



SN#60

The Shareholders' Newsletter Summer 2019

Annual Shareholders' Meeting
special issue

Chairman's Message

Dear Shareholders,

The Annual Shareholders' Meeting is always a key opportunity for dialogue and discussion that gives me a chance to tell you about what we achieved and the outlook for your Company going forward. Our 2018 performance is one that can make you proud — proud to be Total shareholders!

As you know, our ambition is to "become the responsible energy major".

We are therefore continuing to implement our strategy with an eye on the evolutions of the energy markets by 2040 as envisioned by the International Energy Agency in its Sustainable Development Scenario, which corresponds to a less than 2°C increase in the global average temperature. Our strategy is built around four key areas that integrate the challenges of climate change:

- In oil, we are concentrating on low breakeven assets to deal with the possibility of stagnant or declining demand while making the most of higher prices. We are also promoting the use of sustainable biofuels.
- In natural gas, the fossil fuel that produces the least carbon emissions, we are on the offense, notably in liquefied natural gas. Gas is the only hydrocarbon slated to see strong growth in the next 20 years. In this way, we are creating a real competitive advantage for our Group and we want to grow across the gas value chain, from production to sales, just like we've done with oil.
- We're investing in low-carbon electricity that we produce from gas or renewables to make the most of strong growth in global demand for power, which is expected to virtually double in 20 years. The 21st century will be the century of electricity, and we want low-carbon electricity to account for 15% to 20% of Total's energy mix in 20 years' time.



"Energy: here's the key word in our ambition. Not oil, not oil and gas, but energy, because our ambition is to invest and to become a leader in the production and marketing of all types of energies: oil, gas and low-carbon electricity."

Patrick POUYANNÉ

Chairman and Chief
Executive Officer of Total

- Finally, we are investing in carbon sink activities to offset the emissions generated by the hydrocarbons that our customers will continue to use. We are investing in innovation and commercial scale-up of carbon dioxide capture, storage and valorization technologies. We are developing a new natural carbon sink business within the Group and we are planning to invest, as from 2020, 100 million dollars per year to preserve forests and wetlands and to restore degraded soils.

Becoming the responsible energy major also means creating value, of course, and sharing it. In 2018, we generated around 40 billion dollars in added value. Close to 16 billion dollars has been reinvested in the Company to prepare the future. The remaining 60% has been divided among:

- Our employees who delivered these results. They receive, in different forms, the equivalent of 10 billion dollars.
- Our host countries, where we work, pay income and other taxes and carry out our corporate citizenship initiatives. In 2018, this represented a commitment of 7 billion dollars.
- Our shareholders, you, to whom we have distributed nearly 8 billion dollars, either in dividends or through share buybacks.

In 2018, we implemented a dynamic shareholder return policy and I am pleased to confirm that this will continue. In 2019, the dividend will rise 3.1% to €2.64 per share and the share buyback policy will be continued. We are determined to keep the Total share highly attractive and by doing so, thank you for your loyalty.

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The presentations, legal documents and answers to written questions are available on the "Total Investors" application and on total.com under the heading Investors > Annual Shareholders' Meetings. 📄

Production start-up on the Egina field in Nigeria

Production from the Egina field, which contributes to boosting the Group's cash flow, began at the end of 2018 and the production plateau has already been reached. An insight into one of the biggest hydrocarbon projects in Nigeria.

Total started up production from the Egina field on December 29, 2018 and the first gas exports began on April 7, 2019. Located in 1,600 meters of water, 150 kilometers off the coast of Nigeria, the Egina field produces 200,000 barrels of oil per day at plateau, i.e. almost 10% of the country's production.

The Floating Production Storage and Offloading (FPSO) unit used to develop the giant Egina field is the largest one Total has ever built. To carry the project through to completion Total called on a record level of local contractors. Six of the eighteen FPSO modules were built and integrated locally, and 77% of the hours spent on the project were worked locally. Startup was achieved

close to 10% below the initial budget, which represents more than a billion dollars in CAPEX savings, due in particular to excellent drilling performance where the drilling time per well was reduced by 30%.

Initially discovered in 2003, the Egina field is the second development to be brought onstream on the OML 130 (Oil Mining Lease 130), following the Akpo field which started up in 2009. Total Upstream Nigeria Limited operates OML 130 with a 24% interest, in partnership with Nigerian National Petroleum Corporation (NNPC), South Atlantic Petroleum - SAPETRO Ltd. (15%), CNOOC E&P Nigeria Limited, a wholly-owned subsidiary of CNOOC Limited (45%) and Petrobras Oil and Gas BV (16%). Total has been present in Nigeria for over 50 years in both upstream and downstream activities.



The FPSO Egina, which measures 330 meters, is the largest FPSO built to date by the Group.

Key figures

for 1st quarter 2019

* Debt-adjusted cash flow (DACF)

** In the 1st quarter 2019, based on a 2.56 €/share 2018 dividend

2.8 billion
dollars
Adjusted net income

6.5 billion
dollars
Cash flow generated by operations*

Highlights



Africa | Acquisition project

Signature of a binding agreement with Occidental to acquire Anadarko's assets in Africa (Algeria, Ghana, Mozambique, South Africa) for 8.8 billion dollars. The transaction is contingent upon Occidental completing its proposed acquisition of Anadarko and receiving approval from the relevant authorities. The transaction between Occidental and Total is expected to close in 2020. The assets to be acquired represent over three billion barrels of resources. 2018 equity production was 96,000 barrels of oil equivalent per day (boe/d) and is expected to grow to around 160,000 boe/d by 2025. Total is playing to its strengths and enhancing its portfolio in Africa, deep offshore and Liquefied Natural Gas (LNG).



Russia | Liquefied Natural Gas

Signature of definitive agreements with Novatek for the acquisition of a direct 10% interest in Arctic LNG 2, a major liquefied natural gas (LNG) development, located in the Gydan Peninsula, Russia. Taking account of Total's 19.4% stake in Novatek, the Group's overall economic interest in this new LNG project will be approximately 21.6%. With a production capacity of 19.8 million tonnes per year, or 535,000 barrels of oil equivalent per day, Arctic LNG 2 will develop over 7 billion barrels of oil equivalent of resources in the Utrenneye onshore gas and condensate field.

Angola

Finalization of the Kaombo development project with the start-up of the second FPSO, Kaombo Sul.

China

- ▶ Saft joins forces with the Chinese Group Tianneng to grow in China and scale up its e-mobility and energy storage businesses.
- ▶ Signature of a long-term sale and purchase agreement (SPA) for the supply of LNG with Guanghai International Natural Gas Trading Co.

Europe

Kick-off of the innovative "3D" project for industrial scale CO₂ capture and storage.

France

- ▶ Acquisition of Synova, a French leader in manufacturing high-performance recycled polypropylene for the automotive sector.
- ▶ Heating, gas and electricity: Total commits to more affordable and more responsible energy.

Oman

Signature of a Heads of Agreement with the Ministry of Oil and Gas of the Sultanate of Oman for the award to Total of an exploration license with significant prospective gas resources.

Papua New Guinea

Signature of a gas agreement with the State of Papua New Guinea for the Papua LNG project.

Saudi Arabia

Signature of a Joint Venture agreement with Saudi Aramco to develop a network of fuel and retail services.

South Africa

Significant gas condensate discovery.

United States

- ▶ LNG production starts up at the Cameron LNG export terminal in Louisiana.
- ▶ Agreement to invest in the Tellurian-led Driftwood LNG project.

2,946
thousand
 barrels of oil equivalent/day
Hydrocarbon production

19.8%
Net-debt-to-equity
ratio as at
March 31, 2019

€ 2.56
 per share
2018 dividend

5.2%
Gross
dividend yield**

The first quarter of 2019 was marked by a strong decline in gas prices and a decrease in Brent crude oil prices. What do the Group's results look like in this price environment?

Brent averaged \$63 per barrel in the first quarter, down 6% from last year, while natural gas prices were down 11% in Europe and 30% in Asia. In this context, adjusted net income was 2.8 billion dollars for the first quarter, down 4%, and return on equity held steady at 12%. With strong growth in production, up 9% year-on-year, the Group's cash flow (DACF) increased by more than 15% year-on-year to 6.5 billion dollars, driven by the ramp-up in cash-accretive projects including Egina in Nigeria, Ichthys in Australia and Kaombo in Angola. Cash flow after organic investments increased to 3.2 billion dollars, up 18% year-on-year, thanks to strong operational performance and ongoing capital discipline.

What is the outlook for the rest of 2019?

Even in a volatile environment, the Group has strong visibility on the growth of its cash flow (DACF) in 2019, thanks to the ramp-up of cash accretive projects already underway, and to the full contribution of Maersk Oil assets and ADNOC Offshore. The Group will maintain its capital discipline, with a net investment target of 15-16 billion dollars, cost savings of 4.7 billion dollars and an average production cost of \$5.5 per barrel oil equivalent. The organic pre-dividend breakeven will remain below \$30 per barrel. To take advantage of the favorable cost environment, the Group is working to launch profitable projects like Mero 2 in Brazil, Tilenga & Kingfisher in Uganda and Arctic LNG 2 in Russia.



Total's balance sheet is strong, with gearing under 20%, in line with the objective.

Patrick DE LA CHEVARDIÈRE

Group Chief Financial Officer

Patrick de La Chevardière, Group Chief Financial Officer since 2008, will take retirement this summer. At the shareholders' meeting, Patrick Pouyanné extended his sincerest thanks to M. de La Chevardière for his remarkable work and unwavering commitment. He is to be succeeded by Jean-Pierre Sbraire, Group Deputy Chief Financial Officer since September 2017.

Jean-Pierre Sbraire is an engineer who began his career in the Total Group in 1990 in the Trading & Shipping Division. In 1995, he joined Total Exploration & Production division, holding different positions in Finance, Economics and New Business Negotiation in Paris and Nigeria. In 2005, he was appointed General Secretary for Total affiliates in Venezuela. In 2009, in the Group

Finance Division, he became Head of Financial Operations for Exploration & Production affiliates. In 2012, he was appointed Vice President, Equity Crude Acquisition in the Trading & Shipping division. From September 2016 to September 2017, he served as the Group Treasurer.



Highlights of the Shareholders' Meeting

At the Annual Shareholders' Meeting on May 29, 2019, all the resolutions approved by the Board of Directors were adopted. Here is an overview of the resolutions that concern the Board of Directors and the dividend.

Renewal of the Board of Directors

The terms of Mr. Jean Lemierre and Ms. Maria van der Hoeven were renewed for a three-year period.



Mr. Jean LEMIERRE

Chairman of the Board of Directors of BNP Paribas, has been a Director of Total for three years. He is a member of the Governance and Ethics Committee and of the Strategy & CSR Committee. Mr. Lemierre will continue to offer the Group his expertise in banking and finance matters, as well as his experience in international relations.



Ms. Maria VAN DER HOEVEN

Independent Director, former Executive Director of the International Energy Agency (IEA), Ms. Van der Hoeven has been a Director of Total for three years. She is a member of the Audit Committee and will continue to offer the Group her knowledge of the energy sector.

Appointment of a new director and of the director representing employee shareholders

As the term of Mr. Gérard Lamarche has expired, Ms. Lise Croteau has joined the Total Board of Directors for a three-year period. Ms. Valérie Della Puppa Tibi was selected from among three candidates to represent shareholder employees, also for a three-year period.



Ms. Lise CROTEAU

Independent Director, former Executive Vice President and Chief Financial Officer of Hydro-Québec. She will offer the Board in particular, the benefit of more than 32 years experience in the electricity sector in North America (storage, transportation, trading), her experience in the production of renewable energies, and her financial expertise.



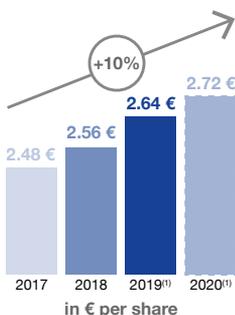
Ms. Valérie DELLA PUPPA TIBI

Employee of a Total-owned company in France, proposed as a candidate by the Supervisory Board of the "Total Actionnariat France" collective investment fund (fund representing the largest number of employees in the Group), and by the Supervisory Board of the Total France Capital+ collective investment fund.

The Board of Directors comprises 12 members: seven women and five men, of five different nationalities.

Higher dividends, payable in cash only

The Group continues to implement its shareholder return policy. The dividend in euros will be increased by 3.1% in 2019, equating to an overall increase of 6.5% since 2017, in line with the 10% increase objective over the period 2018-2020. Moreover, the Group will buy back shares for a total sum of 1.5 billion dollars in 2019 at 60 dollars per barrel as part of its 5 billion dollar share buyback program over the period 2018-2020. Finally, the option for the payment of dividends in shares ended in June 2019.



An attractive shareholder return policy

New dividend increase in 2019 of 3.1% with a full-year 2020 dividend target of € 2.72/share⁽¹⁾

Gross dividend yield of 5.6% per year on average over the last 10 years⁽²⁾

Dividend has remained the same or risen every year for more than 35 years

Paid quarterly

(1) Subject to the approval of the Annual Shareholders' Meeting distribution of dividends for fiscal years 2019 and 2020.

(2) Average gross dividend yield over the last 10 years (2009 to 2018) based on the dividend paid each year and on the average share price on Euronext Paris in the same year.

Upcoming events

• July 25, 2019 •

Second quarter and first half results of 2019

• September 17, 2019 •

Shareholders' Meeting in Marseille

• September 24, 2019 •

Strategy & Outlook Presentation 2019 in New York (USA)

• September 27, 2019 •

Ex-dividend date for the 1st interim dividend for 2019

• October 3, 2019 •

Investir Day at the Carrousel du Louvre in Paris

• October 10, 2019 •

Participation and conference at the "Rendez-vous de Votre Argent" in Lyon

• October 14, 2019 •

"Rencontres Patrimoniales du Particulier" in Paris

• October 30, 2019 •

Third quarter 2019 results

• November 19, 2019 •

Shareholders' Meeting in Montpellier

• December 2, 2019 •

Shareholders' Meeting in Strasbourg



Market capitalization
estimate on
May 29, 2019

€124.7 billion



Total Share Price

€48.84
+4.7%



Brent

\$69.4/barrel
+28.8%



Euro/Dollar

1.12
-2.1%

Figures as at May 29, 2019 – Percentage change relative to January 2, 2019

A new quarterly indicator has been introduced to replace the ERMI (European Refining Margin Indicator). It represents the average variable cost margin achieved by Total refining in Europe.



Variable cost margin, European refining
in the 1st quarter 2019

\$33/tonne

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