

Rating: Buy
S&P 500: 1520

Total S.A. Global Natural Gas Competitor

<i>Symbol</i>	TOT	<i>Ebitda Next Twelve Months ending 9/30/08 (US\$mm)</i>	40,300
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	80.69	<i>Natural Gas and Oil Production/Ebitda (%)</i>	77
<i>Pricing Date</i>	11/6/07	<i>Adjusted Reserves/Production NTM</i>	9.6
<i>Shares (mm)</i>	2273	<i>EV/Ebitda</i>	5.4
<i>Market Capitalization (US\$mm)</i>	183,000	<i>PV/Ebitda</i>	5.9
<i>Debt (US\$mm)</i>	34,000	<i>Undeveloped Reserves (%)</i>	50
<i>Enterprise Value (EV) (US\$mm)</i>	217,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	37.20
<i>Present Value (PV) (US\$mm)</i>	236,000	<i>Present Value Proven Reserves(US\$/boe)</i>	16.01
<i>Net Present Value (US\$/share)</i>	89	<i>Present Value Proven Reserves(US\$/mcf)</i>	2.67
<i>Debt/Present Value</i>	0.14	<i>Earnings Next Twelve Months (US\$/sh)</i>	8.90
<i>McDep Ratio - EV/PV</i>	0.92	<i>Price/Earnings Next Twelve Months</i>	9
<i>Dividend Yield (%/year)</i>	3.4	<i>Indicated Annual Dividend (US\$/sh)</i>	2.71

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\$66 a barrel and natural gas, \$11 a million btu.

For historical analysis of TOT since 2004 see www.mcdep.com/1tot.htm

Summary and Recommendation

Buy-recommended **Total (TOT)** offers unlevered appreciation potential of 9% to estimated net present value (NPV) of \$89 a share competitive with peer mega caps and diversified from the U.S. dollar. In third quarter results released today, the Euro champion outperformed with modest volume growth (see table Next Twelve Months Operating and Financial Estimates). Projected cash flow capitalized at unlevered multiples (PV/Ebitda) related to reserve life (Adjusted R/P) supports NPV (see table Functional Cash Flow and Present Value). The French giant leads traditional mega cap oil companies with a 30% concentration on natural gas, the clean fuel that can continue to grow while oil becomes supply limited. Scarcer oil also makes the company's liquid production capability more valuable. A renewed rise in oil price may take six-year futures to another double as was the case from the end of 2004 to mid 2006, subject to short declines from time to time (see chart Six-Year Commodity Price Meter).

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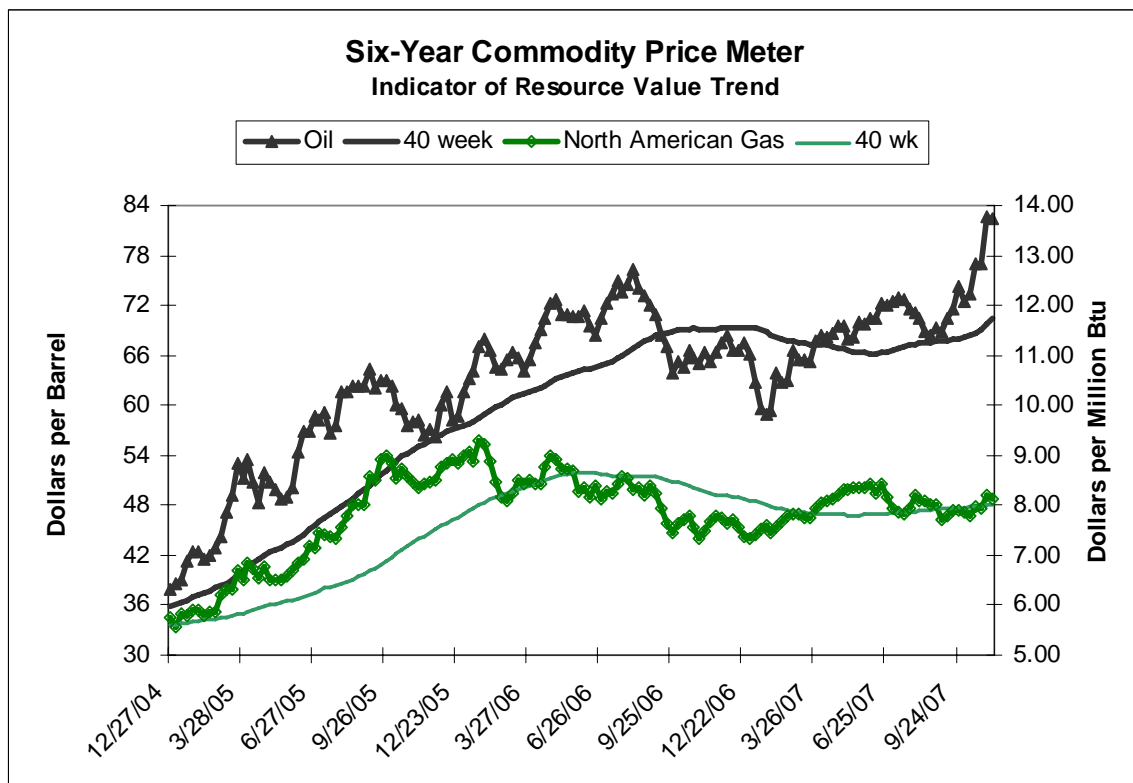
Total S.A.
Next Twelve Months Operating and Financial Estimates

	<i>Q3</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Next Twelve Months</i>
	<i>9/30/06</i>	<i>6/30/07</i>	<i>9/30/07</i>	<i>12/31/07</i>	<i>2007E</i>	<i>3/31/08</i>	<i>6/30/08</i>	<i>9/30/08</i>	<i>9/30/08</i>
Volume									
Natural Gas (mmcf)	4,411	4,599	4,741	4,989	4,778	4,781	4,599	4,741	4,791
Days	92	91	92	92	365	91	91	92	366
Oil (mbd)	1,485	1,475	1,481	1,481	1,497	1,481	1,481	1,481	1,481
Total gas & oil (mmb)	204	204	209	213	837	207	205	209	834
Total gas & oil (mbd)	2,220	2,242	2,271	2,313	2,293	2,278	2,248	2,271	2,280
Price									
Dollar (euro/\$)	1.27	1.35	1.37	1.45	1.37	1.45	1.45	1.45	1.45
Natural gas (\$/mmbtu)	5.59	5.75	5.59	6.16	5.80	5.69	5.75	5.59	5.80
Oil (\$/bbl)									
WTI Cushing	70.42	64.91	75.48	91.29	72.44	92.23	89.70	87.47	90.17
Brent	69.50	68.80	74.70	90.35	72.91	91.28	88.77	86.57	71.74
Company	65.40	65.70	71.40	86.36	69.23	87.25	84.85	82.75	85.30
Total gas & oil (\$/bbl)	54.85	55.03	58.23	68.59	57.27	68.67	67.68	65.63	67.64
NY Harbor 3-2-1 (\$/bbl)	11.67	24.96	12.64	7.78	14.26	10.51	14.94	14.82	12.01
Europe (\$/t)	28.70	42.80	23.90	13.95	28.41	18.84	26.79	26.57	21.54
Revenue (mmeuro)									
Natural gas	1,780	1,783	1,774	1,950	7,374	1,707	1,660	1,682	6,998
Oil	7,012	6,532	7,077	8,115	27,582	8,109	7,887	7,775	31,886
Total production	8,792	8,315	8,851	10,065	34,956	9,817	9,546	9,457	38,884
Other	24,736	25,184	25,100	25,100	99,335	25,100	25,100	25,100	100,400
Total	33,528	33,499	33,951	35,165	134,292	34,917	34,646	34,557	139,284
Expense									
Production	4,146	3,551	3,980	4,587	15,365	4,488	4,352	4,308	17,735
Other	22,979	23,452	23,779	23,548	92,961	23,331	23,368	23,779	94,026
Ebitda (mmeuro)									
Production	4,646	4,764	4,871	5,535	19,649	5,399	5,250	5,201	21,386
Other	1,757	1,732	1,321	1,552	6,374	1,769	1,732	1,321	6,374
Total Ebitda	6,403	6,496	6,192	7,087	26,023	7,168	6,982	6,522	27,760
Exploration	159	255	135	135	739	135	135	135	540
Deprec., Deplet., & Amort.	1,299	1,365	1,310	1,310	5,285	1,310	1,310	1,310	5,240
Excess tax and other	(1,407)	(880)	(1,023)						
Operating Income									
Upstream	5,000	4,440	4,861						
Downstream	1,002	1,004	566						
Chemicals	350	312	343						
Total operating income	6,352	5,756	5,770						
Excess tax and other	1,407	880	1,023						
Ebit	4,945	4,876	4,747	5,642	19,999	5,723	5,537	5,077	21,980
Interest	164	110	131	131	508	131	131	131	524
Ebt	4,781	4,766	4,616	5,511	19,491	5,592	5,406	4,946	21,456
Income Tax	1,673	1,668	1,616	1,929	6,822	1,957	1,892	1,731	7,510
Net Income (mmeuro)	3,108	3,098	3,000	3,582	12,669	3,635	3,514	3,215	13,947
Shares (millions)	2,302	2,278	2,273	2,273	2,276	2,273	2,273	2,273	2,273
Per share (euro)	1.35	1.36	1.32	1.58	5.57	1.60	1.55	1.41	6.14
Ebitda Margin (E&P)	53%	57%	55%	55%	56%	55%	55%	55%	55%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%

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Total
Functional Cash Flow and Present Value

	<i>NTM Ebitda</i> <i>(US\$mm)</i>	<i>Adjusted</i> <i>R/P</i>	<i>PV/</i> <i>Ebitda</i>	<i>Present</i> <i>Value</i> <i>(US\$mm)</i>	
Rest of World Natural Gas	10,860	10.9	6.5	71,000	30%
Oil	20,190	8.9	5.9	119,000	50%
Downstream	9,250		5.0	46,000	19%
	40,300	9.6	5.9	236,000	100%
Debt (US\$mm)					34,000
Net Present Value (US\$mm)					202,000
Shares (mm)					2,273
Net Present Value - Standard Estimate (US\$/sh)					89
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					87



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