



**Integrated Gas**

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President Gas, Renewables & Power

# Disclaimer

This document may contain forward-looking information on the Group (including objectives and trends), as well as forward-looking statements 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. These data do not represent forecasts within the meaning of European Regulation No. 809/2004.

Such forward-looking information and statements included in this document are based on a number of economic data and assumptions made in a given economic, competitive and regulatory environment. They may prove to be inaccurate in the future, and are subject to a number of risk factors that could lead to a significant difference between actual results and those anticipated, 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. Certain financial information is based on estimates particularly in the assessment of the recoverable value of assets and potential impairments of assets relating thereto.

Neither TOTAL nor any of its subsidiaries assumes any obligation to update publicly any forward-looking information or statement, objectives or trends contained in this document whether as a result of new information, future events or otherwise. Further information on factors, risks and uncertainties that could affect the Company's financial results or the Group's activities is provided in the most recent Registration Document filed by the Company with the French Autorité des Marchés Financiers and annual report on Form 20-F filed with the United States 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. These 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 Refining & Chemicals and Marketing & Services 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 price differentials 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

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.

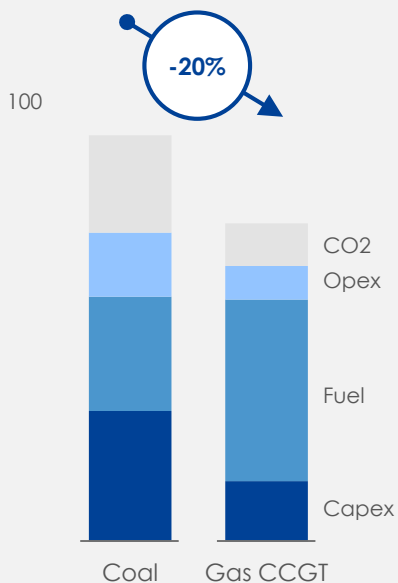
The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, excluding the effect of changes in fair value.

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 No 1-10888, available from us at 2, Place Jean Millier – Arche Nord Coupole/Regnault - 92078 Paris-La Défense Cedex, France, or at our website: [total.com](http://total.com). You can also obtain this form from the SEC by calling 1-800-SEC-0330 or on the SEC's website: [sec.gov](http://sec.gov).

# Gas: Competitive, clean and flexible

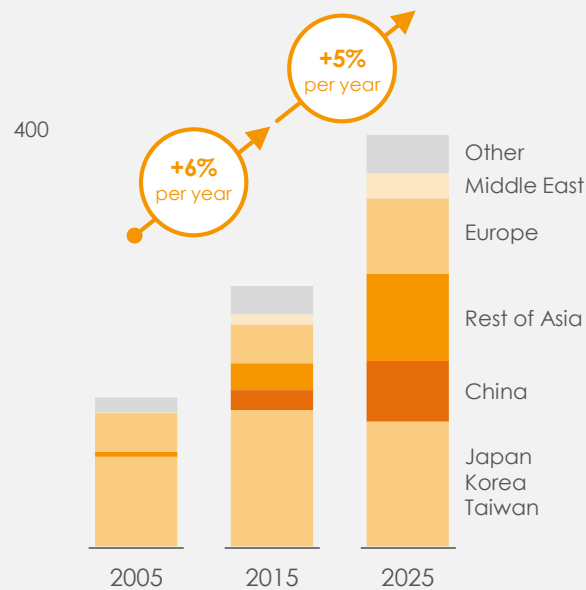
LNG global demand growing strongly, led by Asia

Levelized cost of electricity in Asia  
\$/MWh



CCGT **cost competitive, flexible and clean**

2005-25 LNG demand  
Mt/y

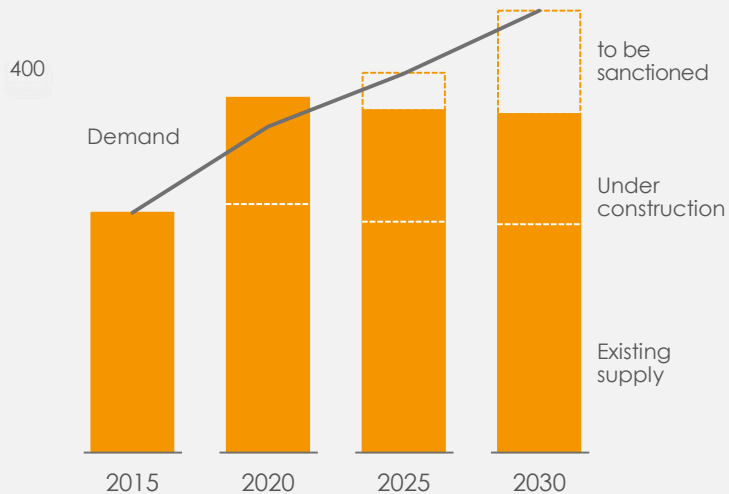


LNG **continuously growing, new markets opening**

# Opportunity to develop low cost LNG projects post-2020

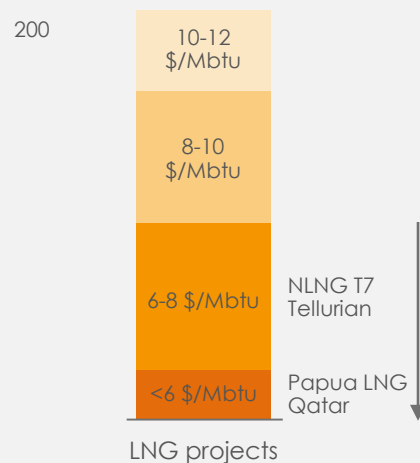
## Further reducing the breakeven of competitive projects

LNG supply & demand  
Mt/y



Source: IHS

Potential LNG project merit order  
Mt/y capacity, breakeven DES Asia



Source: Wood McKenzie and Total estimates

# Global player with access to all LNG markets

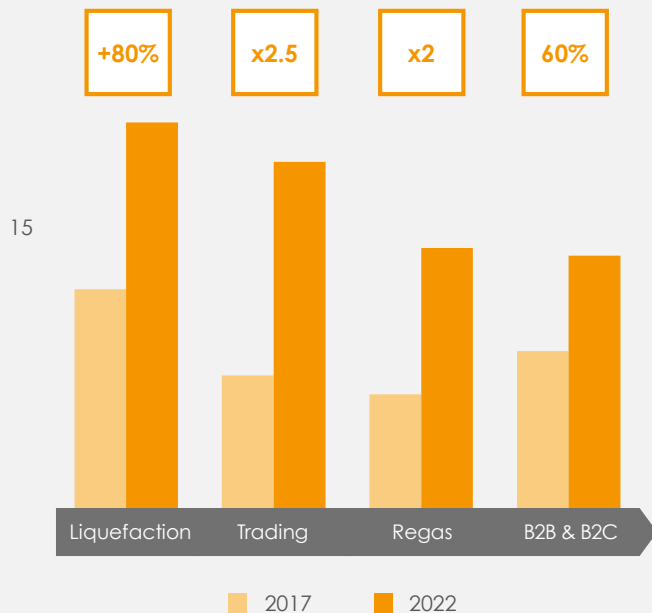
## Growing flexibility from scale and integration



# Growing integrated LNG business

Developing downstream gas help launching profitable Upstream projects

Integrated LNG portfolio  
Mt/y



Reducing **Upstream breakevens**

Expanding **global trading and shipping**

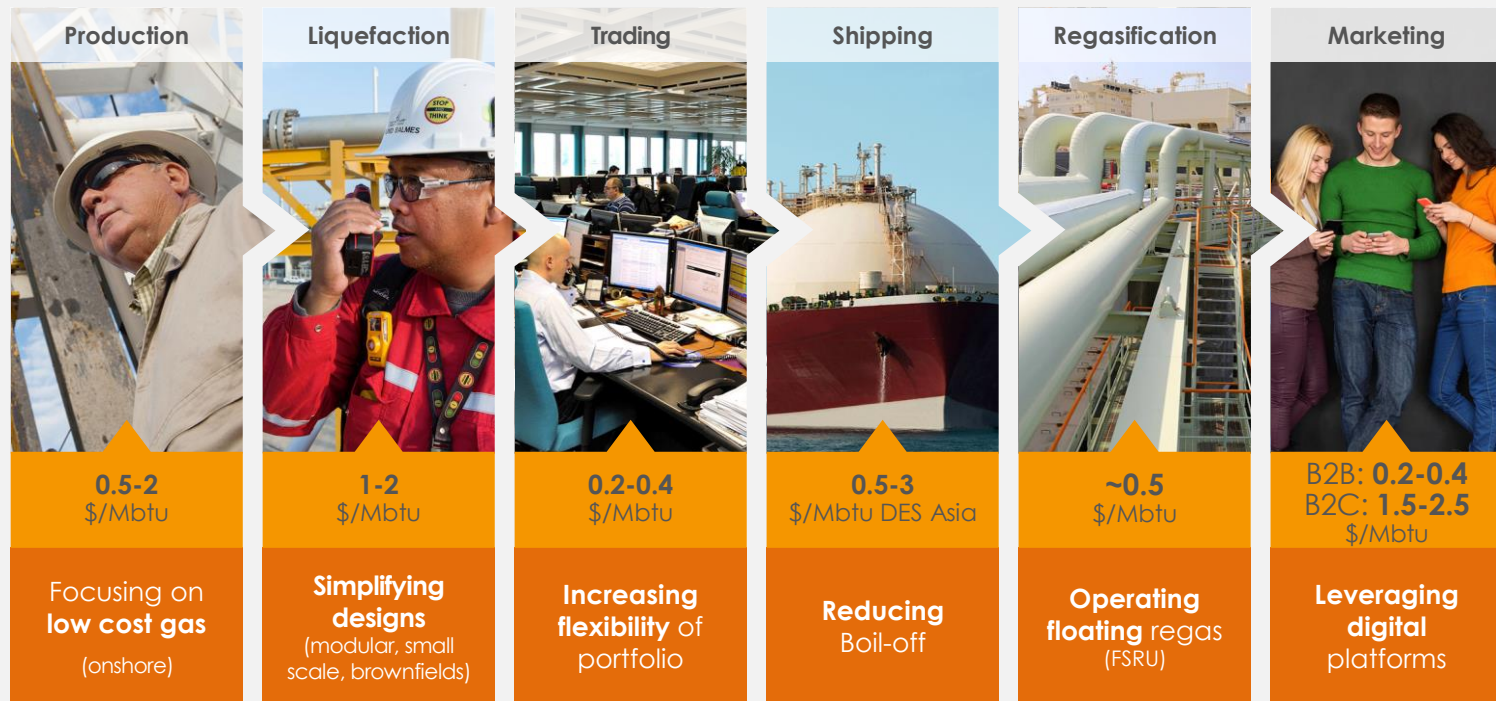
Growing **Downstream integration**

- FSRU and power generation
- B2B & B2C marketing and new usages



# Optimizing the full value chain

Driving down costs in all segments

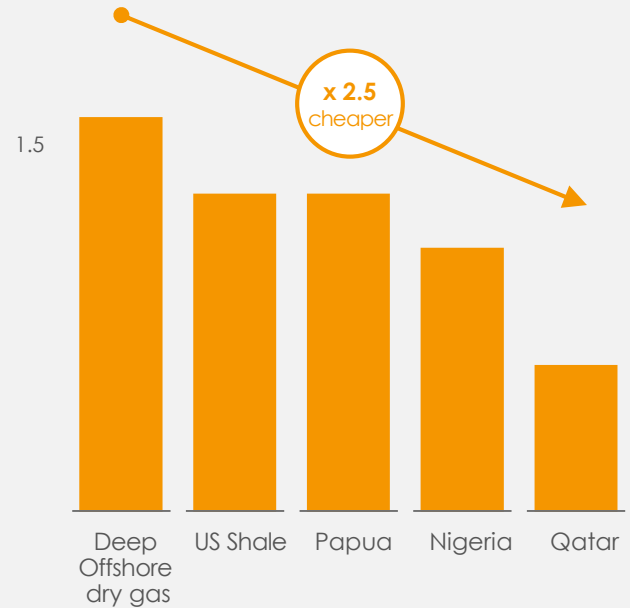


# Starting from low cost gas

## Optimizing the development of competitive resources



Production cost  
\$/Mbtu Capex+Opex, including transport



Source: Wood McKenzie and Total estimates

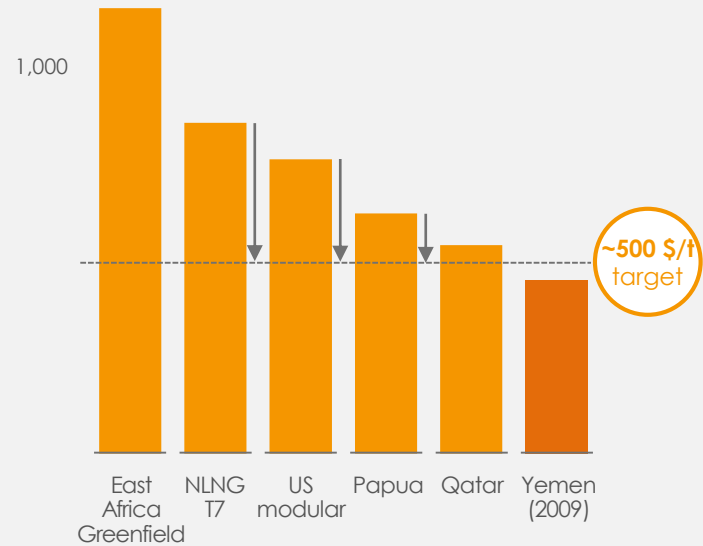


# Reducing liquefaction costs to ~500 \$/t

Prioritizing low cost modular solutions and brownfield expansions



Liquefaction cost  
\$/t Capex



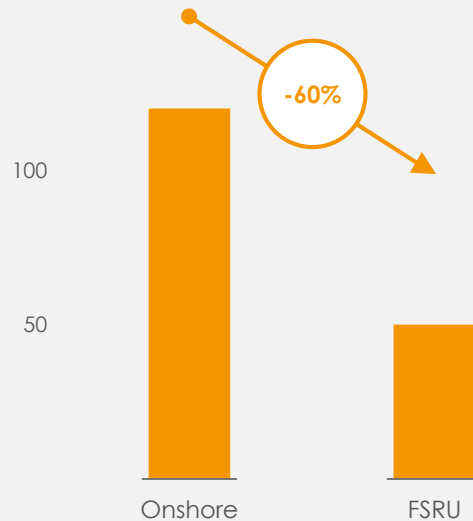
Source: Wood McKenzie and Total estimates

# Floating regasification units reducing cost to ~50 \$/t

World capacity expected to double to ~120 Mt per year by 2020



Regasification unit cost  
\$/t, Capex

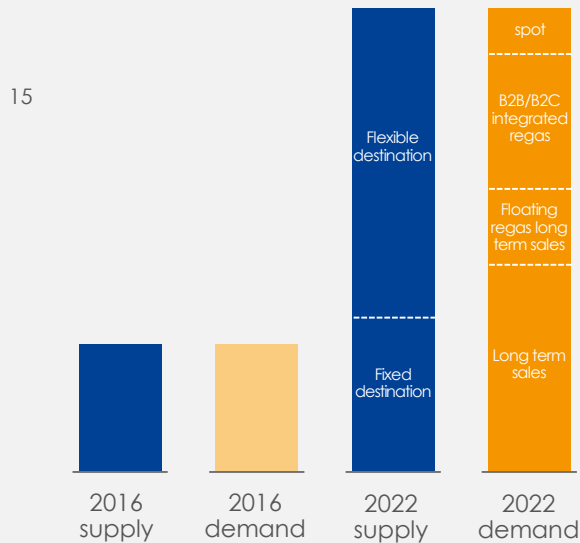


Opening **new LNG markets, quick & easy** to install  
**4 Mt/y announced**, evaluating ~6 Mt/y

# Growing balanced trading portfolio

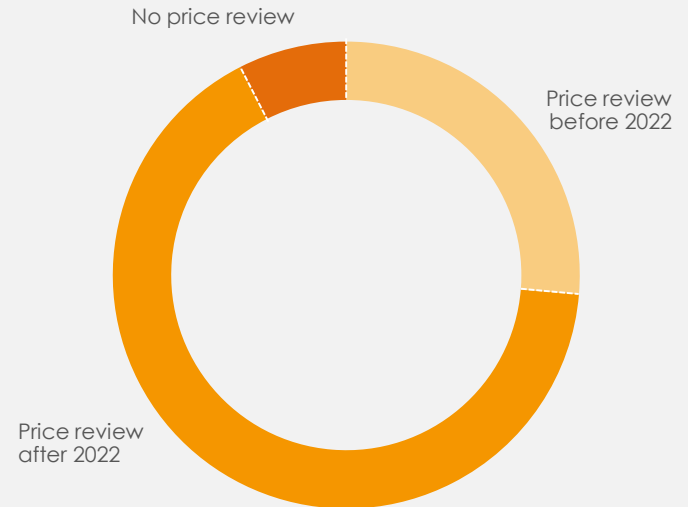
## Leveraging size and flexibility to maximize margin

Well balanced LNG trading portfolio  
Mt/y



**Flexible supply & demand** in line with market needs  
Targeting **5% market share of LNG trading**

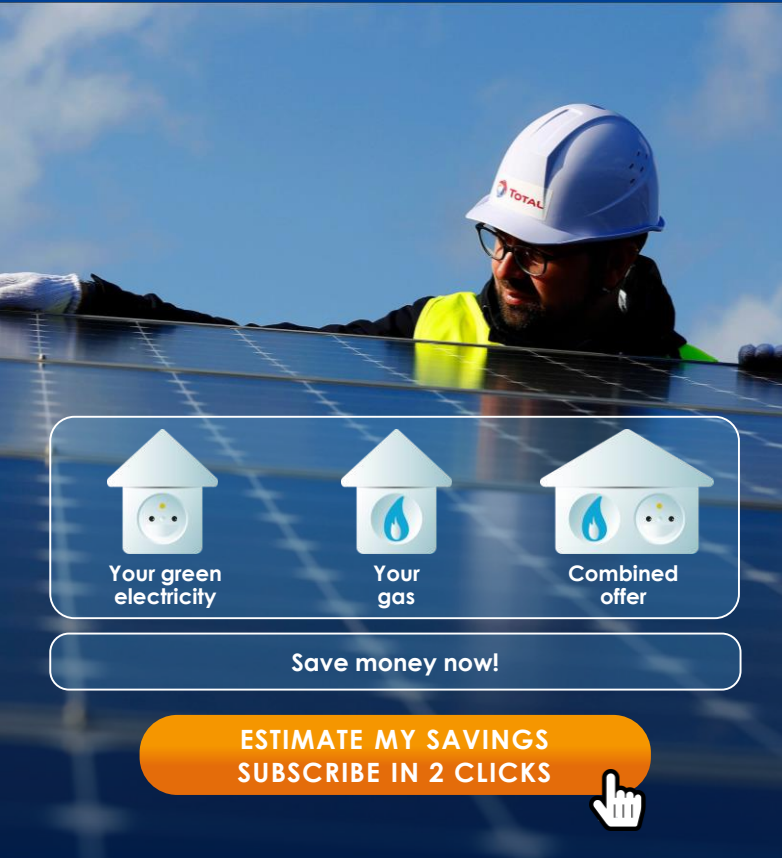
2022 long term contracts price reviews




**Solid long term contracts**

# Growing B2B and B2C

Marketing activities adding margin and resilience to the portfolio






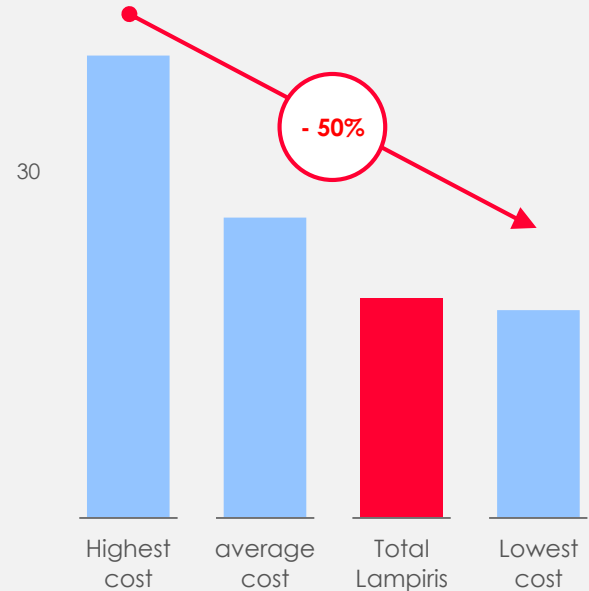
Your green electricity      Your gas      Combined offer

Save money now!

**ESTIMATE MY SAVINGS  
SUBSCRIBE IN 2 CLICKS**



Cost to serve European B2C customers  
€/year/client, for Total and European competitor range\*



High performance, **low-cost digital platform**

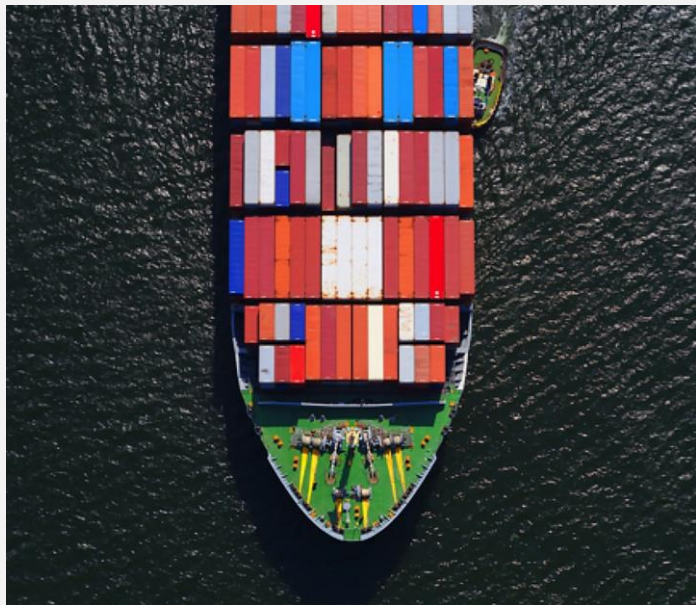
\* Total estimates

# Developing new markets for gas

## Downstream portfolio generating new demand

### Marine transport

LNG stimulated by IMO 2020 regulation change



Building **supply network** on main bunkering hubs

### Road transport – Natural gas for vehicles

Becoming the European leader by 2022



Deploying **Pitpoint** technology in **>300** stations



# Integrated gas delivering >2 B\$ free cash flow by 2022

Sustainable benefits from long plateau production

**+5%**  
per year  
production

**2x**  
Gas & LNG  
trading portfolio

**+10%**  
per year  
B2B/B2C sales



Integrated gas free cash flow at 50 \$/b B\$



Capturing full value chain margin