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INTRODUCTION

Renaud LIONS – TotalEnergies – Senior Vice President, Investor Relations

We are going to have a presentation by Stéphane in two parts. In the first part, we will be talking about the situation in the Middle East, Rio Grande LNG and the macro of LNG. Then we will pause for a first Q&A session so that you can ask questions on that first part. Then we will be moving to the second part, which is the TotalEnergies' position, and our advantage in that field.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Good afternoon, everyone. Before the event, the idea was to speak about LNG, because we had a lot of questions about what happens with LNG and the risk of having a lot of LNG. That was the initial idea. Not only to go to Rio Grande LNG, but also to dig into more details about the way we see the markets, the supply wave etc.

In between, you had the events: Qatar is shut down, you have two trains which have been hit. We did not change the presentation. We didn't spend the night changing everything, so you have a presentation as it is.

The facts are on the table, and we will discuss what could happen. But again, the scenario is difficult to know, we don't know what will take place so we keep the fundamentals and then from this we can elaborate.

PRESENTATION

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Good morning, everyone, I hope you have enjoyed the visit. I will start the first part by the impact of Middle East crisis on LNG markets and TotalEnergies, and I start first by a quick reminder of what we are talking about. The LNG market in 2025, we are talking about 430 Mt. And I just put on the chart on the right part, which are the countries which produce, and which are the countries which import. Three countries that produce: United States, Qatar and Australia. And then much less in Russia and Malaysia. You see that, and you all know it, Qatar represents what 20% of the export, hence the consequence when they stop producing. On the other side where that LNG is going, Europe, more than 100 Mt, especially after the Russian pipe has disappeared and then China, Japan, South Korea and Taiwan.

When we look at the flows, the way the market is structured today, the US is going to Europe. Qatar, Middle East is going to Asia. And Australia to Asia. So contrary to the crisis in 2022, physically this is a crisis for Asia, not for Europe and we will see the consequences of that. Two other small comments which are interesting, are the fact that the LNG export only represents 14% of the gas consumption in the US. So that's important, but that doesn't set the price of Henry Hub. The second is on China, in its gas demand, 22% is coming from LNG, which means that they have plenty of way to balance their market.

So, if we look at what has happened. Two countries are impacted Qatar and Abu Dhabi 82 Mt on one side, 5 Mt on the other side, and as you can see where this LNG is going mostly China, India, Taiwan, South Korea, Pakistan and Bangladesh. So, as you see, mostly Asian countries and the only country that was affected in Europe is actually Italy.

The way the market reacted to that is a sharp increase of the JKM and TTF going from 10 \$/MBtu to 20 \$/MBtu. And you could argue that the 20 \$/MBtu actually is not that high if you compared to the Russian crisis. To some extent, the market is still believing that the conflict is not going to last for that long.

Secondly, you have a spread between JKM and TTF which were pretty flat, so with all the US volumes going to Europe that unwound so Asia can attract cargo to replace to replace Qatari volumes. So, what we see, or we start to see, is the US volume that was going to Europe is being redirected to Asia. And the other thing that is interesting is that, again contrary to 2022, for the time being, Henry Hub has remained stable at 3 \$/MBtu. One of the key points is that in 2022, not only we had gas crisis, but we had a power crisis in Europe because nuclear plants were down. So, we had to produce power with coal plants, and there were a lot of coal imports in Europe, which ended up with the coal in the US to increase, which is not yet the case so far.

When you look at how the market reacted, what we see is in Japan, China, we start to see substitution, as they can afford to pay the 20 \$/MBtu. They are switching to fuel as well. In India, Bangladesh and Pakistan, they are already feeling the pain, all of them were between 30% to 60% depending on Qatar. So that is a major loss for them, they are very price sensitive. And so, the switch to coal but they curtail the demand as well.

So that's for the market, just one comment, and nobody has a crystal ball, but it is clear that if the war continues, the strait of Hormuz is closed and Qatar doesn't restart its production, a point will come this summer where Europe will have to fight to replenish its storage and we have to fight with Asia which will need the LNG, and then it's likely that we will see a higher price of gas because of that competition.

What is the consequence for us? As you know we are concerned as a shareholder on one side, and as an offtaker on the other side. So, we have equity stake in Qatargas 2. We have equity state in ADNOC LNG, and we have equity state in projects that are under construction. As a shareholder, the consequence of the curtailment in Qatar for us 1.5 Mt on the full year. And the contribution of both those assets to our CFFO is 200 M\$ in the 60 \$/b environment of our budget.

As you know, Qatar is in Force Majeure, so they are not selling the cargoes they were supposed to sell and ADNOC LNG has halted as well its exports. The third plant we have in region is in Oman. So far, there is no such a thing.

Then we are concerned as an offtaker as well, as we were offtaking LNG as a buyer from Qatar, both our equity and on medium term basis, and of ADNOC, and we were supplying LNG as well to DUSUP in the Emirates. But as you can see, the volume is very limited, we are taking 1 Mt. The first cargo actually that is concerned is in May, so we still have a bit of time, it is quite spread until the end of the year and the decision we have taken with Patrick was to say we won't pass the Force Majeure to our customers, especially when we sell LNG from our portfolio, because we consider we should be a reliable supplier, and

that we have a portfolio large enough to maintain our deliveries. That's the consequence for us, and clearly, as I said, we have to continue to monitor what's going to happen next.

We are going now to make a focus on Rio Grande LNG just to make a few comments on what you have seen this morning, and I hope you enjoyed the visit. It's not that often that you can enter an LNG tank. Rio Grande LNG in brief, what are we talking about? Our involvement in that project is 16.7% ownership in Trains 1 to 3 and 10% ownership in Train 4. As you know, the plant is operated by NextDecade, and we are as well a shareholder of NextDecade with 17.1% of the company. The company is globally building 29 Mtpa of capacity, so five trains as we speak and as planned. As we understand, the goal is to go to Train 6 and up to Train 10. You have seen that it's progressing well, 60% progress on Train 1. And we should have the first cargo in 2027. As far as we are concerned, we offtake, even if we are a shareholder of Train 3 in our agreement, we are going to offtake as well LNG from Train 1 as commissioning cargo, Train 2 as well and Train 3. That's for the project.

Why do we like that project? The answer is simple; you have got it on the chart. That's one of the most competitive plants in terms of liquefaction fee, you see, just slightly above 2 \$/MBtu compared to what has been signed by competitors in 2022, 2023 and 2024. That's one of the most competitive supplies we can find, and there is no mystery, we had that good price, because NextDecade, was a bit stuck with the development and absolutely needed to find someone to take one train to materialize a project and came exactly at that time. And then we were able to bring onboard GIP as a partner and to get a good financing. It's an attractive site, because you have seen the site is perfect for an LNG plant, with no subject of geotechnical issues, they were able to secure from Bechtel a good EPC cost, and contrary to Louisiana, they are not fighting to get workforce. So, all that makes of Rio Grande LNG a very competitive site.

Last comment on that is it is as well a good place to source LNG, both from Permian on one side. Currently a company is building for them the pipe between Agua Dulce and Rio Grande LNG, and then from Agua Dulce, you have various sources of supply notably Permian and Eagle Ford. And so we have the option if we want to supply our own need for our own production.

So, we had an approach to the US LNG, where we didn't want to be just offtaker. We felt it was important to be at the same time offtaker and equity owner in the project because it allows us to control the way the project is going to be developed, so it will allow us as well to have a say on the way the operations are done and that's key to ensure the reliability of the plant. And obviously as I explained we got a good deal because we helped to unlock that development. And at the same time, we were convinced that the potential of development of that company and that project, and that's why we took a 17% stake as well in NextDecade. We bought at a good price and where it's valued now, is significantly higher than what we purchased. This gives us as well, as you understand, the capacity to have a dialogue with NextDecade when it comes to the future trains.

That's for the focus on Rio Grande LNG and I will move now to the third subject which is our view on the market, and as Patrick mentioned, we prepared that presentation before the crisis at the time where everyone was concerned by the supply wave that was coming and I will show you what is the size of that wave, and what could be the consequences of that wave.

So, what are we talking about? We have in 2025, 430 Mtpa of capacity. And a market that has changed dramatically, after the start of the war in Ukraine with suddenly 50 Mt of LNG which had to go to Europe. And that market is clearly in a situation where somehow demand could exceed supply and is very sensitive to supply disruption. And we are seeing that clearly now with the crisis in the Middle East. That situation should change, and obviously it will depend on the endpoint of the crisis in the Middle East. The situation should change progressively, as we are going to have a sharp increase of the production, and if you look at what is already under FID-ed, you see that between 2028 and 2030, you are going to add 20% more capacity.

We should reach 650 Mt. So 500 Mt in 2027, 650 Mt by 2030. And what we see as well is that there is clearly a potential for addition in the market, between 50 and 100 Mt with new projects that can be sanctioned, notably here in the US, where, you heard Mike this morning, about new trains and that's not the only project that could take further FID. So, our view is that markets should reach between 700 and 750 Mt, why not more? Because at the same time, that's what you see on the dark blue, some existing plants production is going to decrease notably in Australia, in Asia, with a decrease of their gas supply and so LNG production, which is going to decrease.

On one side we have got a wave coming. And if we were to freeze the crisis in the Middle East now, at the end of the day, we are talking about 12 Mt missing in Qatar. That could come back, Qatar is saying, in 5 years, perhaps a bit earlier, but it's quite marginal from what we see of that market. At the same time, if we were to lose everything in Qatar, you are talking about 150 Mt from Qatar and the UAE in 2030, and it's clear that, in that case, the market is completely different.

So assuming we don't lose Qatar and the UAE, where is that LNG is going to go? That's one of the key questions, so I'm going to go through the key buyers.

One is Europe. We are convinced that Europe will remain a strong and sustainable LNG market for several reasons. Firstly, we had to replace Russian pipe and we are convinced that Russian pipe is not going to come back anytime soon. That means 50 Mt of LNG, which is a structural demand and actually, with the ban in 2027 for Russian gas, it's going to be even a bit higher. 50 Mt on one side, that's one and second the decline in production in the North Sea and notably in the UK, that should add an additional 40 Mt.

The pipe imports, notably from Algeria, should remain the same. And even if we consider the scenario where you have slightly lower gas demand, that's still 90 Mt LNG, that needs to go to Europe to balance the market, so strong and sustainable LNG market.

If I move now to China, what we see in China is that the gas market is balanced with domestic production, pipe and some LNG. And you see that the LNG part has grown a lot between 2015 and 2025, not because the domestic production has decreased, it is not the case as it has increased, but because it has not increased enough to cope with the gas demand and we are convinced that the trend is going to continue because there is a limited domestic production growth potential.

Second when it comes to pipe imports, there are developed but here again the potential is limited. So the only way to balance supply and demand is really to increase LNG demand and that's why we are forecasting an additional 80 Mt between 2025 and 2035, mainly driven by industry, because when you look at the power mix, actually they are doing a lot of renewables and coal, and there won't be any limit in terms of

regas capacity, there shouldn't be any bottlenecks, as they are currently building the regas capacity that is needed. So China was the second consumer after Europe.

Then, I move to Japan, Korea, Taiwan. Here, it is simple, that's quite mature markets which shouldn't decrease that much. Should even perhaps increase. All that will depend on what they do with nuclear, with nuclear generation. So quite a stable market.

Now I move to India, the first large zone of consumption in Asia, that's the most price sensitive country and as you can see on the right chart, it's a country where when prices are high, they don't consume, when prices are low they consume. We start to see a change, because they are building their capacity in terms of gas grid, they are connecting more and more refineries. And we see that industries are as well betting on gas, so between the refineries, the industry and that construction of the grid, we believe that, given the economic growth in India, there is the potential to add an additional 30 Mt to current consumption. Now, I don't dream, that will remain the most price sensitive country of the region at the same time.

An interesting one is bunkering, it's clear that the shipping industry has chosen LNG in the debate between ammonia, methanol and LNG. They will go for LNG and eventually blend that with biogas. And that should add an additional 25 Mt of demand because they need that to respect their commitment on the decrease of their CO₂ emissions, and we see that progressively all the ports, all the major container ports are being equipped with LNG barging facilities.

We see some potential increase of consumption; will we have the regas capacity and the supply chain to deal with that? There are plenty of LNG vessels in construction today. We see as always the same thing for regas, and today, you have more than 1000 Mt of regas capacity in the world. And you've got 200 Mt at the current time in construction, especially in Asia. So all that is consistent with the development of what we see in the market. Regas won't be a hurdle to that development.

So in that chart, it's a bit complex, but we wanted to look at that supply wave that is coming and to compare the supply wave to the past ones we have known, and there are actually two periods in the LNG history, where we had a huge wave of LNG and additional capacity to absorb. The first one was coming from Qatar, 2010-2011, where you see that we have added at that time, 12% per year of capacity versus the existing market and that led to decrease of the price and somehow the market was balanced, by and external event that was Fukushima that helped to use that LNG.

The second period of time where it happened is, when you had, especially in 2019 at the same time, the end of the wave coming from Australia, 17 Mt were coming from Australia and the last year was 2019, and at the same time you had the first wave in the US in the 2018-2019 and again, the second time where we experimented an additional 10% per year additional capacity of LNG. And once again, the price decreased because of that and has been absorbed. It was all the more quickly absorbed as there was the Russia-Ukraine war, and the consequence of prices that we know.

And now we are going to face that third wave not next year, probably not in 2027, but clearly 2028 is going to be a big year and 2029, where we see that we are going to add an average 7% per year capacity to the market. And our view was that this should lead to a decrease of price. But at the same time, the price is going down so you generate additional supply in Asia at 7-8 \$/MBtu level, which should come and balance the market. The other point that is interesting is that the huge wave which is coming from the fact that we

have at the same time the Qatari production and the US production, obviously. The Qatari development should be far lower post 2030. You could keep some development in the US, but as you see in the way we see the market, post 2030, we see only a growth of 2 to 4% of the capacity, which would help as well to balance the market.

Clearly the mechanism on balancing the markets is the fact that in Asia we have a huge potential of fuel switch, and each time you go low enough, clearly people are switching in power from coal and in industry from other fuels to gas.

And that is the end of my overview of the LNG global market, and we will be happy to answer your questions.

Q&A

Henri PATRICOT – UBS

Thank you so much for the presentation. Two questions on the outlook that you are presenting and related to the events that's been happening for a few weeks, you mentioned demand in China going up 80 Mt, do you see downside risk to that given the risk of supply of LNG? And on the side of supply, would you expect to see more projects coming to market more quickly? In the early 2030s, as to diversify from the Middle East?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

I guess it's a bit early to wonder because we need to understand what the end point will be and how long it's going to last. But if we are in a scenario where you imagine we keep most of Qatar and the UAE, the fundamentals will not change because of the crisis. So, we are in a situation where prices will come down at some stage, perhaps a bit later than it was expected and that should trigger the additional demand as I just explained in Asia, and that should be the case in China, that's one. Second, on the new FID, there are many projects in the US that have done the technical work to do that. But at the same time, the balance of the supply/demand has not changed as well, and the interest rate are likely as well to increase.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

There is no way to build a project between 26 and to have it ready for 2030.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

No, that's post 2030 in any case.

Ryan TODD – Piper Sandler

How do you think about the potential longer-term impact to trade flows. Historically, I mean, you have highlighted presentations in the past, how you mostly had Middle Eastern LNG going to Asia and US LNG making its way to Europe. Do you see fundamental changes in terms of diversification of supplies from Asia with more US supply going to Asia, and what does that mean for the offtake that you have?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

I think that's a very relevant question. Before Ukraine war that was not the case, but it's now the case, all US LNG can go to Europe. And if you look at the situation in 2030, you get 200 Mt of LNG in the US, and you have only let's say 110-120 Mt in Europe, which means that in any case, Europe won't be the last resort market, the sink for LNG, you know where you go, when you don't know what to do with your LNG, that's not going to be the case anymore, that LNG will have to go to Asia. That's going to change a bit the trade flow. Especially the spread between TTF and the JKM, because if you are in such a situation where that LNG needs to go to Asia, the spread would need to justify being able to go to Asia, so that's interesting.

Today you're going to have the spread that is flat and not changing a lot, which is a bit boring, especially when you build a portfolio like us to be able to arbitrage those two regions, we are going to get that back in 2030, because of that.

Jason GABELMAN – TD Cowen

I have two questions. First going back to the China demand number because it's, I think the biggest demand contributor of 2035, which was unsurprising. But you know, they're only utilizing 50% of their regas right now, it seems like gas production there has surprised at the upside you mentioned, you know, it seems like in your forecast you are essentially utilizing a 100% of their recast, of their new regas, moving forward in gas production growth domestically is going to be lower. What gives you confidence in the capacity to shift to gas?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

It is not true. Because they are building 100 Mt of new regas, we will have always the double of the size. China, today you have already 180 Mt of regas capacity, building an additional 100 Mt, to have 280 Mt, so to absorb 150 Mt, you have more than enough. The fact that they are building regas capacities is clear signal that they want, they plan to continue to import more. The ratio, in this stimulation would still be around 50% of the gas capacity. And clearly, you have a diversification of many regional gas companies,

which we now build regas capacities, not only the big Stated-owned enterprises, but many other companies also building regas capacities in China. So, China is preparing itself to absorb more gas.

Jason GABELMAN – TD Cowen

And on the domestic gas production slowing down, do you think that growth is going to slow down, moving forward?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

We have worked quite a lot on the planning, we have used figures disclosed by Sinopec, by CNPC, and you have the same sources, we just have taken the average of it. There are small differences. It's difficult to have clear view and data on what happens in China.

But what is clear today, and I was in Beijing last weekend, we discussed about it. The priority for State-owned enterprises is clearly to try to find more domestic gas, including also coal rock methane, they are looking to try new horizons, so the priority is domestic supply first. And coming back to your first question on what happens if Qatar is not there at the end in 2030? We would have 500 Mt instead of 400-430 Mt today. Where will it go? You will eliminate first, all these emerging countries like India, etc. They will not be in the ballpark. So, I think once you have covered Europe, which is ready to pay to get it, you still have 30-50 Mt which should go to China because it will not be Japan Korea Taiwan, which should be stable. So, China will not be able to buy all what they would like but you can imagine that the second market after Europe will be China. In fact, this is the one, so that means that I'm quite confident by 2030, that this increase will be absorbed, even if we have only 500 Mt, if you forget the whole Qatar and the UAE in the most pessimistic scenario, we never know, maybe the war will destroy the full capacity of Qatar, but even in this scenario we will still have 500 Mt in 2030 to be marketed compared to the 430 Mt. So, China will be part of it. And then if we were in a catastrophic scenario for Qatar and the Gulf you can imagine that people will continue to build more trains to come back to your question. And then you will see more activity coming back to 2031, 2032 until 2035 to replace this additional capacity which could miss.

John GERDES – Gerdes Energy Research

The Chinese numbers, and your observations are outstanding, they do look pretty benign, and they look fairly non-constructive. What the Chinese government is doing is they absolutely require the de-emphasis on coal generation and also intensification of electrification and that will bring incremental demand for gas that we don't necessarily completely see. But based on their internal plan, there must be addition in regasification. Patrick, would you agree with that?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

We spent quite a lot of time to look at that, and we think we are not so conservative. For China today, priority is renewables and batteries as much as they can. They begin to use coal plants as flexible assets. They don't use this just as baseload, but also as flexible. All that will depend on the price. Most of the gas in China is for industries not for power. So, we don't see gas being mostly used in the power system of China.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Industry consumption. A bit of power, transport as well. But as Patrick mentioned, when we look at the power mix, they choose renewables and coal because of security of supply.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

When you look the last years, we have always a story that China will wake up to gas and will grow quickly. In fact, we still have in the mix, 6-7% of gas, you know, it is a question of affordability for the whole system. And clearly, they favor renewables and coal. With the coal, the new coal-fired power plants have 30% less emissions than the old ones. So, the way to reach their carbon objectives is also because the new coal plants are much more efficient, they have invested in coal technologies to lower the emissions, so they replace the old ones by new ones. And at the end, they will reach their objectives. The gas in that story for me, is a question of affordability and importing the gas is not that priority, because the priority in particular, is more to be as much self-sufficient as they can. They cannot be, but to avoid being over reliant on imports, that's the way they look at it.

Philip GUTFLEICH – Arga Investment

I think you mentioned on the Rio Grande LNG that you wanted to be in the project from an equity standpoint, and yet, if I sort of run the numbers, it's about 1,200 \$/t, let's call it 25 \$/MBtu. 10% return on that yearly, 250\$ post tax post Opex, and I think you mentioned that the tolling fee is only about 2.1 \$/MBtu. So, I'm kind of confused why that you'd want to be in the equity when the equity doesn't look like it gets decent capital returns.

Then second, I think that the capital intensity of the first phase and the second phase is more or less the same. I would have expected that there was some infrastructure work that you do in the first project you wouldn't necessarily have to do in the second one. And so, why that might not be coming down?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

For the first question, when you are an offtaker of a plant, where you don't have a say on your operation, where you don't have a say on the way you design and build. You can end up with the situation where you are supposed to have LNG, and you don't have the LNG. And we talk of experience because there are some plants where it happens. What the fact that you are in the equity gives you, is clearly a say on the way you are going to protect your offtake. And that's one of the aspects.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Yes, on the 2.1 \$/MBtu. Not all offtakers have 2.1 \$/MBtu. We have 2.1 \$/MBtu because we are shareholder and we negotiated it. And the average Rio Grande liquefaction fee is not 2.1 \$/MBtu, it is higher than that. So our equity is benefiting from a higher liquefaction fee. Just to be clear, the idea is when you are shareholder of the train, the equity of the train, allows us to have other advantages and it was a negotiation, not only on Train 1 to 3, but also Train 4, where we benefitted from it. It's up to NextDecade to say what they want, that's their own business case. For TotalEnergies it was making a lot of sense. If we wouldn't have been shareholders, in fact, this project would not be there. We benefitted from it, it's also why we obtained the 17% shares of NextDecade at a low price, because we tried to maximize it. So you can consider another theory of certain people, we can just offtake, but you cannot necessarily access the same conditions. That's why we wanted to have equity.

And in fact, another way we look at it, in fact, is an investment, we don't look only at the equity in the train we look globally at the integration, of how much do we get? And this type of investment has a return over 20%. We make profit not only with the equity in the train that we put it but also the access to the LNG, and they are the additional interest. For example, having commissioning cargoes for us during this period on trains 1 and 2 adds quite a lot of value.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Regarding the second question, the Capex of the second phase is paying for infrastructure. Part of the infrastructure is already built. The second phase will pay to the first phase So you don't see it in the Capex of the second phase, because actually it's benefiting to the first phase.

Mark WILSON – Jefferies

I was very interested today to see storage tanks and the fact you can move the boats in and out. So therefore a really interesting, and you said very minimal impact from Qatar LNG, but can you give us an idea of what you physically have to do with an LNG facility where the boats can't move how long does it take before you fill storage tanks and can you actually store LNG at sea, like you do with crude?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

No, you can do nothing, you stop.

Mark WILSON – Jefferies

But once you stop an LNG facility, what are we talking about to restart?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

I have said about three months. Three months, that's an average, in fact, you don't stop everything you keep a certain gas flow in order to keep the freeze, the cold box system. So, you have a minimum gas, which actually we can use to make power to work. Even our Yemen LNG plant has never been fully stopped in fact, for 10 years no. So then it's a matter of restarting your system, it's more complex than an oil field to be clear. Oil field I would say is 15 days to one month maximum. But you could put the oil flow back into system because oil tankers are easier to move than LNG tankers, but it's a matter of 3 months, I would say, to restart your system. But in LNG, you have no storage anywhere. That's one of the difficulties, you don't have LNG tankers, because, you know the boil-off is such that you would lose your LNG if you leave them on the sea. So you do not do that.

Mark WILSON – Jefferies

So those LNG tankers behind the Strait right now, what happens with them?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

They are kept cold. You wait and you can wait for years, the boil-off is at the minimum.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

And the LNG tanker market went down the course.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Yes, it went down because you have 20% less to move.

Biraj BORKHATARIA – RBC

Thanks for the presentation. Can I ask on trading. This is obviously the second big supply shock on LNG in the last few years. And in post 2022, there was a bunch of issues on margin calls and counterparties, and things like that. What did you learn in terms of your trading portfolio from that experience, and are you doing differently now to what you did in the 2022?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

That's a good question. Two comments. The magnitude of the price increase is much lower, that's one. Second, all the players have learned from the margin call crisis in 2022, so we have all worked to decrease the sensitivity of margin calls to price, either because you don't go through the exchange, but you make TFs directly with your counterpart, assuming they have a good credit risk and so on. That has been done by us as other players. This time we haven't seen so far in the market, trading patterns that would have been triggered by margin calls crisis where people have to cut their position because they can't afford to pay the margin call.

Lydia RAINFORTH – Barclays

Just two quick questions. So obviously you haven't declared Force Majeure, when others have. So I was wondering what their reaction to you and how you think about that as the longer-term path? And the second was just quickly on market share, clearly LNG markets are growing. You're growing as well, if you have market share ambitions around it, so do you actually want to grow market share?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

You will have to wait for the second part of the presentation, but the answer is 10% and there is no ambition of market share but an ambition to create value. But wait a second for the second part.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

On the first part, the reaction was good. But the reason why we are doing that is we believe that reliability of a portfolio player has some value. To be able to guarantee to your customers that we will deliver the LNG is important. And somehow, we were not that impacted by the first measure that was passed on us, so it's a good branding and advertising for the future. And we want to continue to sell long-term to Asia on Brent indexed contracts from the portfolio. So it is a way to say we are there.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

I think it's an opportunity to demonstrate place the value of the portfolio of a company like the TotalEnergies, in Beijing I announced to the three or four customers who were quite worried that we will take care. So no impact on you, we will deliver the LNG.

It's a unique opportunity, this type of crisis. It is very important when you build a portfolio, not to be overloaded with one origin, because the idea of a portfolio is to produce it ten or eleven different locations and you spread your risk, and then you can ensure this, I would say security of supply, from their point of view. It is also true that you need to keep some flexibility in your portfolio, not to contract everything. Otherwise, you cannot redirect, and I have seen the reaction in front of us when we're talking, that was quite positive, so I hope we can build on that for the future.

Doug LEGGATE – Wolfe Research

Thanks Stéphane. The slides you put up earlier were talking about the softness and prices you expect for a short period of time. That's been your position for quite a while. Obviously, a lot has changed. And I think on the bus you and I had the chance to talk briefly about your skepticism maybe, on a 2 to 3 years Force Majeure that's going to happen. Can you walk us through what you think is the real situation on the ground as it relates to the exports. And then my second question is it's moving from Patrick, it's a follow- up and NextDecade. When you could, you have been a big enabler for how NextDecade got to the position here today. Did you secure any rights to increase your stake at some point on favorable pricing down the road?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

The answer is no. We secured the first part but we have not secured more.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

On the first question, the consequences are likely going to be in 2027. Because by definition, the LNG not produced this year will miss and could have a consequence on the storage at the end of the year, that's one. And second it is likely as well that you will have some delay on the new projects in Qatar, and third they will have to replace the 12 Mt. The supply/demand balance from 2027 has somehow improved for the supply. Now, when you look at the picture in 2028, 2029 and 2030, all what I have said has not changed. The wave is coming. And the 12 Mt of Qatar will be replaced at some point. The storage issue will be solved in 2027.

So the way we look at the supply demand balance post 2028, and the risk of softening the price has not changed. Now, all that I say, is based on the idea that you don't see additional damage to the production

coming in the coming months. And the more we have to wait for the end of the war, by definition, the more you will see a fight for replenishing storage and so on.

Doug LEGGATE, Wolfe Research

So do you believe the 2 to 3 years of Force Majeure, do you think that's excessively unrealistic?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Two to three years for 12 Mt, it will have zero impact on the market. The main risk I see for this market, it's about 2022, where you had a huge crisis of price, some customers have switched to coal, they came back because the price was lower. And 2026, another crisis. So you will begin to have some customers with a loss of faith, this energy is a complex one. First consequence there, they will shift again to coal: Pakistan, Bangladesh, they cannot afford to pay the 20 \$/MBtu, even more than 10 \$/MBtu, is difficult. And Qatar was somewhere promoting its LNG, at a good price for them. We were not big fans to sell LNG to Bangladesh or Pakistan on our side, to be honest because the price was quite aggressive. So I think the first consequence, of all these coal-fired power plants, none of them will be dismantled I can tell you. Everybody will keep them.

Then you could have a question mark: should we rely on contracting long-term contracts with Qatar? For Qatar it will be a hit, clearly. Because one of their main advertisements was, we have always been a secure and reliable supplier of the World. And suddenly, for them it is a systemic consequence. Will Qatar continue North Field West, their next project, there is a question mark. You will have customers in Asia, which for some of them were relying on 60% on Qatar, will maybe think also we should diversify. So it's good for Mozambique all that. This is the reaction; can we trust this LNG, this energy? Regularly you have a sort of spike and again, people are quite short term minded. If the wave comes and the price isn't high because the war stops. These additional capacities come onstream, the price will go down, and the customers will forget because they are quite flexible.

But my view is that, if I was in their shoes, I would keep the optionality. I would keep the optionality of fuel (LNG or coal or fuel), for some of them, like the Indian buyers, which are very flexible and they maximize their optionalities the way they switch from an energy to the other one. But it is true that these events are not fundamentally good for the reliability of this energy, of the LNG. That's why we get a reaction, and we don't begin to invoke Force Majeure everywhere. Let's try to manage it on our side. Because it's part of what we can do in terms of relationship to customers.

I propose we move to the second part and then we will continue to take questions.

PRESENTATION

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

I will now move to our own strategy, which you will see is “Positioned for growth.” As you know, we are an integrated player, and by that, I mean that we produce gas, we have equity and offtake in LNG plants. We have 25 LNG carriers under chart, strong regas capacity in Europe. And globally we have a 10% market share of the LNG market.

That's where we start from. And as I'm going to show it, the idea is to grow and to grow on all segments, as we are going to increase our equity and offtake by 50%, in the next 5 years.

So when I zoom on the portfolio in 2030, what will be the situation? We should go from 40 Mt to 60 Mt of sales. Sales are going to come a bit more than one third from the US and Mexico. A strong position in Africa between what we got in Nigeria, Angola and Mozambique, Middle East through our Qatar involvement in North Field East and South, and our position notably in Australia with a bit of Asia. If I look at that market that means that in our portfolio, we are going to be, versus the market, slightly overweight in the US, more present in Africa and less in Asia. It is a characteristic of the portfolio. And the second idea is that we want to be able to, at the same time sell on a long-term basis, and I will come back to that, in Asia and continue to serve Europe and to maintain our 20 Mt, our sales in Europe, and to be able to play the arbitrage, so we have represented what should be the flow of our portfolio into 2030.

Obviously, Australia going to Asia, Middle East going to Asia, and then two places where you can really arbitrage, the US position on the one side where you could choose your destination. And the African one. As you can see, we are not planning any more Russian production and offtake at that time.

So where that LNG is going to come from, as you can see, we were at 40 Mt in 2024, slightly above in 2025 and that's going to grow by 50% to reach 60 Mt as we are going to add progressively, Energia Costa Azul, North Field, Nigeria, Rio Grande and Marsa in Oman. And then post 2028, we should have as well, Ruwais in Abu Dhabi, Mozambique and Train 4 of Rio Grande. All that is under construction as you can see is post FID. And the idea is, as we are growing our portfolio, we will grow our spot activity as well and so we are planning to increase the spot from 10 to 15 Mt.

That gives us a total of 60 Mt and on that portfolio, we have a part which is going to be sold directly by the JVs in which we have equity around, 12 Mt. And the rest of the portfolio is marketed directly by us. And in particular, by my division.

If I look at that production, where is it coming from? So you have the list. You have the list of projects, I am not going to go through all of them, but that's going to add 18 Mt of capacity and consider that they are very competitive projects. We have taken the merit curve. It's not coming from us, but from Goldman Sachs, and they place all those projects on the merit curve with their cost of delivery, on a DES Asia basis, at 11% discount. And you can see that all of them are below 8 \$/MBtu JKM, with some of them actually very, very competitive like all the ones in the Middle East, but as well Mozambique and Rio Grande.

Now, where are we going to sell this LNG? Today we have around 18 Mt ton of sales in Europe. We want to keep that; that's a core market for us.

We have 20 Mt of regas capacity that we plan to keep. We are the first importer in Europe and what we are going to do on the regas capacities is to try to diversify that regas capacity, in Germany we have already, to add that in Italy, in UK and France to be able to play the arbitrage within the European grid.

The second idea is that there is a nice fit and a nice integration with our CCGT portfolio, by the way that's why we want to have regas capacity in Italy for example today, as we are going to have soon CCGT in Italy as well and the short that we have with the supply of our own CCGT represents 5 Mt versus the 20 Mt we are going to import. As you know, we are as well a retailer of gas, and we are selling around 100 TWh of gas in Europe.

Second important market for us and where we have made a big push is Japan Korea Taiwan, as you know when we have signed Rio Grande, we got access to 6 Mt of LNG and we didn't want to keep that exposed only to the spot price that's why we pushed to sell long-term Brent index this LNG and the best way to do that is to sell it in Korea, Taiwan notably because they are very reliable customers and ready to pay. So that's what we did in the last two years, and you can see that our deliveries in Asia are going to increase from where they were to at least 10 Mt and probably around 12 Mt. And we will become one of the top three suppliers of Kogas notably.

Now China, it is clear that the growth is going to be coming from China. So here again, we wanted to be able to increase our volume. We have done it with tier one players. So we have extended the contract with CNOOC, we have been able to sign a new one for 2 Mt starting in 2028 and with SINOPEC. But you can't do that only with Tier one, so we wanted as well to target Tier two players. That's what we have done notably with ENN, and we are currently in discussion for additional sales, which should come pretty soon, for more than 1 Mt. That's for the usual sale of LNG.

And then we have got something additional, which is a downstream JV with Shenergy which is the LNG supplier of Shanghai region. And we have done a marketing JV, where we are the only supplier of Shenergy. And we market together LNG around Shanghai, that represents 1.4 Mt of additional demand for 20 years.

So big push on China in the last two years, India is the same story. Because that's a growing market, very fast, and where you find now customers ready to pay long-term Brent at the market price, that's what we started to sign with GSPC starting in 2026, and with Indian oil. And once again, we have some additional discussion with those players for additional volume.

The other point which is interesting in India is that we have direct access to our own terminal, with Adani, the Dhamra terminal, which gives us a competitive edge when it comes to serve the east part of the demand in India.

So, we have seen Europe, China, JKT, India. Last one I want to comment is about Latin America. As you know, we are the first exporter of US LNG, based on Henry Hub base but we are as well, the first importer of LNG in LATAM and the Caribbean with 25% market share, we are a clear market leader. You have on the map the locations where we can deliver LNG. What is interesting is that on LATAM, we are selling on a Henry Hub base, but you keep a lot of flexibility and optionality in your portfolio. Because you could arbitrage with local gas production.

Second, because it's very sensitive, notably in Brazil with hydro, so you can end up in a situation where you can, if it makes sense, divert those cargo to Europe and capture the additional margin.

That gives you as well a lot of flexibility in terms of logistics, so we like and we want to keep our strong market share in LATAM, because it goes well with our situation in the US.

As I said, one of the key subjects for us was to derisk the portfolio to spot exposure, and given the market view we have. So that's what we have tried to do in the last the last two years, and as I have shown previously, we have signed 6 Mt of long-term contracts starting 2026, 2027, 2028, 2029 with those Asian players at a good slope. And that has allowed us to transform TTF/JKM exposure into Brent exposure. As a reference, you can see that assuming a 12.5 slope on Brent, you see that these contracts, at 70 or 80 \$/b Brent, are above 8 \$/MBtu that we could use as a reference for average price of JKM going forward.

The second thing we have done on those contracts, which was to embed flexibility for the seller: flexibility on the quantity, flexibility on pricing formula, flexibility on geographic destination. That's very useful, because we can extract additional value of those flexibilities given the size of our trading in the region.

Now, if I look at this slide which is a bit busy, but if I try to explain and if I come back to the 45 Mt that I'm commercializing, what I show on those charts is on what index am I buying my LNG, and on what index am I selling my LNG. And by definition, I sell what I buy, so net-net, the quantity should match. We have looked at that for the Henry Hub part, the Brent indexed part, and the TTF/JKM part. So you can see if I take the Henry Hub for example, today we are currently buying around 10 Mt of LNG in the US, based on long-term contracts and we are selling that, around 5 Mt, notably in LATAM.

You don't find the 19 Mt, you could have in mind of what we have exported from the US, because the difference is spot that I buy on a spot basis and it is not included. And that's going to increase progressively with time as Rio Grande and Costa Azul are going to come on stream.

On the Brent side, I'm sourcing LNG as well on a Brent formula, it's notably the case coming from Africa, and then I'm selling that LNG in Asia. Mostly on Brent formula, that's where you see that it's going to increase progressively to go above 10 Mt in 2030. And last but not least, I'm buying some LNG as well on a TTF basis and all that I have not sold on the long-term basis is by definition, sold on the spot market either on TTF or JKM.

So when I make the net of what I buy versus what I sell, I'm going to end up with the situation where typically I'm buying more Henry Hub than I'm selling, I'm selling more Brent than I'm buying and you can see when I do that for the three indexes the outcome of that situation. So if I take typically 2026, I'm buying around 5 Mt of Henry Hub that I'm selling on a JKM/TTF basis for two thirds of this and Brent for one third.

So that is the starting point of our portfolio and if you have a negative view or if you have a more positive view of Brent than JKM/TTF for all the reasons I have explained, you don't want to keep that situation. And that's why we have worked. And as you can see in 2028, we have turned the portfolio so that actually we are going to buy Henry Hub and buy TTF/JKM to sell Brent, so our spot exposure has been reversed from selling spot to Brent.

We are pretty much flat into 2030. And then, with the expiry of the contracts on Brent you see that progressively, we are re-increasing our sport exposure in terms of sales still limited in 2030, a bit more in 2031 and still quite significant in 2035.

Obviously it is assuming that we will not renew or extend existing long-term contracts we have on Brent but it's up to us to decide and so to be clear, we feel comfortable with that position for 2028-2030, it is exactly what we wanted to do, because it's consistent with the market view we have, and we will have to take decisions on what we want to do post 2031-2032 depending on our market assessment but with the time to do so.

The additional comment I want to make is that we are buying Henry Hub as you see now in any scenario, and so we are at risk that Henry Hub is going too high, and that's the reason why we want to integrate that with our upstream portfolio and the reason why we have made several acquisitions of shale gas reserves in the US that you can see on the chart on the left and that is going to increase from the current situation to more than 1 Bcf/d.

And when you look at what does that mean in terms of exposure for us on the Henry Hub, you see that we need Henry Hub for our LNG supply, for our CCGT supply, and we got that Henry Hub, first because we are selling Henry Hub, that's one side and because of the upstream integration, but we are still short of 1 Bcf/d of Henry Hub that we have to manage. And that's what we want to do, we want to find a way to source by additional M&A of shale gas.

Last thing I want to comment on our portfolio is that we have options to grow beyond 2030. What is going to happen until 2030 is pretty much written but we have options to grow further.

One is Papua LNG, where we want to be able to take the FID this year. And then we have several options in the portfolio. We have options for a further phase of Mozambique, Train 4 of Cameron, potentially a Train 2 as well in Oman and the beauty of that, is that it is based on brown field projects where we benefit from the economies of scale.

Finally, there are a few options as well on the Pacific offtake option, a phase 2 on Energia Costa Azul, and what we have done on Alaska and Ksi Lisims.

So that's for the portfolio.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

And I think we should stay there. You know the part on methane. So I think it's better to go to questions.

Q&A

Lucas HERRMANN – BNP Paribas Exane

Thanks very much, a couple if I might. In terms of the slides, which show the balances and the shifting I'm assuming that part of the improvement in the position is a consequence of Yamal. And that naturally improves the portfolio.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

That's the right assumption.

Lucas HERRMANN – BNP Paribas Exane

Can you discuss or can you talk a little bit about; how contractual terms changed over the last year or two? And I'm not talking about the Brent level, I'm talking about the flexibility that you have taken yourself and I'm just going to go back to 2022 and I have talked to some of your competitors at that time, you know what their comment was first there's a lot of flexibility in their contract to allow them to divert, to allow them to retake from the customer, in the event that they choose, they obviously have to make a hull , but that provides them with a lot of optionality. How is the flexibility in the contracts that might change in the portfolio you are thinking about it?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

I think the way the LNG market was working before 2020 was that you were giving a lot of flexibility to your customer in terms of quantity, because you were with real customers, not with traders, not used to arbitrage the market. And that somehow it was a reflection of the real nature of the demand. Second, you had flexibility to divert those cargoes and usually you were sharing the margin with the buyer.

What has changed in the market is that you could have more sophisticated buyer for some part of the market, but only for some part of the market. And the user market is much more liquid in terms of the capacity of hedging, the JKM notably, it is possible to hedge the JKM which was not possible before, you have more opportunity for arbitrage.

So what we have done in our case is that we have embedded much more flexibility to our end on our long-term contracts. And clearly that's accepted by the players like Sinopec, like the Tier 2 in China, like those kinds of players and we hope it will have a lot of value. You are not able to get that from Petrochina, you are not able to get that from Kogas for example, but at the same time, you are not giving them options anymore.

So there are a quantity of things which are much less flexible than they were in the past.

And finally, when it comes to geographical arbitrage and capacity of diversion, it's pretty much what it used to be where you can do it with their consent, and usually you share the margin. But in that sense, we have improved the quality of the portfolio when it comes to the optionality

Lucas HERRMANN – BNP Paribas Exane

Just thinking about what's going on at the moment, and the volatility of price and the arbitrage margins. It should be much better. You should be in a better place to redirect?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Those days, you go see that end buyer to cancel and to divert to Asia. Typically with that renewed volatility, there are physical capacities of arbitrage that are there that were not there four weeks ago.

Jason GABELMAN – TD Cowen

Thanks, this slide was really helpful, so I appreciate that level of detail. Maybe one question on this one, when the Brent contracts expire, you know, towards the end of this decade. Is it your option to extend or the customer's?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

We have to agree with the customer to extend the contract so it is not an option to my end. On the other end, those customers they need Brent, they need gas and they need Brent so they will extend, so then it is up to me to do it and to be competitive enough to find the right price. So I'm not concerned that if I want to extend that I will be able to extend that. Then, it's a commercial negotiation with them. The question we have to ask ourselves is to which extent we want to bring back an exposure to JKM and TTF in those horizons.

Jason GABELMAN – TD Cowen

And then my follow-up is just on the kind of 1 Bcf/d in the US are trying to manage and you have talked about this a couple of times now there's been M&A, just trying to understand your appetite. Is it a need to have in terms of more US gas production or is it a nice to have if the right deal comes along?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

It is a need to have. But at certain price. It depends on the cost of acquisition, so not at any price. We are working actively. We have some proposals to increase the deals we have done. Yesterday, during CERAWEEK, I spent meetings with JV partners, and they are interested to offer us opportunities, and we look to M&A.

Then, it is a question of vision to which price you want to protect? 5 \$/MBtu, 4 \$/MBtu? We are working actively on it. It is also a strategy of when we deploy capital, post 2030. So having more exposure to US upstream is not a bad idea.

Biraj BORKHATARIA – RBC

Just on that same topic, the other option you have is to sign Henry Hub base sales contracts. Do you think about it equally?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Yes, we do, and we are actually doing it. One is LATAM, but as I said, we need to extract value but it is a fixed margin, so I want the optionality that goes with a fixed margin. And we do it as well in Asia, where in some of them, to be able to sell Brent, you need to sell hybrid between Brent and Henry Hub as well, so that's another way.

Biraj BORKHATARIA – RBC

And is there enough depth, enough customers going that way?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Yes, and you could imagine there could be more. If you are a customer in Asia, what seems to be stable is the Henry Hub more than the spot TTF or the spot JKM. If I was a customer in Asia, the normal behavior would be to try to get more Henry Hub linked LNG. I think if we push for it we will get it. It's a matter of entering into a different margin game. You forget the spot and you are more in the domestic gas.

Tom ALLEN – UBS

Just to follow up on that point, that Henry Hub has been very stable compared to JKM or TTF do you foresee that as US LNG exports increase that creates upward pressure on Henry Hub?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

I don't believe so, we were discussing, and we have clear views, and I think was mentioned by Stéphane, but even in 2022 when the price went high, we didn't see really a link between more exports and the impact on domestic gas. There is no logic to that. What we should observe in 2022 was more what was described by Stéphane: you have a high LNG price, your Asian buyers switch to coal, it pushes the price of coal up, which we can begin to observe. And then when at a certain point this international coal price begins to reach the US coal price, which happens because you begin to export coal, then on the electricity in the US, you will use more CCGTs than coal plants, and then you begin to have an impact on the domestic gas price. This is a phenomenon which happened in 2022 which was accelerated because not only Asia was switching to coal, but Europe was using more coal because of the nuclear turnaround availability. But this is the way it works, through a circle, which is not a direct impact, because we have a huge amount of gas resources by the way.

My view is that the fact that these exports put pressure on domestic price, remains quite marginal, in fact, the gas we are using for exports. And you know, if you want to produce more gas in Permian, once you have done your pipelines, your infrastructure, you have huge amounts of gas here.

So for me, the link between more export and domestic, I am not fully sure that will be there. But you could have some counter effect through international markets as described.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

That's an additional 10% of on gas demand to be able to match exports, so 10% in 5 years, you can do that.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

In fact, if you have an impact if you have a lack of infrastructure to reach the Gulf coast and what we have observed is that more and more people, including Permian players, invest in infrastructure quite easily here. You have integrated that; that's the way the market is working here.

Mark HUME – BlackRock

Are you surprised there hasn't been more reaction from the customer perspective? The cargoes that were called 3-4 weeks ago are now arriving. It just seems odd there is not more reaction as we would expect they will need to build the storage levels?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Market players are rational because today the curve is backwardation. So why do you want to buy LNG now to fill storage?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

I fully agree with you, I think the policymakers are not reasonable in Europe today, because this forward curve is obviously completely wrong, because the high season of LNG and high price would be in the summer when Asia on one side plus us will refill at the same time, it's not 20 \$/MBtu we will have, it's 30 or 40 \$/b, so I think it's very unreasonable. But again, I will let the market forces, and I'm surprised they don't react today.

In fact, to be honest we went to the European Commission to tell them, because they had invented a new regulation linked to Re-Power and Russian LNG, they want to control. So we are today, we are obliged when we want to bring the new LNG tankers to Europe to have a certificate and authorization, a pre-authorization, which takes five days. By the way, it is killing the idea to redirect LNG. So it's urgent, you should take emergency measures and get rid of that. They answered "no, we are not yet in an emergency situation according to our legal understanding of what is an emergency". So I managed to obtain that the 5 days would be maybe reduced to 1 or 2 days which is crazy. Because I told them, in fact, the way it's structured in Europe today we have only 5 countries which are authorized permanently, one of them was Qatar, US. Qatar has disappeared so in fact, trying to bring LNG, to arbitrage in Europe today, we are quite stuck and we are super cautious because we are not sure to get these administrative authorizations before we bring the tanker.

So I am a bit surprised, I went myself to tell them "it's urgent, please do it", and they answer "no we wait and see if it is really urgent".

Today's the US production is lower than European gas demand. European LNG demand. So you can absorb all US LNG in Europe, then it's just a matter of the spread between Europe and Asia. Tomorrow, and you have 200 Mt of US LNG, it will exceed in any case European demand. So that LNG will have to go somewhere. You could argue, somehow that Asia, or China, will become the sink of that LNG.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

And I think that a consequence of that, is that we are unifying a global world. In fact, at a certain point, JKM should be more or less equal to TTF, otherwise you will have a strange situation. All these other flows will have to go to Asia, so the spread between Asia and Europe shouldn't be justified on the spot market. I think we are going somewhere to a global LNG market, which will have enough liquidity to do it. And it's the US which will make the balance.

Jean-Ann SALISBURY, BofA Securities

Thanks for everything today, it is very helpful on the disruptions as well. Quick question, I think on the fourth quarter call, you mentioned there is a question around the Force Majeure, around Yamal. What is the situation now?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

We are still waiting for the answer of the commission.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

There is one regulation that says import of Russian LNG is forbidden in Europe, since January 23rd, it is clear. And then you have another regulation which says European companies cannot purchase/sell Russian LNG. The question is: are these two linked? Which was earlier understanding. Or are they disconnected?

That means on one side we could continue to market Russian LNG elsewhere than in Europe, on the other side you cannot. I am summarizing it but there are some lawyers reading both ways and we asked officially the question. We want to have the answer, which is quite important for us, because if we cannot market anything, then we can declare Force Majeure, otherwise we cannot.

So we are waiting for the official answer from these guys because they are not very worried, but we have a certain urgency because then it has an impact. But what is sure, is that it will be stopped for Europe.

Jean Ann SALISBURY – BofA Securities

I guess, on this topic, as in your slides, you don't see potential for Russian gas to come back to Europe.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

No, I can tell you it's completely out of the table. Completely. By the way, to be clear, now, it is not just a vague decision, it has been an embedded, it is in a law. It is in a European law. Which has been voted by the European Parliament, Russian gas, Russian LNG, from January 2027 and pipe gas, Russian pipe gas from September 2027 cannot be commercialized anyway in the EU. So it is a full decision.

You will need, if you want to change, to go back to the European Parliament. I mean honestly today in Europe, this situation with Russia is completely locked down and in particular, we were expecting to see Germany could move, because of the impact on the competitiveness, but it is completely frozen.

John GERDES – Gerdes Energy Research

Could you see any reason in the world, the EU is going to come back sourcing Russian gas at any time? Putin's still offering?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Oh, I think they want to cut hit, and by the way, to be clear or US friends do not push to reopen the gas from Russia. In the alliance we have, the US LNG is clearly replacing Russian gas in Europe, it is very clear.

Michael CLARK – AustralianSuper

Thank you, Stéphane, I was wondering if you could please comment on how you think that unit cost economics of Rio Grande LNG compared to 1,100 to 1,200 \$/t, compared to some of the new projects out there in Louisiana. What do you think the key drivers are?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Well, as you know, it was competitive versus the new one coming, from what we can understand from the new one coming, and the reason is that inflation has taken place since then. Louisiana is crowded in terms of projects. So, in terms of cost of the workforce it is less competitive than where we are now and then, last is the interest rate at which you are able to secure the debt, which is part as well as your costs.

So that's for the existing one. Obviously for the next phase, I think that we will keep very competitive capex, because we don't have to demobilize, remobilize everything.

If it goes on like that, Bechtel is going to continue to provide a good price. Now Next Decade like everyone, inflation and interest rates are for everyone. But I'm convinced that Rio Grande LNG remains very competitive when I look at other new projects, especially greenfield ones.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

You know, the scale is good in LNG, the larger it is. So if really, we can expand it to 6, 7, 8, 9 trains, you will see some scale effect, step by step. It is more efficient obviously.

So small is not beautiful in LNG. It is not true; I can tell you. And by the way, when we entered, we got at least three trains, then we were not seeing the economics of the project yet, despite the fact that it is well located, minimal works to prepare. But again, on this side we have Cameron LNG. We have quite a big exposure to this US Gulf. We prefer to look if we see other projects on the Pacific coast. And there are options to work.

Michael CLARK – AustralianSuper

Thank you, and just on the growth portfolio, and the unit cost economics, you mentioned that you're hoping to take an FID on Papua LNG this year, presumably that's higher on the cost curve, what do you think you need to get the unit cost economics to support the decision?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

It is a mix of unit costs, it is \$14.5 billion to make 6.8 Mt. So we know where we are in the Capex, then it is a question of fiscals. We are finalizing some fiscal incentives to do the project with the Government of PNG. Today, I'm more confident, I was not confident to be honest in January because nothing was moving from their side. So we had a good discussion with the Prime Minister of PNG, to tell them either you do or we give up, and we are working in the right direction to get an acceptable rate of return on the project.

So I'm more optimistic than I was. I think the project is well located. We see some appetite from buyers. We might, by the way, offtake part of our equity, because we like this position as well, building on Asia out of the Middle East. You know, it's quite a good diversification. So we have a thinking together, maybe we should keep it, and we should take that. And this is in the negotiation process, and the financing of the project is progressing well, a lot of interest from Japanese, from US. So I'm more confident today, because of this fiscal discussions have landed somewhere more acceptable than it was two to three months ago. So we must do it, and we need to make a decision this summer, I don't want to miss the offer we have on the table. Because in this environment we never know what could happen including the price inflation. If this war continues, we could see many impacts on the whole system, on the supply chain. So my view is that there is an opportunity, and I think we have managed to convince the authorities that it is now or never, you know, but we embark everybody.

We have the full support from Exxon to do it. They have their own negotiations on their own side and I don't want to be in between.

John GERDES – Gerdes Energy Research

When the first wave of LNG took off, there was a lot more conversation around S-curves and creativity and 20-year agreements. Is there anything like that today? In terms of offtakers, flooding some innovation or to cut off the peaks and valleys in price.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Yes, it remains. Any type of innovation on the slope of the curve, you have a new mechanism on the floor, on the banking system... So creativity is there, as I say, the market is more and more liquid, you get more and more ability to wage, so you can structure products more and more, and there is a demand. Each customer has a specific view.

John GERDES – Gerdes Energy Research

It looks that your economics are still pretty linear relative to price

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Yes, because obviously historically the S-curve, we didn't like that. When it caps your upside and we try to keep as much as we can of the upside. Because this is why you buy our shares. So we want to build resilience on the downside, but we want also to keep some upsides. So the S-curves which we are limiting the risk at low price but capturing part of the upside, we try to avoid it. We think we have a portfolio which can be strong enough to try to accept some types of risk, so it's not with the customer. For example Papua, this is with the fiscal terms that we are managing the low prices but not with the customers. I prefer to keep the upside for the customers.

John GERDES – Gerdes Energy Research

The contractual simplicity also allows you to hedge the other side of the trade.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Exactly. We recently studied that quite extensively, we came to the conclusion that a single scope was a sometimes better.

John GERDES – Gerdes Energy Research

Let me ask you a question if I can, on all of your contracts in the TTF exposure. That's the last place you want to be really. Marginal cost of the all LNG will migrate out of in the next decade in the Far East. If you want long exposure contractually, you'd want it with Brent JKM, you'd rather have nothing to do with TTF? Because TTF is kind of a lesser growth, kind of a small market. That's the last place you want exposure, isn't it?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Yeah, I understand the question. The way we look at it is that for us TTF-JKM, there is a spot exposure, and then there is an additional question is, do you want to be long JKM, short TTF or the reverse? Knowing that in any case, the beauty of that is that it's an option. It's an option because you can use your fleet, your vessel to go to the best market.

So that's why we put them together, and the other side is that I can't tell you exactly my position because at the end of the day, if I do that, I won't make more money.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

Yes, there was a debate where I decided I would push Stéphane to reveal that with a risk that we give a lot of information, to some competitors.

Lydia RAINFORTH – Barclays

On the cost side, are costs of LNG going up or down?

Then the second one, just let me talk about the upside exposure. What happens to the cash at the moment that you have been generating, is the idea to reduce debt?

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

You will have some answers at the end of April. But I will stick to what I told you in January. You know, we like to deleverage the company first okay, and let's see. Now I don't know how long it will last. It a problem of rich. We will take time to answer to that question. But let's deleverage the company and we will see that.

It does not change the fundamental views. Not because suddenly we have a blip during 20 days that I'm overreacting. There are plenty of possible scenarios, and I don't know. We will take what happens. But we will not change the fundamental trends.

And obviously, if we are at 100 \$/b on average, maybe I would have to think to give a bit more back to you.

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

On the cost of LNG, Capex wise, it went down until the end of 2022. Now it has been on the rise. It is not a huge rise, but it is a rise, and I don't see that changing. Because fundamentally, we are continuing to sanction new projects. So the wave continues, and as long as we don't have a pause in that, there is no reason why it will come down.

Biraj BORKHATARIA – RBC

That chart there is the portfolio of contracts, then you add the spot exposure on top of that and then the JV marketing, so the charts there is the portfolio excluding spot and excluding JV marketing. If you roll forward to 2030, should we expect the spot portion to increase as a percentage of the total portfolio or we will stay the same. How are you thinking about that?

Stéphane MICHEL – TotalEnergies – President, Gas, Renewables & Power

Yes, the position excludes the spot, because by definition you don't know what it's going to be. The spot in itself is not an exposure, you buy, you sell.

Patrick POUYANNÉ – TotalEnergies – Chairman and Chief Executive Officer

So you have a simple margin of the spot, that is in the same. And on the JV we have done the exercise, it does not fundamentally change this picture. We presented that, because it's our LNG, it's in our hands. JV, it's not in our hands, but we have done the exercise ourselves. And where it is a little more complex than that, is that in JVs you have to take into account the fiscal terms. But it doesn't change fundamentally, in this picture.

So on this technical question, I hope it was a good way as well to have the opportunity to discuss with you this meeting. You know, we took a topic to do a visit. You can buy not only the TotalEnergies shares but also Next Decade. By the way the CEO did not speak too much about Next Decade, I think it's a good company, we are building there a platform like the Cheniere one. It is a matter of execution, but Bechtel

is very deeply involved, we follow that carefully, so it is a good platform, a strong platform, no doubt. And I think it was good to see the site. So thank you again for your attendance. And we will have other meetings.

We planned the meeting when we didn't know what the crisis will come. So of course, that affected the discussion, but it was good also to be able to listen to you, to your questions today. Again, 20 days of disputes, the crisis is difficult to extend on the longer term, we will see what will happen. And the next meeting we have with you will be at the end of April during call for the results, which, by the way, will be a little strange, with two normal months and one month which will be strange.

So don't ask me the results of March, because we will not give them to you. So you will have to guess.