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PRESENTATION

Patrick Pouyanné - TotalEnergies SE - Chairman & CEO

Good afternoon, or good morning for those who are in the U.S. Before Jean-Pierre, we go through the details of the second quarter financials. I would like first to make a few opening comments, starting obviously with the current conflict in the Middle East, which has picked up again in the last few days and which is clearly impacting our markets, and our operations, and our perspectives. Although we were all hoping in mid-June that a resolution could be envisaged through the signature of the MoU and a ceasefire between the U.S. and Iran, the situation has remained, to say the least, extremely volatile, with the Strait of Hormuz being an intermittent battleground where the risk premium to navigate in these waters is increasingly high. Some are even beginning to consider that this could become a new normal, with the straits opening on and off depending on the level of tensions between the parties.

This unstable and chaotic environment has been prevailing for the second quarter, but the last 15 days in June, where we have seen some quite interesting reactions of the market with crude oil going down very quickly but products going to the roof at the same time. We don't know how long this conflict will continue. We have no specific information. I don't know if anybody knows, but of course for us, safety of our teams will remain our utmost priority.

As Jean-Pierre will show you in a moment, we can say we have managed this quarter to deliver once again strong results and cash flows from both our strategic pillars. Thanks to the strong performance of the teams who managed to capture very favorable market conditions for many of the energies we are producing and selling. The oil prices rose above 100 $/b, even if differentials widened, while refining, petrochemicals, biofuel margins, but also distribution margins were increased, with some even reaching historic levels. And gas, LNG, and electricity were also at strong levels. Once again, TotalEnergies is demonstrating its capacity to capture these margins and high prices, leveraging the integrated and diversified business model along the value chains of oil, gas, and electricity.

First, our oil Upstream and Downstream businesses have been performing very strongly at the same time, which is not so frequent, in fact, since quite often one benefits from a supportive environment at the expense of the other. But currently, both are capturing high prices and margins given the tensions on global demand for products. As we speak, integrated margins this morning are around 130 $/b, crude oil around 95 $/b, and margins at 35 $b.

E&P delivered a strong quarter in terms of production, thanks to a solid 4% organic growth, higher than our forecast, coming from our rich and diversified portfolio of projects, which was planned in particular from Brazil, U.S., and Libya. But also, and I must say it was very good, from a strong operational performance, limiting, the unexpected stoppage of production. So, it was a very good performance from an operational point of view. And all that allowed us to partly compensate for the production losses in the Middle East. E&P has been delivering, once again, this quarter, a strong cash flow from operations despite, as well, a difference in the Middle East between the production reported and the capacity to lift this production, because the lifting in the Gulf of course was really limited by access to the Strait of Hormuz.

Looking forward on the Middle East situation, at the beginning of July, end of June, the production was going up quite quickly and we had limitations only 5% of our global production. But this weekend, after the conflict came back, we were more back to 8% to 10% of limitations. So difficult to say. We say 5% to 10% in our perspective. It will obviously depend on the way that the conflict will develop. And again, it's not only production for us, but also lifting and offloading the crude oil, which might be affected. And when we look at what happened in the second quarter, the real offloading was in fact affected, as per our guidance, at 15% of our production. We'll see what will happen for the next quarter.

Refining and Chemicals performed in an exceptional way leveraging market conditions, managing well the tensions on supply of refined products to maximize captured margins. Refiners have adjusted the way they use their plants in the second quarter to prioritize, in particular production of diesel and jet fuel, which were offering higher margins, and also by doing that, contributing to security of supply of France and Europe. This performance was achieved although some of our facilities have been impacted by events outside of our control, like the SATORP refinery in Saudi Arabia, which was hit in mid-April, by some drones and which is back today at 70% of capacity, and full capacity by end of the third quarter is expected. But also, Port Arthur in the U.S. suffered, unfortunately, in June from a lightning strike during a tropical storm and now is progressively coming back to normal production levels.

Our crude oil and petroleum products trading activities have been very successful for the second quarter in a row with a strong performance and made another 500 M$, overperformance on top of our usual structural performance of 500 M$. And last, but not least, on Downstream, Marketing & Services reported the best ever quarter, driven by the positive impact of seasonality in Europe but also higher unit margins, in particular on products like lubricants.

After a strong outperformance in the first quarter, our gas trading activities' results in the second quarter were not good, to be clear, and impacted by flat to declining European market conditions whereas our traders were positioned to seize a more supportive European gas environment, in line with supply-demand fundamental expectations. Our traders took a long position on gas thinking being bullish on the market, which seemed to be reasonable because many indications were pointing to gas prices increasing because of lower supply out of the Middle East and from Qatar, because European inventories were low, less than 15% below the five-year average. But these factors did not materialize during the second quarter. Even, in fact, prices have declined through the quarter, leading to, weaker or poor results from the trading business. The story is not over. As you have probably seen, now gas prices in Europe have rallied and as our traders are rightly stubborn, since early July, their gas trading results are following, and we'll be back to some overperformance again.

On our second pillar, electricity, there was multiple good news during this quarter. Integrated Power delivered one of its best quarters ever with a strong cash flow, in fact the second best in 2024, even in the absence of farm-downs during this quarter. But it was supported by the closing of the transaction with EPH in April, one to two months earlier than expected. And the cash flow coming from EPH was as per the expectations. These strong deliveries on almost all fronts, but gas trading for once. We have generated at the Company level next to 10 B$ this quarter, which has been allocated in a very consistent manner as announced to you last April during the call for the first quarter. First, of course, we have deleveraged down to a gearing ratio of 13%, which shows an improvement of 2.4 percentage points quarter to quarter, benefiting from a 3.3 B$ reduction in net debt and also 1.2 B$ working capital release. And second, of course, we have confirmed the increase of our interim quarterly dividend by 5.9% to 0.9 €/share per share, which places TotalEnergies once again in the leading pack of the growing dividend companies.

Along this quarter, our cash generation has also allowed us to sustain our production growth targets with disciplined capital investment of 3.4 B$, comforting our annual guidance of 15 B$, and also to increase, as announced, our buybacks to 1.5 B$ during the second quarter. And the Board has authorized us to maintain this buyback with another 1.5 B$ for the third quarter. With all this good news, I now hand it over to Jean-Pierre, to go through the details of second quarter financial results.

Jean-Pierre Sbraire - TotalEnergies SE - CFO

I will start by commenting on the price environment in the second quarter 2026 versus the first quarter. We captured high commodity prices, although gradually decreasing over the quarter. Brent averaged 104 $/b during the second quarter versus 81 $/b in the first quarter, meaning plus 23 $/b, more than 25%, while average liquids price was up by 18 $/b due to widened differentials and a lifting schedule weighted towards the end of the quarter in a crude market which softened in June in the context of the ceasefire in the Middle East. TTF averaged 15.6 $/Mbtu versus 13.7 $/Mbtu. And our average LNG price increased by 20% at 10.2 $/Mbtu. Oil prices started to impact LNG prices with one to two months of lag effect according to LNG pricing formulas. Finally, the European refining margins increased to 13.5 $/b on average over the quarter.

In this price environment, the Company reported very strong financial results, increasingly by almost 15% compared to the first quarter, with second quarter of 2026 cash flow of 9.8 B$ and adjusted net income increasing to 6 B$. These results were possible because of the strong operational performance of all businesses, demonstrating the Company's ability to fully capture the environment upsides. Upstream delivered an underlying accretive production growth of over 4% year on year, which is above the annual 3% guidance and partially offsetting the production loss in the Middle East. Downstream, a very good operational performance, as explained by Patrick, from our refineries, which have been deliberately geared towards maximizing distillate production (diesel, jet fuel) to capture higher refining margins. And Integrated Power cash flow generation increased by 25% over the quarter, supported by the contribution of EPH assets, in line with expectations, since the closing of the transaction at the end of April.

TotalEnergies generated these very strong results, the highest since the end of 2022, despite two challenges. Although production from the Middle East was higher than originally expected, a significant portion of this production could not be lifted during the quarter and is recognized in E&P results based on the crude price from end-June, meaning less than 70 $/b. Our gas trading underperformed after an overperformance in the first quarter because of the declining gas price for the quarter as explained by Patrick. TotalEnergies has delivered strong profitability this quarter with return on equity at 15.9% and ROACE close to 14%.

Now, moving to the business segments starting with hydrocarbons. On production on a year-on-year basis, excluding the impact of the Middle East conflict, second quarter hydrocarbons production increased by more than 4%, above the guidance provided of 3% for 2026, benefiting from the ramp-up of the projects started since the beginning of 2025 and from an operational improved facility availability. The impact of the conflict in the Middle East is around 210 kboe/d over the quarter, below the guidance communicated last quarter of 360 kboe/d, due to the Company's production ramp-up in offshore United Arab Emirates and the restart of production in the other countries in the region during June, although physical liftings turned out to be in line with the guidance, with an impact of 350 kboe/d.

Looking forward, we expect to maintain strong momentum, with oil and gas production in the third quarter, excluding the Middle East impact, expected to grow around 3% compared to the third quarter 2025, in line with the annual growth guidance.

Turning on the quarterly results and starting with E&P results, and the segment generated an adjusted net operating income of 3.2 B$ this quarter, up by 25% quarter to quarter, capturing the increase in average liquids price of 17.9 $/b over the quarter and demonstrating the accretive new projects contributing this quarter to the yearly production growth. Similarly, cash flow reached 5.8 B$, up 27% quarter to quarter. On the cost side, very important as well, once again, we maintain our leadership with an average Opex per barrel equivalent below 5 $/boe in the second quarter.

In Integrated LNG, the LNG production decreased by 10% quarter to quarter, mainly due to shut-in production in Qatar related to the Middle East conflict. In contrast to the outperformance in the first quarter, this quarter, the second quarter, was impacted by the underperformance of gas trading activities in an overall flat or even bearish European market, reflecting a significantly decreased adjusted net operating income and cash flow of the segment quarter to quarter of 0.8 B$. Given the evolution of oil and gas prices in recent months and the lag effect on pricing formulas, the Company anticipates an average LNG selling price above 11.5 $/Mbtu for the third quarter 2026. As we execute our consistent strategy in LNG, the main milestone of the quarter was the startup of Energia Costa Azul LNG plant on the Pacific coast of Mexico, strengthening the diversification of the LNG portfolio of the Company towards the Asian markets. TotalEnergies loaded the first cargo at ECA LNG and shipped it to the Asian market where the Company pursued strategy of signing long-term oil-indexed LNG contracts with new clients in China or in Japan.

Turning now to Integrated Power, net power generation increased to 14.8 TWh, up 28% year on year, driven by an increase of nearly 15% in generation from renewable sources, reflecting growth in installed capacity, and a 2 TWh increase in production from flexible gas-fired capacity, resulting notably from the completion of the transaction with EPH end of April. TotalEnergies is on track to reach its annual objective in Integrated Power, in particular to generate more than 60 TWh over the year. Cash flow from operations was above 700 M$, supported by the contribution again of EPH assets in line with expectations since the closing of the transaction. And this quarter again, we provide more granularity in the Integrated Power financial performance with a split in cash flow between what we call production assets, meaning renewables and gas-fired power plants and sales activities, B2B, B2C and retail. The former contributed 60% of the cash flow and the latter contributed 40%. TTEP, the new venture with EPH, will continue providing its growing contribution to the Company results throughout the year, in line with expectations. As TTEP has started contributing in the second quarter, we said in the first quarter that Integrated Power should benefit in 2026 from 10 TWh of net power production, in line with the 15 TWh guidance given for a full year, and more than 500 M$ contribution to available cash flow.

Moving to Downstream, during the second quarter, Refining & Chemicals was able to fully capture the increasing refining and petrochemical margins, notably adapting the refinery run to produce more distillates. Overall for Refining & Chemicals, adjusted net operating income was up by 200 M$ quarter to quarter to 1.8 B$, and cash flow reached 2 B$. Marketing & Services delivered outstanding results, the best in at least 10 years, driven by the positive impact of the seasonality in Europe and the higher unit margins, as noted by Patrick, notably on lubricants. Adjusted net operating income was up 21% year on year at 500 M$, and cash flow close to 850 M$, up 19% year on year.

Moving to the Company level and starting with working cap. Working capital decreased by 1.2 B$ during the second quarter, largely driven by the reversal of the first quarter build-up, with the lower hydrocarbon prices at the end of the second quarter compared to the end of the first quarter. The Company has kept the course for capital expenditure, with net investments amounting to 3.4 B$ in the second quarter, with a contribution of net disposals of 1.2 B$. This, as explained by Patrick, comforts our guidance for full-year 2026 net investments level of 15 B$. As a result, the gearing improved by more than two points to reach 13.1% at the end of the quarter, reflecting a reduction in net debt of 3.3 B$.

To conclude, once again this quarter, the integrated model of TotalEnergies demonstrated its ability to capture higher prices and higher margins, with a growing cash flow to support the deleveraging of the Company, our shareholder distribution with a clear priority to the dividend, and the Capex to deliver our growth. I think now we can open the line for questions.

QUESTIONS AND ANSWERS

Martijn Rats – Morgan Stanley

Two questions, if I may. I know there's lot of attention of course on the Middle East, but I wanted to ask you a quick one about Namibia. It's still very important for TotalEnergies. Where do you stand on the FID of Venus versus the completion of the transaction with Galp on Mopane? I was hoping you could say a few words about that.

And then secondly, I wanted to ask you about the payout ratio for this year, the guidance was more than 40%. I think we're tracking below that so far, of course. You see a volatile macro environment, it's perhaps no surprise. But the payout guidance, over which period should we expect that to be realized? Would you still expect to have more than 40% payout over the year, or should that become a longer-term target?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

On the Galp transaction related to Mopane versus Venus, we have received, end of last week, the approval, official approval of the Ministry of Energy of Namibia. And so, we are just, in fact, finalizing the last paper to close the deal potentially tonight or tomorrow. Your question came at the right time. So that's very important, of course, because the fact that we'll be on both developments as operator has a strong value for us in order to engage with the first FID.

On the FID of Venus, I would say there are intense discussions as well. We have a joint target between the government of Namibia and the consortium to sanction it by the end of July. There are discussions progressing. We'll see if we can conclude in July or if we need to have a little more time. Technically, I think we have selected all contractors, so we are ready to take the FID, subject to finalizing discussions with the government of Namibia. There has been some progress, but there's still some progress to be done.

Generally, it's at the last minute you can conclude. But we'll see if we can do it, otherwise we'll wait. But I am reasonably optimistic that there is a joint interest from all the parties, clearly. And in particular, the Namibian authorities are fundamentally supportive to have a strong operator being able to capitalize on synergies between the projects. I remind you that now that Mopane has been approved and will be closed, next step is to engage in the second half to appraise Mopane. We have three wells in 2027, and the FID will be taken in 2028. So, with all that we engage in a strong momentum. And, clearly, for us, Namibia is becoming a very important help for future growth, not only to 2030, beyond 2030.

Then on the other topics, we are clear, we are targeting 40% of payout. We have increased the buyback level and the dividend level between the first quarter and the second quarter. I don't know where we'll go. To be honest, you could say there was a little cautiousness, we have raised from 750 M$ to 1.5 B$. We maintained the 1.5 B$ for the next quarter because I can tell that we were quite impressed also, when the MoU was signed in June, by the quick drop of the crude oil price down to 70 $/b. So, it's difficult, honestly, to anticipate what will be the cash flow for the second half of the year.

Of course, we will be globally above the guidance I gave to you end of April, I think I mentioned a cash flow guidance at 80 $/b Brent and 7 $/b refining margin, of 32 B$, obviously, we will be higher than that. Where will it land, between 35 B$, 40 B$? I mean, I don't know. It's difficult to guess. So, we can make the math like you. If we were at 35 B$, there is a question of 1 B$, a little more, around 1 B$ to increase in the return to shareholders. 1 B$ in the last quarter is there, we'll see. And there will be a debate at the Board on the different ways we could imagine executing it. But I think again my message to you is, first, it's a good topic because that means that we are generating more cash flow than compared to the guidance we gave you in February. So, it's a matter of a 'rich' company. It's a good topic. But the idea that we will target the 40% is really on a yearly basis.

I remind you, by the way, that we are quite an advance if you want to make it in a multi-year case, as you suggested in your question. I think last year, we were at 55%, the previous year around 50% or 53%. So, if I make it on many multi-year, which is not the case because we are simple guys, we are quite in advance compared to the 40%. So again, consider that 40% guidance is guiding the Board. I was explaining to you last quarter, the Board is also looking at, thanks to your support, with your support and your strong guidance last year at the same period of the year, at the gearing ratio. And going down to 10% is quite also an objective for the Company. And we might achieve it this year. So that's the equation of capital distribution for the Board. We will manage that as we've done regularly, respecting our different stakeholders.

Michele Della Vigna – Goldman Sachs

I wanted to ask two questions. The first one is if you have an update on the two giant oil developments you're operating in Uganda and Suriname.

The second one is more of a macro question. I was wondering if you have a view on China demand. We've seen a drop of about 5 Mb/d in import since the beginning of the conflict. It's very difficult to unpick what is destocking, demand substitution, demand destruction. I was just wondering if you had any view of how to think about it.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

First question on Uganda. We are in the last six months of development. We expect the crude oil production to start before the end of the year. I would say 2027 will be the year when we reach the plateau. We have two developments. We have Tilenga on one side and the other one, Kingfisher which I think is ready to start up by September, if my information is good. The pipeline will also be ready by September. So, we might start, in fact, in the next quarter, the production at a rate which is, I think for Kingfisher around 60 kboe/d. And then Tilenga will come, ramping up in the first half of 2027. So full plateau for me is by mid-2027. This is where we are. And by the way, it's an opportunity for me, and we will follow that carefully of course, because Uganda is affected today by a disease, Ebola; but if it was not the case or if it stops, we think that we might organize a field trip with some of you, the ones who are brave, to go to Uganda, in one year, in September 2027. So, Uganda for me is now a matter of finalizing and turning the wells on.

On Suriname, things are moving very well. We confirmed that the production will start up by first half 2028. That's where we are according to the planning I have. It was first quarter, maybe second quarter, but we are in first half 2028. And the news of the construction, it has already progressed by 40%, we are at 40% advancement. The FPSO is in its yard, building correctly. This is more classical. It's more complex to execute an onshore project than an offshore one. In Suriname, we are in a project which, for TotalEnergies, is a deepwater project. We know how to execute them.

Then China is very interesting on demand. Of course, we have all been surprised when we discovered the statistics of May and June, where, in fact, you are right, the refinery runs went down from 15.5 Mb/d in February to 12.5 Mb/d in June. I remind you that the Chinese authorities have decided very quickly to stop exporting products out of China. And they reduced the run rate of the refineries in China by 10%, down to 90%, so I would say voluntary reduction of Chinese, so it was more affecting the export. For the domestic demand it is difficult to say, but it's a domestic demand destruction. So, I would not say that. What is sure, is that we observed that there is some turnarounds on Chinese refineries in July, August, and summertime. So, we don't expect much increase of this demand from China. It's true that when you look at that, you can consider that the system in China has quite an impact on the oil market. You know, we were commenting in April the fact that the Strait of a Hormuz blockade was representing 10 Mb/d to 12 Mb/d off the market. The Chinese by themselves, with their policy, have absorbed 4 Mb/d. If you add on that the U.S. have released almost 2 Mb/d from the SPR, the two countries have solved almost 60% of the problem. That's probably why, by the way, the price of oil went up to 120 $/b but not higher.

For the coming months, Michele, you can observe like me, but we are back to the blockade today. No vessels, no tankers are crossing the Strait of Hormuz, so we are back to the situation. I know that the Chinese have announced that they will allow again some few refineries to export some few products. It was during the quiet period at Hormuz. Today, we can imagine that it might not be the case again with these events. So that's what I can comment. So, for sure, less exports, domestic demand destruction, difficult to have data on this one.

Biraj Borkhatari - RBC

Just two on your LNG business. In June, there were reports around a Russian decree to authorize a sale of 10% of Arctic LNG 2, I think related to the European sanctions. I don't believe you have commented, but are you aware and are you planning to exit there?

And related to that, are you any clearer on the legal language around EU sanctions and what it means for Yamal at this point? I know I asked with full year results and it wasn't quite clear exactly what it would mean and there's been some conflicting reports. Any color there would be helpful.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

I know that you have specific interest in Russian matters, for good reasons, by the way. So Arctic LNG 2, as you know, I remind you that we decided in 2022, it was very early in March, in the accounts of March 31st, 2022, shortly after the war, we recorded an impairment of 4.1 B$, which was, in fact, concerning notably Arctic LNG 2, full write-off. Secondly, that Arctic LNG 2 has been placed under sanctions by U.S. authorities on the second of November 2nd, 2023. And as a result, immediately, TotalEnergies initiated the suspension procedures in accordance with existing contracts. In consequence, our rights and obligations under these contracts related to Arctic LNG 2 have been suspended since November 2023. In such a context, Novatek approached us indeed and initiated discussions for the transfer of our 10% in Arctic LNG 2 to one of their own subsidiaries, Nordline. And this has been publicly authorized, as you noticed, by a special decision of the Russian presidency in June. In fact, given this context of Arctic LNG 2, we, on our side, consider that it's in the joint interest of TotalEnergies and Novatek to dispose of our Arctic LNG 2 shares, which again were fully impaired in 2022. We have notified our partners and lenders. And we expect the transfer process initiated by Novatek to be completed in the near-term. So the Arctic LNG 2 chapter will be over for TotalEnergies in such a context.

The second question. I would love to be able to answer to you, but we are waiting to see what the legal language is precisely. There was some press news this morning that there were intense discussions about the new sanctions package at Brussels. And among these different topics and we are not part of everything, even if we try to understand, we are not in the room, there was a debate which came from, I would say, the Greek authorities, which were claiming that the Greek LNG tankers should be allowed to transport some LNG from Russia, if it was to be offloaded outside of the EU. So that was basically the case. And it seems that there is a legal language, which could, in fact, have an impact on the Yamal LNG according to what was said. It could in fact allow, I would say, some transfer and purchase of Yamal LNG if we were using EU LNG tankers outside of the EU again, so specific case.

It's a little complex story. But if it is the case, that means that TotalEnergies could not use a Force Majeure unlike how it was until now, because until now, there could be, in fact, with the regulations which were in place, which were banning the LNG export to the EU. But there was a question mark. I made that comment, I think, in April to all of you. I remember that we were questioning if there was a different interpretation of the European sanctions, that even an EU company could not purchase any of Russian LNG either for the EU or outside of the EU. It seems that the new language could, in fact, clarify it in a way that it could be done outside of the EU if we use some EU LNG tankers, which in fact would be that the interests of EU companies will be preserved independently if it's outside of the EU. So again, I'm just commenting on some verbal information. We have been in contact with different people. And I think the final resolution will be delivered probably tonight or tomorrow morning, they are drafting the last ones, and we'll see what the outcome will be. Of course, we need to analyze it because we have a policy where we don't want to take any risk with sanctions. But my comment is that, if it is the case, again, I think the interests of EU companies will be preserved because, honestly, to let the Russian LNG be sold outside of the EU, not by EU companies but only by your competitors, was a little odd to all the EU companies involved. That's what I can tell you. And we'll keep you aware, obviously, because it has some impact on our own business. And we'll keep you aware of the situation.

Doug Leggate – Wolfe Research

Patrick, I wonder if I could pick up on Martijn's prior question about cash returns and the 40% and so on. I think we would all agree probably this is a bit of a windfall environment and maybe formulaic returns of capital. One could be forgiven if there was some flexibility there. My question is specifically around the hybrid bonds as opposed to the net debt target and whether you would consider these windfalls as an opportunity to perhaps address some of that longer-term financing as part of your capital structure. That's my first question. I've got a follow-up on exploration, please.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

I should give that to Jean-Pierre. But to be honest, the hybrid bonds, for me, it's a debt. It's a debt., I mean it's not a debt, but it's a quasi-debt with a low interest rate compared to what to the issued bonds. I don't make a lot of difference between the different bonds that we have issued. It's around 11 B€ with a 3% coupon, so it's quite a cheap debt. Is it a priority to unwind all that? My answer will be clear, it's no. And it's no. We have made some partial reimbursement, but it's not a priority. And again, as a CEO I'm more looking to the global cost of our different bonds rather than this specific one here. Maybe Jean-Pierre wants to elaborate?

Jean-Pierre Sbraire – TotalEnergies SE - CFO

It's highly dependent on the market. If you could consider, it's cheap debt, then there is no reason not to keep the hybrids in our portfolio. But of course, we are highly dependent on the conditions, as Patrick explained. What is important for us is globally the cost of global debt, so senior bonds plus hybrids.

Doug Leggate – Wolfe Research

My follow-up, Patrick, is very specific on exploration. You hired Nicola out of ENI and you have Mopane and Venus in Namibia. Back in 2016, TotalEnergies drilled the only deepwater well in Uruguay. And ENI late last year farmed into Uruguay. It seems that activity there is picking up a bit. My question is, when you roll all that together, does TotalEnergies have any ambitions to move into Uruguay?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

I mean, Doug, you will need to ask the question to Nicola. To be honest, Nicola did not come to my office to tell me we need absolutely to come back to Uruguay. To be clear, our own experience in Uruguay has been quite average, to be honest. And in fact it's a whole basin, because this basin, which was the Pelotas Basin, if I remember. In fact, we drilled in Uruguay. We also drilled on the other side in Brazil, which was not as well quite a success. So, we made two drillings in this deepwater basin there, which was honestly not very encouraging. I have noticed that there were some companies last year which went back. Nicola is quite excited by Namibia, by coming back on Suriname with OBN (Note: On Bottom Nodes).

He has some other ideas, in other African countries. But again, I discuss with him through your intermediary, Doug, if he wants to come back to Uruguay, as the CEO, policy is quite clear. We allocate 1 B$/y to exploration and appraisal. This is my commitment to Nicola when we hired him. And I told him it's up to you to decide where we will put the money. You have to share with us your convictions. But if it's your ideas, we follow that. By the way, when I was looking to potentially, it is not yet done, but the Venus case, looking at the development, a Venus development might generate quite a nice cash flow, paying many years, like Suriname, the GranMorgu development will pay many years of exploration.

We need to keep in mind that in terms of cash generation, added value exploration for me is a nice engine. But again, I trust Nicola that he will bring ideas to us. I don't know if it's Uruguay or not, but until now, it's not Uruguay.

Christopher Kuplent – Bank of America

Just two quick questions from me, Patrick. The info that you've given us on the positioning of your gas traders is very helpful. Can you maybe comment on whether their bullishness has extended into power and your merchant and spark spread position there, and what you expect on that side now that you've got access to the EPH portfolio?

And the second question, as ever, I keep trying to get comments out of you on the state of the M&A market, but maybe now, we have a specific example that you know more about than we do, which is the Danish deal, which I believe is entirely operated by yourself. What do you think about this environment? You've made use of inorganic before. Is this an environment to sell or to buy? Any comment once again would be appreciated.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

I commented on gas trading because gas trading has been, again, lower performance than oil trading. So just to tell you that now the position is, I would say, the winning one. On electricity, honestly, I don't have the visibility on that. Of course, as you know, the EPH deal is a deal where we are buying the assets, but we transform all assets in a tolling mode in order to have access to the electrons in order to trade ourselves around this electricity. In fact, today at this stage, all the tolling agreements have not yet been signed. We are working on it. I think the full potential of trading around the EPH is more for the fourth quarter than immediately, to be honest. But of course, we are expecting from that some additional value. We have some objectives. And we were discussing that, by the way, with our trading electricity team last week during our five-year business plan. We have some objectives and we expect them to deliver. We are trading on two markets. There is the European market and one in which we are also trading in the U.S., which is a little more complex market, to be honest, because our position there is probably today still limited. We will need to find ways to increase the position in the U.S. if we want to be, I would say, profitable trading electricity in the U.S. In Europe we have quite a large portfolio today in different countries, so we are according to expectations. The U.S., I would say, is still work being in progress, I would say, on this one.

Regarding the M&A market, I didn't have the time to analyze the price which was paid by Vår to acquire the BlueNord Energy, so I didn't. Probably, I will receive a memo, but I was occupied by other matters these last few days. It seems for me the market today is more a seller market than a buyer market. With the crude oil price we experience today, to make a deal, unless you have a big earn-out scheme in which you will try to capture part of the potential upside, it's not a stable market. Before this crisis, I think you could imagine deals were done around 70 $/b. Today, to sell at 70 $/b, to be honest, I am not a seller today of these assets, of the oil assets, because we would not like to lose some upsides. So selling is probably better today than buying. Yes, it's right to come back to your deal. But again, I cannot comment to specific situation you mentioned. Maybe we have some pre-emption right? I don't know. I don't know the situation of this deal. We will look at the it. But as it is our assets and we operate. By the way, I'm not surprised because BlueNord was held by a fund, and it was quite clear to me, when I met, by the way, the owner of BlueNord when I was in Denmark a few months ago. And it was quite clear to me that they were willing to sell. For us as TotalEnergies, we have already quite a big share, I would say, in these Danish underground assets. It's quite mature assets, to be honest. I think we are fine with what we have. But again, we'll look to this situation.

Mark Wilson – Jefferies

Regarding European projects, could I ask about the Cyprus project, Cronos Block 6, and what the expectations to move that one forward are, please?

And then secondly, on gas trading, yes I agree with others' helpful comments, but you spoke to the European expectations for price moves there that didn't occur. Should we consider your gas trading business to be more of a regional-focused business rather than global? Obviously, oil made material moves up and down and probably that enables that business. But should we think of your gas trading business as being a more European regional-focused one?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

No, we have a global gas trading. We are a big LNG player. I just mentioned that there are different markets: in the U.S., in Asia, of course. I just tried, in my comment, to tell you where we made the miss, and the miss was more on the European anticipation on the TTF, where I think we were around 15–16 $/Mbtu. End of March, we were around 17 $/Mbtu. Our teams were thinking it would go up to 19–20 $/Mbtu, like it is going, by the way, today and in July, because they anticipated the impacts on the market both of the disruption from the Qatari production from the market and as well the fact that the inventories in Europe have to be rebuilt. And in fact, what happened is that the market probably considered that it was too anticipative to have a higher price because expecting maybe the Qatari disruption to stop, which happened in June but came back in July, and that there was time to grow the inventories. It's also true that the weather in Europe was quite, in fact, good in the second quarter. So it's just to try to give you the main, the major, the one on which they took a position, which appeared, which were in fact reversed, which were not the right ones. But it does not mean at all that we are not a global one. I would say on the other markets, I didn't see any specific. We didn't see any underperformance. We only see it on the European position, that's why I mention it. But don't draw the conclusion.

Thank you for this question on Cronos. We are working on many FIDs in this end of July and the good news, and I think I must pay tribute to ENI, the operator, because we have a big share, 50%, like the operator, ENI. We worked jointly, by the way, in the last six months to go to the FID. And the good news is that I think we are working hard to, again, like on Venus, finalize the FID by the end of July. Cronos, for everybody, is an interesting development where we produce gas in Cyprus and then we maximize existing infrastructures in terms of Capex because it's a subsea development. It will go to Zohr installations in Egypt to make the gas treatment and then to Damietta LNG plant in Egypt. You can imagine there was a number of intergovernmental agreements and agreements with third parties to use all these existing installations. But it's being done, honestly, and I think, with Claudio Descalzi, we'll be able probably end of next week to announce that. And it's good. It's an interesting project because at the end for TotalEnergies, we have access to 1.4 Mtpa of LNG in Egypt, just in front of the European market. You can imagine that it's an interesting project from gas to LNG. And for Cyprus as well, it's the first gas development in Cyprus. And maybe our scheme will open the door, the way to other valorization. It has been a long journey, but I think we are there. And we'll be happy to invest capital into Cronos project.

Matthew Lofting – JP Morgan Chase & Co

I wanted to first ask you about full-year operating cash flows. I think, Patrick, you said earlier, understandably, that you'd expect to be probably above the 32 B$ for the full year that you mentioned in April. Obviously, the macro scenario is uncertain. If we were to stick to the 80 $/b, 15 $/Mbtu gas, and 7 $/b refining margin that you used in April, where do you think full-year cash flows at that price deck would outturn on an underlying basis versus the 32 B$ that you saw three months ago?

And then secondly, I wanted to ask you about refining and security of supply of feedstock. Is the Company able to access the appropriate feedstocks for the system as you look into the coming months? And is there a scenario where additional measures could be required from that perspective, particularly if conflict in the Middle East persists?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

On the first question, it's quite easy to answer, the 32 B$, because we know has been improved in the second quarter, would be raised to 34.5 B$. That's why I mentioned 35 B$, I think, in my answer to your colleague, the first question that I got. 34-35 B$ would be, in such an environment, you can get it as a guidance. Again, we'll see if we are at 80 $/b. Since the beginning of the year, we were a little higher. We are more on an average around 90.7 $/b since the beginning and over the last 30 days, were at 76 $/b. So that's quite a spread, between 75 $/b and 90 $/b, we'll see where we land. It's interesting, in these assumptions: 34.5 B$. And the current forward curve is a moving target. It follows the spot one, so I don't have the figure. I mentioned to you a range of 35 to 38-39 B$, if we are remaining. If we were having a second half as the first half, you double it, you find 38 B$. But it's a higher environment, it's not 80 $/b, it's 90 $/b. It's a refining margin of 15 $/b. So it's 90 $/b, 15 $/b, and TTF 15 $/Mbtu as well, which was the average of the first half. If you replicate such an environment, you could imagine we should deliver around 38 B$ instead of 35 B$. So you have a range where we could land. But I don't know, maybe it will be lower at the end. That's what I can tell you today.

The second question. No, we have no problem of supplying feedstock to our refining system. Not at all. We are producing a lot of oil in Brazil, a lot of oil in Africa. And in fact, our refineries, by the way independently of Hormuz, in terms of crude supply, our European refineries, which are on the Atlantic Basin, are generally supplied by crude oil coming from the Atlantic Basin. It's true that we like to have some sour crude coming from the Middle East to make more diesel, because it's the best crude to produce diesel. The sour crude from the Middle East is more going to Asian refineries, in fact, than to European ones now. We have no concern on our side to feed our refining system. The only concern I could have is more around SATORP in Saudi Arabia because, first, it has been hit, so I hope it will not be hit again, and we don't have the full capacity. Secondly, SATORP production is, of course, stranded in the Gulf. It has been quite well used by the Saudi system during the second quarter for domestic use because they had other refineries which were hit. From this perspective, we are running it for the domestic market, but we see what could happen if it's long. So that's the situation. But no security of supply for feedstock for our system.

Lucas Herrmann – BNP Paribas Exane

It's a little conceptual perhaps, but one of the things that I think most of us are struggling with in the medium term at the moment is the fragmentation or fracturing within OPEC. The UAE having departed, Iraq talking about an incremental quota or changing its quota.

If you think forwards about your own position, the potential for Iranian barrels to come back, more UAE to be available, Iraqi flows perhaps be larger, where does discipline stick with what remains of the rest of OPEC. How does that impact the way you think about allocation of capital to projects? Does it change anything in terms of how you feel about the robustness of oil markets, particularly at the bottom of the cycle?

And secondly, if I might, and maybe this is just one that I should leave, or we should leave to the strategy days, simply to ask whether in light of the actions you've taken around Mopane, the addition of EPH and the environment we're seeing in refining in particular at the moment that may be sustained, whether that's changed and altered your target of 20 B$, or so, of free cash by 2030 in the 70 $/b world?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

The first question, it's a good question for the investor presentation outlook in September, Lucas, where we speak more about strategy. But honestly, in terms of capital discipline, because of all what you described very rightly, it's very good to stick on to the discipline to test all our projects at 50 $/b. Because the answer, yes, you can infer that today we are in a world of high prices, but we could go in a way where everybody would like to produce more. And maybe, by the way, Saudi Arabia, like they've done in 2020, could do "why not myself?". I mean, if everybody wants to produce, so we could do it again. If you remember what happened in 2020 when Saudi Arabia decided to flood the market, I think some few pupils around them were quick to come back to more discipline. It's a matter of discipline. For us, honestly, I continue to believe, and in the Company, we are continuing to test the 50 $/b. We plan the business plan, five-year business plan, we plan it at 60 $/b. Yes, we test what happens at 80 $/b or 70 $/b, like you mentioned. Keeping the discipline and knowing that we are in a cyclical industry, I think it's just fundamental. All these events that you mentioned are just confirming to me that we need to keep discipline. That's what I would answer to you. And that means as well that you should not be surprised that when we speak in end of September about capital net investments you'll hear figures which will be in line with what we told you last year. We do not suddenly increase our Capex because we have, on the short term, a higher environment.

Does it changed 2030? Not really, what you said, because Mopane first, the production of Mopane is beyond 2030. Venus should start by end 2030, so Venus, Mopane, for me it is 2030-2035. We are working on it, so there's no impact. EPH somewhere was part already of our long-term plan, our five-year business plan, we told you that we have just anticipated with EPH some of the Capex we were willing to allocate to M&A in Integrated Power. So, it has been done, in fact, it was modelled, even if EPH was not, I would say, the deal which was modelled in our future cash flow by 2030. And bounce in refining, frankly, I will not take it as granted. Maybe because I managed that business during three years, I'm a little more cautious on it. Today, we have an incredible situation where both markets are positive in the same direction. That's true that on the products market, you have no products coming out of the Strait of Hormuz. The Russian situations with themselves, they stop exporting diesel, and so you have a Russian disruption. You have a lot of impacts which are pushing up the products prices. Because if Strait of Hormuz remains on and off, as I read that some authorities said maybe it's a new normal, if it is the case, then we'll not be in the 50 $/b environment. We'll be elsewhere. Because there is no low cycle with an on-and-off Strait of Hormuz production. Of course, we are discussing today to invest in some of the pipelines projects which will allow to circumvent the Strait of Hormuz, but it will take a few years. So the bounce on refining, I don't take it for granted for our planning by 2030.

We will come back to your first question more precisely. In fact, what we have worked since we met last year in September 2025, we have confirmed, in fact, it's more, we will come back to tell you fundamentally all our targets are confirmed even strongly. Yes, the increase of free cash generation that we announced, which was more than 10 B$, an increase of more than 10 B$, will be confirmed. So far, this is one of the first messages in September, which is a confirmation of that. The second one will be to give you more color on beyond 2030, because in fact we are working now beyond 2030. The Company has two objectives to deliver all the 2030 additional free cash. And we will do it, I can tell you, and we'll demonstrate why we are super confident, and you have some of the projects you mentioned. And then working as well to continue the story because the story of TotalEnergies growth does not stop in 2030.

Naisheng Cui – Barclays

The first one is on the Middle East. Patrick, we watched off your recent interviews with French media. I think you talked a lot about the importance of building more export pipelines in the UAE, as well as other countries. I wonder if you could elaborate on your thinking around the Middle East situation and the TotalEnergies' longer-term strategy in the area, please.

The second question is on power segment. You have built a successful power business, and you achieved one of the best quarters, as you mentioned earlier. Strategically, I wonder what's your next ambition for this business.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

On the Middle East, it's quite obvious to me. We are very well positioned in Abu Dhabi, for example, and we just announced two very big projects, by the way. Despite this war, we have been quite active in Abu Dhabi to reinforce the whole partnership and position of TotalEnergies together with ADNOC or XRG or Masdar. We have announced a JV with Masdar and all these renewable businesses in Asia.

We have announced the Bab Gas Cap Concession, which was an old dream for many people in the Company to have access to the Bab Gas Cap. So it's done with our partners. By the way, it's interesting to know that when in 2015 we signed the Bab concession onshore, some people were skeptical. Ten years after, we deliver the additional value, and it's because we were in the place together with our partners that we managed to go along with ADNOC. And thank you, by the way, to the trust that the Emirati authorities have given into the existing consortium.

And we have also announced the Umm Shaif Gas Cap. We have FID-ed this week, in fact, together with ADNOC, and we have a 20% share, the Umm Shaif Gas Cap which is also by the way not only gas, it's also liquids. All these gas caps are gas projects, of course, but there are also quite good condensates projects. So it's for liquids.

Then you need liquids, you need to have outlet. So it's clear to me, and Abu Dhabi has been very active, ADNOC has been very active, very reactive on the need to double the pipeline to Fujairah in order not only to accommodate future growth, but also to connect the offshore production. I think ADNOC is offering to partners to look at the projects. And definitely we are looking at that very seriously. So that's one part.

The other part of interest for us is Iraq, because we have some production in Iraq. Iraq today, we have only one way to export. Not one way, I'm exaggerating, but fundamentally it's Basrah, in the Gulf. So being able to contribute and to see. There are some projects which are being announced and being studied from Iraq to Syria and TotalEnergies is keen to join the projects if possible or to develop some.

So I think it's obvious to me that if we want tomorrow to come back to you and to say we want to continue to invest because it's cheap oil, which is true, and there is a lot of oil, we need to diversify our exit routes, otherwise we would not do a proper business case.

So that's why I am clear. And I think, by the way, for the countries themselves. And even I think if the conflicts were coming to an end quickly, we must absolutely keep that in mind and pursue the efforts to have alternative routes for this oil.

Integrated Power, the next ambition is to reach the 2030 target. It's not yet done. This year, we'll reach 60 TWh. We will reach more than 100 TWh. I think the 100 TWh is probably the low assumption for production by 2030. More importantly, we want to generate a net cash flow from this business. We said next year it will be net cash flow positive. This year, it might be, but I would like to do it in a normal Capex environment. And we want it to be not only more than zero, but I would say in our famous free cash flow growth of more than 10 B$ free cash flow target by 2030, there was 2 B$ coming from Integrated Power.

So the target is to deliver this 2 B$. And then beyond 2030, there are different options but, of course, we might continue to grow the business. The question is at which pace, in fact, and that will depend as well to opportunities. But I think on this topic, the Board is very keen to really see the capacity of the Company to deliver what are our targets rather than planning big ambitions. It's not a matter, I would say, of growth. It's a matter of value as well for the Board.

And actually for all our investors, you have been supportive. Not always, but today more supportive than before, by the way, to us to invest, I think we are right, because one of the lessons of the crisis, as you can observe in many countries, the new word is electrification. It's not green, by the way, it's electricity, electrification, domestic resource. And it's also supported, of course, by all the datacenters and AI growth. And we are right to be and to continue to invest into this energy, which is a good complement to what we do in particular on oil and gas, electricity, and the gas-to-power connection is obvious.

So that's the ambition to continue to develop it in some geographies, just to, again, to frame this completely, where we can develop the integrated model, where gas, renewables, customers, trading is possible. That means some few major European countries, the U.S., that will be the core, I would say, of our investments. If you add Brazil and India, I think you have the description. So we are, in fact, today, the next ambition to be stronger in some markets where we can deliver the integration and the profitability.

Kim Fustier – HSBC

I want to go back to the Middle East. The production impact came in below your original guidance thanks to the surprisingly fast ramp-ups in the UAE in June, and maybe in Iraq as well. Now with tensions rising again in the past couple of weeks, could that progress reverse? So in other words, if the situation doesn't change from here, how soon could we see production shut in once again across the UAE and Iraq?

And then just staying with Iraq for a bit, just on the GGIP project, I think that Ratawi Phase 1 was supposed to be starting up sometime this year, could you give us an update on this project? And obviously, does the renewed regional escalation cause any risk to the timing of the oil ramp-up, but also the other parts of that project, including the associated gas and the seawater project?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

I mentioned that I gave you some information in my opening comments to tell you that beginning of July, the production, until 08/07/2026, in fact until the blockade came back, the production was going up and the impact on our production was even around 5% only. That means that the global production from the Middle East, if you consider that our base was around 650 kboe/d, was by that time 550 kboe/d because there was an increase in many assets in particular, of course, Abu Dhabi assets were all almost back to normal production, which demonstrate, by the way, that I remember the questions that I had during the months before the MoU, is it quick to go back to the normal level? Yes, it's very quick. The wells in the Middle East are very easy to reopen and to produce. So Abu Dhabi was back. I would say even Qatar was not fully back on the LNG side because there was a sort of ramping up cautiousness on this one.

And Iraq, even Ratawi, was back to half of the production. So Iraqi part was a little more. We were minimizing and we are ramping up quickly to come back to a normal level.

Since 08/07/2026, in fact, because of the situation, when I was looking to the situation beginning of this week, again, the impact is more around the 8% to 9% I mentioned during my opening speech because of course we cannot maintain such production if we cannot offtake. It's not a matter of wells. It's a matter of offtake. And because when you produce at maximum, your tanks are full. And then your system, it's all the logistics which are constraining the production. So I would say that, of course.

And again, by the way, the LNG plant of Qatargas too in Qatar, which was ramping up, has been shut down again. So you have some impacts. That's why to guess today, I would say, to be clear, the guidance I will give you, if we were like where we were in the second quarter, we could imagine the production could be with an impact of 10%, but the offtake could be unfortunately higher. And back to our initial guidance when we gave you 15%, it was in fact in terms of physical offtake. It has been 15% during the second quarter. Third quarter could be the same.

But again the lesson is, the good news is that if the Strait of Hormuz is open back again, then we'll be able to ramp up quickly. And then of course it is a condition to bring tankers and to offtake the production. So all that is going together, that's what we face today. During the few weeks of opening, we managed to get all our tankers out. We managed to have some tankers in and out, by the way, in order to load. I think we managed to load three tankers during that period. But again, now we are back to nil because it's not possible. So let's observe.

The second question Ratawi. Ratawi I think there are different stories, there is the first phase that we are planning to start up, we were expecting the first half. Of course, we are delaying because there has been some impact. By the way, Ratawi cannot produce fully today and it has been some impact because of some equipment, etc... But so today we are, I would say, targeting end of third quarter, so September. Will it be possible? Honestly, we don't have some events under control.

And then the other projects are progressing, yes. All the projects have been launched and all the contracts have been awarded. We have people on the ground for the seawater project, for the associated gas project, for the second phase of Ratawi. By the way, we are working as well, we have good news in terms of productivity of the wells we think will be good, when we have the first phase one day.

But all that is just being impacted, I would say, in terms of execution because, in fact Strait of Hormuz everybody spoke about crude oil transit and refined product transit, but there was also an impact on equipment either one way or the other way. And we have transported a lot of equipment by roads. But for the larger ones, it's not easy to do, and it's not even possible.

So that's the situation. We are dedicated to the projects with some impacts. Today, it's difficult to give you a new guidance. I could just tell you it's postponed by three months, what I just said. Maybe we need to reassess the situation when we'll be back to a normal situation in the Gulf region.

Jason Gabelman – TD Cowen

I want to ask the first question on the potential for windfall taxes. And given the recent backup in commodity prices, I'm wondering, Patrick, if your conversations with governments indicate any appetite to reinstitute windfall taxes.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

Honestly, most governments took measures between 2010 and 2015, many of which are still in place in the countries where we operate today. More recently, we experienced a limited impact in Brazil where the government reinstated an export tax for four months. And, there are currently rumors that it could be extended, which has been declared as unconstitutional, there is still ongoing legal fight around this export tax in Brazil.

UK taxation has increased in recent years, so there is no scope for further increases. Norwegian taxation is okay. And honestly, in most of our PSCs, the reality is that there are mechanisms at work that you can observe. If you look at the average tax rate of TotalEnergies, in an environment at 50-60$/b, we are more or less at an average of 40%, whereas in an environment at 80-90$/b, we are more around 45-50%.

There are mechanisms within PSCs, whereby as prices go up, governments take the biggest share. And, it's normal because, when we negotiate, we try to protect ourselves on the low cycle by giving up a little more on the high cycle. That's the balance that we try to institute.

These mechanisms exist, and we have not faced this type of conversations since the beginning of the crisis. Except in Brazil, I can't think of any other situation where we have had such discussions, because mechanisms already exist in many of our PSCs.

Jason Gabelman – TD Cowen

I wanted to go back to the Yamal project for a minute and just understand, because you have the interest in the liquefaction facility, and then you're separately lifting volumes as well. I'm trying to understand what the cash flow split is between those two parts of the business, and also if you've been able to actually get cash distributions out of the Yamal facility itself over the past few years.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

In fact, you are perfectly right. There are two different activities. One is a Russian activity, the Yamal liquefaction plant, where we are a 20% shareholder. Some cash flows have been distributed. It is not an easy way, since we comply with sanctions, so the question is, whether there are distributed in Russia, and when can they flow to Europe. European sanctions have limited the number of channels available to transfer funds from Russia to Europe.

Some cash has come back to TotalEnergies, but not all of it. In the way we plan, we don't consider that, we are just cautious. The cash does not come on a regular basis. From time to time, we have some openings, but that's not happening on a regular basis. So some cash remains in Russia, which we expect is waiting for us there.

Then we have the other part, which is the European lifting. Yes, this one is outside Russia. It's a business handled by a UK entity, that manages Russian contracts, and the cash is outside Russia. For this one, we have direct access to the cash.

The magnitude of this business is around an average of 400 M$ per year. But again, it goes up and down because the contracts are linked to Brent, so it depends on the assumptions that you make on crude prices. Let's say it's 300-400 M$ per year, so that's the potential size. It's a contract, it's part of the portfolio, and it's not a major issue for TotalEnergies.

Henri Patricot – UBS

Just one question, going back to capital allocation. Last quarter, you mentioned that you were evaluating options to accelerate short-cycle investments in Upstream. Where are you on these options? It sounded like they were no longer considered earlier on the call, keeping Capex unchanged. Are they just not being considered anymore?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

No. We have, of course, different subsidiaries that worked on it. There have been some proposals. We have approved a few of around 200-300 M$ this year. So the guidance of 15 B$ may ultimately end up at 15.2 B$, but I consider it as part of the global guidance, so that's not a real impact. And yes, this might have a little more impact next year because, of course, these types of actions are not only for immediate actions. So you have probably 500 M$ of capital allocation acceleration which will come next year. The global guidance we gave you last year was, I think, around 15-17 B$ per year of Capex. Then we said 14-16 B$. But again, we'll stay around the 15-16 B$ range. So yes, we have taken some actions and that will impact a little more 2027 than 2026.

Bertrand Hodee – Kepler Cheuvreux

I wanted to come back and try to quantify the underperformance of the LNG trading in the second quarter. Integrated LNG net income was down 500 M$ in quarter to quarter, while at the same time, contribution from equity affiliates, which is in my understanding mainly liquefaction, was up 300 M$. That puts a quarter to quarter discrepancy at Company level for integrated LNG, excluding affiliates, at around 800 M$. Is this what we should understand as a swing in the trading performance?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

You are very good, Bertrand. We can hide nothing from you. We are very transparent. In fact, we mentioned to you that there was an outperformance last quarter of around 500 M$. Your 800 M$ estimate is right, so you have outperformance reversed, not only from 500 M$ but also to less than 300 M$ compared to a normal situation. So you deserve a certain distinction.

Bertrand Hodee – Kepler Cheuvreux

And the second question is on your comment that those long positions that did not work out in the second quarter are now in positive territory. Is that a hint that we could be headed for another outperformance of LNG trading in the third quarter, by the same magnitude?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

Exactly. But we are only in July, so maybe it could be larger, I don't know. But to be clear, yes, it could be the same magnitude. Because these markets are volatile. When you take 5 $/Mbtu in 20 days, I can tell you that these types of positions are making money. The question will be not only when the results are not finished on 22/07/2026, but on 30/09/2026. So yes, it's possible, we might come back to you with good news of the same magnitude.

Fergus Neve – Rothschild & Co Redburn

Just on the LNG growth pipeline, it was positive to see the ECA LNG project start-up earlier this month. Could you provide a quick update on where the FID for Papua LNG stands today and also how the Mozambique project is progressing? And then secondly, just on the refining environment, I was wondering if you could comment at all on how your margin has looked so far in July.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

In July, it looks very good. I can tell you the average margin over the last 30 days was at 31 $/b. So it looks very good. And I think for July it is probably around 35 $/b right now. It reached a historic record for me, which was more than 40 $/b, at 44 $/b one day. So today, it's a little backtracking because, again, crude oil is going up. In fact, I have one observation to make to you. Since the Strait of Hormuz was blocked again on 09/07/2026, when you make the sum of crude oil and refining margin, you are almost at 130 $ day after day. So, that's what I mentioned that in my opening comments.

On Papua LNG, we are working all together very closely with ExxonMobil, with Santos and with the government, of course. The government has just launched the last part of the procedures, the local hearings. The objective is clearly to sanction all of that before year-end – November, I think, is the target. We are aligning the interests of all the partners and the interests of the projects, and we are studying how we can maximize synergies today between Papua LNG and PNG LNG to deliver the most efficient project to the government, but again, in close cooperation with the government. So, I'm happy to see that the different stakeholders have all the same objectives today. It's not an easy one, but I'm optimistic we could reach this sanction. We are all working for that, and we are very aligned on that.

On the Mozambique LNG project, it has restarted, as you know, since January, and today we are increasing the mobilization of people on the ground. I think we are at 7,000 or 8,000 people. The project is progressing. We are facing some few difficulties because some of the equipment were, in fact, being built in Dubai and in different yards in the Middle East. So, we had to face some tough times to transport all this equipment out of the region. I think it's done now, so we are progressing. And in fact, today, when we compare with the progress curve, we are almost at 45% completion. But we still have a lot of things to build in Afungi and offshore. It’s on its way, with the target being 2029 for the first train. We work on it.

Jean-Luc Romain – CIC Market Solutions

On refining and your plan to introduce more green hydrogen in your system. Where are you with this, and are there regulations in Europe which are not going fast enough for you to progress on that?

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

Yes the French one. In fact, we have received some nice offers. The good news this quarter is that the German parliament has adopted its implementing regulation. So today we are very clear on the German part. As a result, Leuna will be able to maximize the use of green hydrogen, so that's good news. There was bad news on the Netherlands part, where the national regulation has been adopted, but with certain restrictions. I think the Zeeland refinery will be able to take more or less 30% of what we plan to offtake. But again, if there is no fiscal support, we cannot do that.

Then we are working today with the last two governments, which are the Belgian one, where the draft provisions are not so positive, and the French one, where the draft provisions are positive. The challenge in the French system is that you need to go to Parliament, and passing fiscal reforms in the French Parliament is not an easy task for the government, but we are working on it and we would like to have the definitive scheme and not an interim one. If we commit for long-term contracts of 10-15 years, we need to have a scheme which will give us a certain level of comfort.

It's a very technical matter, it's one of the most complex topics I know, because to explain to a political leader RED III, what it means to produce green hydrogen in Europe and getting some support, it is tough, to be honest. But we have some momentum, so we are working on that, and not only by ourselves. We are also working hand-in-hand with Air Liquide, which is also interested to see these regulations adopted. We are progressing, but again, for us to commit to long-term contracts, we need to have all these regulations enacted.

It’s the beauty of Europe: you think you've done the work because there is a directive adopted in Brussels, and then you take four years to implement it in each country. And, I'm afraid that I have just discovered a new directive, that could once again revise the definition of green hydrogen, under RED IV, through ongoing consultations So, to be honest, when you read that, you begin to be afraid. The problem is that all that is coming through regulations so it could be difficult.

Ahmed Ben Salem – ODDO BHF

In the light of the recent escalation in the Middle East, has your view on geopolitical risk changed? Which region do you see as offering the most attractive risk-adjusted investment opportunities over the coming years, and how might this influence your future capital allocation priorities? It might be more for the CMD but it is important.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

We continue to consider the Middle East as an investable region. There is no doubt about it. At the end of the day, it's a question of risk and reward. Maybe the reward will have to be a little higher. But when I saw my U.S. competitors rushing to Iraq during the last weekend, if I notice the number of MoUs signed to develop hundreds of thousands of barrels, I don't know why these U.S. companies suddenly would like to see lower geopolitical risks, and ourselves which have more DNA in the region would consider the current environment as higher risk. So we think it’s a question of risk and reward. Again, this also goes back to my comments about having alternative routes to export the oil to market.

Having said that, it's clear that the strategy of TotalEnergies has been to diversify the portfolio, and that reinforces my strong belief diversification is of essence in this business. We have done it well in Brazil, in Africa, in new countries in Africa. Of course, the U.S. are also attractive to us, we are building quite a big position in the U.S. in terms of capital through LNG and through Integrated Power, so we are fine.

I understand the question, but at the end of the day, when you make Oil & Gas, you go where you find it. And if we discover oil and gas in Suriname and in Namibia, we are happy, but we don't find Oil & Gas in Europe, to answer your question. And, we don’t have the right to look for it. So that’s where we are.

For me, the answer to your question is fundamentally to maintain our strategy of diversification, and this is what we will present to you in September. I think the events that we have faced in the last four months have demonstrated that this is the right one. We have been able, as I answered, to supply feedstock and not to claim any Force Majeure for LNG customers, contrary to some competitors, because we have a diversified source of supply of LNG, and from this perspective, building a position in Mozambique. Look at the countries we have been developing over the last three years: Suriname, Malaysia, Namibia.

We are continuing to diversify our stakes, because that's the reality of our business. And it's not only in 2026 that we discovered that. The Company is 102 years old and It has been the case for long.

Patrick Pouyanné – TotalEnergies SE - Chairman & CEO

Thank you for your attendance today and for your support. I remind all of you that we have a Capital Market Day in New York City on the 28/09/2026. On Monday, 28/09/2026, be ready to attend the TotalEnergies Capital Markets Day with more news to come, because we continue to work during summertime.

So, thank you for your attendance and happy holidays to all of you.

Operator

Ladies and gentlemen, this concludes the conference call. Thank you for your participation. You may now disconnect.