

Total's Downstream and Petrochemicals in the Middle East

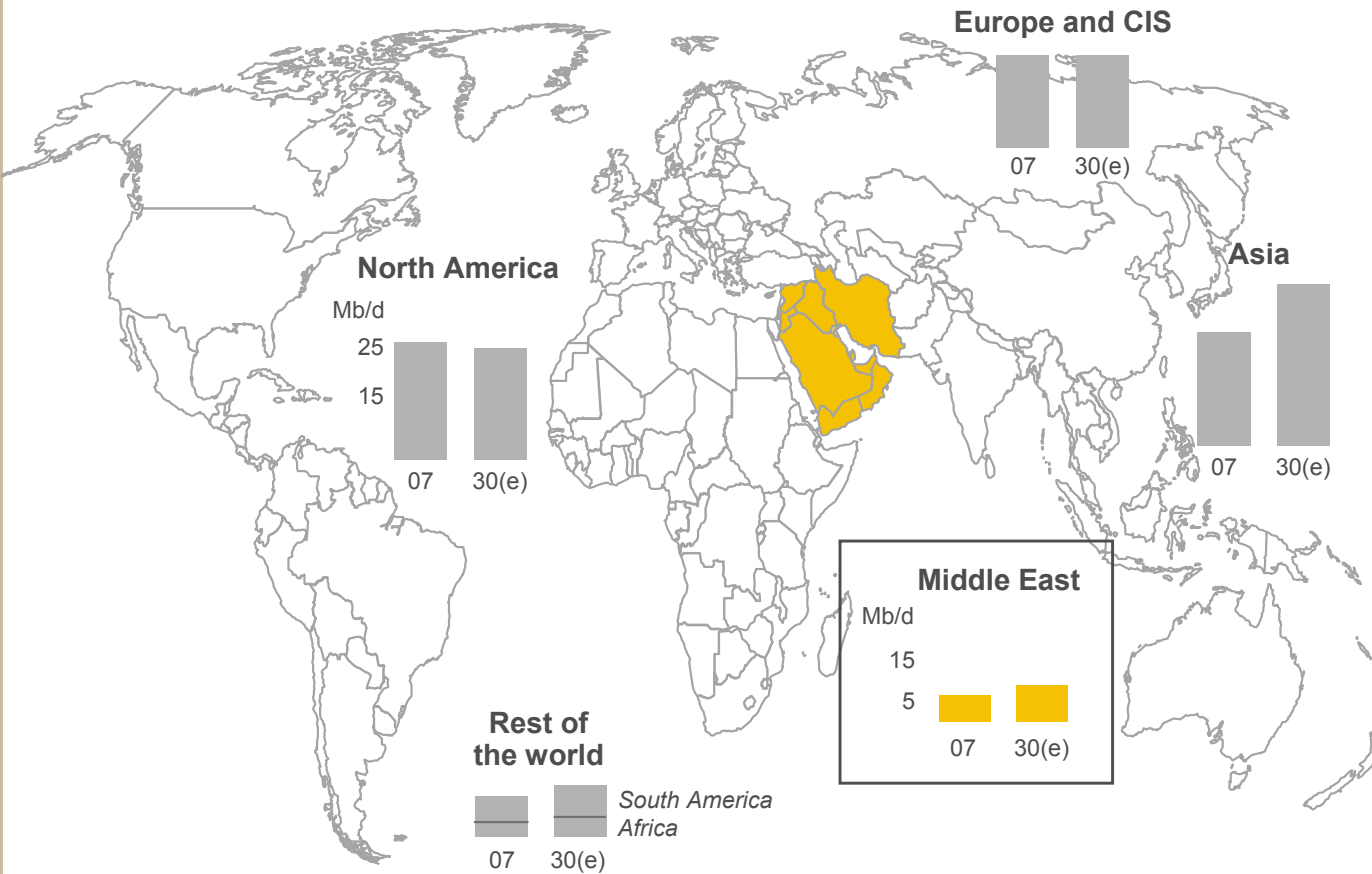
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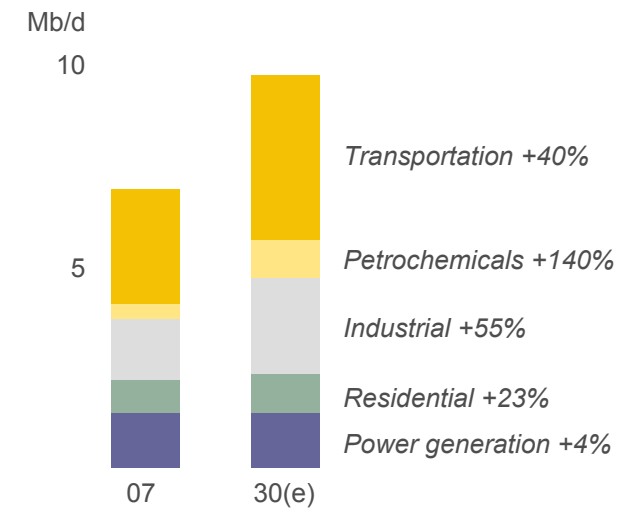
Downstream and Petrochemicals environment in the Middle East

Middle East demand driven by transportation and development of petrochemicals and industrial projects

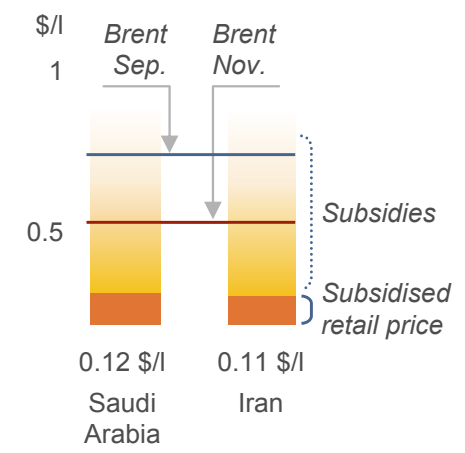
Oil products demand



Demand in the Middle East



Middle East retail prices*

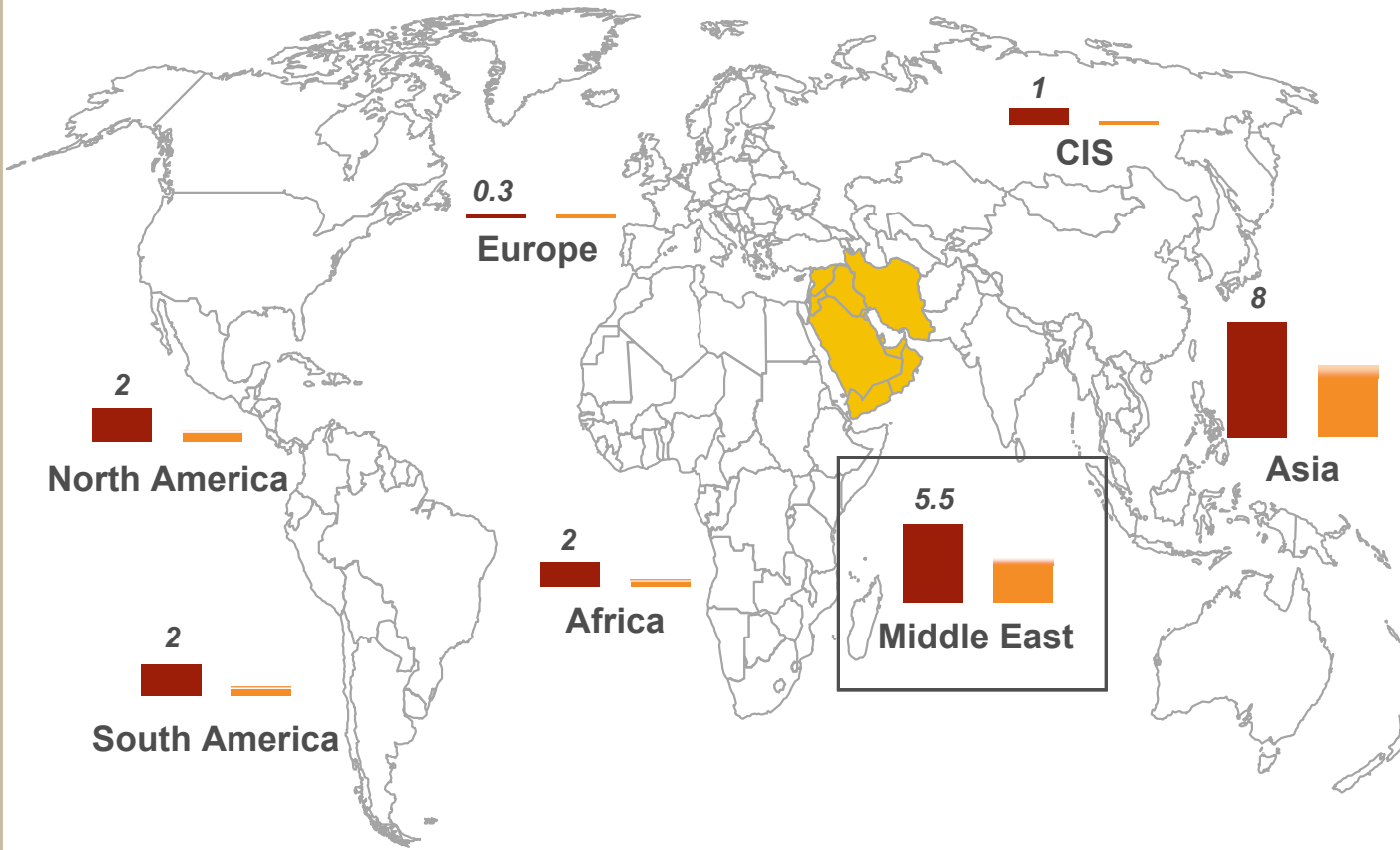


Strong fundamentals for sustained oil demand growth in the Middle East

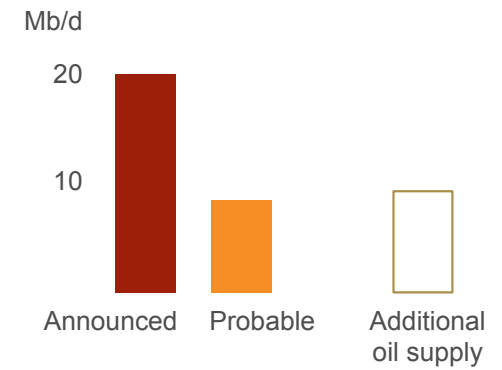
source : Total estimates
 * average monthly retail price September 2008



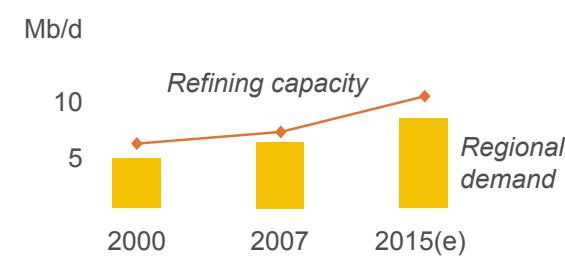
Middle East to represent 30% of grassroots refineries by 2015(e)



Additional grassroots capacity over 2008-2015(e)



Middle East refining capacity vs regional demand

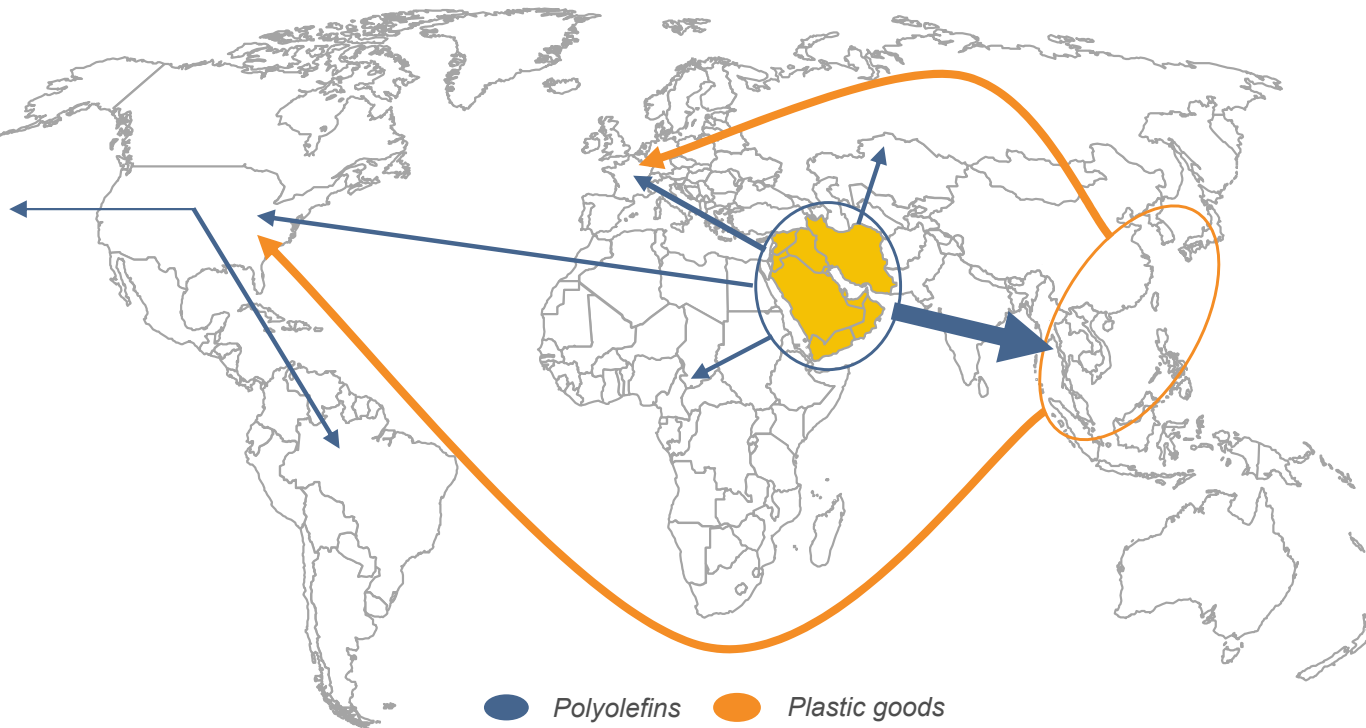


***New world class refining projects in the Middle East
mainly dedicated to export
Long-term access to supply is key for new projects***

source : Total estimates



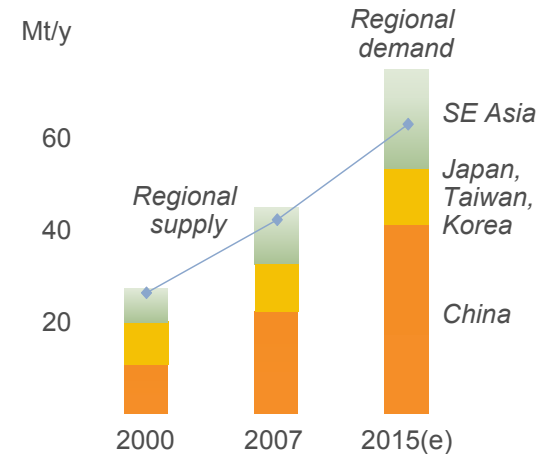
Middle East becoming a major exporting and arbitrage platform for polyolefins



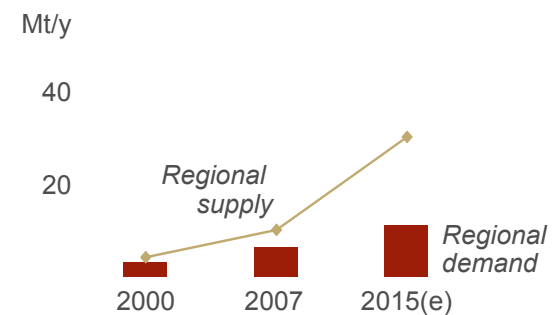
> Global polymer production : Middle East from 5% in 2000 up to 18% in 2015(e)

> Global polymer demand : Asia from 34% in 2000 up to 45% in 2015(e)

Asia polyolefins supply-demand



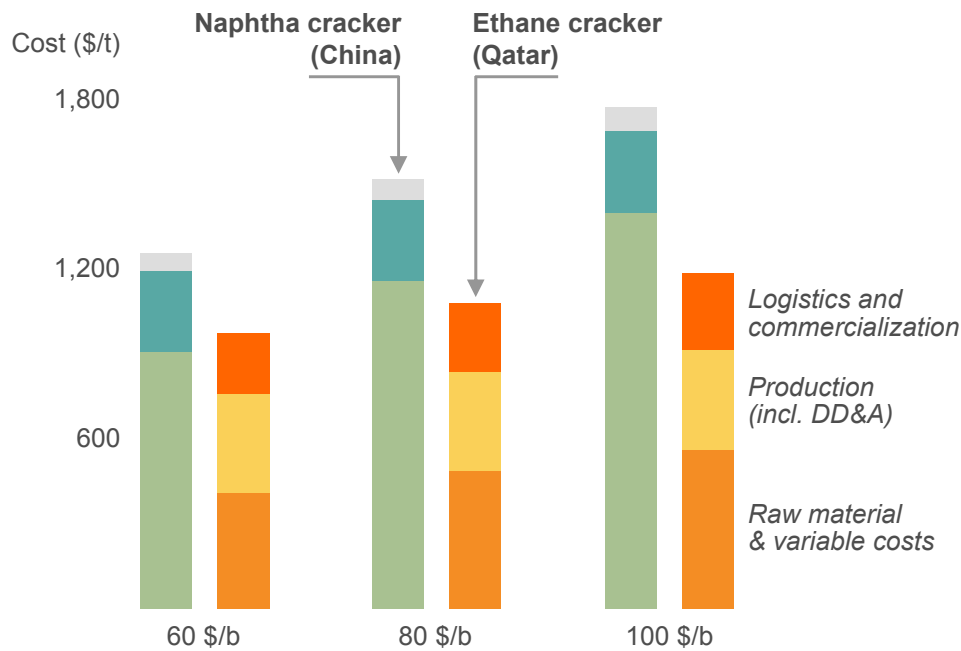
Middle East polyolefins supply-demand



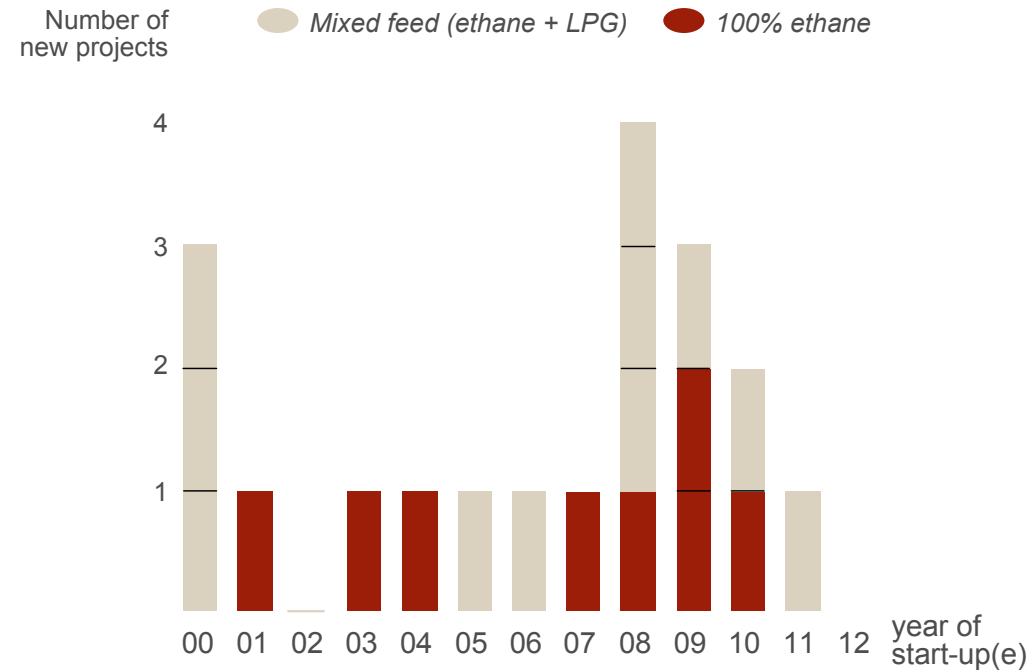
Middle East to provide up to 40% of the 2007-2015(e) incremental Asian demand for polyolefins

Competitive advantage of Middle East petrochemicals

Cost structure for polyethylene sold in China



Middle East : new cracker projects



Stranded ethane from major gas fields is becoming scarcer
Petrochemicals pricing driven by production largely based on naphtha

sources : Total estimates



Growing Total's Downstream and Petrochemicals in the Middle East

Building strategic partnerships with producing countries to valorize selective feedstocks

Main refining and petrochemicals growth projects

Algeria ethane cracker

- 1,100 kt/y ethylene + derivatives in Arzew
JV with Sonatrach
Start-up 2014(e)

Qatar ethane crackers

- Qapco 700 kt/y ethylene + derivatives
(Total 20%, Industries Qatar 80%)
Debottlenecked in 2007 (+200 kt/y)
- Qatofin 1,300 kt/y ethylene + derivatives
(Total 36%, Qapco 63%, QP 1%)
Start-up 2009(e)



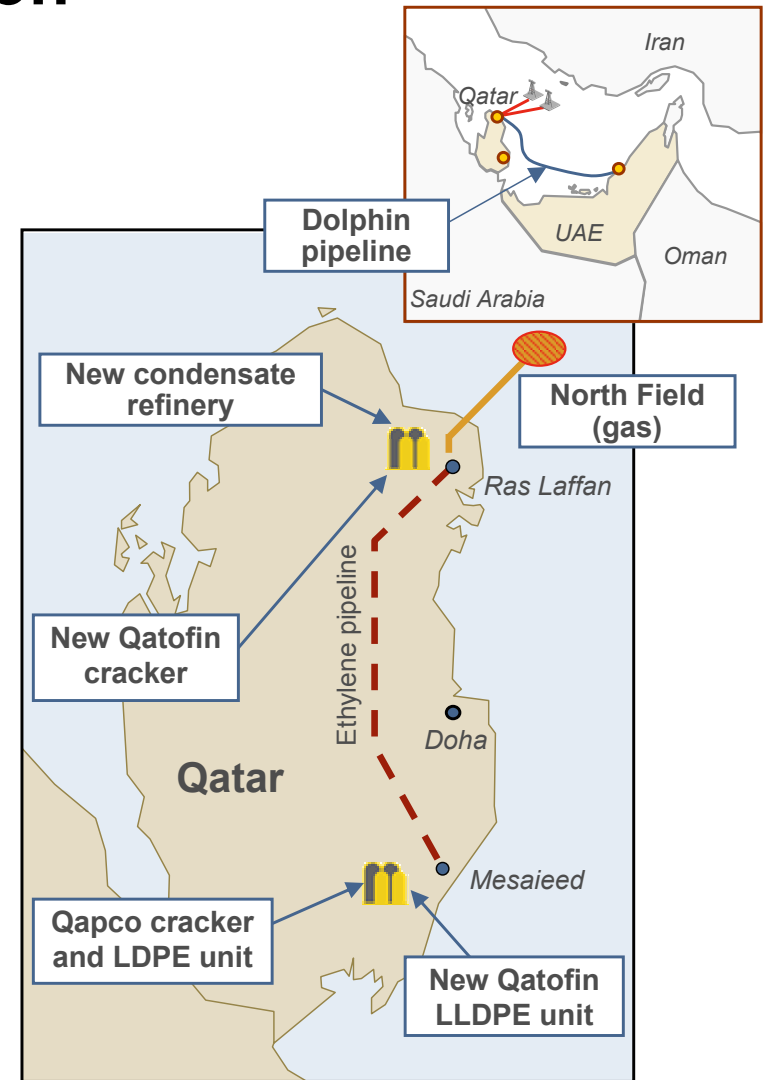
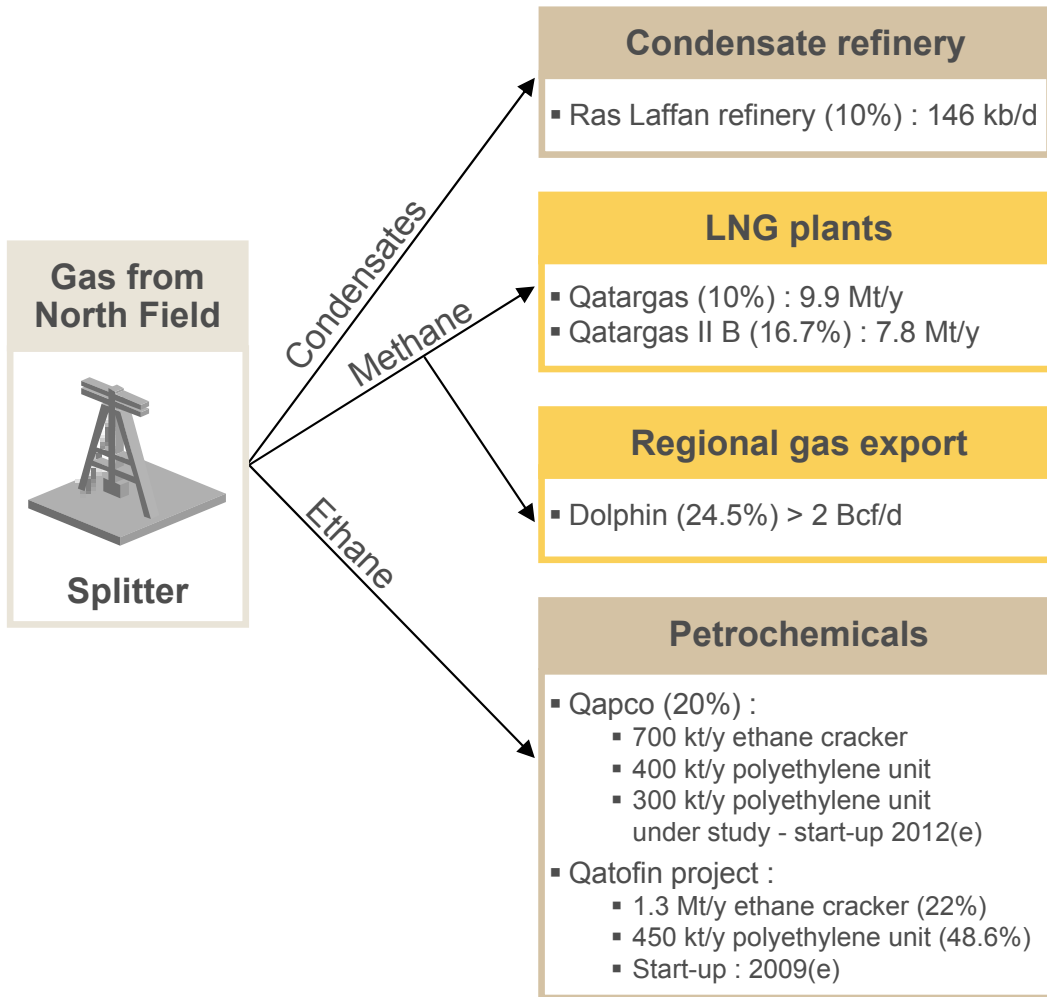
Jubail refinery

- 400 kb/d Arab Heavy (Total 37.5%, Saudi Aramco 37.5%, IPO 25%)
- Only light products (55% diesel)
- Petrochemicals integration (0.8 Mt/y aromatics and 0.2 Mt/y propylene)
- Capex > 10 B\$
- Project confirmed in May 08
- Start-up 2013(e)



***Jubail refinery, full conversion with dedicated supply
Qapco & Qatofin crackers, based on 100% ethane feedstock
Arzew project, 1.1 Mt/y ethane cracker in Algeria***

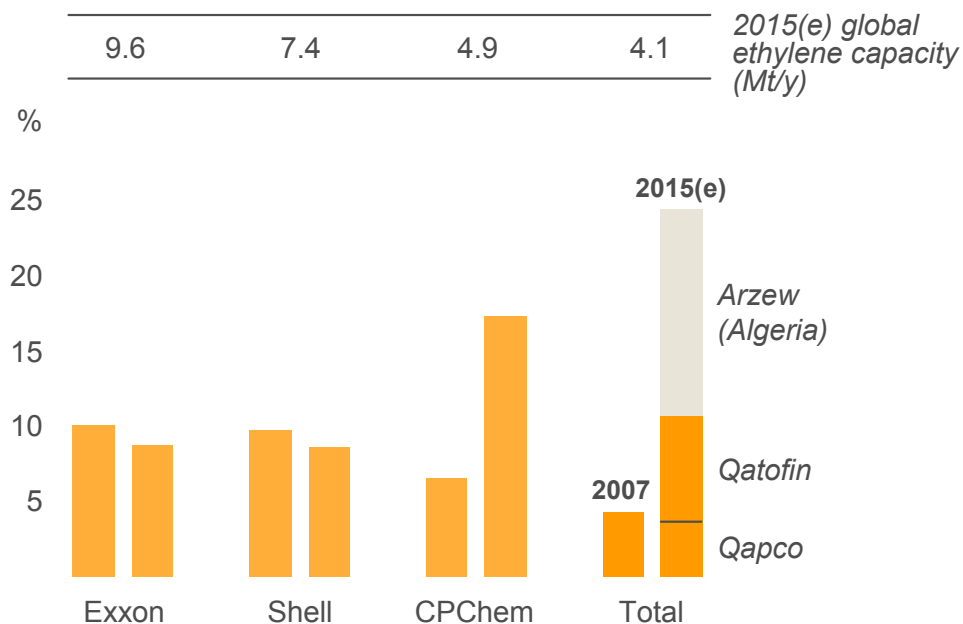
Developing Downstream and Petrochemicals in the Middle East thanks to integration



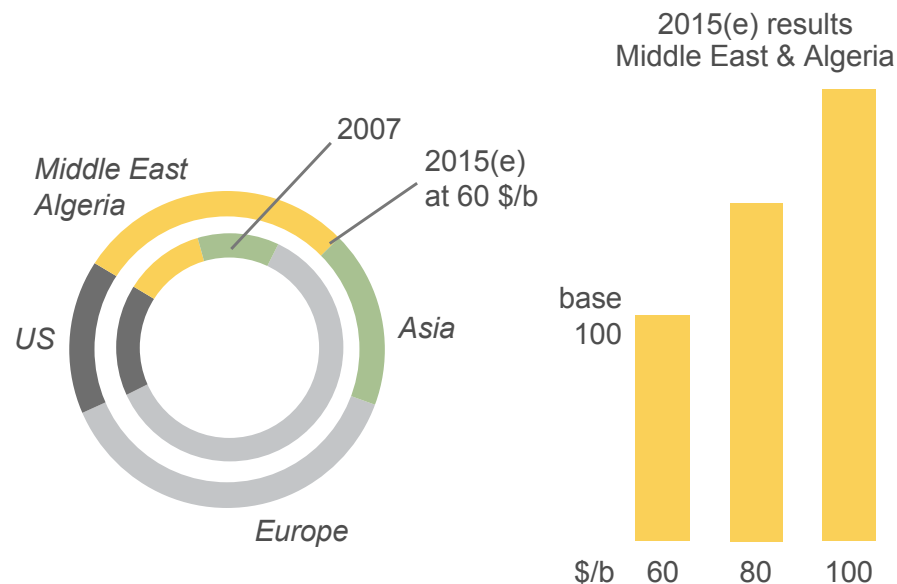
Other projects under study

Up to 40% of Petrochemicals results from the Middle East and Algeria by 2015(e)

% from Middle East and North Africa in ethylene capacity



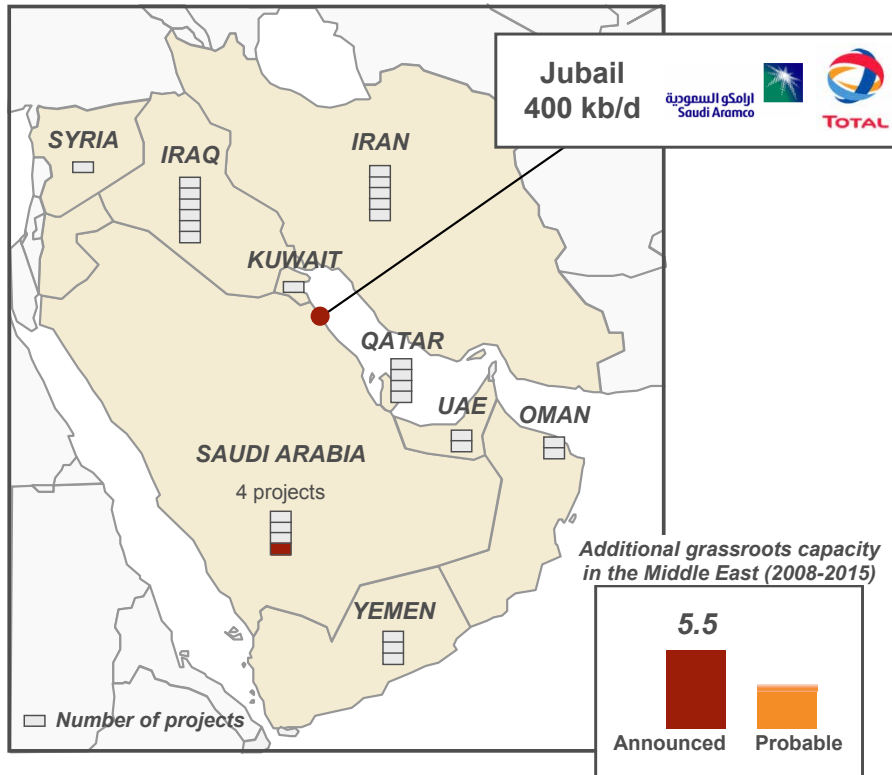
Petrochemicals adjusted net operating income



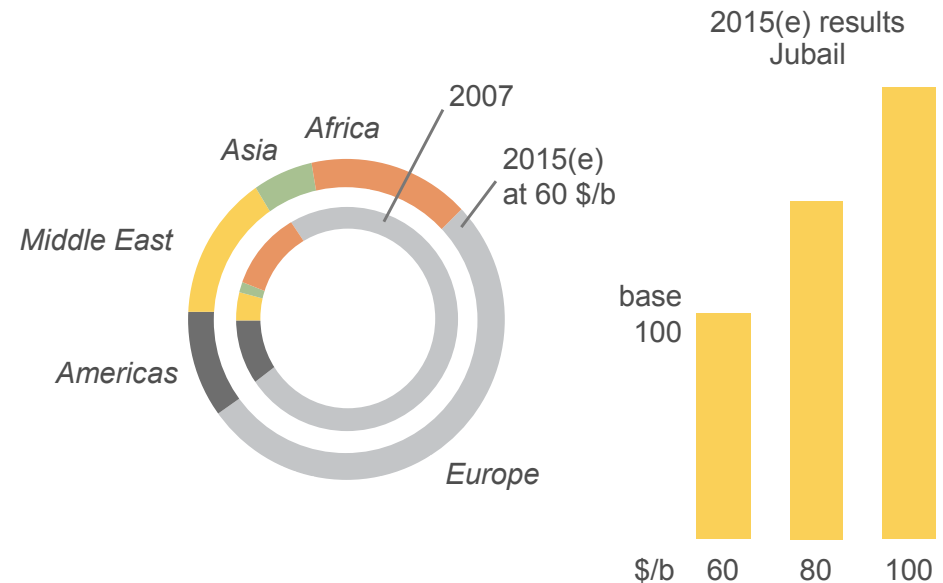
Limited number of opportunities to develop new crackers supplied by stranded ethane

Strengthening Downstream portfolio thanks to Jubail

27 refining projects in the Middle East



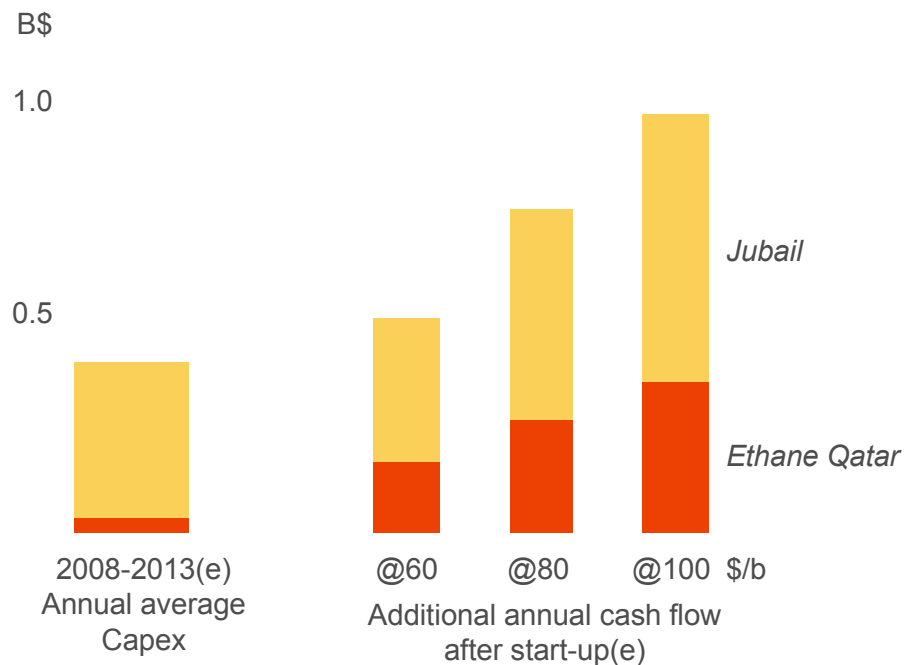
Downstream adjusted net operating income



Long lasting project with dedicated long-term supply
Strategic world class project contributing
15% of Downstream results by 2015(e)

Middle East projects to increase long-term profitability of Total's refining and petrochemicals

Capex and additional cash flow*



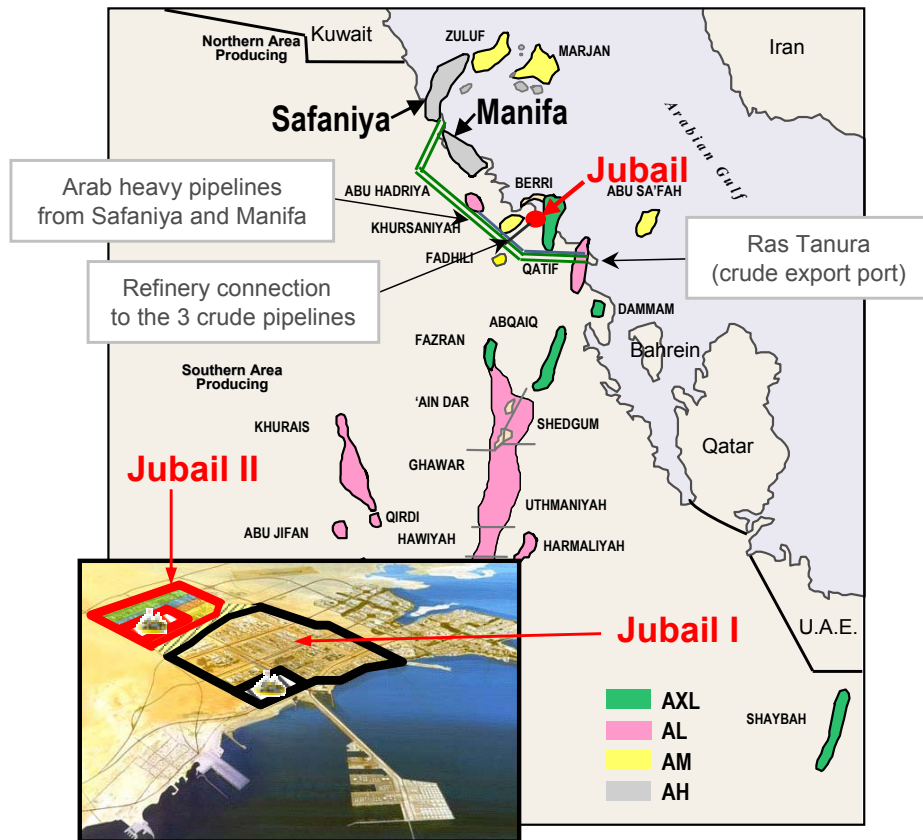
- > 2.5 B\$ Capex over 2008-2013(e)
- > Projects solid in the current environment
- > Strong leverage to the oil price

Selecting projects on high value segments

* annual average 2008-2013(e) development Capex financed by JVs shareholders, past Capex already recovered ; estimated additional annual cash flow to JVs shareholders after start-up of all projects, Total share

Focus on Jubail

Jubail : a strategically located world class refinery

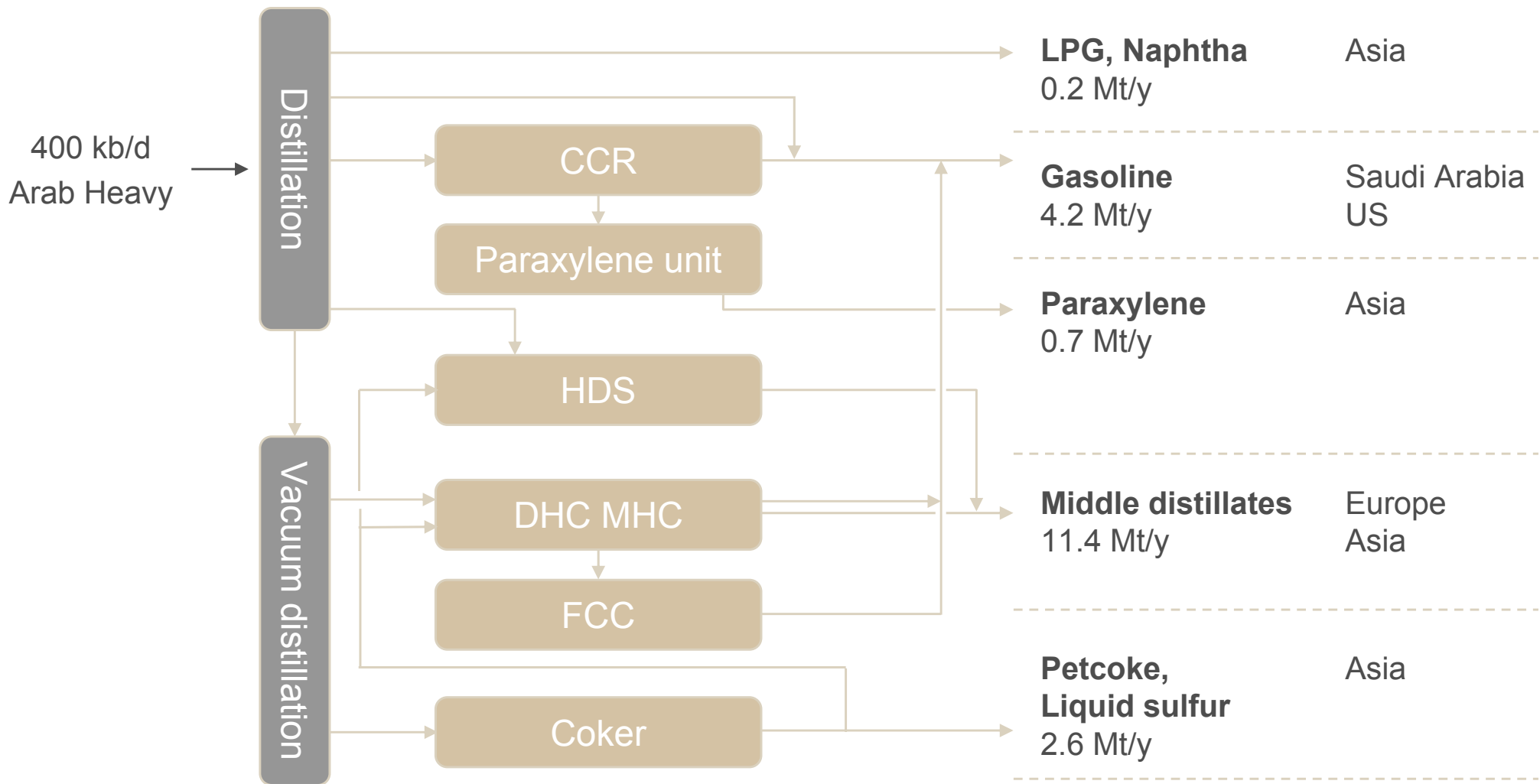


Integrated project

- Safaniya and Manifa Arab Heavy fields located 150 km north
- Dedicated long-term supply
- Specially designed to process heavy crude and produce only light products
- Integration with a paraxylene unit
- Well located export platform for Europe and Asia

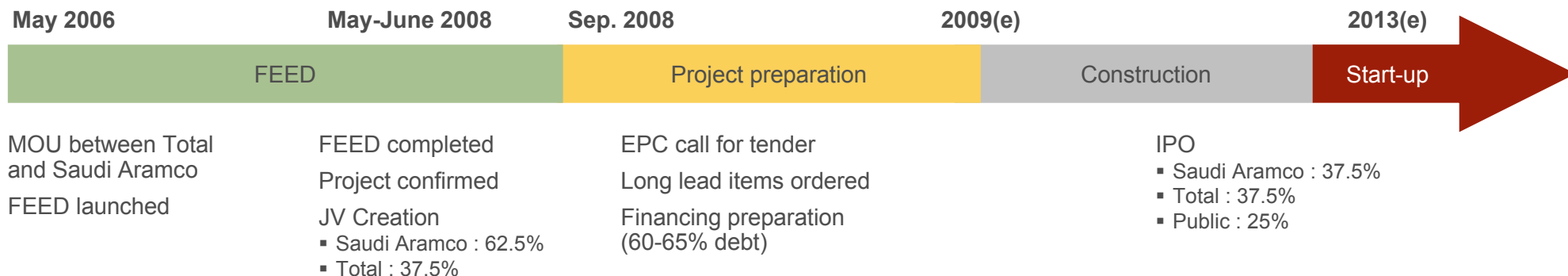
Integration enables value capture from the entire chain

Jubail : a full conversion export refinery

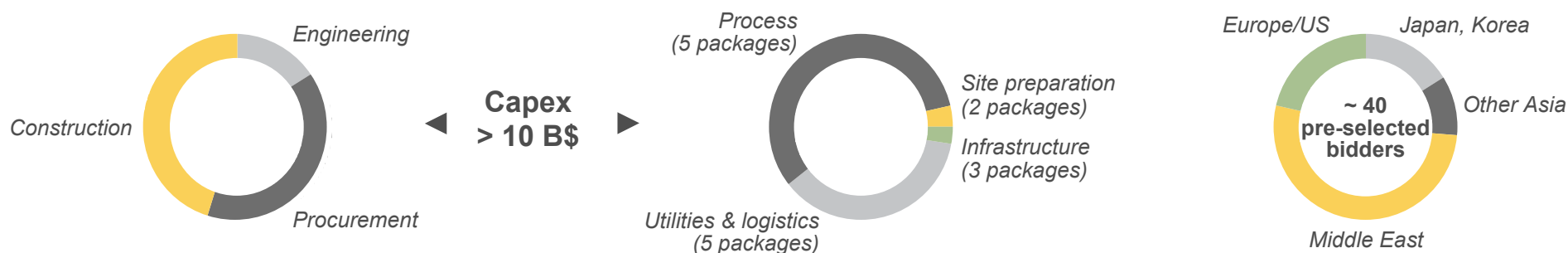


55% distillates, 20% gasoline, no heavy fuel
Products marketed 50/50 by Saudi Aramco and Total

Jubail : structuring a solid project in a challenging environment



Cost structure and contractual strategy



Stimulating competition among contractors
Extending the bidding period to benefit from potential cost reductions
Strong cooperation between Total and Saudi Aramco

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Business segment information is presented in accordance with the Group internal reporting system used by the Chief operating decision maker to measure performance and allocate resources internally. Due to their particular nature or 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, certain transactions such as restructuring costs or assets disposals, which are not considered to be representative of normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to recur within following years.

The adjusted results of the Downstream and Chemical segments are also presented according to the replacement cost method. This method is used to assess the segments' performance and ensure the comparability of the segments' results with those of the Group's main competitors, notably from North America.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the income statement is determined by the average price of the period rather than the historical value. The inventory valuation effect is the difference between the results according to FIFO (First-In, First-Out) and replacement cost.

In this framework, performance measures such as adjusted operating income, adjusted net operating income and adjusted net income are defined as incomes using replacement cost, adjusted for special items and excluding Total's equity share of the amortization of intangibles related to the Sanofi-Aventis merger. They are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

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