

Rating: Buy  
 S&P 500: 1508  
 Intraday

## Total S.A. Integrated Model

|                                       |         |  |        |
|---------------------------------------|---------|--|--------|
| <i>Symbol</i>                         | TOT     | <i>Ebitda Next Twelve Months ending 3/31/08 (US\$mm)</i> | 34,400 |
| <i>Rating</i>                         | Buy     | <i>North American Natural Gas/Ebitda (%)</i>             | 1      |
| <i>Price (US\$/sh)</i>                | 75.22   | <i>Natural Gas and Oil Production/Ebitda (%)</i>         | 73     |
| <i>Pricing Date</i>                   | 5/4/07  | <i>Adjusted Reserves/Production NTM</i>                  | 9.4    |
| <i>Shares (mm)</i>                    | 2281    | <i>EV/Ebitda</i>   | 5.9    |
| <i>Market Capitalization (US\$mm)</i> | 172,000 | <i>PV/Ebitda</i>   | 6.2    |
| <i>Debt (US\$mm)</i>                  | 30,000  | <i>Undeveloped Reserves (%)</i>                          | 50     |
| <i>Enterprise Value (EV) (US\$mm)</i> | 202,000 | <i>Natural Gas and Oil Ebitda (US\$/boe)</i>             | 29.60  |
| <i>Present Value (PV) (US\$mm)</i>    | 213,000 | <i>Present Value Proven Reserves(US\$/boe)</i>           | 13.64  |
| <i>Net Present Value (US\$/share)</i> | 80      | <i>Present Value Proven Reserves(US\$/mcf)</i>           | 2.27   |
| <i>Debt/Present Value</i>             | 0.14    | <i>Earnings Next Twelve Months (US\$/sh)</i>             | 7.24   |
| <i>McDep Ratio - EV/PV</i>            | 0.95    | <i>Price/Earnings Next Twelve Months</i>                 | 10     |
| <i>Dividend Yield (%/year)</i>        | 3.4     | <i>Indicated Annual Dividend (US\$/sh)</i>               | 2.54   |

Note: Estimated cash flow and earnings tied to one-year futures prices for oil.

Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.

Estimated present value presumes a long-term price for oil of US\$60 a barrel and natural gas, \$10 a million btu.

For historical analysis of TOT since 2004 see [www.mcdep.com/1tot.htm](http://www.mcdep.com/1tot.htm)

### Summary and Recommendation

Integrating upstream production with downstream refining and chemicals helped buy-recommended **Total (TOT)** report solid results for the first quarter 2007 on May 4 that reinforce estimated net present value (NPV) of \$80 a share (see table [Functional Cash Flow and Present Value](#)). At 28%, Total's NPV is more concentrated on natural gas, all outside North America, than mega cap peers. Weighted natural gas reserves are widely diversified globally (see table [Production and Reserves, 2006](#)). Uptrends in long-term price for both natural gas and oil point to higher value for Total's upstream business (see chart, [Six-Year Commodity Price Meter](#)). Downstream, 22% of NPV, benefits from the strengthening crack spread (see chart [One-Year Refining Crack Meter](#)). An increase in the year over year refining margin balances the decrease in year over year oil price (see table, [Next Twelve Months Operating and Financial Estimates](#)). The startup of the Normandy hydrocracker further demonstrates what Chief Financial Officer Robert Castaigne calls "the success of the integrated model". We favor Total stock at a full weighting in our illustrative energy portfolio concentrated on real assets that promise a high return providing clean fuel for global growth.

Kurt H. Wulff, CFA

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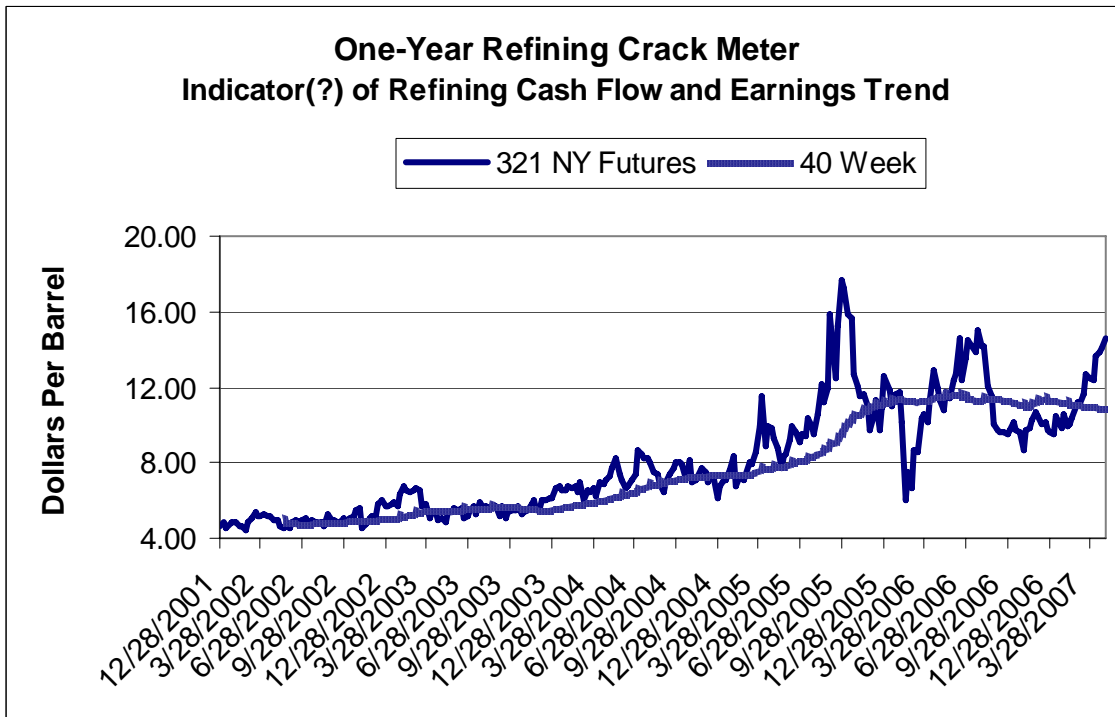
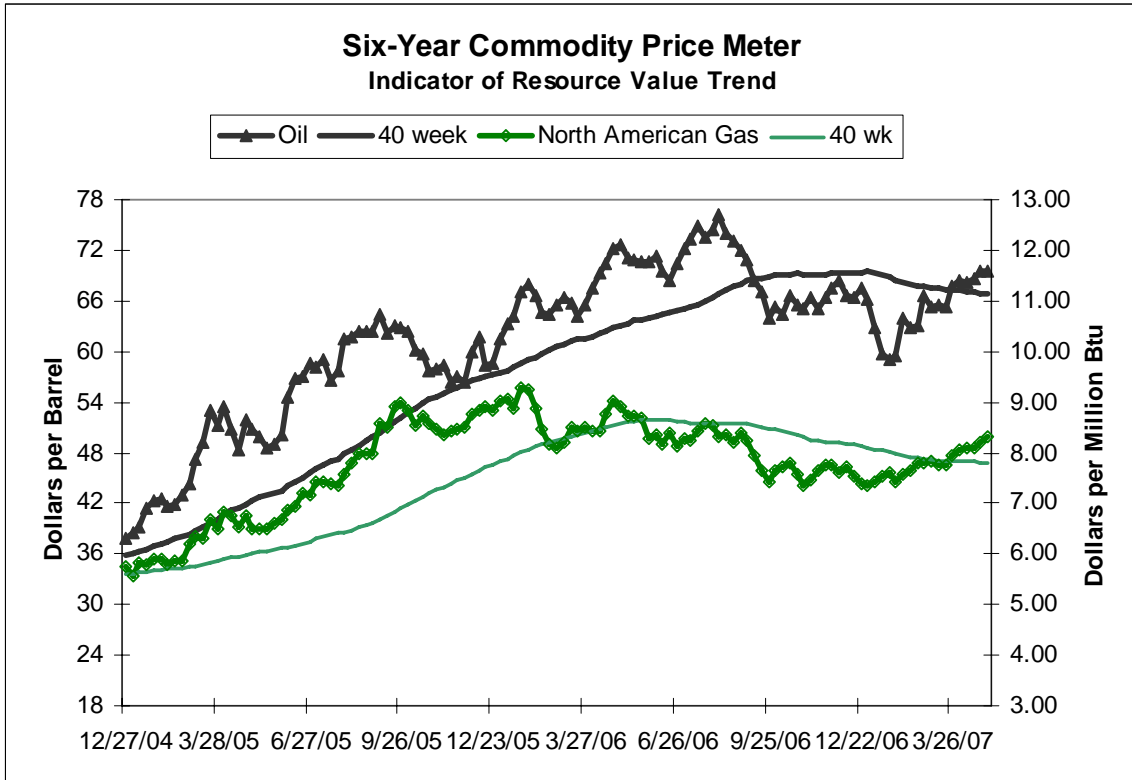
**Total**  
**Functional Cash Flow and Present Value**

|  | <i>NTM Ebitda</i><br><i>(US\$mm)</i> | <i>Adjusted</i><br><i>R/P</i> | <i>PV/</i><br><i>Ebitda</i> | <i>Present</i><br><i>Value</i><br><i>(US\$mm)</i> |         |
|--|--------------------------------------|-------------------------------|-----------------------------|---|---------|
| Rest of World Natural Gas                                  | 8,410                                | 11.2                          | 7.1                         | 60,000  | 28%     |
| Oil  | 16,750                               | 8.5                           | 6.3                         | 106,000   | 50%     |
| Downstream   | 9,240                                |                               | 5.0                         | 46,000  | 22%     |
|  | 34,400                               | 9.4                           | 6.2                         | 212,000   | 100%    |
| Debt (US\$mm)  |                                      |                               |                             |   | 30,000  |
| Net Present Value (US\$mm)                                 |                                      |                               |                             |   | 182,000 |
| Shares (mm)  |                                      |                               |                             |   | 2,281   |
| Net Present Value - Standard Estimate (US\$/sh)            |                                      |                               |                             |   | 80      |
| Net Present Value - Approximation by Correlation (US\$/sh) |                                      |                               |                             |   | 82      |

**Total S.A.**  
**Production and Reserves, 2006**

|                           | <i>12/31/2006 Proven Reserves</i>        |                 |   |   |  | <i>Weighted</i><br><i>Life Index</i><br><i>(years)</i> | <i>NTM</i><br><i>Adjusted</i><br><i>R/P</i><br><i>(years)</i> |
|---------------------------|--|-----------------|---|---|--|--|---|
|                           | <i>2006 Production</i><br><i>(daily)</i> | <i>(annual)</i> | <i>Developed</i><br><i>(bcf or mmb)</i> | <i>Undeveloped</i><br><i>(bcf or mmb)</i> | <i>Weighted</i><br><i>(bcf or mmb)</i> |  |   |
| Rest of World Natural Gas |  |                 |   |   |  |  |   |
| North America             | 44                                       | 16              | 39                                      | 13  | 46                                     | 2.8  |   |
| Europe                    | 1,964                                    | 717             | 3,632                                   | 1,820                                     | 4,542                                  | 6.3  |   |
| Africa                    | 482                                      | 176             | 2,643                                   | 2,144                                     | 3,715                                  | 21.1   |   |
| Asia                      | 1,288                                    | 470             | 2,592                                   | 1,111                                     | 3,148                                  | 6.7  |   |
| Other                     | 608                                      | 222             | 2,395                                   | 2,677                                     | 3,734                                  | 16.8   |   |
| Equity and Non-Con        | 285                                      | 104             | 1,331                                   | 5,142                                     | 3,902                                  | 37.5   |   |
| Total                     | 4,671                                    | 1,705           | 12,632                                  | 12,907                                    | 19,086                                 | 11.2   | 11.2  |
| Oil                       |  |                 |   |   |  |  |   |
| North America             | 5  | 2               | 19                                      | 231                                       | 135                                    | 67.3   |   |
| Europe                    | 362                                      | 132             | 629                                     | 264                                       | 761                                    | 5.8  |   |
| Africa                    | 603                                      | 220             | 1,436                                   | 1,066                                     | 1,969                                  | 9.0  |   |
| Asia                      | 30                                       | 11              | 40                                      | 17  | 49                                     | 4.4  |   |
| Other                     | 214                                      | 78              | 418                                     | 1,396                                     | 1,116                                  | 14.3   |   |
| Equity and Non-Con        | 290                                      | 106             | 665                                     | 290                                       | 810                                    | 7.6  |   |
| Total                     | 1,504                                    | 549             | 3,207                                   | 3,264                                     | 4,839                                  | 8.8  | 8.5   |
| Total Oil Equivalent      | 2,283                                    | 833             | 5,312                                   | 5,415                                     | 8,020                                  | 9.6  | 9.4   |

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**Total S.A.**  
**Next Twelve Months Operating and Financial Estimates**

|                            | <i>Q1</i>      | <i>Q4</i>       | <i>Year</i>    | <i>Q1</i>      | <i>Q2E</i>     | <i>Q3E</i>     | <i>Q4E</i>      | <i>Year</i>    | <i>Next<br/>Twelve<br/>Months</i> |
|----------------------------|----------------|-----------------|----------------|----------------|----------------|----------------|-----------------|----------------|-----------------------------------|
|                            | <i>3/31/06</i> | <i>12/31/06</i> | <i>2006</i>    | <i>3/31/07</i> | <i>6/30/07</i> | <i>9/30/07</i> | <i>12/31/07</i> | <i>2007E</i>   | <i>3/31/08</i>                    |
| <b>Volume</b>              |                |                 |                |                |                |                |                 |                |                                   |
| Natural Gas (mmcf)         | 4,795          | 4,989           | <b>4,674</b>   | 4,781          | 4,501          | 4,411          | 4,989           | <b>4,670</b>   | <b>4,670</b>                      |
| Oil (mbd)                  | 1,560          | 1,513           | <b>1,506</b>   | 1,551          | 1,551          | 1,551          | 1,551           | <b>1,551</b>   | <b>1,551</b>                      |
| Total gas & oil (mmb)      | 212            | 216             | <b>834</b>     | 211            | 209            | 210            | 219             | <b>850</b>     | <b>850</b>                        |
| Total gas & oil (mbd)      | 2,359          | 2,345           | <b>2,285</b>   | 2,348          | 2,301          | 2,286          | 2,383           | <b>2,329</b>   | <b>2,329</b>                      |
| <b>Price</b>               |                |                 |                |                |                |                |                 |                |                                   |
| Dollar (euro/\$)           | 1.20           | 1.29            | <b>1.26</b>    | 1.36           | 1.36           | 1.36           | 1.36            | <b>1.36</b>    | <b>1.36</b>                       |
| Natural gas (\$/mmbtu)     | 6.16           | 6.16            | <b>5.93</b>    | 5.69           | 5.75           | 5.59           | 6.16            | <b>5.81</b>    | <b>5.81</b>                       |
| Oil (\$/bbl)               |                |                 |                |                |                |                |                 |                |                                   |
| WTI Cushing                | 63.33          | 59.99           | <b>66.05</b>   | 58.08          | 65.13          | 68.03          | 69.72           | <b>65.24</b>   | <b>68.39</b>                      |
| Brent                      | 61.80          | 59.60           | <b>65.13</b>   | 57.80          | 64.82          | 67.70          | 69.39           | <b>64.93</b>   | <b>60.48</b>                      |
| Company                    | 58.80          | 57.10           | <b>61.84</b>   | 55.00          | 61.68          | 64.42          | 66.03           | <b>61.82</b>   | <b>64.76</b>                      |
| Total gas & oil (\$/bbl)   | 51.40          | 49.96           | <b>52.89</b>   | 47.92          | 52.82          | 54.49          | 55.88           | <b>52.81</b>   | <b>54.77</b>                      |
| NY Harbor 3-2-1 (\$/bbl)   | 7.40           | 7.54            | <b>10.50</b>   | 11.68          | 20.08          | 19.62          | 11.69           | <b>15.77</b>   | <b>15.54</b>                      |
| Europe (\$/t)              | 25.80          | 22.80           | <b>28.90</b>   | 33.00          | 56.72          | 55.42          | 33.02           | <b>44.54</b>   | <b>43.88</b>                      |
| <b>Revenue (mmeuro)</b>    |                |                 |                |                |                |                |                 |                |                                   |
| Natural gas                | 2,215          | 2,194           | <b>8,061</b>   | 1,800          | 1,732          | 1,668          | 2,079           | <b>7,279</b>   | <b>7,279</b>                      |
| Oil                        | 6,880          | 6,168           | <b>27,078</b>  | 5,645          | 6,401          | 6,759          | 6,928           | <b>25,733</b>  | <b>26,959</b>                     |
| Total production           | 9,095          | 8,361           | <b>35,139</b>  | 7,445          | 8,133          | 8,427          | 9,006           | <b>33,012</b>  | <b>34,237</b>                     |
| Other                      | 25,903         | 21,536          | <b>99,052</b>  | 24,232         | 24,232         | 24,232         | 24,232          | <b>96,926</b>  | <b>96,926</b>                     |
| Total                      | 34,998         | 29,897          | <b>134,191</b> | 31,677         | 32,365         | 32,659         | 33,238          | <b>129,939</b> | <b>131,164</b>                    |
| <b>Expense</b>             |                |                 |                |                |                |                |                 |                |                                   |
| Production                 | 4,051          | 4,066           | <b>16,223</b>  | 2,967          | 3,311          | 3,458          | 3,748           | <b>13,485</b>  | <b>14,131</b>                     |
| Other                      | 24,294         | 19,984          | <b>92,421</b>  | 22,463         | 22,519         | 22,475         | 22,680          | <b>90,135</b>  | <b>90,135</b>                     |
| <b>Ebitda (mmeuro)</b>     |                |                 |                |                |                |                |                 |                |                                   |
| Production                 | 5,044          | 4,295           | <b>18,916</b>  | 4,478          | 4,392          | 4,551          | 4,864           | <b>18,284</b>  | <b>18,488</b>                     |
| Other                      | 1,609          | 1,552           | <b>6,631</b>   | 1,769          | 1,713          | 1,757          | 1,552           | <b>6,791</b>   | <b>6,791</b>                      |
| Total Ebitda               | 6,653          | 5,847           | <b>25,547</b>  | 6,247          | 6,105          | 6,308          | 6,416           | <b>25,075</b>  | <b>25,279</b>                     |
| Exploration                | 115            | 214             | <b>634</b>     | 214            | 214            | 214            | 214             | <b>856</b>     | <b>856</b>                        |
| Deprec., Deplet., & Amort. | 1,285          | 1,313           | <b>5,109</b>   | 1,300          | 1,300          | 1,300          | 1,300           | <b>5,200</b>   | <b>5,200</b>                      |
| Excess tax and other       | (1,784)        | (1,134)         | <b>(5,711)</b> | (996)          |                |                |                 |                |                                   |
| <b>Operating Income</b>    |                |                 |                |                |                |                |                 |                |                                   |
| Upstream                   | 5,601          | 4,330           | <b>20,307</b>  | 4,275          |                |                |                 |                |                                   |
| Downstream                 | 856            | 750             | <b>3,644</b>   | 973            |                |                |                 |                |                                   |
| Chemicals                  | 310            | 374             | <b>1,294</b>   | 381            |                |                |                 |                |                                   |
| Total operating income     | 7,037          | 5,454           | <b>25,515</b>  | 5,729          |                |                |                 |                |                                   |
| Excess tax and other       | 1,784          | 1,134           | <b>5,711</b>   | 996            |                |                |                 |                |                                   |
| <b>Ebit</b>                | 5,253          | 4,320           | <b>19,804</b>  | 4,733          | 4,591          | 4,794          | 4,902           | <b>19,019</b>  | <b>19,223</b>                     |
| Interest                   | 60             | 96              | <b>424</b>     | 136            | 136            | 136            | 136             | <b>544</b>     | <b>544</b>                        |
| <b>Ebt</b>                 | 5,193          | 4,224           | <b>19,380</b>  | 4,597          | 4,455          | 4,658          | 4,766           | <b>18,475</b>  | <b>18,679</b>                     |
| Income Tax                 | 1,818          | 1,478           | <b>6,783</b>   | 1,609          | 1,559          | 1,630          | 1,668           | <b>6,466</b>   | <b>6,538</b>                      |
| <b>Net Income (mmeuro)</b> | 3,376          | 2,746           | <b>12,597</b>  | 2,988          | 2,896          | 3,028          | 3,098           | <b>12,009</b>  | <b>12,142</b>                     |
| <b>Shares (millions)</b>   | 2,336          | 2,288           | <b>2,314</b>   | 2,281          | 2,281          | 2,281          | 2,281           | <b>2,281</b>   | <b>2,281</b>                      |
| Per share (euro)           | 1.45           | 1.20            | <b>5.45</b>    | 1.31           | 1.27           | 1.33           | 1.36            | <b>5.26</b>    | <b>5.32</b>                       |
| Ebitda Margin (E&P)        | 55%            | 51%             | <b>54%</b>     | 60%            | 54%            | 54%            | 54%             | <b>55%</b>     | <b>54%</b>                        |
| Tax Rate                   | 35%            | 35%             | <b>35%</b>     | 35%            | 35%            | 35%            | 35%             | <b>35%</b>     | <b>35%</b>                        |

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