



Rating: Buy
 S&P 500: 1418

Total S.A.
Euro Oil Leader

<i>Symbol</i>	TOT	<i>Ebitda Next Twelve Months ending 3/31/09 (US\$m)</i>	46,500
<i>Rating</i>	Buy	<i>North American Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	85.07	<i>Natural Gas and Oil Production/Ebitda (%)</i>	83
<i>Pricing Date</i>	5/6/08	<i>Adjusted Reserves/Production NTM</i>	9.0
<i>Shares (mm)</i>	2254	<i>EV/Ebitda</i>	4.8
<i>Market Capitalization (US\$m)</i>	192,000	<i>PV/Ebitda</i>	5.5
<i>Debt (US\$m)</i>	31,000	<i>Undeveloped Reserves (%)</i>	49
<i>Enterprise Value (EV) (US\$m)</i>	222,000	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	45.60
<i>Present Value (PV) (US\$m)</i>	256,000	<i>Present Value Proven Reserves(US\$/boe)</i>	20.09
<i>Net Present Value (US\$/share)</i>	100	<i>Present Value Proven Reserves(US\$/mcfe)</i>	3.35
<i>Debt/Present Value</i>	0.12	<i>Earnings Next Twelve Months (US\$/sh)</i>	10.50
<i>McDep Ratio - EV/PV</i>	0.87	<i>Price/Earnings Next Twelve Months</i>	8
<i>Dividend Yield (%/year)</i>	3.8	<i>Indicated Annual Dividend (US\$/sh)</i>	3.23
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 15% to estimated net present value (NPV) of \$100 a share along with diversification away from the declining U.S. currency. Stated in euros, first quarter results released today were close to expectations from three months ago with the exception that refining was lower as it was for the industry. The dollar equivalent would be 13% higher compared to a year ago as the U.S. currency has lost 1% a month in euro value in the past twelve months. Looking ahead, 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). Projected cash flow capitalized at unlevered multiples (PV/Ebitda) related to reserve life (Adjusted R/P) supports NPV (see table Functional Cash Flow and Present Value). The latest annual report of oil and gas reserves includes 34% concentration in Africa, where French companies have had traditional strength (see table Production and Reserves, 2007). Likely success in a shrewdly timed, half billion dollar offer outstanding for oil sands lease holder, Synenco, would add to the company's Surmont and Joslyn projects in Canada. The strategy seems ratified by a continued uptrend for oil price (see chart Six-Year Commodity Price Meter).

Kurt H. Wulff, CFA

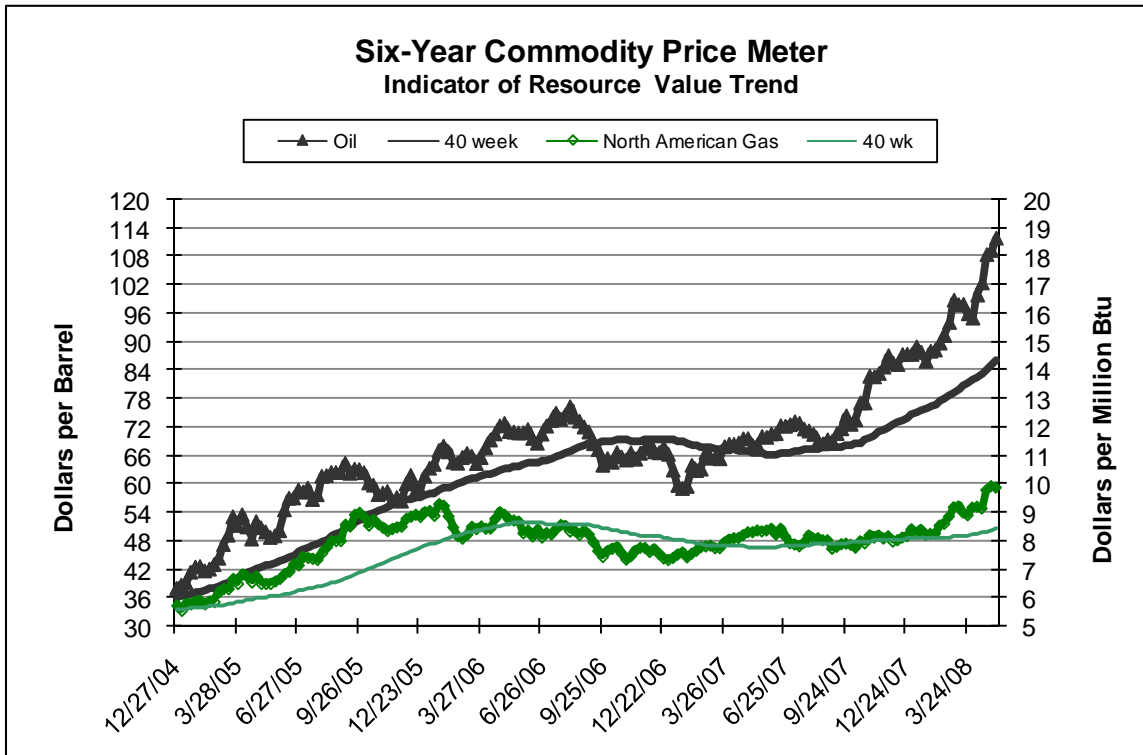


Total S.A.									
Next Twelve Months Operating and Financial Estimates									
									Next Twelve Months
	Q1 3/31/07	Q4 12/31/07	Year 2007	Q1 3/31/08	Q2E 6/30/08	Q3E 9/30/08	Q4E 12/31/08	Year 2008E	3/31/09
Volume									
Natural Gas (mmcf)	4,781	5,223	4,837	4,989	4,599	4,741	5,223	4,902	4,888
Days	90	92	365	91	91	92	92	366	365
Oil (mbd)	1,551	1,530	1,509	1,510	1,510	1,510	1,510	1,510	1,510
Total gas & oil (mmb)	211	221	845	213	207	212	219	851	849
Total gas & oil (mbd)	2,348	2,401	2,315	2,342	2,277	2,300	2,381	2,327	2,325
Price									
Dollar (euro/\$)	1.31	1.45	1.37	1.50	1.56	1.56	1.56	1.55	1.56
Natural gas (\$/mmbtu)	5.69	6.08	5.59	6.67	5.75	4.83	6.08	5.86	5.85
Oil (\$/bbl)									
WTI Cushing	58.08	90.67	72.28	97.94	117.66	118.86	117.23	112.92	117.37
Brent	57.80	88.50	72.45	95.60	114.84	116.01	114.42	110.22	81.81
Company	55.00	84.50	68.89	90.70	108.96	110.07	108.56	104.48	108.70
Total gas & oil (\$/bbl)	47.92	67.09	56.58	72.70	83.89	82.21	82.20	80.19	82.90
NY Harbor 3-2-1 (\$/bbl)	11.68	8.19	14.37	7.57	13.66	12.76	9.80	10.95	12.07
Europe (\$/t)	33.00	30.10	32.45	24.60	42.68	39.87	30.62	34.44	37.72
Revenue (mmeuro)									
Natural gas	1,868	2,017	7,200	2,019	1,543	1,350	1,873	6,785	6,686
Oil	5,858	8,212	27,679	8,309	9,597	9,802	9,667	37,375	38,404
Total production	7,726	10,229	34,880	10,328	11,140	11,152	11,540	44,160	45,089
Other	23,951	27,468	101,944	28,959	28,959	28,959	28,959	115,838	115,838
Total	31,677	37,697	136,824	39,287	40,100	40,112	40,500	159,998	160,927
Expense									
Production	3,248	4,901	15,438	4,832	5,238	5,244	5,438	20,753	21,246
Other	22,182	26,135	95,789	27,849	27,727	27,638	27,626	110,842	110,842
Ebitda (mmeuro)									
Production	4,478	5,328	19,441	5,495	6,127	6,134	6,347	24,103	24,799
Other	1,769	1,333	6,155	1,110	1,232	1,321	1,333	4,996	4,996
Total Ebitda	6,247	6,661	25,596	6,605	7,359	7,455	7,680	29,099	29,795
Exploration	214	273	877	190	190	190	190	760	760
Deprec., Deplet., & Amort.	1,300	1,450	5,425	1,294	1,294	1,294	1,294	5,176	5,176
Excess tax and other	(996)	(1,763)	(4,662)	(1,998)					
Operating Income									
Upstream	4,275	5,838	19,414	6,423					
Downstream	973	744	3,287	498					
Chemicals	381	119	1,155	198					
Total operating income	5,729	6,701	23,956	7,119					
Excess tax and other	996	1,763	4,662	1,998					
Ebit	4,733	4,938	19,294	5,121	5,875	5,971	6,196	23,163	23,859
Interest	136	162	539	128	128	128	128	512	512
Ebt	4,597	4,776	18,755	4,993	5,747	5,843	6,068	22,651	23,347
Income Tax	1,609	1,672	6,564	1,748	2,011	2,045	2,124	7,928	8,171
Net Income (mmeuro)	2,988	3,104	12,191	3,246	3,736	3,798	3,944	14,723	15,176
Shares (millions)	2,281	2,266	2,274	2,254	2,254	2,254	2,254	2,254	2,254
Per share (euro)	1.31	1.37	5.36	1.44	1.66	1.68	1.75	6.53	6.73
Ebitda Margin (E&P)	58%	52%	56%	53%	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	13,560	10.9	5.9	80,000	31%
Oil	25,140	8.0	5.2	130,000	51%
Downstream	7,800		5.9	46,000	18%
	46,500	9.0	5.5	256,000	100%
Debt (US\$mm)					31,000
Net Present Value (US\$mm)					225,000
Shares (mm)					2,254
Net Present Value - Standard Estimate (US\$/sh)					100
NPV Approximation by Cash Flow Multiple Depending on Reserve Life (US\$/sh)					105

Total S.A.								
Production and Reserves, 2007								
			<i>12/31/2007 Proven Reserves</i>			<i>Weighted</i>	<i>NTM</i>	
	<i>2007 Production</i>	<i>Developed</i>	<i>Undeveloped</i>	<i>Weighted</i>	<i>Life Index</i>	<i>R/P</i>	<i>Adjusted</i>	
	<i>(daily)</i>	<i>(annual)</i>	<i>(bcf or mmb)</i>	<i>(bcf or mmb)</i>	<i>(bcf or mmb)</i>	<i>(years)</i>	<i>(years)</i>	
Rest of World Natural Gas								
North America	33	12	30	15	38	3.1		
Europe	1,844	673	3,602	1,929	4,567	6.8		
Africa	636	232	2,560	2,811	3,966	17.1		
Asia	1,288	470	2,221	1,214	2,828	6.0		
Other	756	276	3,427	1,274	4,064	14.7		
Equity and Non-Con	282	103	1,267	5,380	3,957	38.4		
Total	4,838	1,766	13,107	12,623	19,419	11.0	10.9	
Oil								
North America	14	5	25	212	131	26.2		
Europe	334	122	560	320	720	5.9		
Africa	660	241	1,389	1,109	1,944	8.1		
Asia	27	10	33	19	43	4.3		
Other	211	77	253	476	491	6.4		
Equity and Non-Con	263	96	735	647	1,059	11.0		
Total	1,510	551	2,995	2,783	4,387	8.0	8.0	
Total Oil Equivalent	2,316	845	5,180	4,887	7,623	9.0	9.0	



Disclaimer: This analysis was prepared by Kurt Wulff, Manager of McDep LLC as of January 1, 2008. Previously Mr. Wulff was doing business as McDep Associates. The firm used sources and data believed to be reliable, but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

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