Gross value	Valuation allowance	Net value
Crude oil and natural gas	4,990		4,990
Refined products	7,794	(28)	7,766
Chemicals products	1,350	(99)	1,251
Other inventories	1,911	(318)	1,593
Total	16,045	(445)	15,600

F-43

Table of Contents

	Gross value	Valuation allowance	Net value
As of December 31, 2009 (M)			
Crude oil and natural gas	4,581		4,581
Refined products	6,647	(18)	6,629
Chemicals products	1,234	(113)	1,121
Other inventories	1,822	(286)	1,536
Total	14,284	(417)	13,867

	Gross value	Valuation allowance	Net value
As of December 31, 2008 (M)			
Crude oil and natural gas	2,772	(326)	2,446
Refined products	4,954	(416)	4,538
Chemicals products	1,419	(105)	1,314
Other inventories	1,591	(268)	1,323
Total	10,736	(1,115)	9,621

Changes in the valuation allowance on inventories are as follows:

	Valuation allowance as of	Increase (net)	Currency translation adjustment and other variations	Valuation allowance as of
For the year ended December 31, (M)	January 1,			December 31,
2010	(417)	(39)	11	(445)
2009	(1,115)	700	(2)	(417)
2008	(325)	(740)	(50)	(1,115)

16) ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

	Gross value	Valuation allowance	Net value
As of December 31, 2010 (M)			
Accounts receivable	18,635	(476)	18,159
Recoverable taxes	2,227		2,227
Other operating receivables	4,543	(136)	4,407
Deferred income tax	151		151
Prepaid expenses	657		657
Other current assets	41		41

Other current assets	7,619	(136)	7,483
As of December 31, 2009 (M)	Gross value	Valuation allowance	Net value
Accounts receivable	16,187	(468)	15,719
Recoverable taxes	2,156		2,156
Other operating receivables	5,214	(69)	5,145
Deferred income tax	214		214
Prepaid expenses	638		638
Other current assets	45		45
Other current assets	8,267	(69)	8,198

F-44

Table of Contents

As of December 31, 2008 (M)	Gross value	Valuation allowance	Net value
Accounts receivable	15,747	(460)	15,287
Recoverable taxes	2,510		2,510
Other operating receivables	6,227	(19)	6,208
Deferred income tax	206		206
Prepaid expenses	650		650
Other current assets	68		68
Other current assets	9,661	(19)	9,642

Changes in the valuation allowance on Accounts receivable and Other current assets are as follows:

(M)	Valuation allowance as of	Increase (net)	Currency translation adjustments and other variations	Valuation allowance as of
	January 1,			December 31,
Accounts receivable				
2010	(468)	(31)	23	(476)
2009	(460)	(17)	9	(468)
2008	(482)	9	13	(460)
Other current assets				
2010	(69)	(66)	(1)	(136)
2009	(19)	(14)	(36)	(69)
2008	(27)	7	1	(19)

As of December 31, 2010, the net portion of the overdue receivables included in Accounts receivable and Other current assets is 3,141 million, of which 1,885 million has expired for less than 90 days, 292 million has expired between 90 days and 6 months, 299 million has expired between 6 and 12 months and 665 million has expired for more than 12 months.

As of December 31, 2009, the net portion of the overdue receivables included in Accounts receivable and Other current assets is 3,610 million, of which 2,116 million has expired for less than 90 days, 486 million has expired between 90 days and 6 months, 246 million has expired between 6 and 12 months and 762 million has expired for more than 12 months.

As of December 31, 2008, the net portion of the overdue receivables included in Accounts receivable and Other current assets was 3,744 million, of which 2,420 million had expired for less than 90 days, 729 million had expired between 90 days and 6 months, 54 million had expired between 6 and 12 months and 541 million had expired for more than 12 months.

17) SHAREHOLDERS EQUITY

Number of Total shares

The Company's common shares, par value \$2.50, as of December 31, 2010 are the only category of shares. Shares may be held in either bearer or registered form.

Double voting rights are granted to holders of shares that are fully-paid and held in the name of the same shareholder for at least two years, with due consideration for the total portion of the share capital represented. Double voting rights are also assigned to restricted shares in the event of an increase in share capital by incorporation of reserves, profits or premiums based on shares already held that are entitled to double voting rights.

Pursuant to the Company's bylaws (Statuts), no shareholder may cast a vote at a shareholders' meeting, either by himself or through an agent, representing more than 10% of the total voting rights for the Company's shares. This limit applies to the aggregated amount of voting rights held directly, indirectly or through voting proxies. However, in the case of double voting rights, this limit may be extended to 20%.

These restrictions no longer apply if any individual or entity, acting alone or in concert, acquires at least two-thirds of the total share capital of the Company, directly or indirectly, following a public tender offer for all of the Company's shares.

F-45

Table of Contents

The authorized share capital amounts to 3,439,391,697 shares as of December 31, 2010 compared to 3,381,921,458 shares as of December 31, 2009 and 3,413,204,025 as of December 31, 2008.

Variation of the share capital

As of January 1, 2008		2,395,532,097
Shares issued in connection with:	Capital increase reserved for employees	4,870,386
	Exercise of TOTAL share subscription options	1,178,167
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	227,424
Cancellation of shares ^(a)		(30,000,000)
As of January 1, 2009		2,371,808,074
Shares issued in connection with:	Exercise of TOTAL share subscription options	934,780
	Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options	480,030
Cancellation of shares ^(b)		(24,800,000)
As of January 1, 2010		2,348,422,884
Shares issued in connection with:	Exercise of TOTAL share subscription options	1,218,047
As of December 31, 2010^(c)		2,349,640,931

(a) Decided by the Board of Directors on July 31, 2008.

(b) Decided by the Board of Directors on July 30, 2009.

(c) Including 112,487,679 treasury shares deducted from consolidated shareholders' equity.

The variation of both weighted-average number of shares and weighted-average number of diluted shares respectively used in the calculation of earnings per share and fully-diluted earnings per share is detailed as follows:

	2010	2009	2008
Number of shares as of January 1,	2,348,422,884	2,371,808,074	2,395,532,097
<i>Number of shares issued during the year (pro rated)</i>			
Exercise of TOTAL share subscription options	412,114	221,393	742,588
Exercise of TOTAL share purchase options	984,800	93,827	2,426,827
Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options		393,623	86,162
TOTAL restricted shares	416,420	1,164,389	1,112,393
Global free TOTAL share plan ^(a)	15		

Capital increase reserved for employees			3,246,924
TOTAL shares held by TOTAL S.A. or by its subsidiaries and deducted from shareholders equity	(115,407,190)	(143,082,095)	(168,290,440)
Weighted-average number of shares	2,234,829,043	2,230,599,211	2,234,856,551
<i>Dilutive effect</i>			
TOTAL share subscription and purchase options	1,758,006	1,711,961	6,784,200
TOTAL restricted shares	6,031,963	4,920,599	4,172,944
Global free TOTAL share plan ^(a)	1,504,071		
Exchange guarantee offered to the beneficiaries of Elf Aquitaine share subscription options		60,428	460,935
Capital increase reserved for employees	371,493		383,912
Weighted-average number of diluted shares	2,244,494,576	2,237,292,199	2,246,658,542

(a) *The Board of Directors approved on May 21, 2010 the implementation and conditions of a global free share plan intended for the Group employees.*

Table of Contents

Capital increase reserved for Group employees

Pursuant to the authorization granted by the shareholders' meeting held on May 11, 2007, the Board of Directors, during its November 6, 2007 meeting, implemented a first capital increase reserved for employees within the limit of 12 million shares, at a price of 44.40 per share, with dividend rights as of January 1, 2007. The subscription period ran from March 10, 2008 to March 28, 2008. 4,870,386 shares were subscribed by employees pursuant to the capital increase.

At the shareholders' meeting held on May 21, 2010, the shareholders delegated to the Board of Directors the authority to increase the share capital of the Company in one or more transactions and within a maximum period of 26 months from the date of the meeting, by an amount not exceeding 1.5% of the share capital outstanding on the date of the meeting of the Board of Directors at which a decision to proceed with an issuance is made reserving subscriptions for such issuance to the Group employees participating in a company savings plan. It is being specified that the amount of any such capital increase reserved for Group employees is counted against the aggregate maximum nominal amount of share capital increases authorized by the shareholders' meeting held on May 21, 2010 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with preferential subscription rights (2.5 billion in nominal value).

Pursuant to this delegation of authorization, the Board of Directors, during its October 28, 2010 meeting, decided to proceed with a capital increase reserved for employees in 2011 within the limit of 12 million shares with dividend rights as of January 1, 2010 and delegated to the Chairman and CEO all powers to determine the opening and closing of the subscription period and the subscription price.

Share cancellation

Pursuant to the authorization granted by the shareholders' meeting held on May 11, 2007 authorizing reduction of capital by cancellation of shares held by the Company within the limit of 10% of the outstanding capital every 24 months, the Board of Directors decided on July 30, 2009 to cancel 24,800,000 shares acquired in 2008 at an average price of 49.28 per share.

Treasury shares (TOTAL shares held by TOTAL S.A.)

As of December 31, 2010, TOTAL S.A. held 12,156,411 of its own shares, representing 0.52% of its share capital, detailed as follows:

- 6,012,460 shares allocated to TOTAL restricted shares plans for Group employees;
- 6,143,951 shares intended to be allocated to new TOTAL share purchase option plans or to new restricted shares plans.

These shares are deducted from the consolidated shareholders' equity.

As of December 31, 2009, TOTAL S.A. held 15,075,922 of its own shares, representing 0.64% of its share capital, detailed as follows:

- 6,017,499 shares allocated to covering TOTAL share purchase option plans for Group employees and executive officers;
- 5,799,400 shares allocated to TOTAL restricted shares plans for Group employees; and

3,259,023 shares intended to be allocated to new TOTAL share purchase option plans or to new restricted shares plans.

These shares were deducted from the consolidated shareholders' equity.

As of December 31, 2008, TOTAL S.A. held 42,750,827 of its own shares, representing 1.80% of its share capital, detailed as follows:

12,627,522 shares allocated to covering TOTAL share purchase option plans for Group employees;
5,323,305 shares allocated to TOTAL restricted shares plans for Group employees; and
24,800,000 shares purchased for cancellation between January and October 2008 pursuant to the authorization granted by the shareholders' meetings held on May 11, 2007 and May 16, 2008. The Board of Directors on July 30, 2009 decided to cancel these 24,800,000 shares acquired at an average price of 49.28 per share.

These shares were deducted from the consolidated shareholders' equity.

TOTAL shares held by Group subsidiaries

As of December 31, 2010, 2009 and 2008, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.27% of its share capital as of December 31, 2010, 4.27% of its share capital as of

F-47

Table of Contents

December 31, 2009 and 4.23% of its share capital as of December 31, 2008 detailed as follows:

2,023,672 shares held by a consolidated subsidiary, Total Nucléaire, 100% indirectly controlled by TOTAL S.A.;
and
98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval).

These shares are deducted from the consolidated shareholders' equity.

Dividend

TOTAL S.A. paid on June 1, 2010 the balance of the dividend of € 1.14 per share for the 2009 fiscal year (the ex-dividend date was May 27, 2010). In addition, TOTAL S.A. paid on November 17, 2010 an interim dividend of € 1.14 per share for the fiscal year 2010 (the ex-dividend date was November 12, 2010).

A resolution will be submitted at the shareholders' meeting on May 13, 2011 to pay a dividend of € 2.28 per share for the 2010 fiscal year, i.e. a balance of € 1.14 per share to be distributed after deducting the interim dividend of € 1.14 already paid.

Paid-in surplus

In accordance with French law, the paid-in surplus corresponds to share premiums of the parent company which can be capitalized or used to offset losses if the legal reserve has reached its minimum required level. The amount of the paid-in surplus may also be distributed subject to taxation unless the unrestricted reserves of the parent company are distributed prior to this item.

As of December 31, 2010, paid-in surplus amounted to € 27,208 million (€ 27,171 million as of December 31, 2009 and € 28,284 million as of December 31, 2008).

Reserves

Under French law, 5% of net income must be transferred to the legal reserve until the legal reserve reaches 10% of the nominal value of the share capital. This reserve cannot be distributed to the shareholders other than upon liquidation but can be used to offset losses.

If wholly distributed, the unrestricted reserves of the parent company would be taxed for an approximate amount of € 514 million as of December 31, 2010 (€ 514 million as of December 31, 2009).

Other comprehensive income

Detail of other comprehensive income showing items reclassified from equity to net income is presented in the table below:

For the year ended December 31, (M €)	2010	2009	2008
Currency translation adjustment	2,231	(244)	(722)
Unrealized gain/(loss) of the period	2,234	(243)	(722)
Less gain/(loss) included in net income	3	1	

Available for sale financial assets		(100)		38		(254)
Unrealized gain/(loss) of the period	(50)		38		(254)	
Less gain/(loss) included in net income	50					
Cash flow hedge		(80)		128		
Unrealized gain/(loss) of the period	(195)		349			
Less gain/(loss) included in net income	(115)		221			
Share of other comprehensive income of equity affiliates, net amount		302		234		173
Other		(7)		(5)		1
Unrealized gain/(loss) of the period	(7)		(5)		1	
Less gain/(loss) included in net income						
Tax effect		28		(38)		30
Total other comprehensive income, net amount		2,374		113		(772)

F-48

Table of Contents

Tax effects relating to each component of other comprehensive income are as follows:

For the year ended December 31, (M)	2010			2009			2008		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Currency translation adjustment	2,231		2,231	(244)		(244)	(722)		(722)
Available for sale financial assets	(100)	2	(98)	38	4	42	(254)	30	(224)
Cash flow hedge	(80)	26	(54)	128	(42)	86			
Share of other comprehensive income of equity affiliates, net amount	302		302	234		234	173		173
Other	(7)		(7)	(5)		(5)	1		1
Total other comprehensive income	2,346	28	2,374	151	(38)	113	(802)	30	(772)

18) EMPLOYEE BENEFITS OBLIGATIONS

Liabilities for employee benefits obligations consist of the following:

As of December 31, (M)	2010	2009	2008
Pension benefits liabilities	1,268	1,236	1,187
Other benefits liabilities	605	592	608
Restructuring reserves (early retirement plans)	298	212	216
Total	2,171	2,040	2,011

The Group's main defined benefit pension plans are located in France, in the United Kingdom, in the United States, in Belgium and in Germany. Their main characteristics are the following:

- The benefits are usually based on the final salary and seniority;
- They are usually funded (pension fund or insurer); and
- They are closed to new employees who benefit from defined contribution pension plans.

The pension benefits include also termination indemnities and early retirement benefits.

The other benefits are the employer contribution to post-employment medical care.

Table of Contents

The fair value of the defined benefit obligation and plan assets in the Consolidated Financial Statements is detailed as follows:

As of December 31, (M)	Pension benefits			Other benefits		
	2010	2009	2008	2010	2009	2008
Change in benefit obligation						
Benefit obligation at beginning of year	8,169	7,405	8,129	547	544	583
Service cost	159	134	143	11	10	14
Interest cost	441	428	416	29	30	24
Curtailements	(4)	(5)	(3)	(3)	(1)	
Settlements	(60)	(3)	(5)			(4)
Special termination benefits				1		
Plan participants' contributions	11	10	12			
Benefits paid	(471)	(484)	(463)	(33)	(33)	(37)
Plan amendments	28	118	12	1	(2)	(12)
Actuarial losses (gains)	330	446	(248)	57		(27)
Foreign currency translation and other	137	120	(588)	13	(1)	3
Benefit obligation at year-end	8,740	8,169	7,405	623	547	544
Change in fair value of plan assets						
Fair value of plan assets at beginning of year	(6,286)	(5,764)	(6,604)			
Expected return on plan assets	(396)	(343)	(402)			
Actuarial losses (gains)	(163)	(317)	1,099			
Settlements	56	2	2			
Plan participants' contributions	(11)	(10)	(12)			
Employer contributions ^(a)	(269)	(126)	(855)			
Benefits paid	394	396	375			
Foreign currency translation and other	(134)	(124)	633			
Fair value of plan assets at year-end	(6,809)	(6,286)	(5,764)			
Unfunded status	1,931	1,883	1,641	623	547	544
Unrecognized prior service cost	(105)	(153)	(48)	10	15	21
Unrecognized actuarial (losses) gains	(1,170)	(1,045)	(953)	(28)	30	43
Asset ceiling	9	9	5			
Net recognized amount	665	694	645	605	592	608
Pension benefits and other benefits liabilities	1,268	1,236	1,187	605	592	608
Other non-current assets	(603)	(542)	(542)			

(a) In 2010, the Group covered certain employee pension benefit plans through insurance companies for an amount of 90 million (757 million in 2008).

As of December 31, 2010, the fair value of pension benefits and other pension benefits which are entirely or partially funded amounted to 7,727 million and the present value of the unfunded benefits amounted to 1,636 million (against 7,206 million and 1,510 million respectively as of December 31, 2009 and 6,515 million and 1,434 million respectively as of December 31, 2008).

The experience actuarial (gains) losses related to the defined benefit obligation and the fair value of plan assets are as follows:

For the year ended December 31, (M)	2010	2009	2008	2007
Experience actuarial (gains) losses related to the defined benefit obligation	(54)	(108)	12	80
Experience actuarial (gains) losses related to the fair value of plan assets	(163)	(317)	1,099	140

Table of Contents

As of December 31, (M)	2010	2009	2008	2007	2006
Pension benefits					
Benefit obligation	8,740	8,169	7,405	8,129	8,742
Fair value of plan assets	(6,809)	(6,286)	(5,764)	(6,604)	(6,401)
Unfunded status	1,931	1,883	1,641	1,525	2,341
Other benefits					
Benefits obligation	623	547	544	583	648
Fair value of plan assets					
Unfunded status	623	547	544	583	648

The Group expects to contribute 251 million to its pension plans in 2011.

Estimated future payments (M)	Pension benefits	Other benefits
2011	487	38
2012	478	38
2013	477	38
2014	477	39
2015	497	40
2016-2020	2,628	203

Asset allocation	Pension benefits		
As of December 31,	2010	2009	2008
Equity securities	34%	31%	25%
Debt securities	60%	62%	56%
Monetary	3%	3%	16%
Real estate	3%	4%	3%

The Group's assumptions of expected returns on assets are built up by asset class and by country based on long-term bond yields and risk premiums.

The discount rate retained corresponds to the rate of prime corporate bonds according to a benchmark per country of different market data on the closing date.

Assumptions used to determine benefits obligations	Pension benefits			Other benefits		
As of December 31,	2010	2009	2008	2010	2009	2008

Edgar Filing: HARDING JOHN R - Form 3

Discount rate (weighted average for all regions)	5.01%	5.41%	5.93%	5.00%	5.60%	6.00%
<i>Of which Euro zone</i>	4.58%	5.12%	5.72%	4.55%	5.18%	5.74%
<i>Of which United States</i>	5.49%	6.00%	6.23%	5.42%	5.99%	6.21%
<i>Of which United Kingdom</i>	5.50%	5.50%	6.00%			6.00%
Average expected rate of salary increase	4.55%	4.50%	4.56%			
Expected rate of healthcare inflation						
Initial rate				4.82%	4.91%	4.88%
Ultimate rate				3.75%	3.79%	3.64%

F-51

Table of Contents

Assumptions used to determine the net periodic benefit cost (income) for the year ended December 31,	Pension benefits			Other benefits		
	2010	2009	2008	2010	2009	2008
Discount rate (weighted average for all regions)	5.41%	5.93%	5.50%	5.60%	6.00%	5.50%
<i>which Euro zone</i>	5.12%	5.72%	5.15%	5.18%	5.74%	5.14%
<i>which United States</i>	6.00%	6.23%	6.00%	5.99%	6.21%	5.99%
<i>which United Kingdom</i>	5.50%	6.00%	5.75%		6.00%	5.75%
Average expected rate of salary increase	4.50%	4.56%	4.29%			
Expected return on plan assets	6.39%	6.14%	6.60%			
Expected rate of healthcare inflation						
Initial rate				4.91%	4.88%	5.14%
Ultimate rate				3.79%	3.64%	3.64%

A 0.5% increase or decrease in discount rates all other things being equal would have the following approximate impact:

(M)	0.5% increase	0.5% decrease
Benefit obligation as of December 31, 2010	(520)	574
2011 net periodic benefit cost (income)	(19)	52

A 0.5% increase or decrease in expected return on plan assets rate all other things being equal would have an impact of \$30 million on 2011 net periodic benefit cost (income).

The components of the net periodic benefit cost (income) in 2010, 2009 and 2008 are:

For the year ended December 31, (M)	Pension benefits			Other benefits		
	2010	2009	2008	2010	2009	2008
Service cost	159	134	143	11	10	14
Interest cost	441	428	416	29	30	24
Expected return on plan assets	(396)	(343)	(402)			
Amortization of prior service cost	74	13	34	(5)	(7)	(10)
Amortization of actuarial losses (gains)	66	50	22	(4)	(6)	(2)
Asset ceiling	(3)	4	1			
Curtailements	(3)	(4)	(3)	(3)	(1)	
Settlements	7	(1)	(2)			(3)
Special termination benefits				1		
Net periodic benefit cost (income)	345	281	209	29	26	23

A positive or negative change of one-percentage-point in the healthcare inflation rate would have the following approximate impact:

(M)	1% point increase	1% point decrease
Benefit obligation as of December 31, 2010	63	(52)
2010 net periodic benefit cost (income)	5	(4)

F-52

Table of Contents**19) PROVISIONS AND OTHER NON-CURRENT LIABILITIES**

As of December 31, (M)	2010	2009	2008
Litigations and accrued penalty claims	485	423	546
Provisions for environmental contingencies	644	623	558
Asset retirement obligations	5,917	5,469	4,500
Other non-current provisions	1,116	1,331	1,804
Other non-current liabilities	936	1,535	450
Total	9,098	9,381	7,858

In 2010, litigation reserves mainly include a provision covering risks concerning antitrust investigations related to Arkema amounting to 17 million as of December 31, 2010. Other risks and commitments that give rise to contingent liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2010, other non-current provisions mainly include:

The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for 31 million as of December 31, 2010;
Provisions related to restructuring activities in the Downstream and Chemicals segments for 261 million as of December 31, 2010; and
The contingency reserve related to the Buncefield depot explosion (civil liability) for 194 million as of December 31, 2010.

In 2010, other non-current liabilities mainly include debts (whose maturity is more than one year) related to fixed assets acquisitions.

In 2009, litigation reserves mainly include a provision covering risks concerning antitrust investigations related to Arkema amounting to 43 million as of December 31, 2009. Other risks and commitments that give rise to contingent liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2009, other non-current provisions mainly include:

The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for 40 million as of December 31, 2009;
Provisions related to restructuring activities in the Downstream and Chemicals segments for 130 million as of December 31, 2009; and
The contingency reserve related to the Buncefield depot explosion (civil liability) for 295 million as of December 31, 2009.

In 2009, other non-current liabilities mainly include debts (whose maturity is more than one year) related to fixed assets acquisitions. This heading is mainly composed of a 818 million debt related to Chesapeake acquisition (see Note 3 to the Consolidated Financial Statements).

In 2008, litigation reserves mainly included a provision covering risks concerning antitrust investigations related to Arkema amounting to 85 million as of December 31, 2008. Other risks and commitments that give rise to contingent

liabilities are described in Note 32 to the Consolidated Financial Statements.

In 2008, other non-current provisions mainly included the contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for 256 million as of December 31, 2008.

Changes in provisions and other non-current liabilities

Changes in provisions and other non-current liabilities are as follows :

				Currency translation		As of
(M)	As of January 1,	Allowances	Reversals	adjustment	Other	December 31,
2010	9,381	1,052	(971)	497	(861)	9,098
2009	7,858	1,254	(1,413)	202	1,480	9,381
2008	6,843	1,424	(864)	(460)	915	7,858

F-53

Table of Contents

Allowances

In 2010, allowances of the period (1,052 million) mainly include:

Asset retirement obligations for 338 million (accretion);
Environmental contingencies for 88 million in the Downstream and Chemicals segments;
The contingency reserve related to the Buncefield depot explosion (civil liability) for 79 million; and
Provisions related to restructuring of activities for 226 million.

In 2009, allowances of the period (1,254 million) mainly included:

Asset retirement obligations for 283 million (accretion);
Environmental contingencies for 147 million in the Downstream and Chemicals segments;
The contingency reserve related to the Buncefield depot explosion (civil liability) for 223 million; and
Provisions related to restructuring of activities for 121 million.

In 2008, allowances of the period (1,424 million) mainly included:

Asset retirement obligations for 229 million (accretion);
The contingency reserve related to the Toulouse-AZF plant explosion (civil liability) for 140 million;
Environmental contingencies for 89 million;
An allowance of 48 million for litigation reserves in connection with antitrust investigations, as described in Note 32 to the Consolidated Financial Statements Other risks and contingent liabilities ; and
Provisions related to restructuring of activities for 27 million.

Reversals

In 2010, reversals of the period (971 million) mainly relate to the following incurred expenses:

Provisions for asset retirement obligations for 214 million;
26 million for litigation reserves in connection with antitrust investigations;
Environmental contingencies written back for 66 million;
The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for 9 million;
The contingency reserve related to the Buncefield depot explosion (civil liability), written back for 190 million; and
Provisions for restructuring and social plans written back for 60 million.

In 2009, reversals of the period (1,413 million) were mainly related to the following incurred expenses:

Provisions for asset retirement obligations for 191 million;
52 million for litigation reserves in connection with antitrust investigations;
Environmental contingencies written back for 86 million;
The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for 216 million;
The contingency reserve related to the Buncefield depot explosion (civil liability), written back for 375 million; and
Provisions for restructuring and social plans written back for 28 million.

In 2008, reversals of the period (864 million) were mainly related to the following incurred expenses:

Provisions for asset retirement obligations for 280 million;
 163 million for litigation reserves in connection with antitrust investigations;
 Environmental contingencies written back for 96 million;
 The contingency reserve related to the Toulouse-AZF plant explosion (civil liability), written back for 18 million; and
 Provisions for restructuring and social plans written back for 10 million.

CHANGES IN THE ASSET RETIREMENT OBLIGATION

Changes in the asset retirement obligation are as follows:

(M)	As of January 1,	Accretion	Revision in estimates	New obligations	Spending on existing obligations	Currency translation adjustment	Other	As of December 31,
2010	5,469	338	79	175	(214)	316	(246)	5,917
2009	4,500	283	447	179	(191)	232	19	5,469
2008	4,206	229	563	188	(280)	(414)	8	4,500

F-54

Table of Contents**20) FINANCIAL DEBT AND RELATED FINANCIAL INSTRUMENTS****A) *NON-CURRENT FINANCIAL DEBT AND RELATED FINANCIAL INSTRUMENTS*****As of December 31, 2010 (M)**

(Assets)/Liabilities	Secured	Unsecured	Total
Non-current financial debt	287	20,496	20,783
<i>of which hedging instruments of non-current financial debt (liabilities)</i>		178	178
Hedging instruments of non-current financial debt (assets) ^(a)		(1,870)	(1,870)
Non-current financial debt net of hedging instruments	287	18,626	18,913
Bonds after fair value hedge		15,491	15,491
Fixed rate bonds and bonds after cash flow hedge		2,836	2,836
Bank and other, floating rate	47	189	236
Bank and other, fixed rate	65	110	175
Financial lease obligations	175		175
Non-current financial debt net of hedging instruments	287	18,626	18,913

(a) See the description of these hedging instruments in Notes 1 paragraph M (iii) Long-term financing , 28 and 29 to the Consolidated Financial Statements.

As of December 31, 2009 (M)

(Assets)/Liabilities	Secured	Unsecured	Total
Non-current financial debt	312	19,125	19,437
<i>of which hedging instruments of non-current financial debt (liabilities)</i>		241	241
Hedging instruments of non-current financial debt (assets) ^(a)		(1,025)	(1,025)
Non-current financial debt net of hedging instruments	312	18,100	18,412
Bonds after fair value hedge		15,884	15,884
Fixed rate bonds and bonds after cash flow hedge		1,700	1,700
Bank and other, floating rate	60	379	439
Bank and other, fixed rate	50	79	129
Financial lease obligations	202	58	260
Non-current financial debt net of hedging instruments	312	18,100	18,412

(a) See the description of these hedging instruments in Notes 1 paragraph M(iii) Long-term financing , 28 and 29 to the Consolidated Financial Statements.

As of December 31, 2008 (M)

(Assets)/Liabilities	Secured	Unsecured	Total
Non-current financial debt	895	15,296	16,191
<i>of which hedging instruments of non-current financial debt (liabilities)</i>		440	440
Hedging instruments of non-current financial debt (assets) ^(a)		(892)	(892)
Non-current financial debt net of hedging instruments	895	14,404	15,299
Bonds after fair value hedge		13,380	13,380
Fixed rate bonds and bonds after cash flow hedge		287	287
Bank and other, floating rate	553	665	1,218
Bank and other, fixed rate	140	6	146
Financial lease obligations	202	66	268
Non-current financial debt net of hedging instruments	895	14,404	15,299

(a) See the description of these hedging instruments in Notes 1 paragraph M(iii) Long-term financing , 28 and 29 to the Consolidated Financial Statements.

Table of Contents

Fair value of bonds, as of December 31, 2010, after taking into account currency and interest rates swaps, is detailed as follows:

Bonds after fair value hedge (M)	Fair value after hedging as of				Currency	Maturity	Initial rate before hedging instruments	
	Year of issue	December 2010	December 2009	December 31, 2008				
Parent company								
Bond	1997			124	FRF	2009	6.200	%
Bond	1998			119	FRF	2009	5.125	%
Bond	1998	125	116	121	FRF	2013	5.000	%
Bond	2000		61	63	EUR	2010	5.650	%
Current portion (less than one year)			(61)	(243)				
Total parent company		125	116	184				
Elf Aquitaine SA								
Bond	1999			1 003	EUR	2009	4.500	%
Current portion (less than one year)				(1 003)				
Total Elf Aquitaine SA								
TOTAL CAPITAL^(a)								
Bond	2002	15	14	14	USD	2012	5.890	%
Bond	2003			52	AUD	2009	6.250	%
Bond	2003			154	CHF	2009	2.385	%
Bond	2003		160	166	CHF	2010	2.385	%
Bond	2003	22	21	22	USD	2013	4.500	%

Edgar Filing: HARDING JOHN R - Form 3

Bond	2003-2004			395	USD	2009	3.500	%
Bond	2004			57	AUD	2009	6.000	%
Bond	2004			28	AUD	2009	6.000	%
Bond	2004	53		55	CAD	2010	4.000	%
Bond	2004	113		117	CHF	2010	2.385	%
Bond	2004	438		454	EUR	2010	3.750	%
Bond	2004	322		334	GBP	2010	4.875	%
Bond	2004	128		132	GBP	2010	4.875	%
Bond	2004	185		191	GBP	2010	4.875	%
Bond	2004	57	53	55	AUD	2011	5.750	%
Bond	2004	116	107	111	CAD	2011	4.875	%
Bond	2004	235	203	216	USD	2011	4.125	%
Bond	2004	75	69	72	USD	2011	4.125	%
Bond	2004	125	116	120	CHF	2012	2.375	%
Bond	2004	51	47	49	NZD	2014	6.750	%
Bond	2005			36	USD	2009	3.500	%
Bond	2005	57	53	55	AUD	2011	5.750	%
Bond	2005	60	56	58	CAD	2011	4.000	%
Bond	2005	120	112	116	CHF	2011	1.625	%
Bond	2005	226	226	226	CHF	2011	1.625	%
Bond	2005	139	144	144	USD	2011	4.125	%
Bond	2005	63	63	63	AUD	2012	5.750	%
Bond	2005	194	180	187	CHF	2012	2.135	%
Bond	2005	65	65	65	CHF	2012	2.135	%
Bond	2005	97	97	98	CHF	2012	2.375	%
Bond	2005	391	363	376	EUR	2012	3.250	%

Edgar Filing: HARDING JOHN R - Form 3

Bond	2005	57	57	57	NZD	2012	6.500	%
Bond	2006		75	75	GBP	2010	4.875	%
Bond	2006		50	50	EUR	2010	3.750	%
Bond	2006		50	50	EUR	2010	3.750	%
Bond	2006		100	102	EUR	2010	3.750	%
Bond	2006	42	42	42	EUR	2011	EURIBOR 3 months +0.040	%
Bond	2006	300	300	300	EUR	2011	3.875	%
Bond	2006	150	150	150	EUR	2011	3.875	%
Bond	2006	300	300	300	EUR	2011	3.875	%
Bond	2006	120	120	120	USD	2011	5.000	%
Bond	2006	300	300	300	EUR	2011	3.875	%
Bond	2006	472	472	473	USD	2011	5.000	%

F-56

Table of Contents

Bonds after fair value hedge (M)	Fair value after hedging as of				Currency	Maturity	Initial rate before hedging instruments	
	Year of issue	December 31, 2010	December 31, 2009	December 31, 2008				
Bond	2006	62	62	62	AUD	2012	5.625	%
Bond	2006	72	72	72	CAD	2012	4.125	%
Bond	2006	100	100	100	EUR	2012	3.250	%
Bond	2006	74	74	74	GBP	2012	4.625	%
Bond	2006	100	100	100	EUR	2012	3.250	%
Bond	2006	125	125	125	CHF	2013	2.510	%
Bond	2006	127	127	127	CHF	2014	2.635	%
Bond	2006	130	130	130	CHF	2016	2.385	%
Bond	2006	65	65	65	CHF	2016	2.385	%
Bond	2006	64	64	64	CHF	2016	2.385	%
Bond	2006	63	63	64	CHF	2016	2.385	%
Bond	2006	129	129	129	CHF	2018	3.135	%
Bond	2007		60	60	CHF	2010	2.385	%
Bond	2007		74	74	GBP	2010	4.875	%
Bond	2007	77	77	77	USD	2011	5.000	%
Bond	2007	370	370	370	USD	2012	5.000	%
Bond	2007	222	222	222	USD	2012	5.000	%
Bond	2007	61	61	61	AUD	2012	6.500	%
Bond	2007	72	72	72	CAD	2012	4.125	%
Bond	2007	71	71	71	GBP	2012	4.625	%
Bond	2007	300	300	300	EUR	2013	4.125	%

Edgar Filing: HARDING JOHN R - Form 3

Bond	2007	73	73	74	GBP	2013		5.500	%
Bond	2007	306	306	306	GBP	2013		5.500	%
Bond	2007	72	72	73	GBP	2013		5.500	%
Bond	2007	248	248	248	CHF	2014		2.635	%
Bond	2007	31	31	31	JPY	2014		1.505	%
Bond	2007	61	61	61	CHF	2014		2.635	%
Bond	2007	49	49	49	JPY	2014		1.723	%
Bond	2007	121	121	121	CHF	2015		3.125	%
Bond	2007	300	300	300	EUR	2017		4.700	%
Bond	2007	76	76	76	CHF	2018		3.135	%
Bond	2007	60	60	60	CHF	2018		3.135	%
Bond	2008		63	63	GBP	2010		4.875	%
Bond	2008		66	66	GBP	2010		4.875	%
Bond	2008	92	92	92	AUD	2011		7.500	%
Bond	2008	100	100	100	EUR	2011		3.875	%
Bond	2008	150	150	151	EUR	2011		3.875	%
Bond	2008	50	50	50	EUR	2011		3.875	%
Bond	2008	50	50	50	EUR	2011		3.875	%
Bond	2008	60	60	60	JPY	2011	EURIBOR 6 months + 0.018		%
Bond	2008	102	102	102	USD	2011		3.750	%
Bond	2008	62	62	62	CHF	2012		2.135	%
Bond	2008	124	124	124	CHF	2012		3.635	%
Bond	2008	46	46	46	CHF	2012		2.385	%
Bond	2008	92	92	92	CHF	2012		2.385	%
Bond	2008	64	64	64	CHF	2012		2.385	%
Bond	2008	50	50	50	EUR	2012		3.250	%

Edgar Filing: HARDING JOHN R - Form 3

Bond	2008	63	63	63	GBP	2012	4.625	%
Bond	2008	63	63	63	GBP	2012	4.625	%
Bond	2008	63	63	64	GBP	2012	4.625	%
Bond	2008	62	62	62	NOK	2012	6.000	%
Bond	2008	69	69	69	USD	2012	5.000	%
Bond	2008	60	60	60	AUD	2013	7.500	%
Bond	2008	61	61	61	AUD	2013	7.500	%
Bond	2008	127	127	128	CHF	2013	3.135	%
Bond	2008	62	62	63	CHF	2013	3.135	%
Bond	2008	200	200	200	EUR	2013	4.125	%
Bond	2008	100	100	100	EUR	2013	4.125	%
Bond	2008	1,000	1,000	1,002	EUR	2013	4.750	%
Bond	2008	63	63	63	GBP	2013	5.500	%

F-57

Table of Contents

Fair value hedge (M)	Fair value after hedging as of			Currency	Maturity	Initial rate before instrument	
	Year of issue	December 31, 2010	December 31, 2009				December 31, 2008
	2008	149	149	149	JPY	2013	EURIBOR 6 mon
	2008	191	191	194	USD	2013	4.000
	2008	61	61	61	CHF	2015	3.135
	2008	62	62	62	CHF	2015	3.135
	2008	61	61	62	CHF	2015	3.135
	2008	62	62	62	CHF	2018	3.135
	2009	56	56		AUD	2013	5.500
	2009	54	54		AUD	2013	5.500
	2009	236	236		CHF	2013	2.500
	2009	77	77		USD	2013	4.000
	2009	131	131		CHF	2014	2.625
	2009	997	998		EUR	2014	3.500
	2009	150	150		EUR	2014	3.500
	2009	40	40		HKD	2014	3.240
	2009	103	96		AUD	2015	6.000
	2009	550	550		EUR	2015	3.625
	2009	684	684		USD	2015	3.125
	2009	224	208		USD	2015	3.125
	2009	99	99		CHF	2016	2.385
	2009	115	115		GBP	2017	4.250
	2009	225	225		GBP	2017	4.250
	2009	448	448		EUR	2019	4.875

	2009	69	69		HKD	2019	4.180
	2009	374	347		USD	2021	4.250
	2010	102			AUD	2014	5.750
	2010	108			CAD	2014	2.500
	2010	53			NZD	2014	4.750
	2010	187			USD	2015	2.875
	2010	935			USD	2015	3.000
	2010	748			USD	2016	2.300
	2010	68			AUD	2015	6.000
	2010	69			AUD	2015	6.000
	2010	64			AUD	2015	6.000
	2010	476			EUR	2022	3.125
(less than one year)		(3,450)	(1,937)	(722)			
CAPITAL		15,143	15,615	13,093			
ated subsidiaries		223	153	103			
fter fair value hedge		15,491	15,884	13,380			
		Amount after hedging as of					
	Year of issue	December 31, 2010	December 31, 2009	December 31, 2008	Currency	Maturity	Initial rate before instrument
onds and bonds after cash flow hedge (M)							
TOTAL^(a)							
	2005	293	292	287	GBP	2012	4.625
	2009	691	602		EUR	2019	4.875
	2009	917	806		EUR	2024	5.125
	2010	935			USD	2020	4.450
onds and bonds after cash flow hedge		2,836	1,700	287			

(a)

TOTAL CAPITAL is a wholly-owned indirect subsidiary of TOTAL S.A. (with the exception of one share held by each member of its Board of Directors). It acts as a financing vehicle for the Group. Its debt securities are fully and unconditionally guaranteed by TOTAL S.A. as to payment of principal, premium, if any, interest and any other amounts due.

F-58

Table of Contents*Loan repayment schedule (excluding current portion)*

As of December 31, 2010	Non-current financial debt	<i>of which hedging instruments of non-current financial debt (liabilities)</i>	Hedging instruments of non-current financial debt (assets)	Non-current financial debt - net of hedging instruments	%
(M)					
2012	3,756	34	(401)	3,355	18%
2013	4,017	76	(473)	3,544	19%
2014	2,508	1	(290)	2,218	12%
2015	3,706	2	(302)	3,404	18%
2016 and beyond	6,796	65	(404)	6,392	33%
Total	20,783	178	(1,870)	18,913	100%

As of December 31, 2009	Non-current financial debt	<i>of which hedging instruments of non-current financial debt (liabilities)</i>	Hedging instruments of non-current financial debt (assets)	Non-current financial debt - net of hedging instruments	%
(M)					
2011	3,857	42	(199)	3,658	20%
2012	3,468	48	(191)	3,277	18%
2013	3,781	95	(236)	3,545	19%
2014	2,199	6	(90)	2,109	11%
2015 and beyond	6,132	50	(309)	5,823	32%
Total	19,437	241	(1,025)	18,412	100%

*of which
hedging
instruments
of*

Hedging
instruments

As of December 31, 2008	Non-current financial debt	<i>non-current financial debt</i> <i>(liabilities)</i>	of non-current financial debt (assets)	Non-current financial debt - net of hedging instruments	%
(M)					
2010	3,160	170	(168)	2,992	20%
2011	3,803	24	(145)	3,658	24%
2012	3,503	115	(179)	3,324	22%
2013	3,430	127	(198)	3,232	21%
2014 and beyond	2,295	4	(202)	2,093	13%
Total	16,191	440	(892)	15,299	100%

Analysis by currency and interest rate

These analyses take into account interest rate and foreign currency swaps to hedge non-current financial debt.

As of December 31, (M)	2010	%	2009	%	2008	%
U.S. Dollar	7,248	39%	3,962	21%	3,990	26%
Euro	11,417	60%	14,110	77%	10,685	70%
Other currencies	248	1%	340	2%	624	4%
Total	18,913	100%	18,412	100%	15,299	100%

Table of Contents**As of December 31,**

(M)	2010	%	2009	%	2008	%
Fixed rate	3,177	17%	2,064	11%	633	4%
Floating rate	15,736	83%	16,348	89%	14,666	96%
Total	18,913	100%	18,412	100%	15,299	100%

B) CURRENT FINANCIAL ASSETS AND LIABILITIES

Current borrowings consist mainly of commercial papers or treasury bills or draws on bank loans. These instruments bear interest at rates that are close to market rates.

As of December 31, (M)

(Assets) / Liabilities	2010	2009	2008
Current financial debt ^(a)	5,867	4,761	5,586
Current portion of non-current financial debt	3,786	2,233	2,136
Current borrowings (note 28)	9,653	6,994	7,722
Current portion of hedging instruments of debt (liabilities)	12	97	12
Other current financial instruments (liabilities)	147	26	146
Other current financial liabilities (note 28)	159	123	158
Current deposits beyond three months	(869)	(55)	(1)
Current portion of hedging instruments of debt (assets)	(292)	(197)	(100)
Other current financial instruments (assets)	(44)	(59)	(86)
Current financial assets (note 28)	(1,205)	(311)	(187)
Current borrowings and related financial assets and liabilities, net	8,607	6,806	7,693

(a) As of December 31, 2010, the current financial debt includes a commercial paper program in Total Capital Canada Ltd. Total Capital Canada Ltd. is a wholly-owned direct subsidiary of TOTAL S.A. It acts as a financing vehicle for the activities of the Group in Canada. Its debt securities are fully and unconditionally guaranteed by TOTAL S.A. as to payment of principal, premium, if any, interest and any other amounts due.

C) NET-DEBT-TO-EQUITY RATIO

For its internal and external communication needs, the Group calculates a debt ratio by dividing its net financial debt by equity. Shareholders' equity as of December 31, 2010 is calculated after distribution of a dividend of 2.28 per share of which 1.14 per share was paid on November 17, 2010.

Table of Contents

The net-debt-to-equity ratio is calculated as follows:

As of December 31, (M)	2010	2009	2008
(Assets)/Liabilities			
Current borrowings	9,653	6,994	7,722
Other current financial liabilities	159	123	158
Current financial assets	(1,205)	(311)	(187)
Non-current financial debt	20,783	19,437	16,191
Hedging instruments on non-current financial debt	(1,870)	(1,025)	(892)
Cash and cash equivalents	(14,489)	(11,662)	(12,321)
Net financial debt	13,031	13,556	10,671
Shareholders' equity-Group share	60,414	52,552	48,992
Estimated dividend payable	(2,553)	(2,546)	(2,540)
Minority interest	857	987	958
Total shareholder's equity	58,718	50,993	47,410
Net-debt-to-equity ratio	22.2%	26.6%	22.5%

21) OTHER CREDITORS AND ACCRUED LIABILITIES

As of December 31, (M)	2010	2009	2008
Accruals and deferred income	184	223	151
Payable to States (including taxes and duties)	7,235	6,024	6,256
Payroll	996	955	928
Other operating liabilities	3,574	4,706	4,297
Total	11,989	11,908	11,632

As of December 31, 2009, the heading "Other operating liabilities" mainly included 744 million related to Chesapeake acquisition (see Note 3 to the Consolidated Financial Statements).

22) LEASE CONTRACTS

The Group leases real estate, retail stations, ships, and other equipments (see Note 11 to the Consolidated Financial Statements).

The future minimum lease payments on operating and finance leases to which the Group is committed are shown as follows:

Operating	Finance
------------------	----------------

For the year ended December 31, 2010 (M)	leases	leases
2011	582	39
2012	422	39
2013	335	39
2014	274	35
2015	230	35
2016 and beyond	1,105	54
Total minimum payments	2,948	241
Less financial expenses		(43)
Nominal value of contracts		198
Less current portion of finance lease contracts		(23)
Outstanding liability of finance lease contracts		175

F-61

Table of Contents

	Operating leases	Finance leases
For the year ended December 31, 2009 (M)		
2010	523	42
2011	377	43
2012	299	42
2013	243	41
2014	203	39
2015 and beyond	894	128
Total minimum payments	2,539	335
Less financial expenses		(53)
Nominal value of contracts		282
Less current portion of finance lease contracts		(22)
Outstanding liability of finance lease contracts		260

	Operating leases	Finance leases
For the year ended December 31, 2008 (M)		
2009	429	47
2010	306	42
2011	243	42
2012	208	42
2013	166	40
2014 and beyond	675	148
Total minimum payments	2,027	361
Less financial expenses		(70)
Nominal value of contracts		291
Less current portion of finance lease contracts		(23)
Outstanding liability of finance lease contracts		268

Net rental expense incurred under operating leases for the year ended December 31, 2010 is 605 million (against 613 million in 2009 and 426 million in 2008).

23) COMMITMENTS AND CONTINGENCIES

	Maturity and installments		
As of December 31, 2010	Less than 1	Between 1	More than 5

(M)	Total	year	and 5 years	years
Non-current debt obligations net of hedging instruments (Note 20)	18,738		12,392	6,346
Current portion of non-current debt obligations net of hedging instruments (Note 20)	3,483	3,483		
Finance lease obligations (Note 22)	198	23	129	46
Asset retirement obligations (Note 19)	5,917	177	872	4,868
Contractual obligations recorded in the balance sheet	28,336	3,683	13,393	11,260
Operating lease obligations (Note 22)	2,948	582	1,261	1,105
Purchase obligations	61,293	6,347	14,427	40,519
Contractual obligations not recorded in the balance sheet	64,241	6,929	15,688	41,624
Total of contractual obligations	92,577	10,612	29,081	52,884
Guarantees given for excise taxes	1,753	1,594	71	88
Guarantees given against borrowings	5,005	1,333	493	3,179
Indemnities related to sales of businesses	37		31	6
Guarantees of current liabilities	171	147	19	5
Guarantees to customers / suppliers	3,020	1,621	96	1,303
Letters of credit	1,250	1,247		3
Other operating commitments	2,057	467	220	1,370
Total of other commitments given	13,293	6,409	930	5,954
Mortgages and liens received	429	2	114	313
Other commitments received	6,387	3,878	679	1,830
Total of commitments received	6,816	3,880	793	2,143

F-62

Table of Contents

As of December 31, 2009	Total	Maturity and installments		
		Less than 1 year	Between 1 and 5 years	More than 5 years
(M)				
Non-current debt obligations net of hedging instruments (Note 20)	18,152		12,443	5,709
Current portion of non-current debt obligations net of hedging instruments (Note 20)	2,111	2,111		
Finance lease obligations (Note 22)	282	22	146	114
Asset retirement obligations (Note 19)	5,469	235	972	4,262
Contractual obligations recorded in the balance sheet	26,014	2,368	13,561	10,085
Operating lease obligations (Note 22)	2,539	523	1,122	894
Purchase obligations	49,808	4,542	9,919	35,347
Contractual obligations not recorded in the balance sheet	52,347	5,065	11,041	36,241
Total of contractual obligations	78,361	7,433	24,602	46,326
Guarantees given for excise taxes	1,765	1,617	69	79
Guarantees given against borrowings	2,882	1,383	709	790
Indemnities related to sales of businesses	36		1	35
Guarantees of current liabilities	203	160	38	5
Guarantees to customers / suppliers	2,770	1,917	70	783
Letters of credit	1,499	1,485	2	12
Other operating commitments	765	582	103	80
Total of other commitments given	9,920	7,144	992	1,784
Mortgages and liens received	330	5	106	219
Other commitments received	5,637	3,187	481	1,969
Total of commitments received	5,967	3,192	587	2,188

Table of Contents

As of December 31, 2008	Maturity and installments			
	Total	Less than 1 year	Between 1 and 5 years	More than 5 years
(M)				
Non-current debt obligations net of hedging instruments (Note 20)	15,031		13,064	1,967
Current portion of non-current debt obligations net of hedging instruments (Note 20)	2,025	2,025		
Finance lease obligations (Note 22)	291	23	142	126
Asset retirement obligations (Note 19)	4,500	154	653	3,693
Contractual obligations recorded in the balance sheet	21,847	2,202	13,859	5,786
Operating lease obligations (Note 22)	2,027	429	923	675
Purchase obligations	60,226	4,420	13,127	42,679
Contractual obligations not recorded in the balance sheet	62,253	4,849	14,050	43,354
Total of contractual obligations	84,100	7,051	27,909	49,140
Guarantees given for excise taxes	1,720	1,590	58	72
Guarantees given against borrowings	2,870	1,119	519	1,232
Indemnities related to sales of businesses	39	3	1	35
Guarantees of current liabilities	315	119	164	32
Guarantees to customers / suppliers	2,866	68	148	2,650
Letters of credit	1,080	1,024	17	39
Other operating commitments	648	246	132	270
Total of other commitments given	9,538	4,169	1,039	4,330
Mortgages and liens received	321	72	110	139
Other commitments received	4,218	2,440	234	1,544
Total of commitments received	4,539	2,512	344	1,683

A. CONTRACTUAL OBLIGATIONS**Debt obligations**

Non-current debt obligations are included in the items Non-current financial debt and Hedging instruments of non-current financial debt of the Consolidated Balance Sheet. It includes the non-current portion of swaps hedging bonds, and excludes non-current finance lease obligations of 175 million.

The current portion of non-current debt is included in the items Current borrowings, Current financial assets and Other current financial liabilities of the Consolidated Balance Sheet. It includes the current portion of swaps hedging bonds, and excludes the current portion of finance lease obligations of 23 million.

The information regarding contractual obligations linked to indebtedness is presented in Note 20 to the Consolidated Financial Statements.

Lease contracts

The information regarding operating and finance leases is presented in Note 22 to the Consolidated Financial Statements.

Asset retirement obligations

This item represents the discounted present value of Upstream asset retirement obligations, primarily asset removal costs at the completion date. The information regarding contractual obligations linked to asset retirement obligations is presented in Notes 1Q and 19 to the Consolidated Financial Statements.

Purchase obligations

Purchase obligations are obligations under contractual agreements to purchase goods or services, including capital projects. These obligations are enforceable and legally binding on the company and specify all significant terms, including the amount and the timing of the payments.

These obligations mainly include: hydrocarbon unconditional purchase contracts (except where an active, highly-liquid market exists and when the hydrocarbons are expected to be re-sold shortly after purchase), reservation of transport capacities in pipelines, unconditional exploration works and development works in the Upstream segment, and contracts for capital investment projects in the Downstream segment.

F-64

Table of Contents***B. OTHER COMMITMENTS GIVEN******Guarantees given for excise taxes***

They consist of guarantees given to other oil and gas companies in order to comply with French tax authorities requirements for oil and gas imports in France. A payment would be triggered by a failure of the guaranteed party with respect to the French tax authorities. The default of the guaranteed parties is however considered to be highly remote by the Group.

Guarantees given against borrowings

The Group guarantees bank debt and finance lease obligations of certain non-consolidated subsidiaries and equity affiliates. Maturity dates vary, and guarantees will terminate on payment and/or cancellation of the obligation. A payment would be triggered by failure of the guaranteed party to fulfill its obligation covered by the guarantee, and no assets are held as collateral for these guarantees. As of December 31, 2010, the maturities of these guarantees are up to 2023.

Guarantees given against borrowings include the guarantee given in 2008 by TOTAL S.A. in connection with the financing of the Yemen LNG project for an amount of 1,335 million. In turn, certain partners involved in this project have given commitments that could, in the case of Total S.A.'s guarantees being called for the maximum amount, reduce the Group's exposure by up to 427 million, recorded under Other commitments received.

In 2010, TOTAL S.A. provided guarantees in connection with the financing of the Jubail project (operated by SAUDI ARAMCO TOTAL Refining and Petrochemical Company (SATORP)) of up to 2,385 million, proportional to TOTAL's share in the project (37.5%). In addition, TOTAL S.A. provided in 2010 a guarantee in favor of its partner in the Jubail project (Saudi Arabian Oil Company) with respect to Total Refining Saudi Arabia SAS's obligations under the shareholders agreement with respect to SATORP. As of December 31, 2010, this guarantee is of up to 1,271 million and has been recorded under Other operating commitments.

Indemnities related to sales of businesses

In the ordinary course of business, the Group executes contracts involving standard indemnities in oil industry and indemnities specific to transactions such as sales of businesses. These indemnities might include claims against any of the following: environmental, tax and shareholder matters, intellectual property rights, governmental regulations and employment-related matters, dealer, supplier, and other commercial contractual relationships. Performance under these indemnities would generally be triggered by a breach of terms of the contract or by a third party claim. The Group regularly evaluates the probability of having to incur costs associated with these indemnities.

The guarantees related to antitrust investigations granted as part of the agreement relating to the spin-off of Arkema are described in Note 32 to the Consolidated Financial Statements.

Other guarantees given***Non-consolidated subsidiaries***

The Group also guarantees the current liabilities of certain non-consolidated subsidiaries. Performance under these guarantees would be triggered by a financial default of the entity.

Operating agreements

As part of normal ongoing business operations and consistent with generally and accepted recognized industry practices, the Group enters into numerous agreements with other parties. These commitments are often entered into for commercial purposes, for regulatory purposes or for other operating agreements.

24) RELATED PARTIES

The main transactions and balances with related parties (principally non-consolidated subsidiaries and equity affiliates) are detailed as follows:

Balance sheet			
As of December 31, (M)	2010	2009	2008
Receivables			
Debtors and other debtors	432	293	244
Loans (excl. loans to equity affiliates)	315	438	354
Payables			
Creditors and other creditors	497	386	136
Debts	28	42	50
Statement of income			
For the year ended December 31,			
(M)	2010	2009	2008
Sales	3,194	2,183	3,082
Purchases	5,576	2,958	4,061
Financial expense	69	1	
Financial income	74	68	114

F-65

Table of Contents**Compensation for the administration and management bodies**

The aggregate amount paid directly or indirectly by the French and foreign affiliates of the Company as compensation to the executive officers of TOTAL (the members of the Management Committee and the Treasurer) and to the members of the Board of Directors who are employees of the Group, is detailed as follows:

For the year ended December 31,

(M)	2010	2009	2008
Number of people	26	27	30
Direct or indirect compensation	20.8	19.4	20.4
Pension expenses ^(a)	12.2	10.6	11.9
Other long-term benefits			
Termination benefits			
Share-based payments expense (IFRS 2) ^(b)	10.0	11.2	16.6

(a) *The benefits provided for executive officers and certain members of the Board of Directors, employees and former employees of the Group, include severance to be paid on retirement, supplementary pension schemes and insurance plans, which represent 113.8 million provisioned as of December 31, 2010 (against 96.6 million as of December 31, 2009 and 98.0 million as of December 31, 2008).*

(b) Share-based payments expense computed for the executive officers and the members of the Board of Directors who are employees of the Group as described in Note 25 paragraph E to the Consolidated Financial Statements and based on the principles of IFRS 2 Share-based payments described in Note 1 paragraph E to the Consolidated Financial Statements.

The compensation allocated to members of the Board of Directors for directors' fees totaled 0.96 million in 2010 (0.97 million in 2009 and 0.83 million in 2008).

Table of Contents

25) SHARE-BASED PAYMENTS

A. TOTAL SHARE SUBSCRIPTION OPTION PLANS

2003 Plan	2004 Plan	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	
05/17/2001	05/14/2004	05/14/2004	05/14/2004	05/11/2007	05/11/2007	05/11/2007	05/21/2010	
07/16/2003	07/20/2004	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010	
33.30	39.85	49.73						
32.84	39.30	49.04	50.60	60.10	42.90	39.90	38.20	
07/16/2011	07/20/2012	07/19/2013	07/18/2014	07/17/2015	10/09/2016	09/15/2017	09/14/2018	
3,368,378	13,197,236	6,243,438	5,711,060	5,920,105				39
					4,449,810			4
(25,184)	(118,140)	(34,032)	(53,304)	(34,660)	(6,000)			
(841,846)	(311,919)	(17,702)	(6,700)					(1
7,501,348	12,767,177	6,191,704	5,651,056	5,885,445	4,443,810			42

						4,387,620		4
(8,020)	(18,387)	(6,264)	(5,370)	(13,780)	(2,180)	(10,610)		
(681,699)	(253,081)							
5,811,629	12,495,709	6,185,440	5,645,686	5,871,665	4,441,630	4,377,010		45
							4,788,420	4
(1,420)	(15,660)	(6,584)	(4,800)	(5,220)	(92,472)	(4,040)	(1,120)	
(1,075,765)	(141,202)					(1,080)		(1)
5,734,444	12,338,847	6,178,856	5,640,886	5,866,445	4,349,158	4,371,890	4,787,300	49

- (a) *The grant date is the date of the Board meeting awarding the share subscription options, except for the grant of October 9, 2008, decided by the Board on September 9, 2008.*
- (b) *Exercise price in euro. The exercise prices of TOTAL subscription shares of the plans in force at that date were multiplied by 0.25 to take into account the four-for-one stock split on May 18, 2006. Moreover, following the spin-off of Arkema, the exercise prices of TOTAL subscription shares of these plans were multiplied by an adjustment factor equal to 0.986147 effective as of May 24, 2006.*
- (c) *The number of options awarded, outstanding, canceled or exercised before May 23, 2006 included, was multiplied by four to take into account the four-for-one stock split approved by the shareholders meeting on May 12, 2006.*
- (d) *Out of 92,472 options awarded under the 2008 Plan that were canceled, 88,532 options were canceled due to the performance condition. The acquisition rate applicable to the subscription options that were subject to the performance condition of the 2008 Plan was 60%.*

Options are exercisable, subject to a continued employment condition, after a 2-year period from the date of the Board meeting awarding the options and expire eight years after this date. The underlying shares may not be transferred during four years from the date of grant. For the 2007, 2008, 2009 and 2010 Plans, the four-year transfer restriction period does not apply to employees of non-French subsidiaries as of the date of the grant, who may transfer the underlying shares after a two-year period from the date of the grant.

The continued employment condition states that the termination of the employment contract will result in the employee losing the right to exercise the options.

For the 2010 Plan, the Board of Directors decided that:

For each grantee of up to 3,000 options, other than the Chairman and Chief Executive Officer, the options will be finally granted to their beneficiary.

For each grantee of more than 3,000 options and less or equal to 50,000 options (other than the Chairman and Chief Executive Officer):

The first 3,000 options and two-thirds above the first 3,000 options will be finally granted to their beneficiary; The outstanding options, that is one-third of the options above the first 3,000 options, will be finally granted provided that the performance condition described below is fulfilled.

F-67

Table of Contents

For each grantee of more than 50,000 options, other than the Chairman and Chief Executive Officer:

The first 3,000 options, two-thirds of the options above the first 3,000 options and below the first 50,000 options, and one-third of the options above the first 50,000 options, will be finally granted to their beneficiary; The outstanding options, that is one-third of the options above the first 3,000 options and below the first 50,000 options and two-thirds of the options above the first 50,000 options, will be finally granted provided that the performance condition is fulfilled.

The performance condition states that the number of options finally granted is based on the average of the Return On Equity (ROE) of the Group. The average ROE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. The acquisition rate:

is equal to zero if the average ROE is less than or equal to 7%;
varies on straight-line basis between 0% and 100% if the average ROE is more than 7% and less than 18%; and
is equal to 100% if the average ROE is more than or equal to 18%.

In addition, as part of the 2010 plan, the Board of Directors decided that the number of share subscription options finally awarded to the Chairman and Chief Executive Officer will be subject to two performance conditions:

For 50% of the share subscription options granted, the performance condition states that the number of options finally granted is based on the average ROE of the Group. The average ROE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. The acquisition rate is equal to zero if the average ROE is less than or equal to 7%; varies on a straight-line basis between 0% and 100% if the average ROE is more than 7% and less than 18%; and is equal to 100% if the average ROE is more than or equal to 18%.

For 50% of the share subscription options granted, the performance condition states that the number of options finally granted is based on the average of the Return On Average Capital Employed (ROACE) of the Group. The average ROACE is calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. The acquisition rate is equal to zero if the average ROACE is less than or equal to 6%; varies on a straight-line basis between 0% and 100% if the average ROACE is more than 6% and less than 15%; and is equal to 100% if the average ROACE is more than or equal to 15%.

For the 2009 Plan, the Board of Directors decided that for each beneficiary, other than the Chief Executive Officer, of more than 25,000 options, one third of the options granted in excess of this number will be finally granted subject to a performance condition. This condition states that the final number of options finally granted is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate:

is equal to zero if the average ROE is less than or equal to 7%;
varies on straight-line basis between 0% and 100% if the average ROE is more than 7% and less than 18%; and
is equal to 100% if the average ROE is more than or equal to 18%.

In addition, the Board of Directors decided that, for the Chief Executive Officer, the number of share subscription options finally granted will be subject to two performance conditions:

For 50% of the share subscription options granted, the performance condition states that the number of options finally granted is based on the average ROE of the Group as published by TOTAL. The average ROE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate is equal to zero if the average ROE is less than or equal to 7%; varies on a straight-line basis

between 0% and 100% if the average ROE is more than 7% and less than 18%; and is equal to 100% if the average ROE is more than or equal to 18%.

For 50% of the share subscription options granted, the performance condition states that the number of options finally granted is based on the average ROACE of the Group as published by TOTAL. The average ROACE is calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate is equal to zero if the average ROACE is less than or equal to 6%; varies on a straight-line basis between 0% and 100% if the average ROACE is more than 6% and less than 15%; and is equal to 100% if the average ROACE is more than or equal to 15%.

Table of Contents

For the 2008 Plan, the Board of Directors decided that for each beneficiary of more than 25,000 options, one third of the options in excess of this number will be finally granted subject to a performance condition. This condition states that the number of subscription options finally granted is based on the ROE of the Group. The ROE is calculated based on the consolidated accounts published by TOTAL for the fiscal year preceding the final grant. The acquisition rate:

- is equal to zero if the ROE is less than or equal to 10%;
- varies on a straight-line basis between 0% and 80% if the ROE is more than 10% and less than 18%;
- varies on a straight-line basis between 80% and 100% if the ROE is more than or equal to 18% and less than 30%; and
- is equal to 100% if the ROE is more than or equal to 30%.

Due to the application of the performance condition, the acquisition rate was 60% for the 2008 plan.

As a consequence, 88,532 options were canceled.

B. TOTAL SHARE PURCHASE OPTION PLANS

	2000 Plan ^(a)	2001 Plan ^(b)	2002 Plan ^(c)	Total	Weighted average exercise price
Date of the shareholders meeting	05/21/1997	05/17/2001	05/17/2001		
Grant date^(d)	07/11/2000	07/10/2001	07/09/2002		
Exercise price until May 23, 2006 included^(e)	40.68	42.05	39.58		
Exercise price since May 24, 2006^(e)	40.11	41.47	39.03		
Expiry date	07/11/2008	07/10/2009	07/09/2010		
Number of options^(f)					
Outstanding as of January 1, 2008	3,142,188	5,150,258	7,063,183	15,355,629	40.07
Awarded					
Canceled	(480,475)	(3,652)	(13,392)	(497,519)	40.09
Exercised	(2,661,713)	(455,180)	(598,934)	(3,715,827)	40.10
Outstanding as of January 1, 2009		4,691,426	6,450,857	11,142,283	40.06
Awarded					
Canceled		(4,650,446)	(7,920)	(4,658,366)	41.47
Exercised		(40,980)	(507,676)	(548,656)	39.21
Outstanding as of January 1, 2010			5,935,261	5,935,261	39.03
Awarded					
Canceled ^(g)			(4,671,989)	(4,671,989)	39.03

Exercised	(1,263,272)	(1,263,272)	39.03
Outstanding as of December 31, 2010			

- (a) *Options were exercisable, subject to a continued employment condition, after a 4-year vesting period from the date of the Board meeting awarding the options and expired eight years after this date. The underlying shares may not be transferred during the 5-year period from the date of the grant. This plan expired on July 11, 2008.*
- (b) *Options were exercisable, subject to a continued employment condition, after a 3.5-year vesting period from the date of the Board meeting awarding the options and expired eight years after this date. The underlying shares may not be transferred during the 4-year period from the date of the grant. This plan expired on July 10, 2009.*
- (c) *Options were exercisable, subject to a continued employment condition, after a 2-year vesting period from the date of the Board meeting awarding the options and expired eight years after this date. The underlying shares may not be transferred during the 4-year period from the date of the grant. This plan expired on July 9, 2010.*
- (d) *The grant date is the date of the Board meeting awarding the options.*
- (e) *Exercise price in euro. The exercise prices of TOTAL share purchase options of the plans at that date were multiplied by 0.25 to take into account the four-for-one stock split on May 18, 2006. Moreover, following the spin-off of Arkema, the exercise prices of TOTAL share purchase options of these plans were multiplied by an adjustment factor equal to 0.986147 effective as of May 24, 2006.*
- (f) *The number of options awarded, outstanding, canceled or exercised before May 23, 2006 included, was multiplied by four to take into account the four-for-one stock split approved by the shareholders meeting on May 12, 2006.*
- (g) *Out of the 4,671,989 options canceled in 2010, 4,671,145 options that were not exercised expired due to the expiry of the 2002 purchase option Plan on July 9, 2010.*

Table of Contents***C. EXCHANGE GUARANTEE GRANTED TO THE HOLDERS OF ELF AQUITAINE SHARE SUBSCRIPTION OPTIONS***

Pursuant to the public exchange offer for Elf Aquitaine shares which was made in 1999, the Group made a commitment to guarantee the holders of Elf Aquitaine share subscription options, at the end of the period referred to in Article 163 bis C of the French Tax Code (CGI), and until the end of the period for the exercise of the options, the possibility to exchange their future Elf Aquitaine shares for TOTAL shares, on the basis of the exchange ratio of the offer (nineteen TOTAL shares for thirteen Elf Aquitaine shares).

In order to take into account the spin-off of S.D.A. (Société de Développement Arkema) by Elf Aquitaine, the spin-off of Arkema by TOTAL S.A. and the four-for-one TOTAL stock split, the Board of Directors of TOTAL S.A., in accordance with the terms of the share exchange undertaking, approved on March 14, 2006 to adjust the exchange ratio described above (see pages 24 and 25 of the Prospectus for the purpose of listing Arkema shares on Euronext Paris in connection with the allocation of Arkema shares to TOTAL S.A. shareholders). Following the approval by Elf Aquitaine shareholders meeting on May 10, 2006 of the spin-off of S.D.A. by Elf Aquitaine, the approval by TOTAL S.A. shareholders meeting on May 12, 2006 of the spin-off of Arkema by TOTAL S.A. and the four-for-one TOTAL stock split, the exchange ratio was adjusted to six TOTAL shares for one Elf Aquitaine share on May 22, 2006.

This exchange guarantee expired on September 12, 2009, due to the expiry of the Elf Aquitaine share subscription option plan No. 2 of 1999. Subsequently, no Elf Aquitaine shares are covered by the exchange guarantee.

D. TOTAL RESTRICTED SHARE GRANTS

	2005 Plan	2006 Plan	2007 Plan	2008 Plan	2009 Plan	2010 Plan	Total
Date of the shareholders meeting	05/17/2005	05/17/2005	05/17/2005	05/16/2008	05/16/2008	05/16/2008	
Grant date^(a)	07/19/2005	07/18/2006	07/17/2007	10/09/2008	09/15/2009	09/14/2010	
Final grant date (end of the vesting period)	07/20/2007	07/19/2008	07/18/2009	10/10/2010	09/16/2011	09/15/2012	
Transfer possible from	07/20/2009	07/19/2010	07/18/2011	10/10/2012	09/16/2013	09/15/2014	
Number of restricted shares outstanding as of January 1, 2008		2,263,956	2,363,057				4,627,013
Granted				2,791,968			2,791,968
Cancelled	2,840	(43,822)	(29,504)	(19,220)			(89,706)
Initially granted^{(b)(c)}	(2,840)	(2,220,134)	(336)				(2,223,310)
Number of restricted shares outstanding as of January 1, 2009			2,333,217	2,772,748			5,105,965
Granted					2,972,018		2,972,018
Cancelled	1,928	2,922	(12,418)	(9,672)	(5,982)		(23,222)
Initially granted^{(b)(c)}	(1,928)	(2,922)	(2,320,799)	(600)			(2,326,249)

Outstanding as of							
January 1, 2010				2,762,476	2,966,036		5,728,512
awarded						3,010,011	3,010,011
canceled ^(d)	1,024	3,034	552	(1,113,462)	(9,796)	(8,738)	(1,127,386)
finally granted ^{(b)(c)}	(1,024)	(3,034)	(552)	(1,649,014)	(1,904)	(636)	(1,656,164)
Outstanding as of							
December 31, 2010					2,954,336	3,000,637	5,954,973

- (a) *The grant date is the date of the Board of Directors meeting that awarded the shares, except for the shares awarded by the Board of Directors at their meeting of September 9, 2008, and granted on October 9, 2008.*
- (b) *Restricted shares finally granted following the death of their beneficiaries (2007 Plan for fiscal year 2008, 2008 Plan for fiscal year 2009, 2009 Plan for fiscal year 2010).*
- (c) *Including restricted shares finally granted for which the entitlement right had been canceled erroneously.*
- (d) *Out of the 1,113,462 canceled rights to the grant share under the 2008 Plan, 1,094,914 entitlement rights were canceled due to the performance condition. The acquisition rate for the 2008 Plan was 60%.*

Table of Contents

The restricted shares, which are bought back by the Company on the market, are finally granted to their beneficiaries after a 2-year vesting period from the date of the grant. The final grant is subject to a continued employment condition and a performance condition. Moreover, the transfer of the restricted shares finally granted will not be permitted until the end of a 2-year mandatory holding period from the date of the final grant.

The continued employment condition states that the termination of the employment contract during the vesting period will also terminate the grantee's right to a restricted share grant.

For the 2010 Plan, the Board of Directors decided that, for each beneficiary of more than 100 shares, half of the shares in excess of this number will be finally granted subject to a performance condition. This condition is based on the average ROE calculated by the Group based on TOTAL's consolidated balance sheet and statement of income for fiscal years 2010 and 2011. The acquisition rate:

is equal to zero if the average ROE is less than or equal to 7%;
varies on a straight-line basis between 0% and 100% if the average ROE is greater than 7% and less than 18%; and
is equal to 100% if the average ROE is greater than or equal to 18%.

For the 2009 Plan, the Board of Directors decided that, for each beneficiary of more than 100 shares, half of the shares in excess of this number will be finally granted subject to a performance condition. This condition states that the number of shares finally granted is based on the average ROE as published by the Group and calculated based on the Group's consolidated balance sheet and statement of income for fiscal years 2009 and 2010. The acquisition rate:

is equal to zero if the average ROE is less than or equal to 7%;
varies on a straight-line basis between 0% and 100% if the average ROE is greater than 7% and less than 18%; and
is equal to 100% if the average ROE is greater than or equal to 18%.

For the 2008 Plan, the Board of Directors decided that, for each beneficiary, the shares will be finally granted subject to a performance condition. This performance condition states that the number of restricted shares finally granted is based on the ROE of the Group. The ROE is calculated based on the consolidated accounts published by TOTAL for the fiscal year preceding the final grant. This acquisition rate:

is equal to zero if the ROE is less than or equal to 10%;
varies on a straight-line basis between 0% and 80% if the ROE is greater than 10% and less than 18%;
varies on a straight-line basis between 80% and 100% if the ROE is greater than or equal to 18% and less than 30%; and
is equal to 100% if the ROE is greater than or equal to 30%.

Due to the application of the performance condition, the acquisition rate was 60% for the 2008 Plan.

As a consequence, entitlement rights to 1,094,914 shares were canceled.

E. GLOBAL FREE TOTAL SHARE PLAN

The Board of Directors approved at its meeting on May 21, 2010 the implementation and conditions of a global free share plan intended for the Group employees, that is more than 100,000 employees in 124 countries. On June 30, 2010, entitlement rights to 25 free shares were granted to every employee. The final grant is subject to a continued employment condition during the plan's vesting period. The shares are not subject to any performance condition. 1,508,850 shares were awarded to employees from countries with a 2+2 scheme (2-year vesting period followed by

2-year of mandatory holding period) and 1,070,650 shares were awarded to employees in countries with a 4+0 scheme (4-year vesting period and no mandatory holding period), representing a total of 2,579,500 shares. Following the vesting period, the shares awarded will be new shares.

F-71

Table of Contents

	2010 Plan (2+2)	2010 Plan (4+0)	Total
Date of the shareholders meeting	05/16/2008	05/16/2008	
Grant date^(a)	06/30/2010	06/30/2010	
Final grant date (end of the vesting period)	07/01/2012	07/01/2014	
Transfer possible from	07/01/2014	07/01/2014	
Number of free shares			
Outstanding as of January 1, 2008			
Awarded			
Canceled			
Finally granted			
Outstanding as of January 1, 2009			
Awarded			
Canceled			
Finally granted			
Outstanding as of January 1, 2010			
Awarded	1,508,850	1,070,650	2,579,500
Canceled	(125)	(75)	(200)
Finally granted ^(b)	(75)		(75)
Outstanding as of December 31, 2010	1,508,650	1,070,575	2,579,225

(a) The June 30, 2010, grant was decided by the Board of Directors on May 21, 2010.

(b) Final grant following the death or disability of the beneficiary of the shares.

F. SHARE-BASED PAYMENT EXPENSE

Share-based payment expense before tax for the year 2010 amounts to 140 million and can be broken down as follows:

31 million for TOTAL share subscription plans; and
109 million for TOTAL restricted shares plans.

Share-based payment expense before tax for the year 2009 amounts to 106 million and can be broken down as follows:

38 million for TOTAL share subscription plans; and
68 million for TOTAL restricted shares plans.

Share-based payment expense before tax for the year 2008 amounted to 154 million and can be broken down as follows:

61 million for TOTAL share subscription plans;
105 million for TOTAL restricted shares plans; and
(12) million for the adjustment to the expense booked in 2007 related to TOTAL capital increase reserved for employees (see Note 17 to the Consolidated Financial Statements).

The fair value of the options granted in 2010, 2009 and 2008 has been measured according to the Black-Scholes method and based on the following assumptions:

For the year ended December 31,	2010	2009	2008
Risk free interest rate (%) ^(a)	2.1	2.9	4.3
Expected dividends (%) ^(b)	5.9	4.8	8.4
Expected volatility (%) ^(c)	25.0	31.0	32.7
Vesting period (years)	2	2	2
Exercise period (years)	8	8	8
Fair value of the granted options (\$ per option)	5.8	8.4	5.0

(a) *Zero coupon Euro swap rate at 6 years.*

(b) *The expected dividends are based on the price of TOTAL share derivatives traded on the markets.*

(c) *The expected volatility is based on the implied volatility of TOTAL share options and of share indices options traded on the markets.*

At the shareholders meeting held on May 21, 2010, the shareholders delegated to the Board of Directors the authority to increase the share capital of the Company in one or more transactions and within a maximum period of 26 months from the date of the meeting, by an amount not exceeding 1.5% of the share capital outstanding on the date of the meeting of the Board of Directors at which a decision to proceed with an issuance is made reserving subscriptions for such issuance to the Group employees participating in a company savings plan. It is being specified that the amount of any such capital increase reserved for Group employees was counted against the

F-72

Table of Contents

aggregate maximum nominal amount of share capital increases authorized by the shareholders meeting held on May 21, 2010 for issuing new ordinary shares or other securities granting immediate or future access to the Company's share capital with preferential subscription rights (2.5 billion in nominal value).

Pursuant to this delegation of authorization, the Board of Directors, during its October 28, 2010 meeting, implemented a capital increase reserved for employees within the limit of 12 million shares, with dividend rights as of the January 1, 2010 and delegated all power to the Chairman and CEO to determine the opening and closing of subscription period and the subscription price.

26) PAYROLL AND STAFF

For the year ended December 31, (M)	2010	2009	2008
Personnel expenses			
Wages and salaries (including social charges)	6,246	6,177	6,014
Group employees			
France			
Management	10,852	10,906	10,688
Other	24,317	25,501	26,413
International			
Management	15,146	15,243	14,709
Other	42,540	44,737	45,149
Total	92,855	96,387	96,959

The number of employees includes only employees of fully consolidated subsidiaries.

The decrease in the number of employees between December 31, 2009 and December 31, 2010 is mainly explained by the sale of the consumer specialty chemicals business Mapa Spontex (see Note 3 to the Consolidated Financial Statements).

27) STATEMENT OF CASH FLOWS**A) *Cash flow from operating activities***

The following table gives additional information on cash paid or received in the cash flow from operating activities:

For the year ended December 31, (M)	2010	2009	2008
Interests paid	(470)	(678)	(958)
Interests received	132	148	505
Income tax paid	(6,990)	(6,202)	(10,631)
Dividends received	1,722	1,456	1,590

Changes in working capital are detailed as follows:

For the year ended December 31, (M)	2010	2009	2008
Inventories	(1,896)	(4,217)	4,020
Accounts receivable	(2,712)	(344)	3,222
Other current assets	911	1,505	(982)
Accounts payable	2,482	571	(3,056)
Other creditors and accrued liabilities	719	(831)	(633)
Net amount	(496)	(3,316)	2,571

B) Cash flow used in financing activities

Changes in non-current financial debt are detailed in the following table under a net value due to the high number of multiple drawings:

For the year ended December 31, (M)	2010	2009	2008
Issuance of non-current debt	3,995	6,309	5,513
Repayment of non-current debt	(206)	(787)	(2,504)
Net amount	3,789	5,522	3,009

C) Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

For the year ended December 31, (M)	2010	2009	2008
Cash	4,679	2,448	1,836
Cash equivalents	9,810	9,214	10,485
Total	14,489	11,662	12,321

Cash equivalents are mainly composed of deposits less than three months deposited in government institutions or deposit banks selected in accordance with strict criteria.

Table of Contents**28) FINANCIAL ASSETS AND LIABILITIES ANALYSIS PER INSTRUMENTS CLASS AND STRATEGY**

The financial assets and liabilities disclosed on the face of the balance sheet are detailed as follows:

As of December 31, 2010	Financial instruments related to financing and trading activities							Other financial instruments	Total	Fair value
	Amortized cost	Available for sale ^(a)	Held for trading	Fair value	Hedging of financial debt	Net investment flow and hedge	Other financial instruments	Total	Fair value	
Assets /										
Liabilities)										
Equity affiliates:										
Equity investments	2,383							2,383	2,383	
Other investments		4,590						4,590	4,590	
Hedging instruments of										
Non-current financial debt					1,814	56		1,870	1,870	
Other non-current assets	1,596							1,596	1,596	
Accounts receivable, net							18,159	18,159	18,159	
Other operating receivables			499				3,908	4,407	4,407	
Current financial assets	869		38		292			1,205	1,205	
Cash and cash equivalents							14,489	14,489	14,489	
Total financial assets	4,848	4,590	537		2,106	56	36,556	48,699	48,699	
Total non-financial assets								95,019		
Total assets								143,718		
Non-current financial	(3,186)			(17,419)	(178)			(20,783)	(21,172)	
Debt										
Accounts payable							(18,450)	(18,450)	(18,450)	
Other operating			(559)				(3,015)	(3,574)	(3,574)	
Liabilities										
Current borrowings	(5,916)			(3,737)				(9,653)	(9,653)	
Other current financial			(147)		(12)			(159)	(159)	
Liabilities										
Total financial liabilities	(9,102)		(706)	(21,156)	(190)		(21,465)	(52,619)	(53,008)	
Total non-financial liabilities								(91,099)		

total liabilities

(143,718)

- (a) *Financial assets available for sale are measured at their fair value except for unlisted securities (see Note 1 paragraph M(ii) and Note 13 to the Consolidated Financial Statements).*
- (b) *The financial debt is adjusted to the hedged risks value (currency and interest rate) as part of hedge accounting (see Note 1 paragraph M(iii) to the Consolidated Financial Statements).*

F-74

Table of Contents

As of December 31, 2009	Financial instruments related to financing and trading activities					Other financial instruments	Total	Fair value
	Amortized cost	Available for sale ^(a)	Held for trading	Fair value of financial debt ^(b)	Hedging of financial debt	Net cash investment flow hedge and other		
Equity affiliates:	2,367						2,367	2,367
Other investments		1,162					1,162	1,162
Trading instruments of								
-current financial debt					889	136	1,025	1,025
Other non-current assets	1,284						1,284	1,284
Accounts receivable, net							15,719	15,719
Other operating receivables			1,029				4,116	5,145
Other financial assets	55		53		197	6	311	311
Other cash equivalents							11,662	11,662
Total financial assets	3,706	1,162	1,082		1,086	136	31,497	38,675
Total non-financial assets								89,078
Total assets								127,753
-current financial debt	(2,089)			(17,107)	(241)		(19,437)	(19,437)
Accounts payable							(15,383)	(15,383)
Other operating liabilities			(923)				(3,783)	(4,706)
Other borrowings	(4,849)			(2,145)				(6,994)
Other current financial liabilities			(25)		(97)	(1)		(123)
Total financial liabilities	(6,938)		(948)	(19,252)	(338)	(1)	(19,166)	(46,643)
Total non-financial liabilities								(81,110)
Total liabilities								(127,753)

(a) Financial assets available for sale are measured at their fair value except for unlisted securities (see Note 1 paragraph M(ii) and Note 13 to the Consolidated Financial Statements).

(b) The financial debt is adjusted to the hedged risks value (currency and interest rate) as part of hedge accounting (see Note 1 paragraph M(iii) to the Consolidated Financial Statements).

Table of Contents

As of December 31, 2008 (in millions)	Financial instruments related to financing and trading activities				Other financial instruments	Total	Fair value
	Amortized cost	Available for sale ^(a)	Held for trading	Fair value			
Assets / Liabilities				Hedging of investment cash flow and hedge	Net		
				Financial debt ^(b)	Financial flow and hedge		
Equity affiliates:							
Loans	2,005					2,005	2,005
Other investments		1,165				1,165	1,165
Hedging instruments of non-current financial debt					892	892	892
Other non-current assets	1,403					1,403	1,403
Accounts receivable, net						15,287	15,287
Other operating receivables			1,664			4,544	6,208
Current financial assets	1		86		100	187	187
Cash and cash equivalents						12,321	12,321
Total financial assets	3,409	1,165	1,750	992	32,152	39,468	39,468
Total non-financial assets						78,842	
Total assets						118,310	
Non-current financial debt	(701)			(15,050)	(440)	(16,191)	(16,191)
Accounts payable						(14,815)	(14,815)
Other operating liabilities			(1,033)			(3,264)	(4,297)
Current borrowings	(5,721)			(2,001)		(7,722)	(7,722)
Other current financial liabilities			(146)		(12)	(158)	(158)
Total financial liabilities	(6,422)		(1,179)	(17,051)	(452)	(18,079)	(43,183)
Total non-financial liabilities						(75,127)	
Total liabilities						(118,310)	

(a) Financial assets available for sale are measured at their fair value except for unlisted securities (see Note 1 paragraph M(ii) and Note 13 to the Consolidated Financial Statements).

(b) The financial debt is adjusted to the hedged risks value (currency and interest rate) as part of hedge accounting (see Note 1 paragraph M(iii) to the Consolidated Financial Statements).

F-76

Table of Contents**29) FAIR VALUE OF FINANCIAL INSTRUMENTS (EXCLUDING COMMODITY CONTRACTS)****A) *IMPACT ON THE STATEMENT OF INCOME PER NATURE OF FINANCIAL INSTRUMENTS*****Operating assets and liabilities**

The impact on the statement of income is detailed as follows:

For the year ended December 31, (M)	2010	2009	2008
Assets available for sale (investments):			
Dividend income on non-consolidated subsidiaries	255	210	238
Gains (losses) on disposal of assets	60	6	15
Other	(17)	(18)	(15)
Loans and receivables	90	41	100
Impact on net operating income	388	239	338

The impact in the statement of income mainly includes:

Dividends and gains or losses on disposal of other investments classified as Other investments ;
Financial gains and depreciation on loans related to equity affiliates, non-consolidated companies and on receivables reported in Loans and receivables .

Assets and liabilities from financing activities

The impact on the statement of income of financing assets and liabilities is detailed as follows:

For the year ended December 31, (M)	2010	2009	2008
Loans and receivables	133	158	547
Financing liabilities and associated hedging instruments	(469)	(563)	(996)
Fair value hedge (ineffective portion)	4	33	(4)
Assets and liabilities held for trading	(2)	(26)	(74)
Impact on the cost of net debt	(334)	(398)	(527)

The impact on the statement of income mainly includes:

Financial income on cash, cash equivalents, and current financial assets (notably current deposits beyond three months) classified as Loans and receivables ;
Financial expense of long term subsidiaries financing, associated hedging instruments (excluding ineffective portion of the hedge detailed below) and financial expense of short term financing classified as Financing liabilities and associated hedging instruments ;

Ineffective portion of bond hedging; and
 Financial income, financial expense and fair value of derivative instruments used for cash management purposes
 classified as Assets and liabilities held for trading .

Financial derivative instruments used for cash management purposes (interest rate and foreign exchange) are considered to be held for trading. Based on practical documentation issues, the Group did not elect to set up hedge accounting for such instruments. The impact on income of the derivatives is offset by the impact of loans and current liabilities they are related to. Therefore these transactions taken as a whole do not have a significant impact on the Consolidated Financial Statements.

B) IMPACT OF THE HEDGING STRATEGIES

Fair value hedge

The impact on the statement of income of the bond hedging instruments which is recorded in the item Financial interest on debt in the Consolidated Statement of Income is detailed as follows:

For the year ended December 31, (M)	2010	2009	2008
Revaluation at market value of bonds	(1,164)	(183)	(66)
Swap hedging of bonds	1,168	216	62
Ineffective portion of the fair value hedge	4	33	(4)

The ineffective portion is not representative of the Group's performance considering the Group's objective to hold swaps to maturity. The current portion of the swaps valuation is not subject to active management.

Table of Contents**Net investment hedge**

These instruments are recorded directly in shareholders' equity under "Currency translation adjustments". The variations of the period are detailed in the table below:

For the year ended December 31, (M)	As of January 1,	Variations	Disposals	As of December 31,
2010	25	(268)		(243)
2009	124	(99)		25
2008	29	95		124

As of December 31, 2010, the fair value of the open instruments amounts to \$6 million compared to \$5 million in 2009 and zero in 2008.

Cash flow hedge

The impact on the statement of income and on equity of the bond hedging instruments qualified as cash flow hedges is detailed as follows:

For The year ended December 31, (M)	2010	2009	2008
Profit (Loss) recorded in equity during the period	(80)	128	
Recycled amount from equity to the income statement during the period	(115)	221	

As of December 31, 2010 and 2009, the ineffective portion of these financial instruments is equal to zero.

Table of Contents**C) MATURITY OF DERIVATIVE INSTRUMENTS**

The maturity of the notional amounts of derivative instruments, excluding the commodity contracts, is detailed in the following table:

As of December 31, 2010 (M)	Notional value ^(a)							2016 and after
	Fair value	Total	2011	2012	2013	2014	2015	
ASSETS/(LIABILITIES)								
Fair value hedge								
Swaps hedging fixed-rates bonds (liabilities)	(178)	2,244						
Swaps hedging fixed-rates bonds (assets)	1,814	13,939						
Total swaps hedging fixed-rates bonds (assets and liabilities)	1,636	16,183		2,967	3,461	2,421	3,328	4,006
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(12)	592						
Swaps hedging fixed-rates bonds (current portion) (assets)	292	2,815						
Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)	280	3,407	3,407					
Cash flow hedge								
Swaps hedging fixed-rates bonds (liabilities)								
Swaps hedging fixed-rates bonds (assets)	56	1,957						
Total swaps hedging fixed-rates bonds (assets and liabilities)	56	1,957		295				1,662
Swaps hedging fixed-rates bonds (current portion) (liabilities)								
Swaps hedging fixed-rates bonds (current portion) (assets)								
Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)								
Net investment hedge								
	6	381						

Currency swaps and forward
exchange contracts (assets)
Currency swaps and forward
exchange contracts (liabilities)

**Total swaps hedging net
investments**

6 381 381

Held for trading

Other interest rate swaps
(assets)

1 6,463

Other interest rate swaps
(liabilities)

(3) 11,395

**Total other interest rate swaps
(assets and liabilities)**

(2) 17,858 17,667 189 2

Currency swaps and forward
exchange contracts (assets)

37 1,532

Currency swaps and forward
exchange contracts (liabilities)

(144) 6,757

**Total currency swaps and
forward exchange contracts
(assets and liabilities)**

(107) 8,289 8,102 25 49 31 82

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.

Table of Contents

As of December 31, 2009 (M)	Notional value ^(a)						2015 and after
	Fair value	Total	2010	2011	2012	2013	
ASSETS/(LIABILITIES)							
Fair value hedge							
Swaps hedging fixed-rates bonds (liabilities)	(241)	4,615					
Swaps hedging fixed-rates bonds (assets)	889	11,076					
Total swaps hedging fixed-rates bonds (assets and liabilities)	648	15,691		3,345	2,914	3,450	1,884
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(97)	912					
Swaps hedging fixed-rates bonds (current portion) (assets)	197	1,084					
Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)	100	1,996	1,996				
Cash flow hedge							
Swaps hedging fixed-rates bonds (liabilities) Swaps hedging fixed-rates bonds (assets)	136	1,837			295		1,542
Total swaps hedging fixed-rates bonds (assets and liabilities)	136	1,837			295		1,542
Swaps hedging fixed-rates bonds (current portion) (liabilities) Swaps hedging fixed-rates bonds (current portion) (assets)							
Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)							
Net investment hedge							
Currency swaps and forward exchange contracts (assets)	6	701					
Currency swaps and forward exchange contracts (liabilities)	(1)	224					
	5	925	925				

Total swaps hedging net investments**Held for trading**

Other interest rate swaps (assets)

1,459

Other interest rate swaps (liabilities)

(1) 10,865

Total other interest rate swaps (assets and liabilities)

(1) 12,324 12,208 114

2

Currency swaps and forward exchange contracts (assets)

53 4,017

Currency swaps and forward exchange contracts (liabilities)

(24) 3,456

Total currency swaps and forward exchange contracts (assets and liabilities)

29 7,473 7,224 52 50 47 100

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.

F-80

Table of Contents

As of December 31, 2008 (M)	Notional value ^(a)							2014 and after
	Fair value	Total	2009	2010	2011	2012	2013	
ASSETS/(LIABILITIES)								
Fair value hedge								
Swaps hedging fixed-rates bonds (liabilities)	(440)	9,309						
Swaps hedging fixed-rates bonds (assets)	892	4,195						
Total swaps hedging fixed-rates bonds (assets and liabilities)	452	13,504		2,048	3,373	3,233	3,032	1,818
Swaps hedging fixed-rates bonds (current portion) (liabilities)	(12)	92						
Swaps hedging fixed-rates bonds (current portion) (assets)	100	1,871						
Total swaps hedging fixed-rates bonds (current portion) (assets and liabilities)	88	1,963	1,963					
Net investment hedge								
Currency swaps and forward exchange contracts (liabilities)		1,347	1,347					
Held for trading								
Other interest rate swaps (assets)		2,853						
Other interest rate swaps (liabilities)	(4)	5,712						
Total other interest rate swaps (assets and liabilities)	(4)	8,565	8,559	4				2
Currency swaps and forward exchange contracts (assets)	86	5,458						
Currency swaps and forward exchange contracts (liabilities)	(142)	2,167						
Total currency swaps and forward exchange contracts (assets and liabilities)	(56)	7,625	6,595	483	114	67	76	290

(a) These amounts set the levels of notional commitment and are not indicative of a contingent gain or loss.

D) FAIR VALUE HIERARCHY

The fair value hierarchy for financial instruments excluding commodity contracts is as follows:

	Quoted prices in active markets for identical assets (level 1)	Prices based on observable data (level 2)	Prices based on non observable data (level 3)	Total
As of December 31, 2010 (M)				
Fair value hedge instruments		1,916		1,916
Cash flow hedge instruments		56		56
Net investment hedge instruments		6		6
Assets and liabilities held for trading		(109)		(109)
Assets available for sale	3,631			3,631
Total	3,631	1,869		5,500

F-81

Table of Contents

	Quoted prices in active markets for identical assets (level 1)	Prices based on observable data (level 2)	Prices based on non observable data (level 3)	Total
As of December 31, 2009 (M)				
Fair value hedge instruments		748		748
Cash flow hedge instruments		136		136
Net investment hedge instruments		5		5
Assets and liabilities held for trading		28		28
Assets available for sale	232			232
Total	232	917		1,149

The description of each fair value level is presented in Note 1 paragraph M(v) to the Consolidated Financial Statements.

30) FINANCIAL INSTRUMENTS RELATED TO COMMODITY CONTRACTS

Financial instruments related to oil, gas and power activities as well as related currency derivatives are recorded at fair value under Other current assets or Other creditors and accrued liabilities depending on whether they are assets or liabilities.

As of December 31, 2010 (M)

Assets/(Liabilities)	Carrying amount	Fair value ^(b)
Crude oil, petroleum products and freight rates activities		
Petroleum products and crude oil swaps	(2)	(2)
Freight rate swaps		
Forwards ^(a)	5	5
Options	51	51
Futures	(12)	(12)
Options on futures	(4)	(4)
Total crude oil, petroleum products and freight rates	38	38
Gas & Power activities		
Swaps	(1)	(1)
Forwards ^(a)	(102)	(102)
Options	5	5
Futures		

Total Gas & Power	(98)	(98)
Total	(60)	(60)

Total of fair value non recognized in the balance sheet

- (a) *Forwards: contracts resulting in physical delivery are accounted for as derivative commodity contracts and included in the amounts shown.*
- (b) *When the fair value of derivatives listed on an organized exchange market (futures, options on futures and swaps) is offset with the margin call received or paid on the face of the balance sheet, this fair value is set to zero.*

F-82

Table of Contents

As of December 31, 2009 (M)

	Carrying amount	Fair value^(b)
ASSETS/(LIABILITIES)		
Crude oil, petroleum products and freight rates activities		
Petroleum products and crude oil swaps	(29)	(29)
Freight rate swaps		
Forwards ^(a)	(9)	(9)
Options	21	21
Futures	(17)	(17)
Options on futures	6	6
Total crude oil, petroleum products and freight rates	(28)	(28)
Gas & Power activities		
Swaps	52	52
Forwards ^(a)	78	78
Options	4	4
Futures		
Total Gas & Power	134	134
Total	106	106

Total of fair value non recognized in the balance sheet

- (a) *Forwards: contracts resulting in physical delivery are accounted for as derivative commodity contracts and included in the amounts shown.*
- (b) *When the fair value of derivatives listed on an organized exchange market (futures, options on futures and swaps) is offset with the margin call received or paid on the face of the balance sheet, this fair value is set to zero.*

As of December 31, 2008 (M)

	Carrying amount	Fair value^(b)
ASSETS/(LIABILITIES)		
Crude oil, petroleum products and freight rates activities		
Petroleum products and crude oil swaps	141	141
Freight rate swaps	8	8
Forwards ^(a)	(120)	(120)
Options		
Futures	17	17
Options on futures	(7)	(7)
Total crude oil, petroleum products and freight rates	39	39

Gas & Power activities		
Swaps	(48)	(48)
Forwards ^(a)	659	659
Options		
Futures	(19)	(19)
Total Gas & Power	592	592
Total	631	631

Total of fair value non recognized in the balance sheet

- (a) *Forwards: contracts resulting in physical delivery are accounted for as derivative commodity contracts and included in the amounts shown.*
- (b) *When the fair value of derivatives listed on an organized exchange market (futures, options on futures and swaps) is offset with the margin call received or paid on the face of the balance sheet, this fair value is set to zero.*

Most commitments on crude oil and refined products have a short term maturity (less than one year). The maturity of most Gas & Power energy derivatives is less than three years forward.

F-83

Table of Contents

The changes in fair value of financial instruments related to commodity contracts are detailed as follows:

For the year ended December 31, (M)	Fair value as of January 1,	Impact on income	Settled contracts	Other	Fair value as of December 31,
Crude oil, petroleum products and freight rates activities					
2010	(28)	1,556	(1,488)	(2)	38
2009	39	1,713	(1,779)	(1)	(28)
2008	18	1,734	(1,715)	2	39
Gas & Power activities					
2010	134	410	(648)	6	(98)
2009	592	327	(824)	39	134
2008	232	787	(310)	(117)	592

The fair value hierarchy for financial instruments related to commodity contracts is as follows:

As of December 31, 2010 (M)	Quoted prices in active markets for identical assets (level 1)	Prices based on observable data (level 2)	Prices based on non observable data (level 3)	Total
Crude oil, petroleum products and freight rates activities	(10)	48		38
Gas & Power activities	50	(148)		(98)
Total	40	(100)		(60)

As of December 31, 2009 (M)	Quoted prices in active markets for identical assets (level 1)	Prices based on observable data (level 2)	Prices based on non observable data (level 3)	Total
Crude oil, petroleum products and freight rates activities	(45)	17		(28)
Gas & Power activities	140	(6)		134
Total	95	11		106

The description of each fair value level is presented in Note 1 paragraph M(v) to the Consolidated Financial Statements.

31) MARKET RISKS

Oil and gas market related risks

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

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

The Trading & Shipping division measures its market risk exposure, *i.e.* potential loss in fair values, on its crude oil, refined products and freight rates trading activities using a value-at-risk technique. This technique is based on an historical model and makes an assessment of the market risk arising from possible future changes in market values over a 24-hour period. The calculation of the range of potential changes in fair values takes into account a snapshot of the end-of-day exposures and the set of historical price movements for the last 400 business days for all instruments and maturities in the global trading activities. Options are systematically reevaluated using appropriate models.

The potential movement in fair values corresponds to a 97.5% value-at-risk type confidence level. This means that

Table of Contents

the Group's portfolio result is likely to exceed the value-at-risk loss measure once over 40 business days if the portfolio exposures were left unchanged.

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

As of December 31, (M)	High	Low	Average	Year end
2010	23.1	3.4	8.9	3.8
2009	18.8	5.8	10.2	7.6
2008	13.5	2.8	6.9	11.8

As part of its gas, power and coal trading activity, the Group also uses derivative instruments such as futures, forwards, swaps and options in both organised and over-the-counter markets. In general, the transactions are settled at maturity date through physical delivery. The Gas & Power division measures its market risk exposure, *i.e.* potential loss in fair values, on its trading business using a value-at-risk technique. This technique is based on an historical model and makes an assessment of the market risk arising from possible future changes in market values over a one-day period. The calculation of the range of potential changes in fair values takes into account a snapshot of the end-of-day exposures and the set of historical price movements for the past two years for all instruments and maturities in the global trading business.

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

As of December 31, (M)	High	Low	Average	Year end
2010	13.9	2.7	6.8	10.0
2009	9.8	1.9	5.0	4.8
2008	16.3	1.3	5.0	1.4

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 and options contracts. These operations and their accounting treatment are detailed in Notes 1 paragraph M, 20, 28 and 29 to the Consolidated Financial Statements.

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

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

Counterparty risk

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

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

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

Currency exposure

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

Table of Contents

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

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

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

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

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

Short-term interest rate exposure and cash

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

Interest rate risk on non-current debt

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

Table of Contents***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, 2010, 2009 and 2008.

ASSETS/(LIABILITIES) (M)	Carrying amount	Estimated fair value	Change in fair value due to a change in interest rate by	
			+ 10 basis points	- 10 basis points
As of December 31, 2010				
Bonds (non-current portion, before swaps)	(20,019)	(20,408)	86	(84)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	<i>(178)</i>	<i>(178)</i>		
<i>Swaps hedging fixed-rates bonds (assets)</i>	<i>1,870</i>	<i>1,870</i>		
Total swaps hedging fixed-rates bonds (assets and liabilities)	1,692	1,692	(59)	59
Current portion of non-current debt after swap (excluding capital lease obligations)	3,483	3,483	4	(4)
Other interest rates swaps	(2)	(2)	3	(3)
Currency swaps and forward exchange contracts	(101)	(101)		
As of December 31, 2009				
Bonds (non-current portion, before swaps)	(18,368)	(18,836)	75	(75)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	<i>(241)</i>	<i>(241)</i>		
<i>Swaps hedging fixed-rates bonds (assets)</i>	<i>1,025</i>	<i>1,025</i>		
Total swaps hedging fixed-rates bonds (assets and liabilities)	784	784	(57)	57
Current portion of non-current debt after swap (excluding capital lease obligations)	(2,111)	(2,111)	3	(3)
Other interest rates swaps	(1)	(1)	1	(1)
Currency swaps and forward exchange contracts	34	34		
As of December 31, 2008				
Bonds (non-current portion, before swaps)	(14,119)	(14,119)	47	(43)
<i>Swaps hedging fixed-rates bonds (liabilities)</i>	<i>(440)</i>	<i>(440)</i>		
<i>Swaps hedging fixed-rates bonds (assets)</i>	<i>892</i>	<i>892</i>		
Total swaps hedging fixed-rates bonds (assets and liabilities)	452	452	(44)	44
Current portion of non-current debt after swap (excluding capital lease obligations)	(2,025)	(2,025)	3	(3)
Other interest rates swaps	(4)	(4)	1	(1)
Currency swaps and forward exchange contracts	(56)	(56)		

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

For The year ended December 31, (M)	2010	2009	2008
Cost of net debt	(334)	(398)	(527)
Interest rate translation of :			
+ 10 basis points	(11)	(11)	(11)
- 10 basis points	11	11	11
+ 100 basis points	(107)	(108)	(113)
- 100 basis points	107	108	113

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.

F-87

Table of Contents

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

		Euro / Dollar exchange rates	Euro / Pound sterling exchange rates		
As of December 31, 2010		1.34		0.86	
As of December 31, 2009		1.44		0.89	
As of December 31, 2008		1.39		0.95	
					Other currencies and equity affiliates^(a)
As of December 31, 2010 (M \$)	Total	Euro	Dollar	Pound sterling	
Shareholders' equity at historical exchange rate	62,909	32,894	22,242	4,997	2,776
Currency translation adjustment before net investment hedge	(2,501)		(1,237)	(1,274)	10
Net investment hedge - open instruments	6		6		
Shareholders' equity at exchange rate as of December 31, 2010	60,414	32,894	21,011	3,723	2,786
					Other currencies and equity affiliates
As of December 31, 2009 (M \$)	Total	Euro	Dollar	Pound sterling	
Shareholders' equity at historical exchange rate	57,621	27,717	18,671	5,201	6,032
Currency translation adjustment before net investment hedge	(5,074)		(3,027)	(1,465)	(582)
Net investment hedge - open instruments	5		6	(1)	
Shareholders' equity at exchange rate as of December 31, 2009	52,552	27,717	15,650	3,735	5,450
					Other currencies and equity affiliates
As of December 31, 2008 (M \$)	Total	Euro	Dollar	Pound sterling	
Shareholders' equity at historical exchange rate	53,868	25,084	15,429	5,587	7,768
	(4,876)		(2,191)	(1,769)	(916)

Currency translation adjustment before net investment hedge					
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

(a) *The decrease in the heading "Other currencies and equity affiliates" is mainly explained by the change in the consolidation method of Sanofi-Aventis (see Note 3 to the Consolidated Financial Statements). The contribution to the shareholders' equity of this investment is now reclassified into the heading for the Eurozone.*

As a result of this policy, the impact of currency exchange rate fluctuations on consolidated income, as illustrated in Note 7 to the Consolidated Financial Statements, has not been significant over the last three years despite the considerable fluctuation of the dollar (nil result in 2010, loss of \$32 million in 2009, gain of \$112 million in 2008).

Stock market risk

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

Liquidity risk

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

As of December 31, 2010, these lines of credit amounted to \$9,592 million, of which \$9,581 million was unused. The agreements for the lines of credit granted to TOTAL S.A. do not contain conditions related to the Company's financial ratios, to its financial ratings from specialized agencies, or to the occurrence of events that could have a material adverse effect on its financial position. As of December 31, 2010, the aggregate amount of the principal confirmed lines of credit

Table of Contents

granted by international banks to Group companies, including TOTAL S.A., was \$10,395 million, of which \$10,383 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, 2010, 2009 and 2008 (see Note 20 to the Consolidated Financial Statements).

As of December 31, 2010 (M)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
ASSETS/(LIABILITIES)							
Non-current financial debt (notional value excluding interests)		(3,355)	(3,544)	(2,218)	(3,404)	(6,392)	(18,913)
Current borrowings	(9,653)						(9,653)
Other current financial liabilities	(159)						(159)
Current financial assets	1,205						1,205
Cash and cash equivalents	14,489						14,489
Net amount before financial expense	5,882	(3,355)	(3,544)	(2,218)	(3,404)	(6,392)	(13,031)
Financial expense on non-current financial debt	(843)	(729)	(605)	(450)	(358)	(1,195)	(4,180)
Interest differential on swaps	461	334	153	33	2	(78)	905
Net amount	5,500	(3,750)	(3,996)	(2,635)	(3,760)	(7,665)	(16,306)

As of December 31, 2009 (M)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
ASSETS/(LIABILITIES)							
Non-current financial debt (notional value excluding interests)		(3,658)	(3,277)	(3,545)	(2,109)	(5,823)	(18,412)
Current borrowings	(6,994)						(6,994)
Other current financial liabilities	(123)						(123)
Current financial assets	311						311
Cash and cash equivalents	11,662						11,662
Net amount before financial expense	4,856	(3,658)	(3,277)	(3,545)	(2,109)	(5,823)	(13,556)
Financial expense on non-current financial debt	(768)	(697)	(561)	(448)	(301)	(1,112)	(3,887)
Interest differential on swaps	447	233	100	25	(16)	(55)	734
Net amount	4,535	(4,122)	(3,738)	(3,968)	(2,426)	(6,990)	(16,709)

As of December 31, 2008 (M)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
ASSETS/(LIABILITIES)							
Non-current financial debt (notional value excluding interests)		(2,992)	(3,658)	(3,324)	(3,232)	(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
Net amount before financial expense	4,628	(2,992)	(3,658)	(3,324)	(3,232)	(2,093)	(10,671)
Financial expense on non-current financial debt	(554)	(512)	(431)	(299)	(189)	(174)	(2,159)
Interest differential on swaps	118	211	100	62	37	(7)	521
Net amount	4,192	(3,293)	(3,989)	(3,561)	(3,384)	(2,274)	(12,309)

F-89

Table of Contents

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

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

The following table sets forth financial assets and liabilities related to operating activities as of December 31, 2010, 2009 and 2008 (see Note 28 to the Consolidated Financial Statements).

As of December 31

(M)

ASSETS/(LIABILITIES)	2010	2009	2008
Accounts payable	(18,450)	(15,383)	(14,815)
Other operating liabilities	(3,574)	(4,706)	(4,297)
<i>including financial instruments related to commodity contracts</i>	<i>(559)</i>	<i>(923)</i>	<i>(1,033)</i>
Accounts receivable, net	18,159	15,719	15,287
Other operating receivables	4,407	5,145	6,208
<i>including financial instruments related to commodity contracts</i>	<i>499</i>	<i>1,029</i>	<i>1,664</i>
Total	542	775	2,383

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

Credit risk

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

The Group is exposed to credit risks in its operating and financing activities. The Group's maximum exposure to credit risk is partially related to financial assets recorded on its balance sheet, including energy derivative instruments that have a positive market value.

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

As of December 31

(M)

ASSETS/(LIABILITIES)	2010	2009	2008
Loans to equity affiliates (Note 12)	2,383	2,367	2,005
Loans and advances (Note 14)	1,596	1,284	1,403
Hedging instruments of non-current financial debt (Note 20)	1,870	1,025	892
Accounts receivable (Note 16)	18,159	15,719	15,287

Other operating receivables (Note 16)	4,407	5,145	6,208
Current financial assets (Note 20)	1,205	311	187
Cash and cash equivalents (Note 27)	14,489	11,662	12,321
Total	44,109	37,513	38,303

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

As part of its credit risk management related to operating and financing activities, the Group has developed margin call contracts with certain counterparties. As of December 31, 2010, the net amount received as part of these margin calls was 1,560 million (against 693 million as of December 31, 2009).

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

Upstream Segment

- Exploration & Production

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

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

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

Table of Contents

- Gas & Power

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

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

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

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

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

Downstream Segment

- Refining & Marketing

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

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

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

- Trading & Shipping

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

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

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

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

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

Chemicals Segment

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

- Implementation of credit limits with different authorization procedures for possible credit overruns;
- Use of insurance policies or specific guarantees (letters of credit);
- Regular monitoring and assessment of overdue accounts (aging balance), including collection procedures; and

Table of Contents

Provisioning of bad debts on a customer-by-customer basis, according to payment delays and local payment practices (provisions may also be calculated based on statistics).

32) OTHER RISKS AND CONTINGENT LIABILITIES

TOTAL is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Group.

ANTITRUST INVESTIGATIONS

For the year ended 2010, the Group has not been fined pursuant to a Court ruling. The principal antitrust proceedings in which the Group is involved are described thereafter.

Chemicals Segment

As part of the spin-off of Arkema⁽¹⁾ in 2006, TOTAL S.A. or certain other Group companies agreed to grant Arkema guarantees for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

These guarantees cover, for a period of ten years, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings. The guarantee related to anti-competition violations in Europe applies to amounts above a 176.5 million threshold. On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by these guarantees.

If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the voting rights of Arkema, or if Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, these guarantees will become void.

In the United States, investigations into certain commercial practices of some subsidiaries of the Arkema group have been closed since 2007; no charges have been brought against Arkema. Civil liability lawsuits, for which TOTAL S.A. has been named as the parent company, are about to be closed and are not expected to have a significant impact on the Group's financial position.

In Europe, since May 2006, the European Commission has fined companies of the Group in its configuration prior to the spin-off an overall amount of 385.47 million, of which Elf Aquitaine and/or TOTAL S.A. and their subsidiaries were held jointly liable for 280.17 million, Elf Aquitaine being personally fined 23.6 million for deterrence. These fines are entirely settled as of today.

As a result⁽²⁾ since the spin-off, the Group has paid the overall amount of 188.07 million, corresponding to 90% of the fines overall amount once the threshold provided for by the guarantee is deducted.

The European Commission imposed these fines following investigations between 2000 and 2004 into commercial practices involving eight products sold by Arkema. Five of these investigations resulted in prosecutions from the European Commission for which Elf Aquitaine has been named as the parent company, and two of these

investigations named TOTAL S.A. as the ultimate parent company of the Group.

TOTAL S.A. and Elf Aquitaine are contesting their liability based solely on their status as parent companies and appealed for cancellation and reformation of the rulings that are still pending before the relevant EU court of appeals or supreme court of appeals.

Besides, a civil proceeding against Arkema and five groups of companies was initiated before a German regional court by a third party for an alleged damage pursuant to one of the above described legal proceedings. TOTAL S.A. was summoned to serve notice of the dispute before this court. At this point, the probability to have a favorable verdict and the financial impacts of this procedure are uncertain due to the number of legal difficulties it gave rise to, the

(1) Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A. Arkema became an independent company after being spun-off from TOTAL S.A. in May 2006.

(2) This amount does not take into account a case that led to Arkema, prior to Arkema's spin-off from TOTAL, and Elf Aquitaine being fined jointly 45 million and Arkema being fined 13.5 million. This case is referred to in past Registration Documents.

Table of Contents

lack of documented claim and the complex evaluation of the alleged damage.

Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities could commence additional proceedings involving Arkema regarding events prior to the spin-off, as well as Elf Aquitaine and/or TOTAL S.A. based on their status as parent company.

Within the framework of the legal proceedings described above, a 17 million reserve is booked in the Group's consolidated financial statements as of December 31, 2010.

Downstream segment

Pursuant to a statement of objections received by Total Nederland N.V. and TOTAL S.A. (based on its status as parent company) from the European Commission, Total Nederland N.V. was fined in 2006 20.25 million, which has been paid, and for which TOTAL S.A. was held jointly liable for 13.5 million. TOTAL S.A. appealed this decision before the relevant court and this appeal is still pending.

In addition, pursuant to a statement of objections received by Total Raffinage Marketing (formerly Total France) and TOTAL S.A. from the European Commission regarding another product line of the Refining & Marketing division, Total Raffinage Marketing was fined 128.2 million in 2008, which has been paid, and for which TOTAL S.A. was held jointly liable based on its status as parent company. TOTAL S.A. also appealed this decision before the relevant court and this appeal is still pending.

Finally, TotalGaz and Total Raffinage Marketing received a statement of objections from the French Antitrust Authority (*Autorité de la concurrence française*) regarding alleged antitrust practices concerning another product line of the Refining & Marketing division. The case was dismissed by decision of the French antitrust authorities on December 17, 2010.

Given the discretionary powers granted to the antitrust authorities for determining fines relating to antitrust regulations, it is not currently possible to determine with certainty the outcome of these investigations and proceedings. TOTAL S.A. and Elf Aquitaine are contesting their liability and the method of determining these fines. Although it is not possible to predict the ultimate outcome of these proceedings, the Group believes that they will not have a material adverse effect on its financial situation or consolidated results.

BUNCEFIELD

On December 11, 2005, several explosions, followed by a major fire, occurred at an oil storage depot at Buncefield, north of London. This depot was operated by Hertfordshire Oil Storage Limited (HOSL), a company in which TOTAL's UK subsidiary holds 60% and another oil group holds 40%.

The explosion caused injuries, most of which were minor injuries, to a number of people and caused property damage to the depot and the buildings and homes located nearby. The official Independent Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report was released on December 11, 2008. The civil procedure for claims, which had not yet been settled, took place between October and December 2008. The Court's decision of March 20, 2009, declared TOTAL's UK subsidiary liable for the accident and solely liable for indemnifying the victims. The subsidiary appealed the decision. The appeal trial took place in January 2010. The Court of Appeals, by a decision handed down on March 4, 2010, confirmed the prior judgment. The Supreme Court of United Kingdom has partially authorized TOTAL's UK subsidiary to contest the decision. The

hearings before the Supreme Court are expected to be held during the first half of 2011.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The provision for the civil liability that appears in the Group's consolidated financial statements as of December 31, 2010, stands at 194 million after taking into account the payments previously made.

The Group believes that, based on the information currently available, on a reasonable estimate of its liability and on provisions recognized, this accident should not have a significant impact on the Group's financial situation or consolidated results.

In addition, on December 1, 2008, the Health and Safety Executive (HSE) and the Environment Agency (EA) issued a Notice of prosecution against five companies, including TOTAL's UK subsidiary. By a judgment on July 16, 2010, TOTAL's UK subsidiary was fined £3.6 million. The decision takes into account a number of elements that have mitigated the impact of the charges brought against it.

Table of Contents

ERIKA

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding that TOTAL S.A. was negligent in its vetting procedure for vessel selection, and ordering TOTAL S.A. to pay a fine of 375,000. The court also ordered compensation to be paid to those affected by the pollution from the Erika up to an aggregate amount of 192 million, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

TOTAL has appealed the verdict of January 16, 2008. In the meantime, it nevertheless proposed to pay third parties who so requested definitive compensation as determined by the court. Forty-one third parties have been compensated for an aggregate amount of 171.5 million.

By a decision dated March 30, 2010, the Court of Appeal of Paris upheld the lower court verdict pursuant to which TOTAL S.A. was convicted of marine pollution and fined 375,000. TOTAL appealed this decision to the French Supreme Court (*Cour de cassation*).

However, the Court of Appeal ruled that TOTAL S.A. bears no civil liability according to the applicable international conventions and consequently ruled that TOTAL S.A. be not convicted.

TOTAL S.A. believes that, based on the information currently available, the case should not have a significant impact on the Group's financial situation or consolidated results.

BLUE RAPID AND THE RUSSIAN OLYMPIC COMMITTEE RUSSIAN REGIONS AND INTERNEFT

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine concerning the withdrawal of one of its subsidiaries from an exploration and production project in Russia that was negotiated in the early 1990s. Elf Aquitaine believes this claim to be unfounded. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim and found that the Russian Olympic Committee did not have standing in the matter. This decision has been appealed. The hearings should be held during the first half of 2011.

In connection with the same facts, and fifteen years after the termination of this exploration and production project, a Russian company and two regions of the Russian Federation have launched an arbitration procedure against a former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming damages of an unspecified amount at this stage of the procedure. The Group considers this claim to be unfounded. The Group has reserved its rights to take any actions and/or measures that would be appropriate to defend its interests.

IRAN

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran, by certain oil companies including, among others, TOTAL.

The inquiry concerns an agreement concluded by the Company with a consultant concerning a gas field in Iran and aims to verify whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations.

Investigations are still pending and the Company is cooperating with the SEC and the DoJ. In 2010, the Company opened talks with U.S. authorities, without any acknowledgement of facts, to consider an out-of-court settlement. Generally, out-of-court settlements with U.S. authorities include payment of fines and the obligation to improve internal compliance systems or other measures.

In this same case, a judicial inquiry related to TOTAL was initiated in France in 2006. In 2007, the Company's Chief Executive Officer was placed under formal investigation in relation to this inquiry, as the former President of the Middle East department of the Group's Exploration & Production division. The Company has not been notified of any significant developments in the proceedings since the formal investigation was launched.

At this point, the Company cannot determine when these investigations will terminate, and cannot predict their results, or the outcome of the talks that have been initiated, or the costs of a potential out-of-court settlement. Resolving this case is not expected to have a significant impact on the Group's financial situation or any impact on its future planned operations.

33) OTHER INFORMATION

A) RESEARCH AND DEVELOPMENT COSTS

Research and development costs incurred by the Group in 2010 amounted to 715 million (650 million in 2009

Table of Contents

and 612 million in 2008), corresponding to 0.4% of the sales.

The staff dedicated in 2010 to these research and development activities are estimated at 4,087 people (4,016 in 2009 and 4,285 in 2008).

B) CARBON DIOXIDE EMISSION RIGHTS

The principles governing the accounting for emission rights are presented in Note 1 paragraph T to the Consolidated Financial Statements.

As of December 31, 2010, given the emission rights granted in the National Allocations Plans (NAPs), the position of the Group's industrial facilities that are covered by the European Union Emissions Trading System (EU ETS) is getting longer. This long position is expected to be confirmed at the end of the 2008 – 2012 period.

34) CHANGES IN PROGRESS IN THE GROUP STRUCTURE

Upstream

TOTAL finalized in November 2010 an agreement in principle with Perenco, an independent exploration and production French company, to sell its 75.8% equity in its upstream Cameroonian affiliate Total E&P Cameroun. This agreement is subject to the Cameroonian Authorities' approval.

As of December 31, 2010, assets and liabilities of the affiliate Total E&P Cameroun have been classified respectively as Assets classified as held for sale on the face of the Consolidated Balance Sheet for 183 million and as Liabilities directly associated with the assets classified as held for sale on the face of the Consolidated Balance Sheet for 137 million. The concerned assets and liabilities mainly include tangible assets for 109 million and provisions and other non-current liabilities for 74 million.

In addition to the agreement signed during September 2010 (see Note 3 to the Consolidated Financial Statements), TOTAL signed in December 2010 an agreement to acquire an additional 7.5% interest in Australia's GLNG project from Santos for an amount of \$281 million. This will increase Total's overall stake in the project to 27.5%.

At the same time, South Korea's Kogas has signed an agreement to join the project with a 15% stake. Once both transactions, which are subject to the approval of Australia's Foreign Investment Review Board, have been finalized, interests in the project will be: Santos (30%, operator), Petronas (27.5%), TOTAL (27.5%) and Kogas (15%).

Total E&P Canada Ltd., a TOTAL subsidiary, and Suncor Energy Inc. (Suncor) have signed in December 2010 several agreements to form a strategic oil sands alliance encompassing the Suncor-operated Fort Hills mining project, the TOTAL-operated Joslyn mining project and the Suncor-operated Voyageur upgrader project. All three assets are located in the Athabasca region of the province of Alberta, in Canada. Under the alliance, the companies will pool their combined interests in these projects, with the respective operator holding 51% and the other partner 49%.

The agreements comprise four significant and related transactions:

Edgar Filing: HARDING JOHN R - Form 3

TOTAL is acquiring 19.2% of Suncor's interest in the Fort Hills project. Taking into account the acquisition of UTS, finalized in September 2010, TOTAL will have an overall 39.2% interest in Fort Hills. Suncor, as operator, will hold 40.8%;

Suncor is acquiring 36.75% of TOTAL's interest in the Joslyn project. TOTAL, as operator, will retain a 38.25% interest in the project;

TOTAL is also acquiring a 49% stake in the Suncor-operated Voyageur upgrader project;

As a result of the terms of these transactions and the related net balancing of the portfolio, in particular to contribute to the past costs of the Voyageur project, TOTAL will pay Suncor CAD 1,751 million, with a value date of January 1st, 2011.

The implementation of the agreements is subject to securing the necessary regulatory approvals from the Government of Canada and certain other approvals.

As a result of the agreements, TOTAL will no longer proceed with the planned construction of an upgrader in Edmonton.

F-95

Table of Contents

As of December 31, 2010, the share of assets and liabilities of the Joslyn mining project covered by the agreements has been classified respectively as Assets classified as held for sale on the face of the Consolidated Balance Sheet for 622 million and as Liabilities directly associated with the assets classified as held for sale on the face of the Consolidated Balance Sheet for 8 million. The concerned assets include mineral interests for 390 million and tangible assets for 232 million.

Chemicals

TOTAL has announced in December 2010 a plan to sell its photocure and coatings resins businesses to Arkema for a 550 million enterprise value. The divestment is subject to the applicable legally required consultation and notification processes for employee representatives at TOTAL and Arkema and to the approval of the anti-trust authorities in the countries concerned. It could take place in the first half of 2011.

As of December 31, 2010, assets and liabilities of the photocure and coatings resins businesses have been classified respectively as Assets classified as held for sale on the face of the Consolidated Balance Sheet for 465 million and as Liabilities directly associated with the assets classified as held for sale on the face of the Consolidated Balance Sheet for 52 million. The concerned assets mainly include a goodwill for 63 million, tangible assets for 196 million and inventories for 138 million.

35) CONSOLIDATION SCOPE

As of December 31, 2010, 687 entities are consolidated of which 596 are fully consolidated, and 91 are accounted for under the equity method (identified with the letter E). This simplified organizational chart shows the main consolidated entities. For each of them, the Group interest is mentioned between brackets. This chart of legal detentions is not exhaustive and does not reflect neither the operational structure nor the relative economic size of the Group entities and the business segments.

Table of Contents

F-97

Table of Contents

TOTAL

SUPPLEMENTAL OIL AND GAS INFORMATION (Unaudited)

As from 2009, the amendments to the Securities and Exchange Commission (SEC) Rule 4-10 of Regulation S-X set forth in the Modernization of Oil and Gas Reporting release (SEC Release n° 33-8995) and the Financial Accounting Standard Board (FASB) Accounting Standards Update regarding Extractive Activities Oil and Gas (ASC 932) change a number of reserves estimation and disclosure requirements. As a reminder, in terms of reserves estimation, the main changes are: the use of an average price instead of a single year-end price; the use of new reliable technologies to assess proved reserves; and the inclusion, under certain conditions, of non-traditional sources as oil and gas producing activities. The revised rules form the basis of the 2010 and 2009 year-end estimation of proved reserves. The main impact of the application of the revised rules was related to, for 2009, the use of new reliable technologies and, for 2010, the booking of proved reserves on an oil sands mining project.

Preparation of reserves estimates

The estimation of reserves is an ongoing process which is done within affiliates by experienced geoscientists, engineers and economists under the supervision of each affiliate's General Management. Persons involved in reserves evaluation are trained to follow SEC-compliant internal guidelines and policies regarding criteria that must be met before reserves can be considered as proved.

The technical validation process relies on a Reservoir Committee that is responsible for approving proved reserves changes above a certain threshold and technical evaluations of reserves associated with any investment decision that requires approval from the Exploration & Production Executive Committee. The Chairman of the Reservoir Committee is appointed by the President of Exploration & Production and its members represent expertise in reservoir engineering, production geology, production geophysics, drilling, and pre-development projects.

An internal control process related to reserves estimation is well established within TOTAL and involves the following elements:

A central Reserve Entity whose responsibility is: to consolidate, document and archive the Group's reserves; to ensure the coherence of evaluations worldwide; to maintain the Corporate Reserves Guidelines Standards in line with SEC guidelines and policies; to deliver training on reserves evaluation and classification; and to conduct periodically in-depth technical review of reserves for each affiliate.

An annual review of affiliates reserves is conducted by an internal group of specialists selected for their expertise in geosciences and engineering or their knowledge of the affiliate. All members of this group chaired by the Geoscience Reserve Manager and composed of at least three Reservoir Committee members are knowledgeable in the SEC guidelines for proved reserves evaluation. Their responsibility is to provide an independent review of reserves changes proposed by affiliates and ensure that reserves are estimated using appropriate standards and procedures.

At the end of the annual review carried out by the Geoscience Division, an SEC Reserves Committee chaired by the Exploration & Production Finance Senior Vice President and comprised of the Geoscience, Strategy and Legal Senior Vice Presidents, or their representatives, as well as the Chairman of the Reservoir Committee and the Geoscience Reserves Manager, approves the SEC reserve booking proposals as regards to criteria that are not dependent upon reservoir and geoscience techniques. The results of the annual review and the proposals for including revisions or additions of SEC Proved Reserves are presented to the Exploration & Production Executive

Committee for approval before final validation by the Group Executive Management.

The reserves evaluation and control process is audited periodically by the Group's internal auditors who verify the effectiveness of the reserves evaluation process and control procedures.

The Geosciences Reserves Manager (GRM) is the technical person responsible for preparing the reserves estimates for the Group. The GRM supervises the Reserve Entity, chairs the annual review of reserves, and is a member of the Reservoir Committee and the SEC Reserves Committee. The GRM has over twenty-five years of experience in the oil & gas industry. He previously held several management positions in the Group in reservoir engineering and geosciences, and has more than ten years of experience in the field of reserves evaluation and control process. He holds an engineering degree from *École Nationale Supérieure de Géologie*, Nancy, France, and a Ph.D in rock physics from Stanford University, California, USA. He is a member of the Society of

S-1

Table of Contents

Petroleum Engineering Oil and Gas Reserves Committee and the UNECE (United Nations Economic Commission for Europe) Expert Group on Resource Classification.

Proved developed reserves

At the end of 2010, proved developed reserves of oil and gas were 5,708 Mboe and represented 53% of proved reserves. At year-end 2009, proved developed reserves of oil and gas were 5,835 Mboe and represented 56% of proved reserves. At the end of 2008, proved developed reserves were 5,243 Mboe and represented 50% of proved reserves. Over the past three years, the level of proved developed reserves has remained above 5.2 Bboe and over 50% of proved reserves, illustrating TOTAL's ability to consistently transfer proved undeveloped reserves into developed status.

Proved undeveloped reserves

As of December 31, 2010, TOTAL's combined proved undeveloped reserves of oil and gas were 4,987 Mboe as compared to 4,648 Mboe at the end of 2009. The net increase of 339 Mboe of proved undeveloped reserves is due to the addition of 291 Mboe of undeveloped reserves related to extensions and discoveries, the revision of +183 Mboe of previous estimates, a net increase of +416 Mboe due to acquisitions/divestitures and the conversion of -551 Mboe of proved undeveloped reserves into proved developed reserves. In 2010, the capital expended to develop proved undeveloped reserves (PUDs) was \$6.7 billion, which represents 81% of 2010 development costs, and was related to projects located for the most part in Kazakhstan, Angola, Norway, Nigeria, Indonesia, United Kingdom, Thailand and the United States.

Approximately 60% of the Group's proved undeveloped reserves are associated with producing fields and are located for the most part in Canada, Nigeria, the United Arab Emirates, Venezuela and Norway. These reserves are expected to be developed over time as part of initial field development plans or additional development phases. The timing to bring these proved reserves into production will depend upon several factors including reservoir performance, surface facilities or plant capacity constraints and contractual limitations on production level. The remaining proved undeveloped reserves correspond to undeveloped fields or assets for which a development has been sanctioned or is in progress.

The Group's portfolio of projects includes a few large scale and complex developments for which it anticipates that it may take more than five years from the time of recording proved reserves to the start of production. These specific projects represent approximately 30% of the Group's proved undeveloped reserves and include the development of a giant field in Kazakhstan, deep offshore developments in Angola, Nigeria and the United Kingdom and development of oil sands in Canada. These projects are highly complex to develop due to a combination of factors that include, among others, the nature of the reservoir rock and fluid properties, challenging operating environments and the size of the projects. In addition, some of these projects are generally designed and optimized for a given production capacity that controls the pace at which the field is developed and the wells are drilled. At production start-up, only a portion of the proved reserves are developed in order to deliver sufficient production potential to meet capacity constraints and contractual obligations. The remaining PUDs associated with the complete development plan will therefore remain undeveloped for more than five years following project approval and booking. Under these specific circumstances, the Group believes that it is justified to report as proved reserves the level of reserves used in connection with the approved project, despite the fact that some of these PUDs may remain undeveloped for more than five years. In addition, TOTAL has demonstrated in recent years the Group's ability to successfully develop and bring into production similar large scale and complex projects, including the development of deep-offshore fields in Angola, Nigeria, Congo, HP/HT fields in the United Kingdom, heavy oil projects in Venezuela and LNG projects in Qatar, Yemen, Nigeria and Indonesia.

Edgar Filing: HARDING JOHN R - Form 3

Information shown in the following tables is presented in accordance with the FASB's ASC 932 and the requirements of the SEC Regulation S-K (Items 1200 to 1208).

The tables provided below are presented by the following geographic areas: Europe, Africa, the Americas, Middle East and Asia (including CIS). Certain previously reported amounts for 2008 have been reclassified to conform to the current presentation adopted since 2009.

S-2

Table of Contents

ESTIMATED PROVED RESERVES OF OIL, BITUMEN AND GAS RESERVES

The following tables present, for oil, bitumen and gas reserves, an estimate of the Group's oil, bitumen and gas quantities by geographic areas as of December 31, 2010, 2009 and 2008. Quantities shown concern proved developed and undeveloped reserves together with changes in quantities for 2010, 2009 and 2008.

The definitions used for proved, proved developed and proved undeveloped oil and gas reserves are in accordance with the revised Rule 4-10 of SEC Regulation S-X.

All references in the following tables to reserves or production are to the Group's entire share of such reserves or production. TOTAL's worldwide proved reserves include the proved reserves of its consolidated subsidiaries as well as its proportionate share of the proved reserves of equity affiliates and of two companies accounted for by the cost method.

S-3

Table of Contents**Changes in oil, bitumen and gas reserves****Proved developed and undeveloped reserves**

(in million barrels of oil equivalent)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
Balance as of December 31, 2007	1,900	3,516	737	474	1,224	7,851
Revisions of previous estimates	41	374	50	106	144	715
Extensions, discoveries and other	82	110			19	211
Acquisitions of reserves in place	17					17
Sales of reserves in place		(74)			(46)	(120)
Production for the year	(225)	(280)	(55)	(50)	(99)	(709)
Balance as of December 31, 2008	1,815	3,646	732	530	1,242	7,965
Revisions of previous estimates	46	76	14	(7)	25	154
Extensions, discoveries and other	18	53	284	76		431
Acquisitions of reserves in place	12		130			142
Sales of reserves in place	(2)	(43)	(14)			(59)
Production for the year	(224)	(266)	(56)	(55)	(101)	(702)
Balance as of December 31, 2009	1,665	3,466	1,090	544	1,166	7,931
Revisions of previous estimates	92	200	82	(10)	1	365
Extensions, discoveries and other	182		18	96	30	326
Acquisitions of reserves in place	23		425		9	457
Sales of reserves in place	(45)	(26)	(5)		(8)	(84)
Production for the year	(211)	(269)	(70)	(56)	(99)	(705)
Balance as of December 31, 2010	1,706	3,371	1,540	574	1,099	8,290
Minority interest in proved developed and undeveloped reserves as of						
December 31, 2008	27	100				127
December 31, 2009	26	98				124
December 31, 2010	26	100				126

Proved developed and undeveloped reserves

(in million barrels of oil equivalent)	Equity & non-consolidated affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
Balance as of December 31, 2007		69	554	1,975		2,598
Revisions of previous estimates		22		(2)		20
Extensions, discoveries and other		14		3		17
Acquisitions of reserves in place			6			6
Sales of reserves in place						
Production for the year		(7)	(33)	(108)		(148)

Balance as of December 31, 2008	98	527	1,868	2,493
Revisions of previous estimates	10	(7)	51	54
Extensions, discoveries and other			136	136
Acquisitions of reserves in place				
Sales of reserves in place				
Production for the year	(8)	(18)	(105)	(131)
Balance as of December 31, 2009	100	502	1,950	2,552
Revisions of previous estimates	14	4	(2)	16
Extensions, discoveries and other				
Acquisitions of reserves in place				
Sales of reserves in place				
Production for the year	(7)	(20)	(136)	(163)
Balance as of December 31, 2010	107	486	1,812	2,405

Table of Contents

(in million barrels of oil equivalent)	Consolidated subsidiaries and equity & non-consolidated affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
As of December 31, 2008						
Proved developed and undeveloped reserves	1,815	3,744	1,259	2,398	1,242	10,458
Consolidated subsidiaries	1,815	3,646	732	530	1,242	7,965
Equity and non-consolidated affiliates		98	527	1,868		2,493
Proved developed reserves	1,252	1,801	515	1,194	481	5,243
Consolidated subsidiaries	1,252	1,754	381	504	481	4,372
Equity and non-consolidated affiliates		47	134	690		871
Proved undeveloped reserves	563	1,943	744	1,204	761	5,215
Consolidated subsidiaries	563	1,892	351	26	761	3,593
Equity and non-consolidated affiliates		51	393	1,178		1,622
As of December 31, 2009						
Proved developed and undeveloped reserves	1,665	3,566	1,592	2,494	1,166	10,483
Consolidated subsidiaries	1,665	3,466	1,090	544	1,166	7,931
Equity and non-consolidated affiliates		100	502	1,950		2,552
Proved developed reserves	1,096	1,775	631	1,918	415	5,835
Consolidated subsidiaries	1,096	1,745	503	482	415	4,241
Equity and non-consolidated affiliates		30	128	1,436		1,594
Proved undeveloped reserves	569	1,791	961	576	751	4,648
Consolidated subsidiaries	569	1,721	587	62	751	3,690
Equity and non-consolidated affiliates		70	374	514		958
As of December 31, 2010						
Proved developed and undeveloped reserves	1,706	3,478	2,026	2,386	1,099	10,695
Consolidated subsidiaries	1,706	3,371	1,540	574	1,099	8,290
Equity and non-consolidated affiliates		107	486	1,812		2,405
Proved developed reserves	962	1,692	638	2,055	361	5,708
Consolidated subsidiaries	962	1,666	505	427	361	3,921
Equity and non-consolidated affiliates		26	133	1,628		1,787
Proved undeveloped reserves	744	1,786	1,388	331	738	4,987
Consolidated subsidiaries	744	1,705	1,035	147	738	4,369
Equity and non-consolidated affiliates		81	353	184		618

Table of Contents**Changes in oil reserves**

The oil reserves for the years prior to 2009 include crude oil, natural gas liquids (condensates, LPG) and bitumen reserves. Bitumen reserves as from 2009 are shown separately.

Proved developed and undeveloped reserves

(in million barrels)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
Balance as of December 31, 2007	880	2,498	285	203	530	4,396
Revisions of previous estimates	15	297	(17)	54	64	413
Extensions, discoveries and other	12	107			3	122
Acquisitions of reserves in place	2					2
Sales of reserves in place		(74)			(43)	(117)
Production for the year	(111)	(231)	(16)	(32)	(16)	(406)
Balance as of December 31, 2008	798	2,597	252	225	538	4,410
Revisions of previous estimates	34	92	(170)	(4)	51	3
Extensions, discoveries and other	8	38	22	1		69
Acquisitions of reserves in place	1					1
Sales of reserves in place		(44)	(1)			(45)
Production for the year	(108)	(223)	(15)	(34)	(17)	(397)
Balance as of December 31, 2009	733	2,460	88	188	572	4,041
Revisions of previous estimates	46	131	7	(2)		182
Extensions, discoveries and other	146		2	82	4	234
Acquisitions of reserves in place	2					2
Sales of reserves in place	(37)	(23)	(2)		(7)	(69)
Production for the year	(98)	(218)	(16)	(29)	(15)	(376)
Balance as of December 31, 2010	792	2,350	79	239	554	4,014
Minority interest in proved developed and undeveloped reserves as of						
December 31, 2008	12	89				101
December 31, 2009	12	88				100
December 31, 2010	11	89				100

Proved developed and undeveloped reserves

(in million barrels)	Equity & non-consolidated affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
Balance as of December 31, 2007		43	533	806		1,382
Revisions of previous estimates		22	1	(2)		21
Extensions, discoveries and other				3		3
Acquisitions of reserves in place			6			6
Sales of reserves in place						

Edgar Filing: HARDING JOHN R - Form 3

Production for the year	(7)	(32)	(88)	(127)
Balance as of December 31, 2008	58	508	719	1,285
Revisions of previous estimates	(14)	(5)	(15)	(34)
Extensions, discoveries and other			136	136
Acquisitions of reserves in place				
Sales of reserves in place				
Production for the year	(7)	(18)	(79)	(104)
Balance as of December 31, 2009	37	485	761	1,283
Revisions of previous estimates	4	4	3	11
Extensions, discoveries and other				
Acquisitions of reserves in place				
Sales of reserves in place				
Production for the year	(7)	(19)	(84)	(110)
Balance as of December 31, 2010	34	470	680	1,184

S-6

Table of Contents

(in million barrels)	Consolidated subsidiaries and equity & non-consolidated affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
As of December 31, 2008						
Proved developed and undeveloped reserves	798	2,655	760	944	538	5,695
Consolidated subsidiaries	798	2,597	252	225	538	4,410
Equity and non-consolidated affiliates		58	508	719		1,285
Proved developed reserves	516	1,357	183	681	65	2,802
Consolidated subsidiaries	516	1,313	56	201	65	2,151
Equity and non-consolidated affiliates		44	127	480		651
Proved undeveloped reserves	282	1,298	577	263	473	2,893
Consolidated subsidiaries	282	1,284	196	24	473	2,259
Equity and non-consolidated affiliates		14	381	239		634
As of December 31, 2009						
Proved developed and undeveloped reserves	733	2,497	573	949	572	5,324
Consolidated subsidiaries	733	2,460	88	188	572	4,041
Equity and non-consolidated affiliates		37	485	761		1,283
Proved developed reserves	457	1,331	187	728	65	2,768
Consolidated subsidiaries	457	1,303	66	174	65	2,065
Equity and non-consolidated affiliates		28	121	554		703
Proved undeveloped reserves	276	1,166	386	221	507	2,556
Consolidated subsidiaries	276	1,157	22	14	507	1,976
Equity and non-consolidated affiliates		9	364	207		580
As of December 31, 2010						
Proved developed and undeveloped reserves	792	2,384	549	919	554	5,198
Consolidated subsidiaries	792	2,350	79	239	554	4,014
Equity and non-consolidated affiliates		34	470	680		1,184
Proved developed reserves	394	1,250	180	662	58	2,544
Consolidated subsidiaries	394	1,226	53	151	58	1,882
Equity and non-consolidated affiliates		24	127	511		662
Proved undeveloped reserves	398	1,134	369	257	496	2,654
Consolidated subsidiaries	398	1,124	26	88	496	2,132
Equity and non-consolidated affiliates		10	343	169		522

Table of Contents**Changes in bitumen reserves**

Bitumen reserves as of December 31, 2008 and before are included in oil reserves presented in the table Changes in oil reserves .

(in million barrels)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
Proved developed and undeveloped reserves						
Balance as of December 31, 2008						
Revisions of previous estimates			176			176
Extensions, discoveries and other			192			192
Acquisitions of reserves in place						
Sales of reserves in place						
Production for the year			(3)			(3)
Balance as of December 31, 2009			365			365
Revisions of previous estimates			3			3
Extensions, discoveries and other						
Acquisitions of reserves in place			425			425
Sales of reserves in place						
Production for the year			(4)			(4)
Balance as of December 31, 2010			789			789
Proved developed reserves as of						
December 31, 2009			19			19
December 31, 2010			18			18
Proved undeveloped reserves as of						
December 31, 2009			346			346
December 31, 2010			771			771

There are no bitumen reserves for equity and non-consolidated affiliates.

There are no minority interests for bitumen reserves.

Table of Contents**Changes in gas reserves**

Proved developed and undeveloped reserves (in billion cubic feet)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
Balance as of December 31, 2007	5,531	5,371	2,564	1,572	4,045	19,083
Revisions of previous estimates	145	381	366	300	458	1,650
Extensions, discoveries and other	377	17			90	484
Acquisitions of reserves in place	76					76
Sales of reserves in place					(15)	(15)
Production for the year	(622)	(240)	(216)	(103)	(480)	(1,661)
Balance as of December 31, 2008	5,507	5,529	2,714	1,769	4,098	19,617
Revisions of previous estimates	73	(127)	25	(18)	(165)	(212)
Extensions, discoveries and other	55	61	382	399		897
Acquisitions of reserves in place	58		752			810
Sales of reserves in place	(13)		(64)			(77)
Production for the year	(633)	(217)	(212)	(122)	(467)	(1,651)
Balance as of December 31, 2009	5,047	5,246	3,597	2,028	3,466	19,384
Revisions of previous estimates	271	346	415	(80)	15	967
Extensions, discoveries and other	193		88	70	138	489
Acquisitions of reserves in place	111				51	162
Sales of reserves in place	(43)	(20)	(16)		(4)	(83)
Production for the year	(617)	(258)	(278)	(151)	(472)	(1,776)
Balance as of December 31, 2010	4,962	5,314	3,806	1,867	3,194	19,143
Minority interest in proved developed and undeveloped reserves as of						
December 31, 2008	75	64				139
December 31, 2009	73	60				133
December 31, 2010	83	67				150

Table of Contents

Proved developed and undeveloped reserves (in billion cubic feet)	Equity & non-consolidated affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
Balance as of December 31, 2007		140	125	6,382		6,647
Revisions of previous estimates			(13)			(13)
Extensions, discoveries and other		76				76
Acquisitions of reserves in place						
Sales of reserves in place						
Production for the year		(1)	(2)	(106)		(109)
Balance as of December 31, 2008		215	110	6,276		6,601
Revisions of previous estimates		127	(13)	363		477
Extensions, discoveries and other						
Acquisitions of reserves in place						
Sales of reserves in place						
Production for the year		(1)	(2)	(141)		(144)
Balance as of December 31, 2009		341	95	6,498		6,934
Revisions of previous estimates		50	(2)	(52)		(4)
Extensions, discoveries and other						
Acquisitions of reserves in place						
Sales of reserves in place						
Production for the year		(1)	(2)	(282)		(285)
Balance as of December 31, 2010		390	91	6,164		6,645

S-10

Table of Contents

(in billion cubic feet)	Consolidated subsidiaries and equity & non-consolidated affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
As of December 31, 2008						
Proved developed and undeveloped reserves	5,507	5,744	2,824	8,045	4,098	26,218
Consolidated subsidiaries	5,507	5,529	2,714	1,769	4,098	19,617
Equity and non-consolidated affiliates		215	110	6,276		6,601
Proved developed reserves	3,989	2,292	1,849	2,893	2,440	13,463
Consolidated subsidiaries	3,989	2,280	1,807	1,766	2,440	12,282
Equity and non-consolidated affiliates		12	42	1,127		1,181
Proved undeveloped reserves	1,518	3,452	975	5,152	1,658	12,755
Consolidated subsidiaries	1,518	3,249	907	3	1,658	7,335
Equity and non-consolidated affiliates		203	68	5,149		5,420
As of December 31, 2009						
Proved developed and undeveloped reserves	5,047	5,587	3,692	8,526	3,466	26,318
Consolidated subsidiaries	5,047	5,246	3,597	2,028	3,466	19,384
Equity and non-consolidated affiliates		341	95	6,498		6,934
Proved developed reserves	3,463	2,272	2,388	6,606	2,059	16,788
Consolidated subsidiaries	3,463	2,261	2,343	1,773	2,059	11,899
Equity and non-consolidated affiliates		11	45	4,833		4,889
Proved undeveloped reserves	1,584	3,315	1,304	1,920	1,407	9,530
Consolidated subsidiaries	1,584	2,985	1,254	255	1,407	7,485
Equity and non-consolidated affiliates		330	50	1,665		2,045
As of December 31, 2010						
Proved developed and undeveloped reserves	4,962	5,704	3,897	8,031	3,194	25,788
Consolidated subsidiaries	4,962	5,314	3,806	1,867	3,194	19,143
Equity and non-consolidated affiliates		390	91	6,164		6,645
Proved developed reserves	3,089	2,240	2,474	7,649	1,790	17,242
Consolidated subsidiaries	3,089	2,229	2,439	1,578	1,790	11,125
Equity and non-consolidated affiliates		11	35	6,071		6,117
Proved undeveloped reserves	1,873	3,464	1,423	382	1,404	8,546
Consolidated subsidiaries	1,873	3,085	1,367	289	1,404	8,018
Equity and non-consolidated affiliates		379	56	93		528

Table of Contents**RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES**

The following tables do not include revenues and expenses related to oil and gas transportation activities and LNG liquefaction and transportation activities.

(in million euros)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
2008						
Non-Group sales	4,521	2,930	707	1,558	2,819	12,535
Group sales	6,310	11,425	360	409	626	19,130
Total Revenues	10,831	14,355	1,067	1,967	3,445	31,665
Production costs	(1,280)	(1,055)	(213)	(249)	(263)	(3,060)
Exploration expenses	(185)	(209)	(130)	(4)	(236)	(764)
Depreciation, depletion and amortization and valuation allowances	(1,266)	(1,195)	(318)	(364)	(471)	(3,614)
Other expenses ^(a)	(260)	(1,214)	(225)	(357)	(60)	(2,116)
Pre-tax income from producing activities	7,840	10,682	181	993	2,415	22,111
Income tax	(5,376)	(7,160)	(109)	(481)	(1,212)	(14,338)
Results of oil and gas producing activities	2,464	3,522	72	512	1,203	7,773
2009						
Non-Group sales	2,499	1,994	583	859	1,926	7,861
Group sales	4,728	7,423	310	556	597	13,614
Total Revenues	7,227	9,417	893	1,415	2,523	21,475
Production costs	(1,155)	(1,122)	(193)	(204)	(243)	(2,917)
Exploration expenses	(160)	(265)	(121)	(81)	(70)	(697)
Depreciation, depletion and amortization and valuation allowances	(1,489)	(1,471)	(262)	(314)	(613)	(4,149)
Other expenses ^(a)	(261)	(895)	(181)	(170)	(56)	(1,563)
Pre-tax income from producing activities	4,162	5,664	136	646	1,541	12,149
Income tax	(2,948)	(3,427)	(103)	(309)	(747)	(7,534)
Results of oil and gas producing activities	1,214	2,237	33	337	794	4,615
2010						
Non-Group sales	2,839	2,639	628	1,038	2,540	9,684
Group sales	5,599	9,894	540	644	683	17,360
Total Revenues	8,438	12,533	1,168	1,682	3,223	27,044
Production costs	(1,281)	(1,187)	(222)	(259)	(279)	(3,228)
Exploration expenses	(266)	(275)	(216)	(8)	(99)	(864)
Depreciation, depletion and amortization and valuation allowances	(1,404)	(1,848)	(368)	(264)	(830)	(4,714)

Edgar Filing: HARDING JOHN R - Form 3

Other expenses ^(a)	(299)	(1,014)	(218)	(241)	(72)	(1,844)
Pre-tax income from producing activities	5,188	8,209	144	910	1,943	16,394
Income tax	(3,237)	(5,068)	(83)	(402)	(950)	(9,740)
Results of oil and gas producing activities	1,951	3,141	61	508	993	6,654

(a) *Included production taxes and accretion expense as provided for by IAS 37 (223 million in 2008, 271 million in 2009 and 326 million in 2010).*

S-12

Table of Contents

(in million euros)	Europe	Africa	Americas	Equity affiliates Middle East	Asia	Total
Group's share of results of oil and gas producing activities						
2008		49	245	287		581
2009						
Non-Group sales		203	528	231		962
Group sales				3,382		3,382
Total Revenues		203	528	3,613		4,344
Production costs		(31)	(41)	(271)		(343)
Exploration expenses			(17)			(17)
Depreciation, depletion and amortization and valuation allowances		(42)	(73)	(247)		(362)
Other expenses		(9)	(205)	(2,800)		(3,014)
Pre-tax income from producing activities		121	192	295		608
Income tax		(93)	(74)	(101)		(268)
Results of oil and gas producing activities		28	118	194		340
2010						
Non-Group sales		148	120	596		864
Group sales		3	565	4,646		5,214
Total Revenues		151	685	5,242		6,078
Production costs		(44)	(53)	(195)	(1)	(293)
Exploration expenses		(7)	(23)			(30)
Depreciation, depletion and amortization and valuation allowances		(44)	(89)	(259)		(392)
Other expenses			(268)	(4,034)		(4,302)
Pre-tax income from producing activities		56	252	754	(1)	1,061
Income tax			(44)	(142)		(186)
Results of oil and gas producing activities		56	208	612	(1)	875

Table of Contents**COSTS INCURRED IN OIL AND GAS PROPERTY ACQUISITION, EXPLORATION AND DEVELOPMENT**

The following tables set forth the costs incurred in the Group's oil and gas property acquisition, exploration and development activities, including both capitalized and expensed amounts. They do not include costs incurred related to oil and gas transportation and LNG liquefaction and transportation activities.

(in million euros)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
2008						
Proved property acquisition	269	78		8	18	373
Unproved property acquisition	24	143	22	5	3	197
Exploration costs	228	493	155	11	312	1,199
Development costs ^(a)	2,035	3,121	408	281	1,596	7,441
Total cost incurred	2,556	3,835	585	305	1,929	9,210
2009						
Proved property acquisition	71	45	1,551	105		1,772
Unproved property acquisition	26	8	403		21	458
Exploration costs	284	475	222	87	123	1,191
Development costs ^(a)	1,658	3,288	618	250	1,852	7,666
Total cost incurred	2,039	3,816	2,794	442	1,996	11,087
2010						
Proved property acquisition	162	137	26	139	21	485
Unproved property acquisition	5	124	1,186	8	619	1,942
Exploration costs	361	407	276	17	250	1,311
Development costs ^(a)	1,565	3,105	718	247	2,007	7,642
Total cost incurred	2,093	3,773	2,206	411	2,897	11,380

Group's share of costs of property acquisition, exploration and development

(in million euros)	Equity affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
2008						
		360	85	527		972
2009						
Proved property acquisition						
Unproved property acquisition						
Exploration costs			22	3		25
Development costs ^(a)		28	93	293	23	437
Total cost incurred		28	115	296	23	462
2010						
Proved property acquisition						
Unproved property acquisition						
Exploration costs		4	30	4		38
Development costs ^(a)		20	99	476	73	668

Total cost incurred	24	129	480	73	706
----------------------------	----	-----	-----	----	-----

(a) Including asset retirement costs capitalized during the year and any gains or losses recognized upon settlement of asset retirement obligation during the year.

S-14

Table of Contents**CAPITALIZED COSTS RELATED TO OIL AND GAS PRODUCING ACTIVITIES**

The following tables do not include capitalized costs related to oil and gas transportation and LNG liquefaction and transportation activities.

Consolidated subsidiaries

(in million euros)	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
As of December 31, 2008						
Proved properties	26,030	25,136	4,508	4,824	8,836	69,334
Unproved properties	132	1,145	204	25	410	1,916
Total capitalized costs	26,162	26,281	4,712	4,849	9,246	71,250
Accumulated depreciation, depletion and amortization	(18,382)	(12,339)	(2,051)	(3,420)	(2,598)	(38,790)
Net capitalized costs	7,780	13,942	2,661	1,429	6,648	32,460
As of December 31, 2009						
Proved properties	30,613	27,557	7,123	5,148	10,102	80,543
Unproved properties	337	1,138	839	30	555	2,899
Total capitalized costs	30,950	28,695	7,962	5,178	10,657	83,442
Accumulated depreciation, depletion and amortization	(21,870)	(13,510)	(2,214)	(3,325)	(3,085)	(44,004)
Net capitalized costs	9,080	15,185	5,748	1,853	7,572	39,438
As of December 31, 2010						
Proved properties	31,735	32,494	7,588	5,715	12,750	90,282
Unproved properties	402	1,458	2,142	49	1,433	5,484
Total capitalized costs	32,137	33,952	9,730	5,764	14,183	95,766
Accumulated depreciation, depletion and amortization	(23,006)	(16,716)	(2,302)	(3,849)	(4,092)	(49,965)
Net capitalized costs	9,131	17,236	7,428	1,915	10,091	45,801

Group's share of net capitalized costs**Equity affiliates**

(in million euros)	Equity affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
As of December 31, 2008		403	288	638		1,329
As of December 31, 2009						
Proved properties		610	726	2,404		3,740
Unproved properties			135		62	197
Total capitalized costs		610	861	2,404	62	3,937
Accumulated depreciation, depletion and amortization		(387)	(171)	(1,723)		(2,281)

Net capitalized costs	223	690	681	62	1,656
As of December 31, 2010					
Proved properties	639	887	3,110		4,636
Unproved properties	25	168		138	331
Total capitalized costs	664	1,055	3,110	138	4,967
Accumulated depreciation, depletion and amortization	(462)	(307)	(2,029)		(2,798)
Net capitalized costs	202	748	1,081	138	2,169

S-15

Table of Contents

**STANDARDIZED MEASURE OF
DISCOUNTED FUTURE NET CASH FLOWS**

The standardized measure of discounted future net cash flows relating to proved oil and gas reserve quantities was developed as follows:

Estimates of proved reserves and the corresponding production profiles are based on existing technical and economic conditions;

The estimated future cash flows are determined based on prices used in estimating the Group's proved oil and gas reserves;

The future cash flows incorporate estimated production costs (including production taxes), future development costs and asset retirement costs. All cost estimates are based on year-end technical and economic conditions;

Future income taxes are computed by applying the year-end statutory tax rate to future net cash flows after consideration of permanent differences and future income tax credits; and

Future net cash flows are discounted at a standard discount rate of 10 percent.

These principles applied are those required by ASC 932 and do not reflect the expectations of real revenues from these reserves, nor their present value; hence, they do not constitute criteria for investment decisions. An estimate of the fair value of reserves should also take into account, among other things, the recovery of reserves not presently classified as proved, anticipated future changes in prices and costs and a discount factor more representative of the time value of money and the risks inherent in reserves estimates.

Table of Contents**Consolidated subsidiaries**

(in million euros)	Europe	Africa	Americas	Middle East	Asia	Total
As of December 31, 2008						
Future cash inflows	42,749	67,761	7,963	7,047	19,745	145,265
Future production costs	(8,593)	(15,372)	(4,040)	(1,942)	(5,224)	(35,171)
Future development costs	(10,423)	(21,594)	(1,863)	(733)	(7,497)	(42,110)
Future income taxes	(15,651)	(14,571)	(367)	(1,577)	(2,545)	(34,711)
Future net cash flows, after income taxes	8,082	16,224	1,693	2,795	4,479	33,273
Discount at 10%	(3,645)	(8,144)	(715)	(1,333)	(3,450)	(17,287)
Standardized measure of discounted future net cash flows	4,437	8,080	978	1,462	1,029	15,986
As of December 31, 2009						
Future cash inflows	50,580	107,679	18,804	9,013	32,004	218,080
Future production costs	(11,373)	(23,253)	(8,286)	(2,831)	(6,996)	(52,739)
Future development costs	(12,795)	(21,375)	(5,728)	(698)	(6,572)	(47,168)
Future income taxes	(17,126)	(36,286)	(1,293)	(2,041)	(5,325)	(62,071)
Future net cash flows, after income taxes	9,286	26,765	3,497	3,443	13,111	56,102
Discount at 10%	(3,939)	(13,882)	(2,696)	(1,558)	(8,225)	(30,300)
Standardized measure of discounted future net cash flows	5,347	12,883	801	1,885	4,886	25,802
As of December 31, 2010						
Future cash inflows	65,644	142,085	42,378	14,777	41,075	305,959
Future production costs	(16,143)	(29,479)	(19,477)	(4,110)	(6,476)	(75,685)
Future development costs	(18,744)	(25,587)	(8,317)	(3,788)	(8,334)	(64,770)
Future income taxes	(20,571)	(51,390)	(3,217)	(2,541)	(7,281)	(85,000)
Future net cash flows, after income taxes	10,186	35,629	11,367	4,338	18,984	80,504
Discount at 10%	(5,182)	(16,722)	(8,667)	(2,106)	(11,794)	(44,471)
Standardized measure of discounted future net cash flows	5,004	18,907	2,700	2,232	7,190	36,033
Minority interests in future net cash flows as of						
December 31, 2008	217	(50)				167
December 31, 2009	212	60				272
As of December 31, 2010	273	344				617

Table of Contents

(in million euros)	Equity affiliates					Total
	Europe	Africa	Americas	Middle East	Asia	
Group's share of future net cash flows						
As of December 31, 2008		418	608	4,275		5,301
As of December 31, 2009						
Future cash inflows		1,432	16,750	48,486		66,668
Future production costs		(624)	(6,993)	(30,739)		(38,356)
Future development costs		(26)	(1,924)	(3,891)		(5,841)
Future income taxes		(245)	(3,650)	(1,843)		(5,738)
Future net cash flows, after income taxes		537	4,183	12,013		16,733
Discount at 10%		(239)	(2,816)	(6,383)		(9,438)
Standardized measure of discounted future net cash flows		298	1,367	5,630		7,295
As of December 31, 2010						
Future cash inflows		1,814	22,293	59,472		83,579
Future production costs		(765)	(8,666)	(40,085)		(49,516)
Future development costs		(26)	(2,020)	(3,006)		(5,052)
Future income taxes		(349)	(5,503)	(2,390)		(8,242)
Future net cash flows, after income taxes		674	6,104	13,991		20,769
Discount at 10%		(203)	(3,946)	(7,386)		(11,535)
Standardized measure of discounted future net cash flows		471	2,158	6,605		9,234

S-18

Table of Contents**CHANGES IN THE STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS**

(in million euros)	2010	2009	2008
Consolidated subsidiaries			
Beginning of year	25,802	15,986	48,464
Sales and transfers, net of production costs	(22,297)	(17,266)	(26,109)
Net change in sales and transfer prices and in production costs and other expenses	30,390	35,738	(81,358)
Extensions, discoveries and improved recovery	716	(267)	556
Changes in estimated future development costs	(7,245)	(4,847)	(2,227)
Previously estimated development costs incurred during the year	7,896	7,552	6,960
Revisions of previous quantity estimates	5,523	164	2,693
Accretion of discount	2,580	1,599	4,846
Net change in income taxes	(6,773)	(12,455)	63,611
Purchases of reserves in place	442	230	50
Sales of reserves in place	(1,001)	(632)	(1,500)
End of year	36,033	25,802	15,986

(in million euros)	2010	2009
Equity affiliates		
Beginning of year	7,295	5,301
Sales and transfers, net of production costs	(1,583)	(987)
Net change in sales and transfer prices and in production costs and other expenses	2,366	2,789
Extensions, discoveries and improved recovery		407
Changes in estimated future development costs	195	(88)
Previously estimated development costs incurred during the year	651	854
Revisions of previous quantity estimates	308	(790)
Accretion of discount	730	530
Net change in income taxes	(728)	(721)
Purchases of reserves in place		
Sales of reserves in place		
End of year	9,234	7,295

OTHER INFORMATION**Net gas production, production prices and production costs**

	Consolidated subsidiaries					Total
	Europe	Africa	Americas	Middle East	Asia	
2009	1,643	480	545	297	1,224	4,189

Natural gas production available for sale**(Mcf/d)^(a)****Production prices^(b)**

Oil (/b)	40.76	40.77	36.22	39.94	37.66	40.38
Bitumen (/b)			23.17			23.17
Natural gas (/kcf)	4.81	1.33	1.56	0.72	4.47	3.70

Production costs per unit of production**(/boe)^(c)(d)**

Total liquids and natural gas	5.30	4.35	3.59	3.86	2.52	4.30
Bitumen			25.45			25.45

S-19

Table of Contents

	Equity affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
2009						
Natural gas production available for sale (Mcf/d)^(a)				268		268
Production prices^(b)						
Oil (/b)		42.98	33.14	43.98		42.18
Bitumen (/b)						
Natural gas (/kcf)				3.53		3.53
Production costs per unit of production (/boe^(g))						
Total liquids and natural gas		4.21	2.24	2.81		2.81
Bitumen						

	Consolidated subsidiaries					
	Europe	Africa	Americas	Middle East	Asia	Total
2010						
Natural gas production available for sale (Mcf/d)^(a)	1,603	608	732	375	1,234	4,552
Production prices^(b)						
Oil (/b)	55.70	56.18	45.28	55.83	52.33	55.39
Bitumen (/b)			33.19			33.19
Natural gas (/kcf)	5.17	1.55	1.83	0.63	5.67	3.94
Production costs per unit of production (/boe^(g))						
Total liquids and natural gas	6.23	4.53	3.29	4.82	2.93	4.72
Bitumen			17.49			17.49

	Equity affiliates					
	Europe	Africa	Americas	Middle East	Asia	Total
2010						
Natural gas production available for sale (Mcf/d)^(a)				650		650
Production prices^(b)						
Oil (/b)		53.96	43.81	57.03		54.95
Bitumen (/b)						
Natural gas (/kcf)				2.30		2.30
Production costs per unit of production (/boe^(g))						
Total liquids and natural gas		6.31	2.76	1.54		1.91
Bitumen						

- (a) The reported volumes are different from those shown in the reserves table due to gas consumed in operations.*
- (b) The volumes used for calculation of the average sales prices are the ones sold from the Group's own production.*
- (c) The volumes of liquids used for this computation are shown in the proved reserves tables of this report. The reported volumes for natural gas are different from those shown in the reserves table due to gas consumed in operations.*
- (d) Production costs previously reported for consolidated subsidiaries have been restated.*

S-20