

# Russia

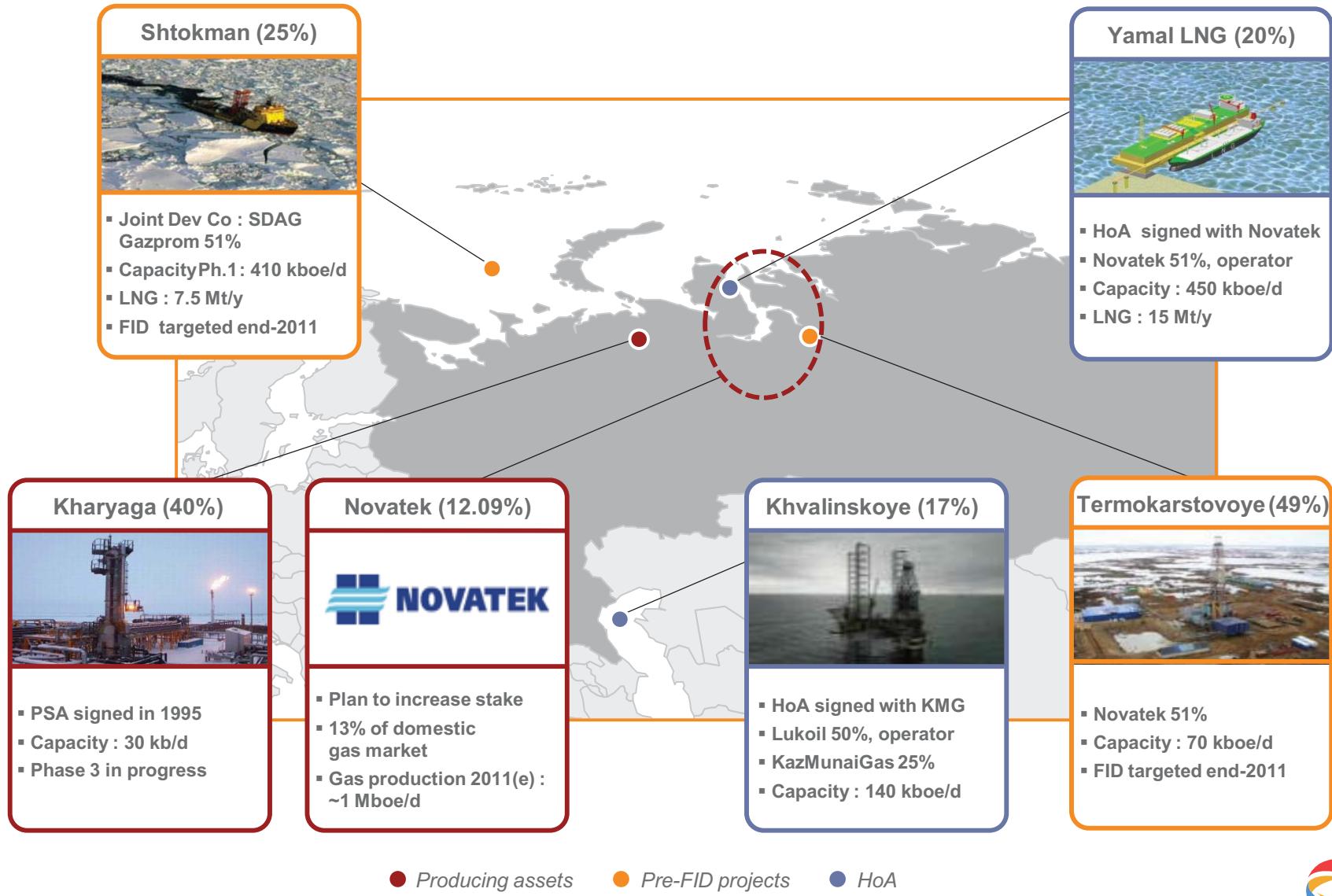
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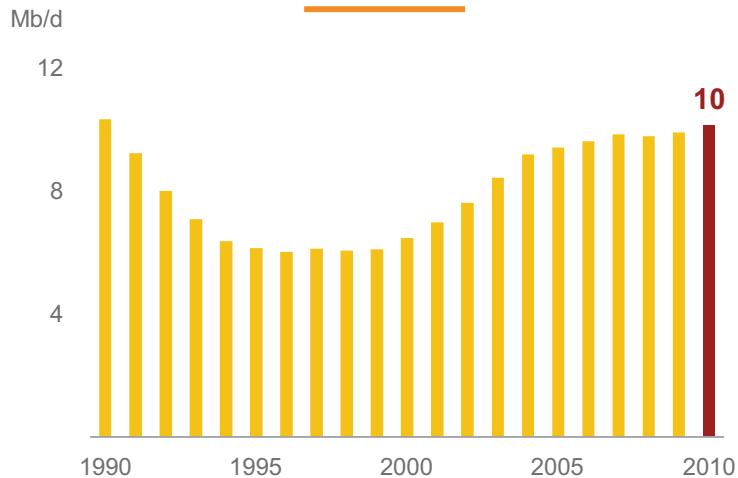


# Russia : access to giant resources through partnerships



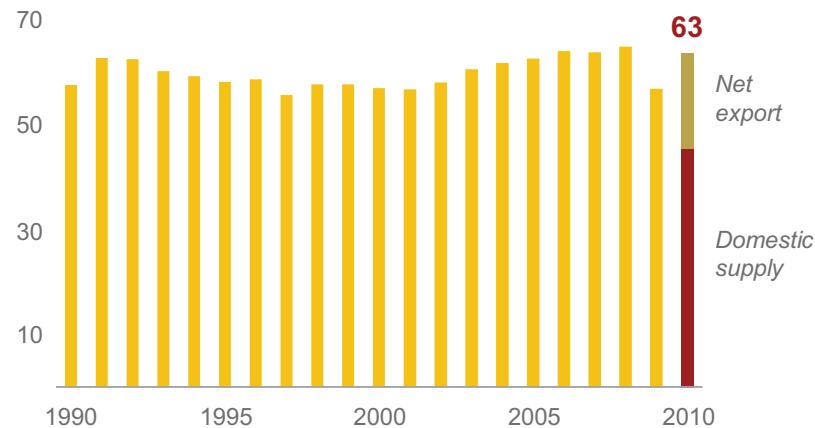
# Russia : compelling reserve base

**Oil production**

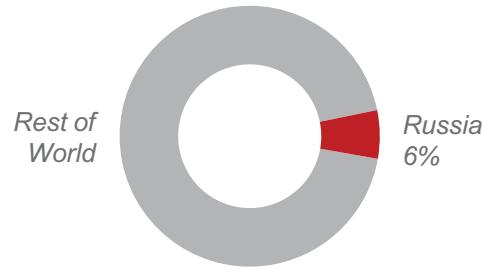


Bcf/d

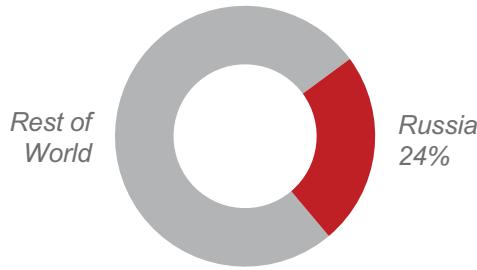
**Gas production**



**2010 world oil reserves**



**2010 world natural gas reserves**



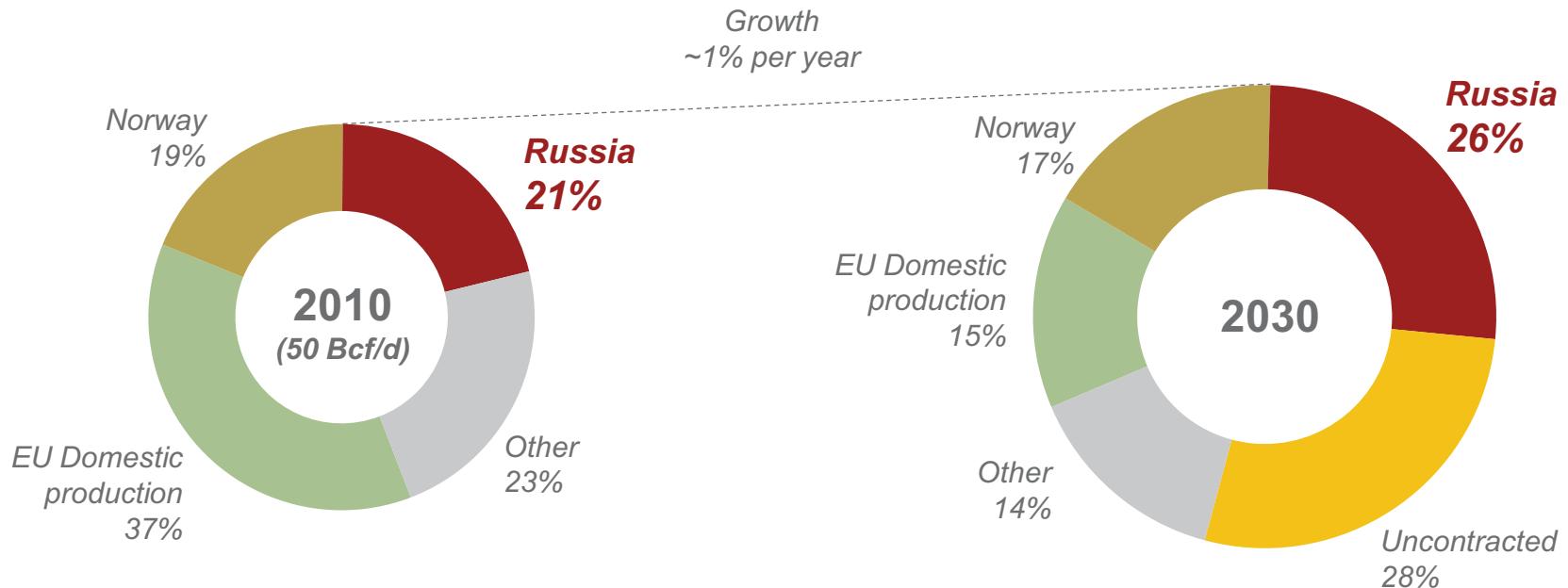
*The world's largest oil producer  
Strategy to diversify into LNG business*

source : public data

2 Investor Relations - [www.total.com](http://www.total.com) - 3C3839

# Russia : strategic role in supplying Europe

## European Union gas demand

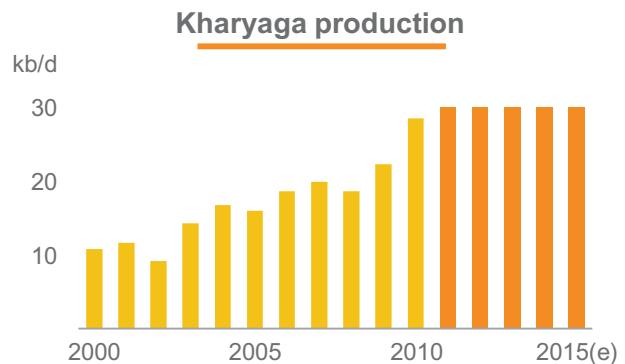
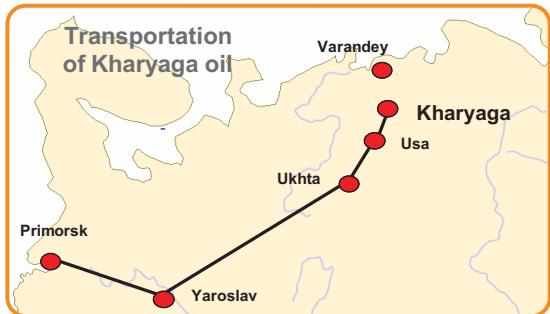


***Increasing importance of Russian gas import***

source : public data

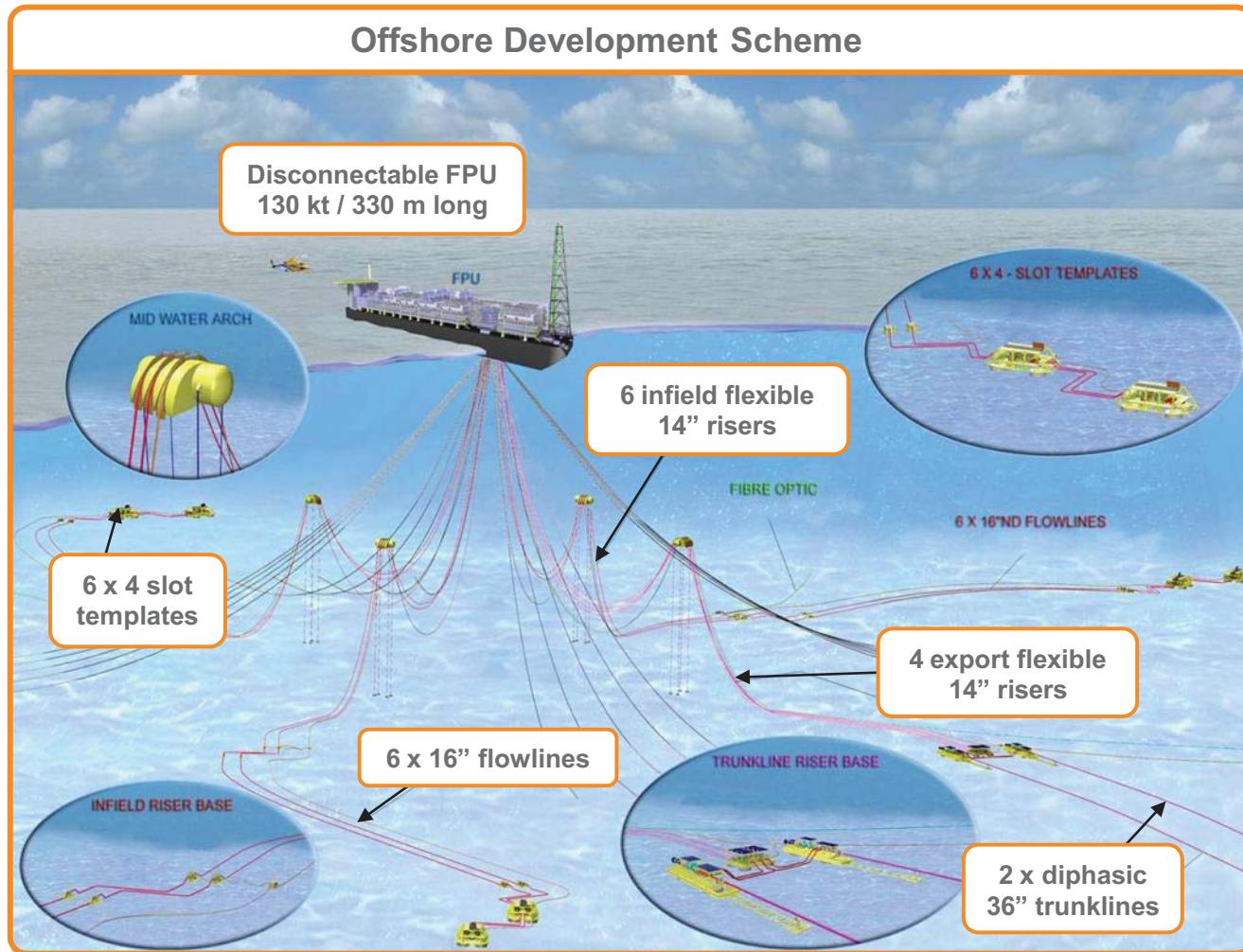
# Kharyaga

- ▶ Located in Timan Pechora Basin, Nenets Autonomous District, 60 km north of the Arctic circle
- ▶ Total (operator) : 40%
  - Statoil : 30%
  - Zarubezhneft : 20%
  - Nenets OC : 10%
- ▶ Waxy oil, H<sub>2</sub>S, carbonate reservoirs
- ▶ Extreme weather conditions, remote location, fragile ecosystem
- ▶ 1<sup>st</sup> oil Oct. 1999 – production : 30 kb/d since end-2009
- ▶ Phase 3 development in progress
  - Extending plateau at 30 kb/d
  - Valorizing gas and reducing emissions



*First Russian PSA, a successful entry into Russia*

# Shtokman : largest known undeveloped offshore gas field



## Field

- 500 km offshore, 350 m water depth
- Giant field 140 Tcf of gas in place

## Development

- Plateau 2.3 Bcf/d with 7.5 Mt/y LNG
- Planned start-up in 2016-2017

# Shtokman

## Technical

### ► Offshore

- All major EPC offers received
  - Floating production unit
  - Subsea templates and flowlines
  - Pipelines
- All major technical options validated
- Offshore development ready to launch

## Commercial / Economics

- Fiscal regime under review
- Agreements and commercial terms being finalized

### ► Onshore

- Finalizing scope of onshore project
- Cost estimates and bids expected by year-end



- ***Finalizing terms***
- ***FID subject to Total's investment criteria for long-plateau projects***

***Final investment decision***  
***Target end-2011***

# Termokarstovoye

## ► Development

- Located in Yamalo-Nenets Autonomous District, 220 km away from the city of Tarko-Sale
- Discovered : 1986
- 283 Mboe of 2P reserves (Novatek estimate)



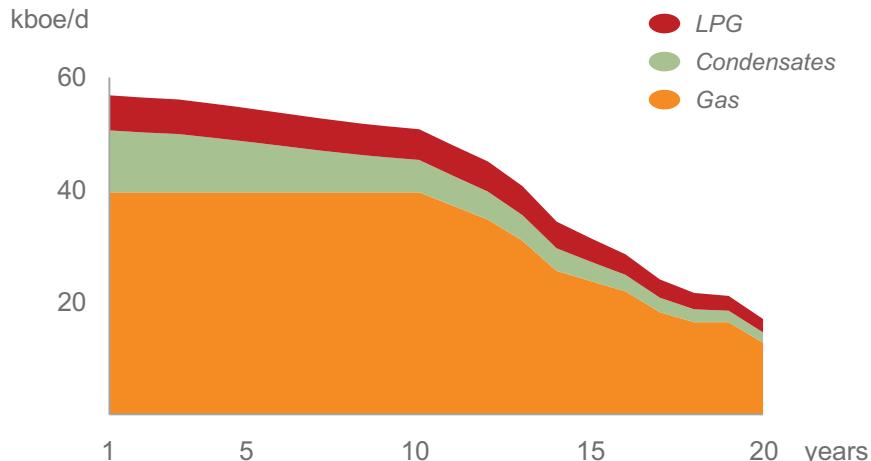
## ► Partners

- Terneftegas (2010) : Novatek 51% (op), Total 49%
- Terneftegas is the license holder

## ► Status

- Appraisal well drilled end-2010
- FID targeted end-2011
- Challenging project : extreme weather conditions, remote location, permafrost

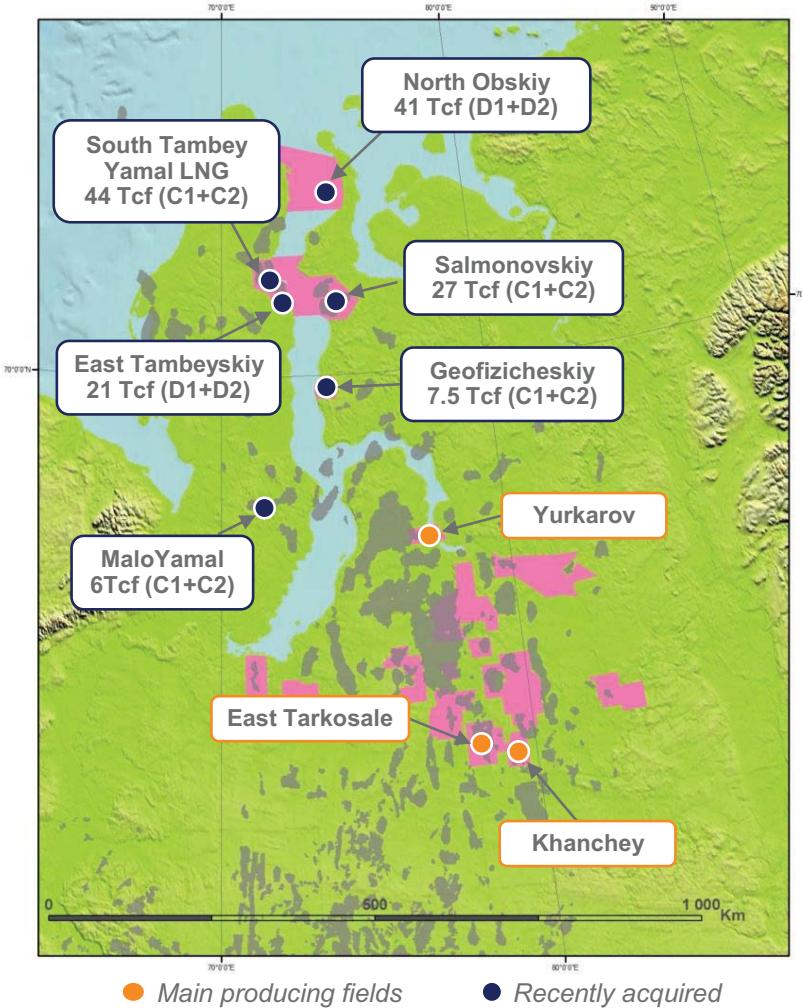
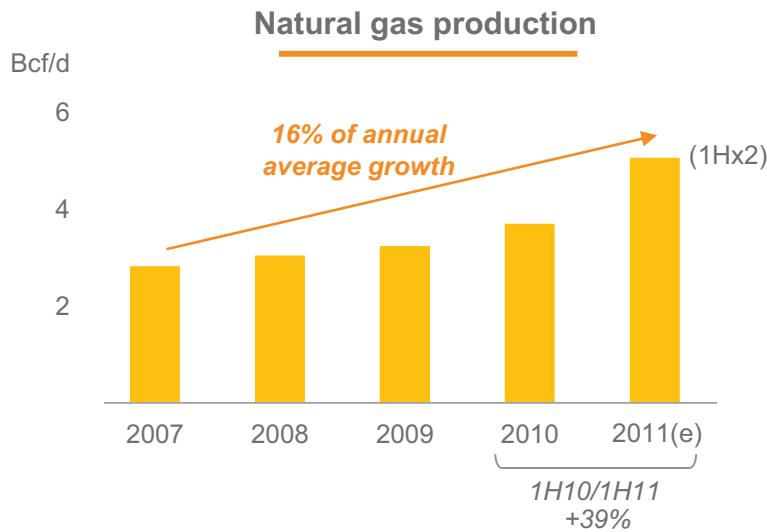
## Termokarstovoye production profile



## *First Novatek-Total project*

# Strategic long-term alliance with Novatek

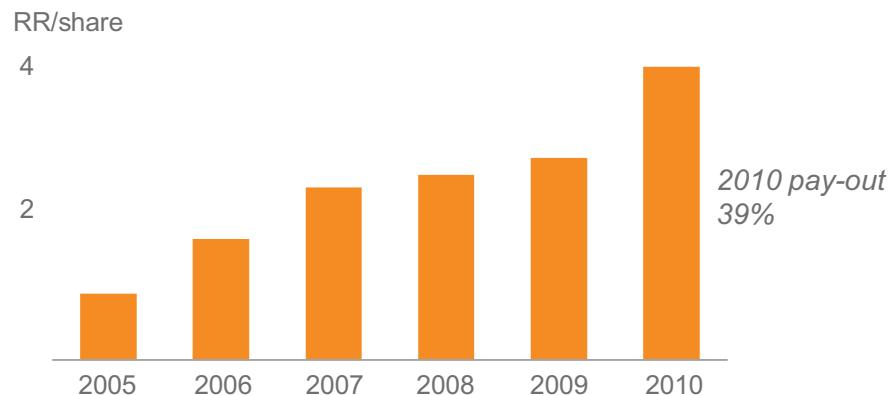
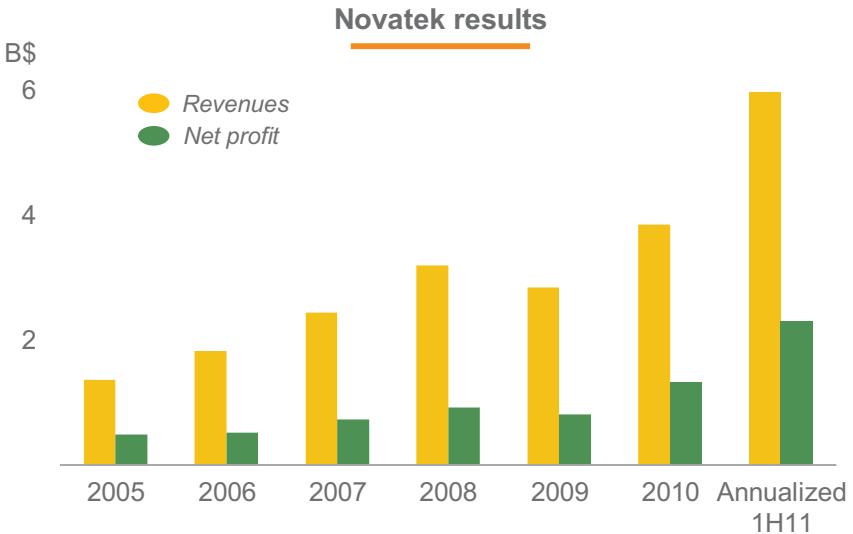
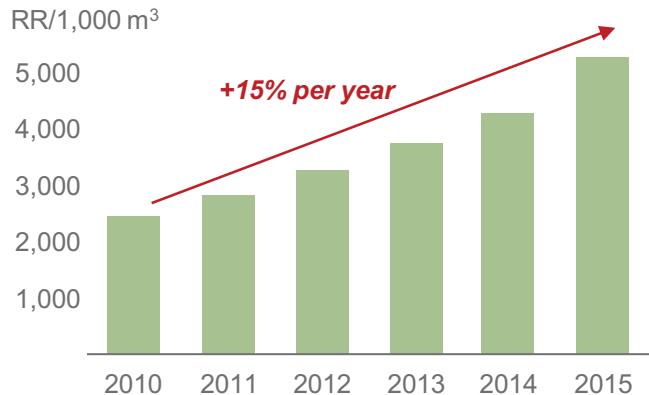
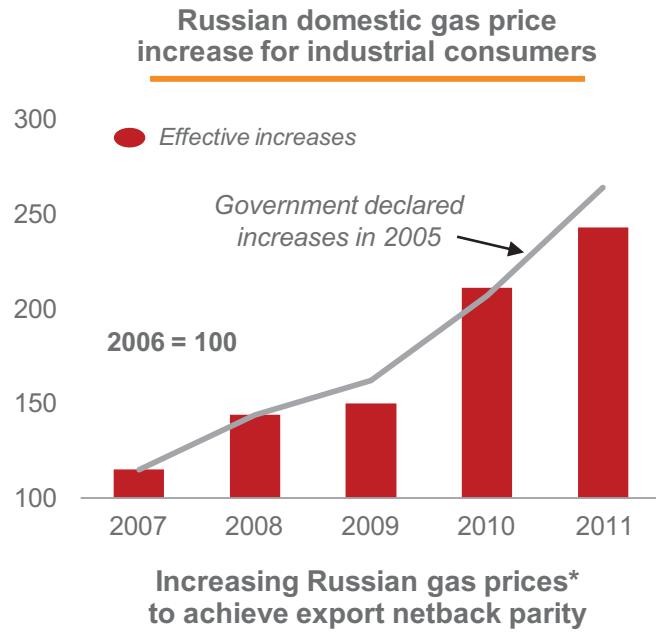
- Total acquired 12.09% stake in Novatek
- Intention to increase Total's stake up to
  - 15% within 12 months
  - 19.4% within 36 months
- One Total representative on Novatek Board
- Current stake represents 120 kboe/d and 1 Bboe reserves (2P) net to Total
- Huge potential for growth
  - Low cost producer
  - Long-life reserves (31 years)
  - ~500% reserve replacement in 2009 and 2010
  - Strong management team and relation with Gazprom



## ► Recent Novatek acquisitions

- 25.5% of Sever Energia : 0.8-1.2 Bcf/d by 2012
- 51% of Sibneftegas : 1 Bcf/d

# Novatek benefiting from improving Russian gas market



Novatek dividend pay-out policy : 30% minimum

\* source : Gazprom, February 2011  
gas price for industrial consumers in Russia

# Yamal LNG

► Giant reserve base : more than 500 Tcf of gas discovered on Yamal peninsula

► Total to become reference partner\*

- Total share : 20%
- Novatek, operator, will hold a 51% interest in the project

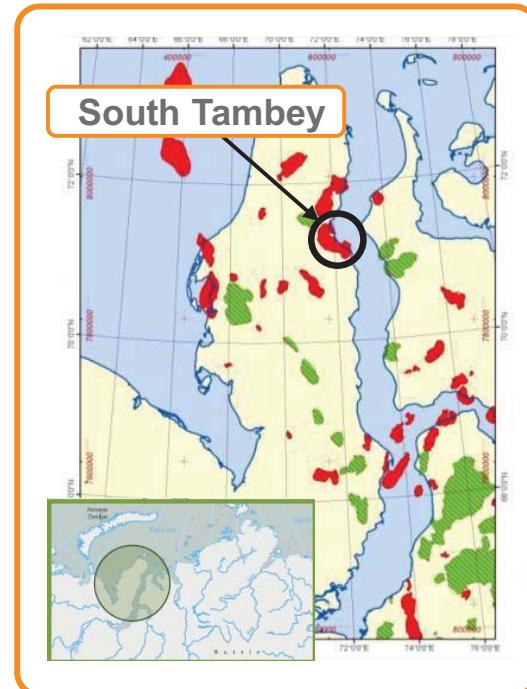
► Connecting huge gas reserves to high-value markets

► South Tambey field

- Arctic area
- Project resource base : 44 Tcf and 550 Mb of condensates
- Total share
  - Proved and probable reserves ~800 Mboe
  - Production plateau of ~90 kboe/d
- First LNG project on Yamal Peninsula
- Ratification of significant tax incentives and government support for infrastructure development
- LNG plant production capacity 15 Mt/y (3 trains)

► Status

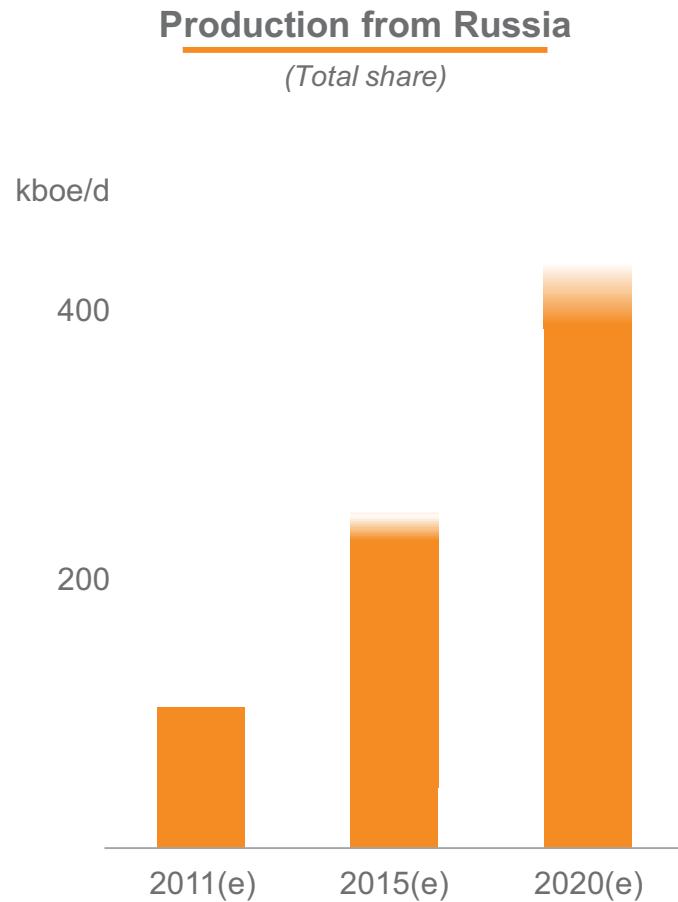
- FEED development in progress
- FID targeted in 2013



\* pending agreements

# Outlook

- ▶ Compelling Russian reserve base will continue to play a strategic role for energy supply
- ▶ Building long-term strategic alliances
- ▶ Project sanctions subject to Total's strict investment criteria
- ▶ Creating a new production pole with long-plateau projects



# Disclaimer

This document may contain forward-looking statements, including within the meaning of the Private Securities Litigation Reform Act of 1995, notably with respect to the financial condition, results of operations, business, strategy and plans of TOTAL. Such statements are based on a number of assumptions that could ultimately prove inaccurate, and are subject to a number of risk factors, including currency fluctuations, the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental regulatory considerations and general economic and business conditions. Neither TOTAL nor any of its subsidiaries assumes any obligation to update publicly any forward-looking statement, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the Group with the French Autorité des Marchés Financiers and the U.S. Securities and Exchange Commission ("SEC").

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. 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 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 asset 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) Inventory valuation effect

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

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

(III) Effect of changes in fair value

As from January 1, 2011, the effect of changes in fair value presented as an adjustment item reflects for some transactions differences between internal measures of performance used by TOTAL's management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group's internal economic performance. IFRS precludes recognition of this fair value effect.

(IV) Until June 30, 2010, TOTAL's equity share of adjustment items reconciling "Business net income" to Net income attributable to equity holders of Sanofi

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, excluding the effect of changes in fair value as from January 1st, 2011 and excluding TOTAL's equity share of adjustment items related to Sanofi until June 30, 2010.

Dollar amounts presented herein represent euro amounts converted at the average euro-dollar exchange rate for the applicable period and are not the result of financial statements prepared in dollars.

Cautionary Note to U.S. Investors – The SEC permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with SEC rules. We may use certain terms in this presentation, such as resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 20-F, File N° 1-10888, available from us at 2, place Jean Millier – La Défense 6 – 92078 Paris – La Défense Cedex, France, or at our Web site: [www.total.com](http://www.total.com). You can also obtain this form from the SEC by calling 1-800-SEC-0330 or on the SEC's Web site: [www.sec.gov](http://www.sec.gov).

