Playing to our strengths in the North Sea

Arnaud Breuillac
President Exploration & Production
North Sea: 60 years of history and innovation
Combining the strengths of leading North Sea operators

Countries entry
1962: UK / Denmark (DK)
1964: Netherlands (NL)
1965: Norway (NW)

1962: UK / Denmark (DK)
1964: Netherlands (NL)
1965: Norway (NW)

1971 – NW
First oil
Ekofisk

1972 – DK
First oil
DUC

1977 – NW
First gas
Frigg

1978 – NL
World’s 1st
gas wells

1987 – UK
Start-up
Alwyn

1988 – NL
World’s 1st
derived
gas wells

1994 – UK
Start-up
Dunbar

1999
Total merges with
PetroFina and
then Elf

2001 – UK
Start-up
Elgin Franklin

2009 – NL
World's 1st subsea
field using electrical
control system

2016 – UK
Start-up
Laggan-Tormore

2018 – DK
Creation of technical
hub in Copenhagen

2018 – DK
Launch of Tyra Redev.

2019
Start-up Culzean - UK
Johan Sverdrup - NW

2017
Acquisition of Maersk
Oil (Announced)
A leader in the North Sea for the long run
2nd largest operator, 3rd largest resource holder

> 3.5 B$ CFFO in 2019
~500 kboe/d production in 2019

Core Upstream area leveraging ~2,600 skilled staff to manage large base of operated assets

Developing portfolio with large share of young assets

Replacing reserves in the North Sea: 123% RRR over 2017-19

Reducing costs by implementing synergies and developing regional integration

Successful nearby exploration
Maersk Oil, unique opportunity to acquire young assets while divesting high cost ones

2015-19 M&A resources

Bboe

<table>
<thead>
<tr>
<th></th>
<th>Acquisitions</th>
<th>Asset Sales</th>
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</thead>
<tbody>
<tr>
<td>1.0</td>
<td>Main assets:</td>
<td></td>
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<tr>
<td></td>
<td><strong>Maersk Oil (Culzean, Johan Sverdrup, Tyra...)</strong></td>
<td></td>
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<tr>
<td>0.5</td>
<td>Main assets:</td>
<td></td>
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<td><strong>UK mature assets, Martin Linge, Gina Krog</strong></td>
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2015-19 asset sales

- **~5 B$*** sold
- **> 40 $/boe** technical costs

**Assets metrics**

<table>
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<tr>
<th>Acquisition / sales price</th>
<th>&lt; 5.5</th>
<th>~8.5</th>
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<tbody>
<tr>
<td>($/boe of resource)</td>
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*Based on 2019 announced and closed deals, including infrastructure assets*
Maximizing value from Maersk Oil

Strong cash flow from Maersk Oil portfolio
B$ – 60 $/b

Successfull integration of skilled and experienced staff

New technical hub supporting North Sea and global offshore assets from Copenhagen

Benefiting from growing portfolio with young assets

Implementing material cost and fiscal synergies

Quick pay-out time

* Subject to closing
Rejuvenated portfolio offering stable medium-term production

North Sea production
kboe/d

2nd largest operator producing ~500 kboe/d

Producing ~60% gas

Large share of assets on plateau and growing

2019 low cost major start-ups
- Johan Sverdrup (8.4%)
  440 kb/d, Opex < 2.5 $/boe, Ph. 2 under construction
- Culzean (50% Op.)
  100 kboe/d, Opex < 3 $/boe, nearby exploration potential

Maximizing value of mature assets experience: Netherlands, Tyra, Northern North Sea

Leveraging production hubs to tie-back low cost resources
How do we tackle the North Sea cost challenge?

North Sea Opex*  
$/boe

-50%

10

-15%

Maersk Oil Acquisition


Synergies & new operating models

Cost synergies exceeding targets

M$ – 2020 savings

350 M$

300

> 200

150

Original 2020 target

Target revised in 2018

Target revised in 2020

Reducing headcount and leveraging new technical hub

* ASC 932
Strong culture of innovation based on regional expertise
Combining Total & Maersk Oil operational strengths

**Optimizing resources**
- Tight chalks
- EOR/waterflooding
- Unlocking higher reserves per well from HP/HT* reservoirs
  **Example:** approx. doubled productivity from fishbone completion with >10 m needle extensions on Halfdan field

**Pioneer in digital**
- Smart rooms
- Digital asset flagship
- Robotics and drones
  **Example:** in UK, Smart rooms improve operating efficiency by up to 2%
- In DK, we used a dedicated robot to decommission Tyra structures, reducing cost by 30% and improving safety

**Adopting new operating models to cut costs**
- Transferring offshore activities to onshore
- Campaign-based maintenance
- Walk-to-work vessel
  **Example:** targeting 10% savings in maintenance in UK and DK. Already achieved in Netherlands

* High Pressure High Temperature
Successful nearby exploration
Deep knowledge of core area

2017-19 exploration benchmark
Mboe/well discovered

- Glengorm (25%): ~250 Mboe resources, FID 2021
- Glendronach (60%, op.): ~100 Mboe resources developed through Laggan-Tormore, FID 2020
- AMSS (14.7%): ~25 Mboe resources, discovery Aug. 2019, production Sept. 2019

Leveraging existing facilities and infrastructure

4 exploration wells in 2020 in the UK and Norway

* Alpha Main Statfjord South
Reducing North Sea asset emissions

Developing asset electrification
- Benefiting from Johan Sverdrup, Troll and Snøhvit LNG experience
- Studying implementation on Central Graben, Tyra and Oseberg

Curbing GHG emissions
- CO₂ emissions displayed at each site
- Ending routine flaring before 2030 Group’s commitment
- Advanced technology for methane emission detection and quantification (drones)
- Leveraging digital to improve operations efficiency (smart rooms...)

Already electrified
Electrification under study
Progressing multiple projects
- Northern Lights (Norway) most advanced project – FEED ongoing
- Several projects under study notably in UK and Benelux

Leveraging North Sea depleted reservoirs for storage

Studying capture from Total Downstream assets in Benelux

Favorable regulatory policies

* Cumulative amount for projects in which Total is evaluating a participation – 100%
North Sea delivering profitable cash flow

Organic free cash flow
B* 

> 1.8 B$

2020-23 ROACE > 15%

* Brent: 60 $/b
Successful integration of Total and Maersk Oil

Building the largest UK operator

Jean-Luc Guiziou
Managing Director Total E&P UK
Total E&P UK: strong portfolio of young and mature operated assets

- **Shetland Gas Plant**: 60% Op. (SU: 02/2016)
- **Alwyn North**: 100% Op. (SU: 11/1987)
- **Dunbar**: 100% Op. (SU: 12/1994)
- **Gryphon**: 86.5% Op. (SU: 10/1993)
- **Culzean**: 50% Op. (SU: 06/2019)
- **Glengorm**: 50% Op. (SU: 06/2019)
- **Elgin/Franklin**: 46% Op. (SU: 02/2001)
- **West of Shetland**
- **Central North Sea**

**Production**

- **2017**
  - West of Shetland: ~100 kboe/d
  - Northern North Sea: ~100 kboe/d
  - Central North Sea: ~100 kboe/d

- **2018**
  - West of Shetland: ~120 kboe/d
  - Northern North Sea: ~120 kboe/d
  - Central North Sea: ~120 kboe/d

- **2019**
  - West of Shetland: ~150 kboe/d
  - Northern North Sea: ~150 kboe/d
  - Central North Sea: ~150 kboe/d

**~2/3 gas production**

**Supplying 18% UK 2020 gas demand**

- **2018-19 discoveries**
- **Assets / Young assets**

**Map Key**
- Blue stars indicate assets.
- Blue circles represent young assets.

**United Kingdom**
- Shetland
- North Sea
- Central North Sea
- West of Shetland
- Northern North Sea
- Faroes U.K.C.S.
- Norway U.K.C.S.
- Faroes U.K.C.S.
- Aberdeen
Successful integration of Total and Maersk Oil in the UK

2017
- August: Deal signed
- September: Integration team set-up

2018
- March: Deal closed
- April: Top 55 team defined
- Offshore/SGP Integration
- “Ring Fenced” Culzean Project
- July: Onshore organization go-live

2019
- October: Culzean and Elgin – Franklin Asset Integration
- Offshore harmonized rotation system go-live
- April: New maintenance contract in place

2020
- June: Culzean Start-Up
Best of both on people and culture

Combining 2 large operating companies
• 50/50 Total - Maersk Oil on management positions
• Overall, stable repartition Total - Maersk Oil heritage
• Enhanced career opportunities

Rejuvenated and more diversified management

Benefiting from Maersk Oil best practices at affiliate and Group level

Complementing technical expertise (ie: Culzean digital design)
Harmonized operating model across all sites

Maintenance and operating savings
M$ – 100%

Site rotation regime
• 3 weeks on site
• Enhanced safety and efficiency
• 25% less commuting flights

Maintenance optimization
• 10 contracts reduced to 1
• Simplified operating model: campaign-based maintenance
• > 275 M$ cumulative Opex savings by 2024
Leveraging synergies to reduce costs

Opex
B$, Group share

2/3 of synergies achieved end-2019

2020 UK synergies
%

UK synergies ~30% of overall Maersk Oil synergies

Total E&P UK

Structure costs

Field operations

Contract & Procurement

Other
Driving down Total E&P UK CO$_{2\text{eq}}$ emissions

**CO$_{2\text{eq}}$ emissions**
ktCO$_{2\text{eq}}$ – operated production

- 2020
- 1,500
- 1,000

2019
2025

-20%

**Concrete actions to deliver emission reductions**

**CO$_2$ performance visibility**, dashboards on all sites

**Short-term reductions**
- Offshore power generation management
- Compressors and pumps optimization
- Regular drone surveys for methane leak detection

**Next step: offshore electrification**
Elgin-Franklin and Culzean: flagship assets

Rig optimization
- Rig reduction from 3 to 2 from 2020
- 12 M$ savings over 9 months
- Leaner onshore support

A digital asset
- Latest generation integrated Smart Room
- Culzean digital facility live
- Elgin-Franklin digital facility in development

Leading Total E&P UK digital transformation
Such forward-looking information and statements included in this document are based on a number of economic data and assumptions made in a given economic, competitive and regulatory environment. They may prove to be inaccurate in the future, and are subject to a number of risk factors that could lead to a significant difference between actual results and those anticipated, including the price of petroleum products, the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, changes in regulations including environmental and climate, currency fluctuations, as well as economic and political developments and changes in business conditions. Certain financial information is based on estimates particularly in the assessment of the recoverable value of assets and potential impairments of assets relating thereto.

Neither TOTAL nor any of its subsidiaries assumes any obligation to update publicly any forward-looking information or statement, objectives or trends contained in this document whether as a result of new information, future events or otherwise. Further information on factors, risks and uncertainties that could affect the Group’s business, financial condition, including its operating income and cash flow, reputation or outlook is provided in the most recent Registration Document filed by the Company with the French Autorité des Marchés Financiers and annual report on Form 20-F filed with the United States Securities and Exchange Commission (“SEC”).

Financial information by business segment is reported in accordance with the internal reporting system and shows internal segment information that is used to manage and measure the performance of TOTAL. In addition to IFRS measures, certain alternative performance indicators are presented, such as performance indicators excluding the adjustment items described below (adjusted operating income, adjusted net operating income, adjusted net income), return on equity (ROE), return on average capital employed (ROACE) and gearing ratio. These indicators are meant to facilitate the analysis of the financial between periods. They allow investors to track the measures used internally to manage and measure the performance of the Group. These adjustment items include:

(i) Special Items

Due to their unusual nature or particular significance, certain transactions qualified as “special items” are excluded from the business segment figures. In general, special items relate to transactions that are significant, infrequent or unusual. However, in certain instances, transactions such as restructuring costs or asset disposals, which are not considered to be representative of the normal course of business, may be qualified as special items although they may have occurred within prior years or are likely to occur again within the coming years.

(ii) Inventory valuation effect

The adjusted results of the Refining & Chemicals and Marketing & Services segments are presented according to the replacement cost method. This method is used to assess the segments’ performance and facilitate the comparability of the segments’ performance with those of its competitors.

In the replacement cost method, which approximates the LIFO (Last-In, First-Out) method, the variation of inventory values in the statement of income is, depending on the nature of the inventory, determined using either the month-end price differentials between one period and another or the average prices of the period rather than the historical value. The inventory valuation effect is the difference between the results according to the FIFO (First-In, First-Out) and the replacement cost.

(iii) Effect of changes in fair value

The effect of changes in fair value presented as an adjustment item reflects for some transactions differences between internal measures of performance used by TOTAL’s management and the accounting for these transactions under IFRS.

IFRS requires that trading inventories be recorded at their fair value using period-end spot prices. In order to best reflect the management of economic exposure through derivative transactions, internal indicators used to measure performance include valuations of trading inventories based on forward prices.

Furthermore, TOTAL, in its trading activities, enters into storage contracts, which future effects are recorded at fair value in Group’s internal economic performance. IFRS precludes recognition of this fair value effect.

The adjusted results (adjusted operating income, adjusted net operating income, adjusted net income) are defined as replacement cost results, adjusted for special items, excluding the effect of changes in fair value.

Euro amounts presented herein represent dollar amounts converted at the average euro-dollar (€-$) exchange rate for the applicable period and are not the result of financial statements prepared in euros.

This document also contains extra-financial performance indicators, including a carbon intensity indicator for energy products used by Total customers, that measures the average greenhouse gas emissions of those products, from their production to their end use, per unit of energy. This indicator covers the direct GHG emissions of production and processing facilities (Scope 1) and their indirect emissions associated with energy purchase (Scope 2), as well as the emissions associated with the use of products by the customers of the Group (Scope 3) which Total does not control (for the definitions of scopes 1, 2 and 3, refer to Total’s Registration Document).

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