



Rating: Buy
S&P 500: 1366
Intraday

Total S.A. Stock Market Value with Oil Price Momentum

<i>Symbol</i>	TOT	<i>Ebitda Next Twelve Months ending 12/31/08 (US\$m)</i>	41,000
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	71.79	<i>Natural Gas and Oil Production/Ebitda (%)</i>	78
<i>Pricing Date</i>	2/13/08	<i>Adjusted Reserves/Production NTM</i>	8.8
<i>Shares (mm)</i>	2266	<i>EV/Ebitda</i>	4.7
<i>Market Capitalization (US\$m)</i>	163,000	<i>PV/Ebitda</i>	6.3
<i>Debt (US\$m)</i>	31,000	<i>Undeveloped Reserves (%)</i>	50
<i>Enterprise Value (EV) (US\$m)</i>	194,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	37.50
<i>Present Value (PV) (US\$m)</i>	258,000	<i>Present Value Proven Reserves(US\$/boe)</i>	19.04
<i>Net Present Value (US\$/share)</i>	100	<i>Present Value Proven Reserves(US\$/mcf)</i>	3.17
<i>Debt/Present Value</i>	0.12	<i>Earnings Next Twelve Months (US\$/sh)</i>	8.63
<i>McDep Ratio - EV/PV</i>	0.75	<i>Price/Earnings Next Twelve Months</i>	8
<i>Dividend Yield (%/year)</i>	3.8	<i>Indicated Annual Dividend (US\$/sh)</i>	2.71
Note: Estimated cash flow and earnings tied to one-year futures prices for oil.			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$80 a barrel and natural gas, \$11 a million btu.			
For historical analysis of TOT since 2004 see www.mcdep.com/1tot.htm			

Summary and Recommendation

Buy-recommended **Total (TOT)** offers unlevered appreciation potential of 33% to estimated net present value (NPV) of \$100 a share, concentrated 51% on oil, 31% on natural gas and 18% on oil products, chemicals and pharmaceuticals. Fourth quarter results released today approached expectations. Oil reserves declined by a flawed regulatory standard, but not in a resource context. Earlier on December 18, we increased NPV from \$89 a share because we increased long-term oil price for calculating present value to \$80 from \$66 a barrel. Projected volumes along with current futures prices promise a continuing high level of unlevered cash flow (Ebitda) (see table [Next Twelve Months Operating and Financial Estimates](#)). NPV is supported by projected cash flow capitalized at unlevered multiples (PV/Ebitda) related to reserve life (Adjusted R/P) (see table [Functional Cash Flow and Present Value](#)). Along with the stock market, Total's stock price has lost upward momentum as it has fallen below the 200-day average. As a result, the profit potential appears higher, for patient investors, reinforced by a continued uptrend for oil price and catch up potential for natural gas (see chart [Six-Year Commodity Price Meter](#)).

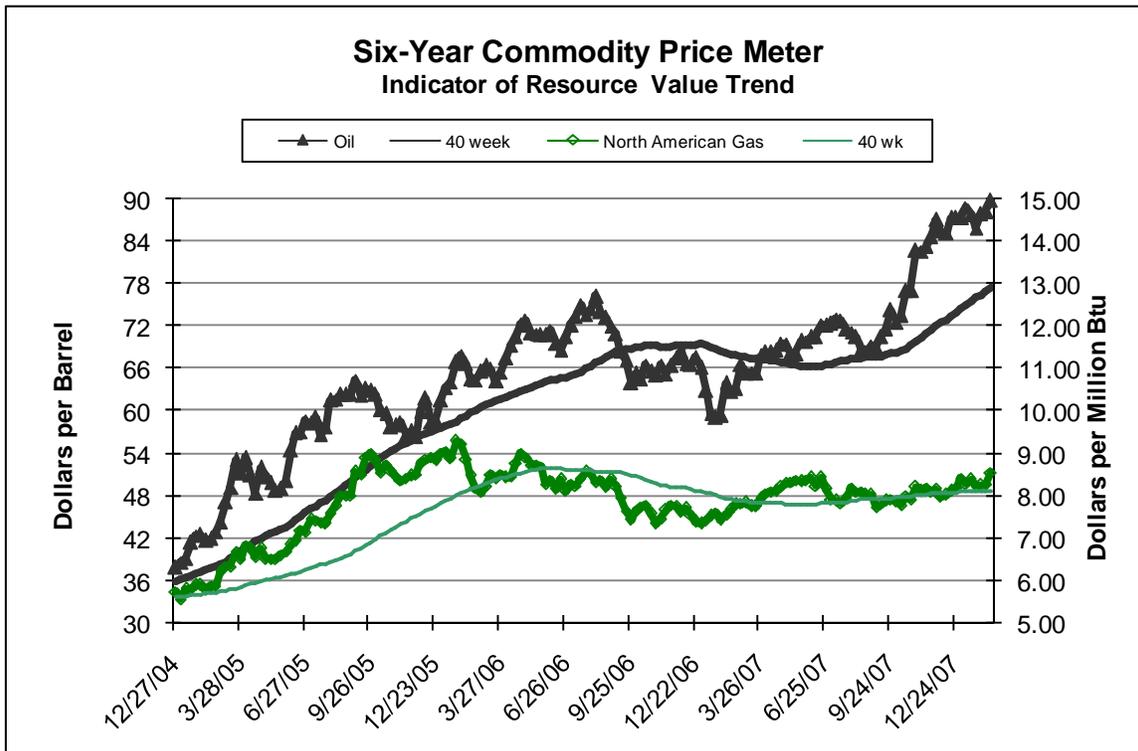
Kurt H. Wulff, CFA



Total S.A.									
Next Twelve Months Operating and Financial Estimates									
	Q4	Q3	Q4	Year	Q1E	Q2E	Q3E	Q4E	Next Twelve Months
	12/31/06	9/30/07	12/31/07	2007	3/31/08	6/30/08	9/30/08	12/31/08	12/31/08
Volume									
Natural Gas (mmcf)	4,989	4,741	5,223	4,837	4,781	4,599	4,741	5,223	4,850
Days	92	92	92	365	91	91	92	92	366
Oil (mbd)	1,513	1,481	1,530	1,509	1,530	1,530	1,530	1,530	1,530
Total gas & oil (mmb)	216	209	221	845	212	209	213	221	855
Total gas & oil (mbd)	2,345	2,271	2,401	2,315	2,327	2,297	2,320	2,401	2,338
Price									
Dollar (euro/\$)	1.29	1.37	1.45	1.37	1.45	1.45	1.45	1.45	1.45
Natural gas (\$/mmbtu)	6.16	4.83	6.08	5.59	5.69	5.75	4.83	6.08	5.60
Oil (\$/bbl)									
WTI Cushing	59.99	75.48	90.67	72.28	93.39	93.39	92.61	91.93	92.83
Brent	59.60	74.70	88.50	72.45	91.15	91.15	90.39	89.73	71.87
Company	57.10	71.40	84.50	68.89	87.03	87.03	86.31	85.67	86.51
Total gas & oil (\$/bbl)	49.96	56.64	67.09	56.58	68.92	69.50	66.78	67.83	68.25
NY Harbor 3-2-1 (\$/bbl)	7.54	12.64	8.19	14.37	9.18	14.37	13.89	9.82	11.81
Europe (\$/t)	22.80	23.90	30.10	32.45	33.73	52.81	51.05	36.09	43.42
Revenue (mmeuro)									
Natural gas	2,194	1,533	2,015	7,198	1,707	1,660	1,453	2,015	6,835
Oil	6,168	7,077	8,203	27,670	8,357	8,357	8,378	8,317	33,408
Total production	8,361	8,610	10,218	34,869	10,064	10,016	9,831	10,331	40,243
Other	21,536	25,341	27,479	101,955	27,479	27,479	27,479	27,479	109,917
Total	29,897	33,951	37,697	136,824	37,543	37,496	37,311	37,811	150,160
Expense									
Production	4,066	3,739	4,890	15,427	4,828	4,804	4,712	4,962	19,307
Other	19,984	24,020	26,146	95,800	25,710	25,747	26,158	26,146	103,762
Ebitda (mmeuro)									
Production	4,295	4,871	5,328	19,441	5,535	5,509	5,407	5,682	22,134
Other	1,552	1,321	1,333	6,155	1,769	1,732	1,321	1,333	6,155
Total Ebitda	5,847	6,192	6,661	25,596	7,304	7,241	6,728	7,015	28,289
Exploration	214	135	273	877	273	273	273	273	1,092
Deprec., Deplet., & Amort.	1,313	1,310	1,450	5,425	1,450	1,450	1,450	1,450	5,800
Excess tax and other	(1,134)	(1,023)	(1,763)						
Operating Income									
Upstream	4,330	4,861	5,838						
Downstream	750	566	744						
Chemicals	374	343	119						
Total operating income	5,454	5,770	6,701						
Excess tax and other	1,134	1,023	1,763						
Ebit	4,320	4,747	4,938	19,294	5,581	5,518	5,005	5,292	21,397
Interest	96	131	162	539	162	162	162	162	648
Ebt	4,224	4,616	4,776	18,755	5,419	5,356	4,843	5,130	20,749
Income Tax	1,478	1,616	1,672	6,564	1,897	1,875	1,695	1,796	7,262
Net Income (mmeuro)	2,746	3,000	3,104	12,191	3,522	3,481	3,148	3,335	13,487
Shares (millions)	2,288	2,273	2,266	2,274	2,266	2,266	2,266	2,266	2,266
Per share (euro)	1.20	1.32	1.37	5.36	1.55	1.54	1.39	1.47	5.95
Ebitda Margin (E&P)	51%	57%	52%	56%	55%	55%	55%	55%	55%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%	35%



Total					
Functional Cash Flow and Present Value					
	<i>NTM Ebitda</i>	<i>Adjusted</i>	<i>PV/</i>	<i>Present</i>	
	<i>(US\$mm)</i>	<i>R/P</i>	<i>Ebitda</i>	<i>Value</i>	
				<i>(US\$mm)</i>	
Rest of World Natural Gas	11,070	10.9	7.2	80,000	31%
Oil	21,010	7.7	6.3	132,000	51%
Downstream	8,920		5.2	46,000	18%
	41,000	8.8	6.3	258,000	100%
Debt (US\$mm)					31,000
Net Present Value (US\$mm)					227,000
Shares (mm)					2,266
Net Present Value - Standard Estimate (US\$/sh)					100
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					95



McDep LLC
Independent Stock Idea
February 13, 2008



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