TOTAL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST THREE MONTHS OF 2011

(unaudited)

---

1) Accounting policies

The interim consolidated financial statements of TOTAL S.A. and its subsidiaries (the Group) as of March 31, 2011 are presented in Euros and have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting". The accounting policies applied for the consolidated financial statements as of March 31, 2011 do not differ significantly from those applied for the consolidated financial statements as of December 31, 2010 which have been prepared on the basis of IFRS (International Financial Reporting Standards) as adopted by the European Union and IFRS as issued by the IASB (International Accounting Standard Board). The new accounting standards and amendments mandatory for the annual period beginning January 1, 2011 are described in Note 1W to the consolidated financial statements as of December 31, 2010 and have no material effect on the Group's consolidated financial statements for the first three months of 2011.

The preparation of financial statements in accordance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. The management reviews these estimates and assumptions on an ongoing basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. These judgments and estimates relate principally to the application of the successful efforts method for the oil and gas accounting, the valuation of long-lived assets, the provisions for asset retirement obligations and environmental remediation, the pensions and post-retirement benefits and the income tax computation. These estimates and assumptions are described in the Notes to the consolidated financial statements as of December 31, 2010.

Furthermore, when the accounting treatment of a specific transaction is not addressed by any accounting standard or interpretation, the management applies its judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- give a true and fair view of the Group's financial position, financial performance and cash flows;
- reflect the substance of transactions;
- are neutral;
- are prepared on a prudent basis; and
- are complete in all material aspects.

Pursuant to the accrual basis of accounting followed by the Group, the financial statements reflect the effects of transactions and other events when they occur. Assets and liabilities such as property, plant and equipment and intangible assets are usually measured at amortized cost. Financial assets and liabilities are usually measured at fair value.

2) Changes in the Group structure, main acquisitions and divestments

- **Upstream**

  - TOTAL finalized in March 2011 the acquisition from Santos of an additional 7.5% interest in Australia's GNLG project. This will increase TOTAL's overall stake in the project to 27.5%.

    The acquisition cost amounts to €205 million and mainly corresponds to the value of mineral interests that have been recognized as intangible assets on the face of the Consolidated Balance Sheet for €207 million.

  - In March 2011, Total E&P Canada Ltd., a TOTAL subsidiary, and Suncor Energy Inc. (Suncor) have finalized a strategic oil sands alliance encompassing the Suncor-operated Fort Hills mining project, the TOTAL-operated Joslyn mining project and the Suncor-operated Voyageur upgrader project. All three assets are located in the Athabasca region of the province of Alberta, in Canada.

    TOTAL acquired 19.2% of Suncor's interest in the Fort Hills project, increasing TOTAL's overall interest in the project to 39.2%. Suncor, as operator, holds 40.8%. TOTAL also acquired a 49% stake in the Suncor-operated Voyageur upgrader project. For those two acquisitions, the Group paid €1,977 million during the first quarter 2011. As of March 31, 2011, the acquisition cost represents the value of mineral interests for €552 million, tangible assets for €1,489 million and a deferred tax liability for €151 million.

Furthermore, TOTAL sold to Suncor 36.75% interest in the Joslyn project for €624 million, whose cash payment will occur during the second quarter 2011. The Group, as operator, retains a 38.25% interest in the project.

3) Adjustment items

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.

Performance indicators excluding the adjustment items, such as adjusted operating income, adjusted net operating income, and adjusted net income are meant to facilitate the analysis of the financial performance and the comparison of income between periods.

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 Downstream and Chemicals 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 prices differential 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

As from January 1, 2011, the effect of changes in fair value presented as adjustment item reflects for some transactions differences between internal measure 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.

(iv) Until June 30, 2010, TOTAL's equity share of adjustment items reconciling "Business net income" to Net income attributable to equity holders of Sanofi-Aventis

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 as from January 1st, 2011 and excluding TOTAL's equity share of adjustment items related to Sanofi-Aventis until June 30, 2010.

The detail of the adjustment items is presented in the table below.

ADJUSTMENTS TO OPERATING INCOME

(M€)		Upstream	Downstream	Chemicals	Corporate	Total
1st quarter 2011	Inventory valuation effect	-	1,226	130	-	1,356
	Effect of changes in fair value	84	-	-	-	84
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	-	-	-	-
Total		**84**	**1,226**	**130**	**-**	**1,440**
1st quarter 2010	Inventory valuation effect	-	380	106	-	486
	Effect of changes in fair value	-	-	-	-	-
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Other items	-	(50)	-	-	(50)
Total		**-**	**330**	**106**	**-**	**436**

ADJUSTMENTS TO NET INCOME GROUP SHARE

(M€)		Upstream	Downstream	Chemicals	Corporate	Total
1st quarter 2011	Inventory valuation effect	-	834	112	-	946
	Effect of changes in fair value	63	-	-	-	63
	TOTAL's equity share of adjustments related to Sanofi-Aventis	-	-	-	-	-
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	-	-	-	-	-
	Gains (losses) on disposals of assets	-	-	-	11	11
	Other items	(178)	-	-	-	(178)
Total		**(115)**	**834**	**112**	**11**	**842**
1st quarter 2010	Inventory valuation effect	-	269	75	-	344
	Effect of changes in fair value	-	-	-	-	-
	TOTAL's equity share of adjustments related to Sanofi-Aventis	-	-	-	(41)	(41)
	Restructuring charges	-	-	-	-	-
	Asset impairment charges	(59)	-	-	-	(59)
	Gains (losses) on disposals of assets	-	-	-	129	129
	Other items	(17)	(39)	-	-	(56)
Total		**(76)**	**230**	**75**	**88**	**317**

In the first quarter of 2011, the heading "Other items" includes the impact of the change in taxation in the United Kingdom on the deferred tax liability for €(178) million. The House of Commons voted provisionally the increase of the Supplementary charge applicable to oil activities from 20% to 32%, pending a final vote of the Finance Act 2011.

4) Shareholders' equity

Treasury shares (TOTAL shares held by TOTAL S.A.)

As of March 31, 2011, TOTAL S.A. held 12,155,635 of its own shares, representing 0.52% of its share capital, detailed as follows:

- 6,012,460 shares allocated to TOTAL restricted shares plans for Group employees; and
- 6,143,175 shares intended to be allocated to new TOTAL share purchase option plans or to new restricted shares plans.

These 12,155,635 shares are deducted from the consolidated shareholders' equity.

TOTAL shares held by Group subsidiaries

As of March 31, 2011, TOTAL S.A. held indirectly through its subsidiaries 100,331,268 of its own shares, representing 4.27% of its share capital, detailed as follows:

- 2,023,672 shares held by a consolidated subsidiary, Total Nucléaire, 100% indirectly controlled by TOTAL S.A.;
- 98,307,596 shares held by subsidiaries of Elf Aquitaine (Financière Valorgest, Sogapar and Fingestval).

These 100,331,268 shares are deducted from the consolidated shareholders' equity.

Dividend

For the 2010 fiscal year, the Board of Directors has proposed a dividend of €2.28 per share. This proposed dividend will be voted on by the shareholders' meeting to be held on May 13, 2011. An interim dividend of €1.14 per share was paid on November 17, 2010. If approved, the balance of €1.14 per share will be paid on May 26, 2011.

Other Comprehensive Income

Detail of other comprehensive income showing items reclassified from equity to net income is presented in the table below:

(M€)	1st quarter 2011		1st quarter 2010	
Currency translation adjustment		**(1,978)**		**1,847**
- unrealized gain/(loss) of the period	(1,978)		1,847	
- less gain/(loss) included in net income	-		-	
Available for sale financial assets		**115**		**(3)**
- unrealized gain/(loss) of the period	111		14	
- less gain/(loss) included in net income	(4)		17	
Cash flow hedge		**(24)**		**24**
- unrealized gain/(loss) of the period	24		(129)	
- less gain/(loss) included in net income	48		(153)	
Share of other comprehensive income of equity affiliates, net amount		**(87)**		**233**
Other		**2**		**1**
- unrealized gain/(loss) of the period	2		1	
- less gain/(loss) included in net income	-		-	
Tax effect		**6**		**(8)**
Total other comprehensive income, net amount		**(1,966)**		**2,094**

Tax effects relating to each component of other comprehensive income are as follows:

(M€)	1st quarter 2011 Pre-tax amount	1st quarter 2011 Tax effect	1st quarter 2011 Net amount	1st quarter 2010 Pre-tax amount	1st quarter 2010 Tax effect	1st quarter 2010 Net amount
Currency translation adjustment	(1,978)		(1,978)	1,847		1,847
Available for sale financial assets	115	(2)	113	(3)	-	(3)
Cash flow hedge	(24)	8	(16)	24	(8)	16
Share of other comprehensive income of equity affiliates, net amount	(87)		(87)	233		233
Other	2		2	1		1
Total other comprehensive income	**(1,972)**	**6**	**(1,966)**	**2,102**	**(8)**	**2,094**

5) Financial debt

The Group issued bonds through its subsidiaries Total Capital and Total Capital Canada Ltd. during the first three months of 2011:

- Bond 6.500% 2011-2016 (150 million AUD)
- Bond 3.875% 2011-2018 (500 million GBP)
- Bond 4.125% 2011-2021 (500 million USD)
- Bond 1.625% 2011-2014 (750 million USD)
- Bond Libor USD 3 months + 0.380% 2011-2014 (750 million USD)
- Bond 5.750% 2011-2014 (100 million AUD)

The Group reimbursed bonds during the first three months of 2011:

- Bond 5.750% 2005-2011 (100 million AUD)
- Bond 4.000% 2005-2011 (100 million CAD)

In the context of its active cash management, the Group may temporarily increase its current borrowings, particularly in the form of commercial paper. The changes in current borrowings, cash and cash equivalents and current financial assets resulting from this cash management in the quarterly financial statements are not necessarily representative of a longer-term position.

6) Related parties

The related parties are principally equity affiliates and non-consolidated investments. There were no major changes concerning the main transactions with related parties during the first three months of 2011.

7) Other risks and contingent liabilities

TOTAL is not currently aware of any exceptional event, dispute, risks or contingent liabilities that could have a material impact on the assets and liabilities, results, financial position or operations of the Group.

Antitrust investigations

During the first quarter of 2011, the Group has not been fined pursuant to a Court ruling. The principal antitrust proceedings in which the Group is involved are described thereafter.

Chemicals segment

- As part of the spin-off of Arkema[1] in 2006, TOTAL S.A. or certain other Group companies agreed to grant Arkema guarantees for potential monetary consequences related to antitrust proceedings arising from events prior to the spin-off.

  These guarantees cover, for a period of ten years, 90% of amounts paid by Arkema related to (i) fines imposed by European authorities or European member-states for competition law violations, (ii) fines imposed by U.S. courts or antitrust authorities for federal antitrust violations or violations of the competition laws of U.S. states, (iii) damages awarded in civil proceedings related to the government proceedings mentioned above, and (iv) certain costs related to these proceedings. The guarantee related to anti-competition violations in Europe applies to amounts above a €176.5 million threshold. On the other hand, the agreements provide that Arkema will indemnify TOTAL S.A. or any Group company for 10% of any amount that TOTAL S.A. or any Group company are required to pay under any of the proceedings covered by these guarantees.

  If one or more individuals or legal entities, acting alone or together, directly or indirectly holds more than one-third of the voting rights of Arkema, or if Arkema transfers more than 50% of its assets (as calculated under the enterprise valuation method, as of the date of the transfer) to a third party or parties acting together, irrespective of the type or number of transfers, these guarantees will become void.

- In the United States, investigations into certain commercial practices of some subsidiaries of the Arkema group have been closed since 2007; no charges have been brought against Arkema. Civil liability lawsuits, for which TOTAL S.A. has been named as the parent company, are about to be closed and are not expected to have a significant impact on the Group's financial position.

- In Europe, since May 2006, the European Commission has fined companies of the Group in its configuration prior to the spin-off an overall amount of €385.47 million, of which Elf Aquitaine and/or TOTAL S.A. and their subsidiaries were held jointly liable for €280.17 million, Elf Aquitaine being personally fined €23.6 million for deterrence. These fines are entirely settled as of today.

  As a result[2], since the spin-off, the Group has paid the overall amount of €188.07 million, corresponding to 90% of the fines overall amount once the threshold provided for by the guarantee is deducted.

  The European Commission imposed these fines following investigations between 2000 and 2004 into commercial practices involving eight products sold by Arkema. Five of these investigations resulted in prosecutions from the European Commission for which Elf Aquitaine has been named as the parent company, and two of these investigations named TOTAL S.A. as the ultimate parent company of the Group.

  TOTAL S.A. and Elf Aquitaine are contesting their liability based solely on their status as parent companies and appealed for cancellation and reformation of the rulings that are still pending before the relevant EU court of appeals or supreme court of appeals.

  Besides, a civil proceeding against Arkema and five groups of companies was initiated before a German regional court by a third party for an alleged damage pursuant to one of the above described legal proceedings. TOTAL S.A. was summoned to serve notice of the dispute before this court. At this point, the probability to have a favorable verdict and the financial impacts of this procedure are uncertain due to the number of legal difficulties it gave rise to, the lack of documented claim and the complex evaluation of the alleged damage.

  Arkema began implementing compliance procedures in 2001 that are designed to prevent its employees from violating antitrust provisions. However, it is not possible to exclude the possibility that the relevant authorities

[1] Arkema is used in this section to designate those companies of the Arkema group whose ultimate parent company is Arkema S.A. Arkema became an independent company after being spun-off from TOTAL S.A. in May 2006.

[2] This amount does not take into account a case that led to Arkema, prior to Arkema's spin-off from TOTAL, and Elf Aquitaine being fined jointly €45 million and Arkema being fined €13.5 million.

could commence additional proceedings involving Arkema regarding events prior to the spin-off, as well as Elf Aquitaine and/or TOTAL S.A. based on their status as parent company.

Within the framework of the legal proceedings described above, a €17 million reserve is booked in the Group's consolidated financial statements as of March 31, 2011.

Downstream segment

- Pursuant to a statement of objections received by Total Nederland N.V. and TOTAL S.A. (based on its status as parent company) from the European Commission, Total Nederland N.V. was fined in 2006 €20.25 million, which has been paid, and for which TOTAL S.A. was held jointly liable for €13.5 million. TOTAL S.A. appealed this decision before the relevant court and this appeal is still pending.

  In addition, pursuant to a statement of objections received by Total Raffinage Marketing (formerly Total France) and TOTAL S.A. from the European Commission regarding another product line of the Refining & Marketing division, Total Raffinage Marketing was fined €128.2 million in 2008, which has been paid, and for which TOTAL S.A. was held jointly liable based on its status as parent company. TOTAL S.A. also appealed this decision before the relevant court and this appeal is still pending.

- Finally, TotalGaz and Total Raffinage Marketing received a statement of objections from the French Antitrust Authority (*Autorité de la concurrence française*) regarding alleged antitrust practices concerning another product line of the Refining & Marketing division. The case was dismissed by decision of the French antitrust authorities on December 17, 2010.

Given the discretionary powers granted to the antitrust authorities for determining fines relating to antitrust regulations, it is not currently possible to determine with certainty the outcome of these investigations and proceedings. TOTAL S.A. and Elf Aquitaine are contesting their liability and the method of determining these fines. Although it is not possible to predict the ultimate outcome of these proceedings, the Group believes that they will not have a material adverse effect on its financial situation or consolidated results.

Buncefield

On December 11, 2005, several explosions, followed by a major fire, occurred at an oil storage depot at Buncefield, north of London. This depot was operated by Hertfordshire Oil Storage Limited (HOSL), a company in which TOTAL's UK subsidiary holds 60% and another oil group holds 40%.

The explosion caused injuries, most of which were minor injuries, to a number of people and caused property damage to the depot and the buildings and homes located nearby. The official Independent Investigation Board has indicated that the explosion was caused by the overflow of a tank at the depot. The Board's final report was released on December 11, 2008. The civil procedure for claims, which had not yet been settled, took place between October and December 2008. The Court's decision of March 20, 2009, declared TOTAL's UK subsidiary liable for the accident and solely liable for indemnifying the victims. The subsidiary appealed the decision. The appeal trial took place in January 2010. The Court of Appeals, by a decision handed down on March 4, 2010, confirmed the prior judgment. The Supreme Court of United Kingdom has partially authorized TOTAL's UK subsidiary to contest the decision. TOTAL's UK subsidiary finally decided to withdraw from this recourse due to settlement agreements reached in mid-February 2011.

The Group carries insurance for damage to its interests in these facilities, business interruption and civil liability claims from third parties. The provision for the civil liability that appears in the Group's consolidated financial statements as of March 31, 2011, stands at €144 million after taking into account the payments previously made.

The Group believes that, based on the information currently available, on a reasonable estimate of its liability and on provisions recognized, this accident should not have a significant impact on the Group's financial situation or consolidated results.

In addition, on December 1, 2008, the Health and Safety Executive (HSE) and the Environment Agency (EA) issued a Notice of prosecution against five companies, including TOTAL's UK subsidiary. By a judgment on July 16, 2010, TOTAL's UK subsidiary was fined £3.6 million. The decision takes into account a number of elements that have mitigated the impact of the charges brought against it.

Erika

Following the sinking in December 1999 of the Erika, a tanker that was transporting products belonging to one of the Group companies, the *Tribunal de grande instance* of Paris convicted TOTAL S.A. of marine pollution pursuant to a judgment issued on January 16, 2008, finding that TOTAL S.A. was negligent in its vetting procedure for vessel selection, and ordering TOTAL S.A. to pay a fine of €375,000. The court also ordered compensation to be paid to those affected by the pollution from the Erika up to an aggregate amount of €192 million, declaring TOTAL S.A. jointly and severally liable for such payments together with the Erika's inspection and classification firm, the Erika's owner and the Erika's manager.

TOTAL has appealed the verdict of January 16, 2008. In the meantime, it nevertheless proposed to pay third parties who so requested definitive compensation as determined by the court. Forty-one third parties have been compensated for an aggregate amount of €171.5 million.

By a decision dated March 30, 2010, the Court of Appeal of Paris upheld the lower court verdict pursuant to which TOTAL S.A. was convicted of marine pollution and fined €375,000. TOTAL appealed this decision to the French Supreme Court (*Cour de cassation*).

However, the Court of Appeal ruled that TOTAL S.A. bears no civil liability according to the applicable international conventions and consequently ruled that TOTAL S.A. be not convicted.

TOTAL S.A. believes that, based on the information currently available, the case should not have a significant impact on the Group's financial situation or consolidated results.

Blue Rapid and the Russian Olympic Committee – Russian regions and Interneft

Blue Rapid, a Panamanian company, and the Russian Olympic Committee filed a claim for damages with the Paris Commercial Court against Elf Aquitaine concerning the withdrawal of one of its subsidiaries from an exploration and production project in Russia that was negotiated in the early 1990s. Elf Aquitaine believes this claim to be unfounded. On January 12, 2009, the Commercial Court of Paris rejected Blue Rapid's claim and found that the Russian Olympic Committee did not have standing in the matter. This decision has been appealed. The hearings should be held during the first half of 2011.

In connection with the same facts, and fifteen years after the termination of this exploration and production project, a Russian company and two regions of the Russian Federation have launched an arbitration procedure against a former subsidiary of Elf Aquitaine that was liquidated in 2005, claiming damages of an unspecified amount at this stage of the procedure. The Group considers this claim to be unfounded. The Group has reserved its rights to take any actions and/or measures that would be appropriate to defend its interests.

Iran

In 2003, the United States Securities and Exchange Commission (SEC) followed by the Department of Justice (DoJ) issued a formal order directing an investigation in connection with the pursuit of business in Iran, by certain oil companies including, among others, TOTAL.

The inquiry concerns an agreement concluded by the Company with a consultant concerning a gas field in Iran and aims to verify whether certain payments made under this agreement would have benefited Iranian officials in violation of the Foreign Corrupt Practices Act (FCPA) and the Company's accounting obligations.

Investigations are still pending and the Company is cooperating with the SEC and the DoJ. In 2010, the Company opened talks with U.S. authorities, without any acknowledgement of facts, to consider an out-of-court settlement. Generally, out-of-court settlements with U.S. authorities include payment of fines and the obligation to improve internal compliance systems or other measures.

In this same case, a judicial inquiry related to TOTAL was initiated in France in 2006. In 2007, the Company's Chief Executive Officer was placed under formal investigation in relation to this inquiry, as the former President of the Middle East department of the Group's Exploration & Production division. The Company has not been notified of any significant developments in the proceedings since the formal investigation was launched.

At this point, the Company cannot determine when these investigations will terminate, and cannot predict their results, or the outcome of the talks that have been initiated, or the costs of a potential out-of-court settlement. Resolving this case is not expected to have a significant impact on the Group's financial situation or any impact on its future planned operations.

Libya

Having regard to the security context in Libya in the first quarter of 2011, the Group's production in Libya has been stopped since early March. Furthermore, the Group is reviewing the possible impacts on its operations and the measures to be taken for its projects.

8) Information by business segment

1st quarter 2011 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	6,144	34,769	5,105	11	-	46,029
Intersegment sales	6,939	1,582	297	41	(8,859)	-
Excise taxes	-	(4,427)	-	-	-	(4,427)
Revenues from sales	**13,083**	**31,924**	**5,402**	**52**	**(8,859)**	**41,602**
Operating expenses	(5,938)	(30,093)	(4,891)	(153)	8,859	(32,216)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,240)	(319)	(119)	(8)	-	(1,686)
Operating income	**5,905**	**1,512**	**392**	**(109)**	**-**	**7,700**
Equity in income (loss) of affiliates and other items	343	59	82	15	-	499
Tax on net operating income	(3,527)	(451)	(124)	-	-	(4,102)
Net operating income	**2,721**	**1,120**	**350**	**(94)**	**-**	**4,097**
Net cost of net debt						(59)
Minority interests						(92)
Net income						**3,946**

1st quarter 2011 (adjustments) [a] (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	84	-	-	-		84
Intersegment sales						
Excise taxes						
Revenues from sales	**84**	**-**	**-**	**-**		**84**
Operating expenses	-	1,226	130	-		1,356
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-		-
Operating income [b]	**84**	**1,226**	**130**	**-**		**1,440**
Equity in income (loss) of affiliates and other items	-	14	25	11		50
Tax on net operating income	(212)	(396)	(43)	-		(651)
Net operating income [b]	**(128)**	**844**	**112**	**11**		**839**
Net cost of net debt						-
Minority interests						3
Net income						**842**

(a) Adjustments include special items, inventory valuation effect and, as from January 1st, 2011, the effect of changes in fair value.

(b) Of which inventory valuation effect				
On operating income	*-*	*1,226*	*130*	*-*
On net operating income	*-*	*844*	*112*	*-*

1st quarter 2011 (adjusted) (M€) [a]	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	6,060	34,769	5,105	11	-	45,945
Intersegment sales	6,939	1,582	297	41	(8,859)	-
Excise taxes	-	(4,427)	-	-	-	(4,427)
Revenues from sales	**12,999**	**31,924**	**5,402**	**52**	**(8,859)**	**41,518**
Operating expenses	(5,938)	(31,319)	(5,021)	(153)	8,859	(33,572)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,240)	(319)	(119)	(8)	-	(1,686)
Adjusted operating income	**5,821**	**286**	**262**	**(109)**	**-**	**6,260**
Equity in income (loss) of affiliates and other items	343	45	57	4	-	449
Tax on net operating income	(3,315)	(55)	(81)	-	-	(3,451)
Adjusted net operating income	**2,849**	**276**	**238**	**(105)**	**-**	**3,258**
Net cost of net debt						(59)
Minority interests						(95)
Ajusted net income						**3,104**
Adjusted fully-diluted earnings per share (€)						**1.38**

(a) Except for per share amounts.

1st quarter 2011 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	5,232	264	171	16		5,683
Total divestments	335	23	14	291		663
Cash flow from operating activities	4,643	1,158	(144)	57		5,714

1st quarter 2010 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	4,569	28,808	4,223	3	-	37,603
Intersegment sales	5,302	1,081	237	42	(6,662)	-
Excise taxes	-	(4,442)	-	-	-	(4,442)
Revenues from sales	**9,871**	**25,447**	**4,460**	**45**	**(6,662)**	**33,161**
Operating expenses	(4,454)	(24,621)	(4,070)	(145)	6,662	(26,628)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,256)	(305)	(130)	(8)	-	(1,699)
Operating income	**4,161**	**521**	**260**	**(108)**	**-**	**4,834**
Equity in income (loss) of affiliates and other items	108	31	45	264	-	448
Tax on net operating income	(2,374)	(164)	(73)	57	-	(2,554)
Net operating income	**1,895**	**388**	**232**	**213**	**-**	**2,728**
Net cost of net debt						(50)
Minority interests						(65)
Net income						**2,613**

1st quarter 2010 (adjustments) [a] (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales						
Intersegment sales						
Excise taxes						
Revenues from sales						
Operating expenses	-	330	106	-		436
Depreciation, depletion and amortization of tangible assets and mineral interests	-	-	-	-		-
Operating income [b]	**-**	**330**	**106**	**-**		**436**
Equity in income (loss) of affiliates and other items [c]	(106)	16	4	91		5
Tax on net operating income	30	(113)	(35)	(2)		(120)
Net operating income [b]	**(76)**	**233**	**75**	**89**		**321**
Net cost of net debt						-
Minority interests						(4)
Net income						**317**

(a) Adjustments include special items, inventory valuation effect and, until June 30,2010, equity share of adjustments related to Sanofi-Aventis.

	Upstream	Downstream	Chemicals	Corporate
(b) Of which inventory valuation effect				
On operating income	*-*	*380*	*106*	*-*
On net operating income	*-*	*272*	*75*	*-*
(c) Of which equity share of adjustments related to Sanofi-Aventis	*-*	*-*	*-*	*(41)*

1st quarter 2010 (adjusted) (M€) [a]	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Non-Group sales	4,569	28,808	4,223	3	-	37,603
Intersegment sales	5,302	1,081	237	42	(6,662)	-
Excise taxes	-	(4,442)	-	-	-	(4,442)
Revenues from sales	**9,871**	**25,447**	**4,460**	**45**	**(6,662)**	**33,161**
Operating expenses	(4,454)	(24,951)	(4,176)	(145)	6,662	(27,064)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,256)	(305)	(130)	(8)	-	(1,699)
Adjusted operating income	**4,161**	**191**	**154**	**(108)**	**-**	**4,398**
Equity in income (loss) of affiliates and other items	214	15	41	173	-	443
Tax on net operating income	(2,404)	(51)	(38)	59	-	(2,434)
Adjusted net operating income	**1,971**	**155**	**157**	**124**	**-**	**2,407**
Net cost of net debt						(50)
Minority interests						(61)
Ajusted net income						**2,296**
Adjusted fully-diluted earnings per share (€)						**1.02**

(a) Except for per share amounts.

1st quarter 2010 (M€)	Upstream	Downstream	Chemicals	Corporate	Intercompany	Total
Total expenditures	3,143	456	94	16		3,709
Total divestments	87	27	6	928		1,048
Cash flow from operating activities	4,680	454	(90)	216		5,260

9) Reconciliation between information by business segment and the consolidated statement of income

1st quarter 2011 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	**45,945**	**84**	**46,029**
Excise taxes	(4,427)	-	(4,427)
Revenues from sales	41,518	84	41,602
Purchases net of inventory variation	(28,611)	1,356	(27,255)
Other operating expenses	(4,702)	-	(4,702)
Exploration costs	(259)	-	(259)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,686)	-	(1,686)
Other income	74	11	85
Other expense	(59)	-	(59)
Financial interest on debt	(136)	-	(136)
Financial income from marketable securities & cash equivalents	47	-	47
Cost of net debt	(89)	-	(89)
Other financial income	75	-	75
Other financial expense	(108)	-	(108)
Equity in income (loss) of affiliates	467	39	506
Income taxes	(3,421)	(651)	(4,072)
Consolidated net income	**3,199**	**839**	**4,038**
Group share	3,104	842	3,946
Minority interests	95	(3)	92

1st quarter 2010 (M€)	Adjusted	Adjustments	Consolidated statement of income
Sales	**37,603**	**-**	**37,603**
Excise taxes	(4,442)	-	(4,442)
Revenues from sales	33,161	-	33,161
Purchases net of inventory variation	(22,187)	486	(21,701)
Other operating expenses	(4,662)	(50)	(4,712)
Exploration costs	(215)	-	(215)
Depreciation, depletion and amortization of tangible assets and mineral interests	(1,699)	-	(1,699)
Other income	28	132	160
Other expense	(106)	(106)	(212)
Financial interest on debt	(100)	-	(100)
Financial income from marketable securities & cash equivalents	24	-	24
Cost of net debt	(76)	-	(76)
Other financial income	71	-	71
Other financial expense	(95)	-	(95)
Equity in income (loss) of affiliates	545	(21)	524
Income taxes	(2,408)	(120)	(2,528)
Consolidated net income	**2,357**	**321**	**2,678**
Group share	2,296	317	2,613
Minority interests	61	4	65

10) Changes in progress in the Group structure

- **Upstream**

  - TOTAL finalized in November 2010 an agreement in principle with Perenco, an independent exploration and production French company, to sell its 75.8% equity in its upstream Cameroonian affiliate Total E&P Cameroun. The closing of the deal took place on April 19, 2011.

    As of March 31, 2011, assets and liabilities of the affiliate Total E&P Cameroun have been classified respectively as "Assets classified as held for sale" on the face of the Consolidated Balance Sheet for €165 million and as "Liabilities directly associated with the assets classified as held for sale" on the face of the Consolidated Balance Sheet for €106 million. The concerned assets and liabilities mainly include tangible assets for €102 million and provisions and other non-current liabilities for €70 million.

  - TOTAL and the Russian company Novatek signed in March 2011 two Memorandums of Cooperation to develop the cooperation between Total and the company Novatek and its main shareholders.

    This cooperation is developed around two transactions:

    - TOTAL took a 12.08% shareholding in Novatek, which was acquired from Novatek's two mains shareholders. Following the signature of definitive agreements, this transaction is effective as of April 1st 2011 and amounts to $4,108 million. TOTAL considers that it will have a significant influence through its representation on the Board of Directors of Novatek and its participation in the Yamal LNG project. Therefore, the interest in Novatek will be accounted for by the equity method.
    - TOTAL will become the main international partner on the Yamal LNG project holding a 20% share, and Novatek will hold a 51% interest in the project. The Memorandum of Cooperation related to Yamal LNG envisages the parties' intent to close the deal by July 2011.

  - TOTAL signed in March 2011 agreements for the acquisition in Uganda of a one-third interest in Blocks 1, 2 and 3A held by Tullow Oil plc for $1,467 million. Following this acquisition, TOTAL becomes an equal partner with Tullow and CNOOC in the blocks, each with a one-third interest and each being an operator of one of the blocks. Subject to the decision of the Authorities, TOTAL will be the operator of Block 1.

- **Downstream**

  - TOTAL and IPIC, a wholly owned entity of the Government of the Emirate of Abu Dhabi, have signed an agreement whereby TOTAL will sell its 48.83% share in the capital of CEPSA. This sale will take place pursuant to a public takeover bid over the entire share capital of CEPSA that IPIC has filed with the Spanish Securities Commission CNMV. TOTAL has undertaken irrevocably to tender its shares into the offer and will receive an amount of approximately €3.7 billion. The transaction is conditioned on obtaining all requisite government approvals.

    As of March 31, 2011, CEPSA's equity value is presented as "Assets classified as held for sale" on the face of the Consolidated Balance Sheet for €2,950 million.

  - In the United Kingdom, TOTAL announced that it offered for sale its marketing business, except for certain specialties, and the Lindsey refinery.

    As of March 31, 2011, assets and liabilities of the concerned marketing businesses and the Lindsey refinery have been classified respectively as "Assets classified as held for sale" on the face of the Consolidated Balance Sheet for €1,304 million and as "Liabilities directly associated with the assets classified as held for sale" on the face of the Consolidated Balance Sheet for €2 million.

- **Chemicals**

  - TOTAL announced in December 2010 a plan to sell its photocure and coatings resins businesses to Arkema for a €550 million enterprise value. The divestment is subject to the applicable legally required consultation and notification processes for employee representatives at TOTAL and Arkema and to the approval of the anti-trust authorities in the countries concerned. It could take place in July 2011.

    As of March 31, 2011, assets and liabilities of the photocure and coatings resins businesses have been classified respectively as "Assets classified as held for sale" on the face of the Consolidated Balance Sheet for €496 million and as "Liabilities directly associated with the assets classified as held for sale" on the face of the Consolidated Balance Sheet for €58 million. The concerned assets mainly include a goodwill for €80 million, tangible assets for €192 million and inventories for €145 million.