



TOTAL
COMMITTED TO BETTER ENERGY



JDA#50

The Shareholders' Newsletter

Report // Exploration & Production, focus on project start-ups

Spring 2016

Chairman's Message

“Our results confirm the success of the Group's strategy.”

Patrick **POUYANNÉ**

Chairman and Chief Executive Officer of Total



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Dear shareholders,

In 2015, hydrocarbon prices fell sharply, with Brent decreasing by around 50%. In this degraded environment, Total announced an adjusted net income of 10.5 billion dollars, a decrease of "only" 18% compared to 2014. This resilience demonstrates the effectiveness of our integrated model and the full mobilization of our teams. It is also the best performance among the majors.

Upstream production increased by a record 9.4%, driven by the start-up of nine projects.

Refining & Chemicals was able to fully benefit from good margins thanks to the high availability of its installations.

The Marketing & Services segment grew strongly, with retail networks growing by 6% and lubricants growing by 3%.

Discipline on spending was reinforced in 2015.

Organic Capex was 23 billion dollars, a 15% decrease compared to 2014. In addition, the operating costs reduction program allowed us to save 1.5 billion dollars, exceeding the objective of 1.2 billion dollars.

Asset sales of 4 billion dollars were signed in 2015, in line with the 10 billion dollar program between 2015 and 2017. At the same time, we were able to prepare

our future with a strong reserve replacement rate notably due to the 40 year extension of our concession in Abu Dhabi.

Finally, as a result of our financial strategy which is designed to maintain a strong balance sheet, our gearing at year-end decreased to 28%.

These results confirm the success of the Group's strategy to further decrease its breakeven to withstand hydrocarbon price volatility.

Committed to its competitive shareholder return policy, the Board of Directors decided to propose an annual dividend of 2.44 €/share, stable compared to 2014. Once again the option of receiving the remaining dividend payment of 0.61 €/share in cash or in new shares, with a discount of 10%, will be available.

I look forward to seeing you at the next Annual Shareholders' Meeting to be held on May 24, at the Palais des Congrès in Paris.

In the meantime, I thank you for your ongoing loyalty and hope you enjoy reading our newsletter.

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The “2015 Results & Outlook” presentation is available on the “Total Investors” app and online at total.com under the heading Investors > Results.



Biofuels on the horizon

Driven by the need to reduce CO₂ emissions and anticipate future regulations, Total started developing its biofuel production in the 1990s. Now the leading European distributor, the Group plans to open the first French biorefinery. It also plays a major role in the field of research thanks to partnerships forged with innovative start-ups.

Biomass is the only renewable alternative to fossil resources capable of providing liquid fuels, lubricants and base molecules for chemicals.

From this biomass source, Total produces plant-based fuels that are mixed with fossil fuels and sold in service stations. The Group manufactures two basic types of biofuels: ETBE* blended into gasoline, and HVO** for diesel.

In Europe, the share of renewables in transportation fuels, now around 5%, is expected to reach 10% in 2020. To meet this demand, La Mède refinery is being converted to produce 500,000 tons of HVO per year by 2017, and become the first French biorefinery.

The Group has also formed several partnerships to increase its participation in R&D programs.

In the field of biological fermentation, since 2010, Total has been the leading industrial shareholder of Amyris, a California-based company specialized in synthetic biology.

Amyris has the only production platform in the world which, among other things, modifies yeast into organisms that transform sugar from biomass into molecules used in fuels. The renewable jet fuel produced by Total and Amyris has already

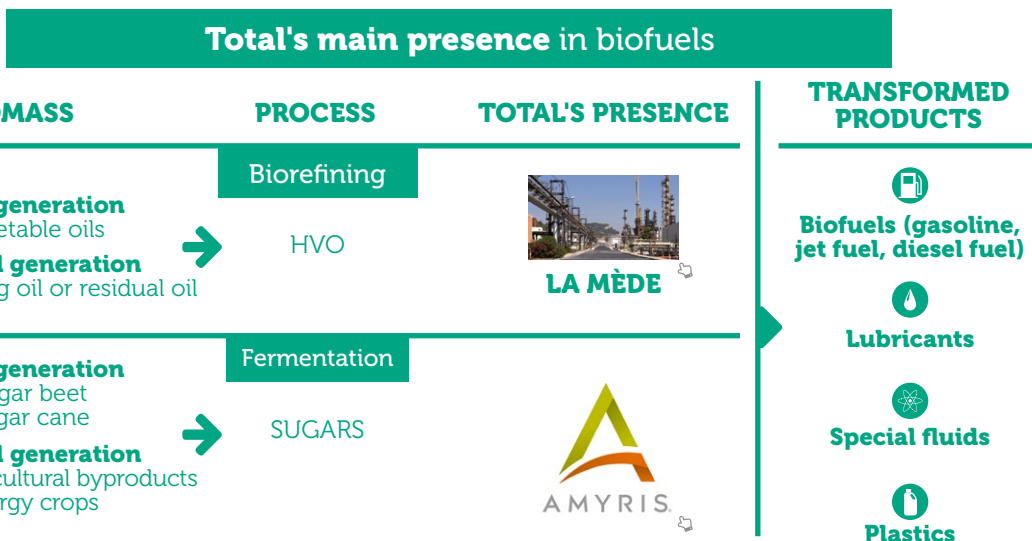
regularly supplied several commercial flights.

Total is also involved in different pilot projects.

An initial challenge ahead is to make the transition from "first-generation" biomass from food crops, to "second-generation" biomass from non-edible products. Total joined five partners from the energy industry in launching the BioTfuel project, based on the thermochemical conversion of this biomass. The aim of the demonstration plant is developing "second-generation" biofuels of diesel and jet fuel quality by 2020. A pilot plant was installed on the Total site in Dunkirk.

The Group is also exploring the potential of phototrophic bacteria: microalgae capable of directly producing vegetable oils.

The main challenge in all these areas of research is to lower costs. But the development of biofuels is well under way and is now an integral part of Total's activities.



* Ethyl Tertio-Butyl Ether ** Hydrotreated Vegetable Oil

Highlights

“In a difficult context, Total has achieved the best performance among the oil and gas majors.”

Dominican Republic **Marketing & Services**

Acquisition of the principal network of service stations in the Dominican Republic. Total establishes its leadership in the Caribbean with the acquisition of a majority 70% interest in the leading Dominican fuel retailer. The transaction includes 130 service stations, along with significant commercial oil products and lubricants sales positions.

2015 Key Figures

10.5 billion dollars

Adjusted net income

Hydrocarbon production

+9.4% vs 2014

2,347 thousand barrels
of oil equivalent/day

28%

Net-debt-to-equity ratio
as at December 31, 2015

2.44 €/share*

2015 dividend

5.45%

Dividend yield (2015 average)

Data as at December 31, 2015

* Subject to approval by the Annual Shareholders' Meeting
on May 24, 2016



United Kingdom Gas

Production start-up on the Laggan-Tormore gas and condensate fields. This key project for our growth strategy is based on an innovative concept by which subsea wells are tied back directly to the shore without any surface infrastructure. Operated by Total, Laggan-Tormore is expected to produce 90,000 barrels of oil equivalent per day.

China

Signature of a binding Heads of Agreement to supply LNG to ENN, one of the largest natural gas distributors in China.

Congo

Production start-up of Moho Phase 1b.

France

Signature of a Memorandum of Intent for a rail line to bypass the Donges refinery.

Indonesia

Signature of long-term agreements to supply LNG to state-owned Indonesian company Pertamina.

World

- ▶ Association with Babyloan to create the first ever crowdfunding platform dedicated to access to energy.
- ▶ Investment of Total Energy Ventures in two solar energy start-ups.
- ▶ Launch of a "Plant 4.0" corporate incubator.
- ▶ Appointment of Philippe Baptiste as Senior Vice President, Scientific Development.

To find all press releases and learn more about the e-mail alert system which notifies you of each new press release, please visit our website total.com under the heading Media.

World Climate change

A historic joint declaration by the CEOs of the 10 oil and gas companies that make up the Oil and Gas Climate Initiative*.

The declaration addresses different issues related to climate change. It aims to strengthen actions and investments that contribute to reducing the global greenhouse gas intensity of the global energy mix, and take measures to limit global warming to 2°C, collaborate in matters of energy efficiency, natural gas, R&D, and CO₂ capture and storage.

* BG Group, BP, Eni, Pemex, Reliance Industries, Repsol, Royal Dutch Shell, Saudi Aramco, Statoil and Total

What were Total's results in the difficult market context of 2015?

Despite a nearly 50% drop in oil prices over the year, Total achieved the best performance among the oil and gas majors. Our adjusted net result of 10.5 billion dollars marks an 18% decrease, while those of our peers dropped by around 50 to 60%. With nine projects coming on stream in 2015, our 9.4% production growth is also the highest among the majors. This demonstrates the effectiveness of our integrated model and quality of our operational performance.

What is the outlook for 2016?

With the launch of five major projects planned for 2016, our production is expected to grow by 4% compared to 2015. We are also pursuing our efforts to lower the Group's breakeven, strengthen its financial position and maintain a competitive shareholder return. We are reducing our organic Capex to 19 billion dollars, 4 billion dollars less than in 2015. Finally, we will continue our cost reduction program, targeting operating costs savings of 2.4 billion dollars, i.e. 1 billion more than the level achieved in 2015.



Patrick
DE LA CHEVARDIÈRE
Group Chief Financial Officer

Report

Exploration & Production, focus on project start-ups

With 20 major projects scheduled to start-up between 2015 and 2019, Exploration & Production has an ambitious program ahead. Ten projects have already been brought on stream since the beginning of 2015, with several of them in the strategic sectors of the deep offshore and liquefied natural gas (LNG). However, in the current context of low oil prices, Total has to re-adapt and focus on core growth projects, following the example of the Moho Nord project, due to start producing in 2017.

start-ups include Ofon phase 2 in Nigeria, Moho Phase 1b in Congo, Dalia Phase 1A in Angola and Lianzi, which straddles Congo's and Angola's deep offshore. Termokarstovoye in Russia, Surmont phase 2 in Canada and Gladstone LNG in Australia have also come on stream.

What can you say more specifically about these different projects which started up in 2015?

Firstly, they strengthen our position in strategic sectors for us: LNG and the deep offshore.

The first cargo was shipped from Gladstone in October, inaugurating the Group's LNG production in Australia. Once the plant reaches full capacity, it will produce 7.2 million tons of LNG per year to be sold to the Asian market under long-term contracts.

In the deep offshore, Total started producing on Lianzi, Dalia Phase 1A, Moho Phase 1b and Laggan-Tormore.

In Russia, Termokarstovoye demonstrated the strength of our partnership with Novatek, the operator. Specific techniques were needed to deal with the climate and geographical constraints of this complex project in northern Siberia, cut-off from the world six months a year, where temperatures drop to -50°C in winter. Finished ahead of schedule and below the allocated budget, Termokarstovoye proves our capacity to deliver a solid project in good conditions with a strong partner. This success gives us confidence on another strategic project we share with Novatek, Yamal LNG, now in the construction phase, and other potential investments in Russia.

Other more conventional projects strengthen our position in important regions for the Group, such as the North Sea. Eldfisk II and West Franklin phase 2 both aim to increase the production of existing fields, and reinforce our presence in the historic Central Graben region.

Finally, the example of Ofon phase 2 in Nigeria proves the Group's commitment to the Global Gas Flaring Reduction program supported by the World Bank. By putting an end to gas flaring in this project, Total managed to reduce by 10% the gas volume flared by Exploration & Production. The associated gas is now compressed and exported onshore to the Nigeria LNG plant.



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Interview with André Goffart

Senior Vice President Development & Support to Operations

In 2015, Total's production growth was significantly higher than those of the other majors. How do you explain it?

The figures effectively show that the production growth of the other majors ranged between -4% and +4%, while ours was +9.4% for 2015. The intensive investment phase we were engaged in between 2012 and 2014, with a 28-billion dollar peak in 2013, is still bearing fruit today.

In addition to the renewal of the ADCO concession in Abu Dhabi, the Group has brought 10 projects on stream since the beginning of 2015, of different types and on all the continents. Production started on Laggan-Tormore in February 2016 in the United Kingdom, after West Franklin phase 2 and Eldfisk II in the UK and Norwegian North Sea in 2015. In Africa, project

Will the Group be able to keep up this pace in the long term ?

The ambitious targets we have set for 2019 prove that we are confident in the future. In terms of production, we are aiming for 5% average growth per year between 2014 and 2019. Start-up of 20 major projects during the same period should allow us to add 900 million barrels of oil equivalent per day by 2019.

To achieve these results, it is crucial to maintain the objective we set a few years ago, which is to start up our projects within their initial budgets and timelines. But we also need to adapt to the current low oil price context, which means cutting operating costs on all our projects, adjusting our investments and being more selective in future investments.

Even though the main investments in ongoing projects have already been made, we can still leverage cost reductions in some areas, such as drilling.

In future projects, however, we need to step up our efforts, by simplifying our technical standards and working with our suppliers to improve the overall efficiency of the production chain. This "just good enough" concept will be applied in our future developments from the design phase, and will optimize the added value of each link in the chain. All

of this will be accomplished without compromising safety, one of the Group's core values.

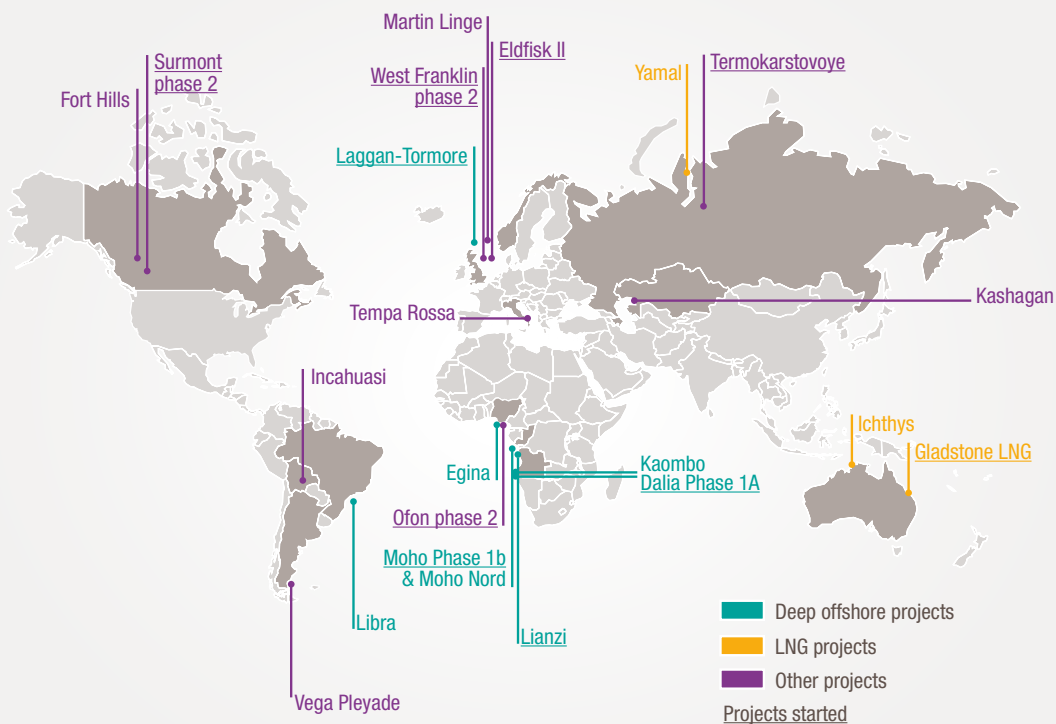
What are the major start-ups scheduled for the next few years?

Among the key projects in our strategic sectors are Kaombo in Angola and Egina in Nigeria, for the deep offshore, and Angola LNG, Yamal in Russia and Ichthys in Australia for LNG. Conventional developments include Martin Linge in Norway and Tempa Rossa in Italy. Other large projects are scheduled for the longer term, such as Libra, a super-giant field in the deep offshore of Brazil. In the LNG sector, we will continue the appraisal of reserves and have launched a conceptual study for Elk-Antelope in Papua New Guinea.

An important opportunity in the Middle East is improving the recovery on major fields, particularly on the ADCO concession in Abu Dhabi, where we are the technical advisor.

The future looks bright for the next few years with new projects to be developed and launched. We trust in our capacity to meet our objective to start-up 20 major projects by 2019 and reduce costs in our future projects.

Main start-ups for 2015-2019



From Moho-Bilondo to Moho Nord

A long-term project in the deep offshore

Total is the leading oil producer in the Republic of the Congo. Leveraging a rich history built over 50 years in the country, the Group is developing Moho Nord to increase the production of the Moho-Bilondo field. The first stage of the project, Moho Phase 1b, started-up in December 2015.

Moho-Bilondo, the Group's first step in the conquest of the deep offshore in Congo, commenced production in April 2008. Operated by Total with a 53.5% participating interest, the project paved the way for the development of reservoirs located 80 kilometers off the coast of Congo, in water depths ranging from 540 to 730 meters. Moho-Bilondo marked an important milestone for the country's oil and gas industry because it enables a new development phase in the ultra-deep offshore, with Moho Nord scheduled to come on stream in 2017.

Last December 11, Total started production on Moho Phase 1b, on Alima, the Moho-Bilondo floating production unit, thereby contributing an additional potential of 40,000 barrels per day. 11 new wells were drilled, and the two most powerful subsea multiphase pumps in the world were installed. It was a considerable challenge, because production on Alima had to be maintained while 450 additional workers came on board for the works. Thanks to the rigorous logistics and HSE* processes implemented, the operations were successfully completed without shutting down activities on the unit.

Moho Nord is expected to have a capacity of 100,000 barrels per day, with 17 subsea wells tied back to a new floating production unit and 17 additional wells developed from a Tension Leg Platform, in water depths of 450 to 1,200 meters.

Moho Phase 1b and Moho Nord represent a combined additional capacity of 140,000 barrels of oil equivalent per day over 35 years.

Moho Nord is also a perfect illustration of CSR **. Facilities have been designed to have a minimal impact on the environment (energy efficiency, no flaring in normal operating conditions, all produced water treated and reinjected into wells, etc.) The project also relies extensively on local companies, with close to 13,000 tons of equipment manufactured in the country.

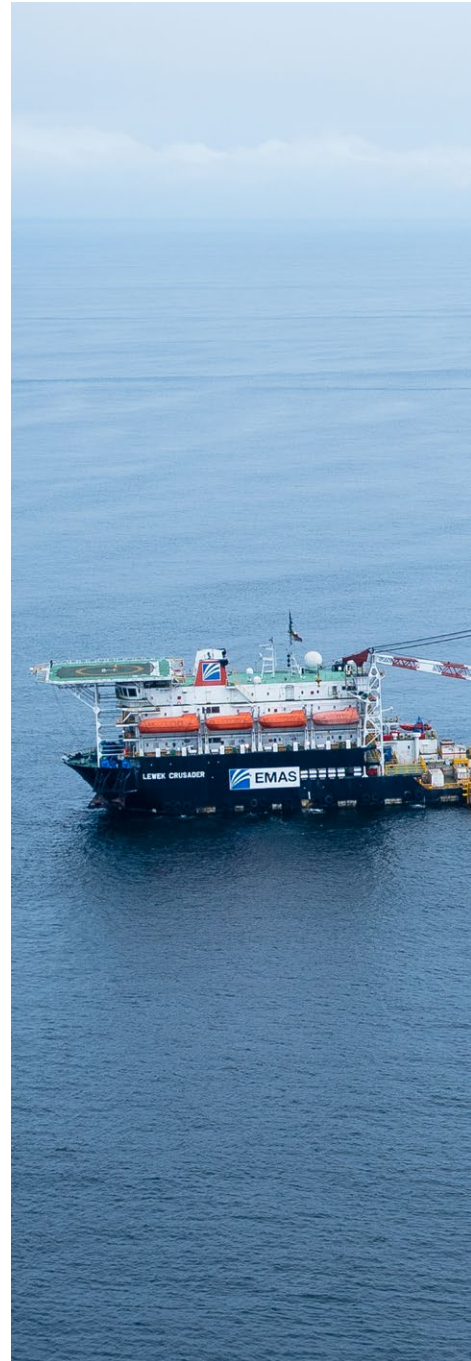
* Health Safety Environment

** Corporate Social Responsibility



2008

Moho-Bilondo production start-up



**2013**

Final investment decision
for the Moho Nord project

**2014**

Beginning of the drilling
campaign

**2015**

Moho Phase 1b production
start-up

**2017**

Moho Nord production
start-up



Total shareholders

Annual Shareholders' Meeting, e-notification and VOTACCESS

Our Annual Shareholders' Meeting will be held on May 24, 2016 at 10:00 a.m. at the Palais des Congrès, in Paris.

If you are a registered shareholder and wish to be notified as early as possible, you may request notification by email. Log onto Planetshares, select My personal information > My subscriptions, then select heading Convocations by email to General Shareholders' meetings; or send an email to BNP Paribas Securities Services.

VOTACCESS, the platform dedicated to French shareholders, will be open from May 3.

Regardless of the type of shareholder you are and type of notification you prefer, you can use the VOTACCESS platform to request your admission card, submit your voting instructions or nominate representatives.

- ▶ If you are a registered shareholder, you can access VOTACCESS via Planetshares.
- ▶ If you are a bearer shareholder, first check that the bank holding your account is connected to VOTACCESS. Log onto your bank's Internet portal, enter your ID, go to your securities account or your share savings plan (PEA), and follow the screen instructions.

If you intend to be physically present at the Shareholders' Meeting, please remember that anti-terrorist measures are currently in place and avoid bringing large handbags or luggage that will have to remain in the baggage room.

2016 dividends

Subject to the upcoming decisions of the Board of Directors and the Annual Shareholders' Meeting, the ex-dividend dates for the quarterly interim dividends and the remaining dividend for fiscal year 2016 will be as follows:

- ▶ First interim dividend / September 27, 2016
- ▶ Second interim dividend / December 21, 2016
- ▶ Third interim dividend / March 20, 2017
- ▶ Remaining dividend / June 5, 2017



2015 awards to the Shareholder Relations Department

The French magazine, *Le Revenu*, awarded Total a Silver Trophy for best Shareholders' Meeting. At the Investor Awards organized by Boursorama and Morningstar, Total's Shareholder Relations Department also won the Communication prize based on a vote by 30,000 individual and institutional investors.



French Solidarity wealth tax

If you are due to pay the French Solidarity wealth tax, you have the choice of declaring in 2016:

- ▶ either the latest value known on December 31, 2015, i.e. €41.265;
- ▶ or the average of the last thirty sessions' Stock Exchange closure rates for 2015, namely: €43.567.

Averages for 2015 - Variations relative to 2014



Market capitalization
on December 31, 2015

100.7 billion dollars



Total Share Price

€44.78

-6.4%





Thierry Desmarest

After 25 years in the Group and 15 at its helm from 1995 to 2010, Thierry Desmarest stepped down from the position of Chairman of the Board of Directors on December 18, 2015.



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The man who raised Total to fourth place in the global oil company ranking, returned as Chairman of the Group in October 2014 to assist Patrick Pouyanné following the loss of Christophe de Margerie. Thierry Desmarest will remain as Board Member and Honorary Chairman until the Annual Shareholders' Meeting of May 24, 2016.

Change of governance

On December 19, 2015, Patrick Pouyanné was appointed Chairman and Chief Executive Officer of Total.

The Board of Directors also decided to create the position of Lead Independent Director, appointing Patricia Barbizet to fill it. Her role is to ensure proper functioning of the Company's governance bodies. She will also chair the Governance and Ethics Committee and be the main contact for shareholders on subjects pertaining to the Board of Directors.

Upcoming events

- ▶ **April 16, 2016** VFB Investor Event in Antwerp (Belgium)
- ▶ **April 27, 2016** First quarter 2016 results
- ▶ **May 24, 2016** Annual Shareholders' Meeting in Paris
- ▶ **May 31, 2016** Shareholders' Meeting in Strasbourg
- ▶ **June 6, 2016** Ex-dividend date for the remaining dividend for fiscal year 2015*

* Subject to the approval of the Annual Shareholders' Meeting of May 24, 2016

Your contacts

For answers to your questions about the Total share, to give us your feedback on the information provided or to change your personal data*, you can contact our department:

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* Your personal data is treated in accordance with the law and you are entitled to access, amend or object to it by contacting our Shareholder Relations Department.



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