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CONTRIBUTION IN KIND OF MAERSK OLIE OG GAS A/S SHARES TO TOTAL S.A.

Contribution appraisers' report on the consideration for the contribution

CONTRIBUTION IN KIND OF MAERSK OLIE OG GAS A/S SHARES TO TOTAL S.A.

Pursuant to the assignment entrusted to us by order of the Presiding Judge of the Nanterre Commercial Court on August 30, 2017 concerning the contribution in kind (the "**contribution**") of the shares of Danish registered company MAERSK OLIE OG GAS A/S to TOTAL S.A. by A.P. MOLLER – MAERSK A/S, we have drafted the report on the value of the contribution, as provided for in Article L. 225-147 of the French Commercial Code.

Since TOTAL S.A.'s shares are admitted to trading on a regulated market, we have also drafted this report on the consideration for the contribution with reference to AMF (Autorité des Marchés Financiers) position-recommendation no. 2011-11 of July 21, 2011. Our report is intended for the benefit of the persons stated in the AMF's position-recommendation.

The consideration for the contribution was laid down in the draft contribution agreement contained in the schedules of this report in the version in which it will be submitted for approval by TOTAL S.A.'s Board of Directors on February 7, 2018 and then for signature by the parties. Our role is to express an opinion on the fairness of this consideration.

To this end, we carried out our procedures in line with the professional standards laid down by the Compagnie Nationale des Commissaires aux Comptes (CNCC) for this type of assignment. These professional standards require us to implement procedures both to verify that the relative valuations attributed to the contributed shares and to the shares issued in consideration by the beneficiary company of the contribution are pertinent and also to analyze the fairness of the proposed consideration with regard to the relative valuations deemed pertinent.

This report does not dispense with the need to read all the public documentation already available or to be made available in connection with the contribution.

Since our assignment comes to end with the filing of our reports, we are not required to update them to reflect facts and circumstances arising after their signature date.

At no time did we find ourselves in a situation that was incompatible, prohibited or should have led to our disqualification, as provided for in law.

Our findings and conclusions are presented hereinafter, in line with the following plan:

1. Presentation of the transaction

2. Verification of the pertinence of the relative valuations

3. Assessment of the fairness of the proposed consideration

4. Conclusion

This report is a translation into English from the original French version provided for information purpose only.

The contribution appraisers do not accept any responsibility or liability for the

accuracy, content, completeness, legality, or reliability of the information contained in this translation into English.

In case of discrepancy between the French and the English versions of our report, the French version shall prevail.

1. Presentation of the transaction

1.1. Background to the transaction

On August 21, 2017, TOTAL S.A. ("**TOTAL**") announced that the boards of directors of TOTAL and A.P. MOLLER – MAERSK A/S ("**MAERSK**") had approved the share transfer agreement ("**Share Transfer Agreement**") concerning the contribution to TOTAL of all the shares making up the share capital of MAERSK OLIE OG GAS A/S ("**MAERSK OIL**"), the parent company holding all[1] the subsidiaries and assets of the MAERSK group's hydrocarbon exploration and production business.

MAERSK OIL holds a portfolio of exploration and production assets in the United Kingdom, Norway, Denmark, the United States, Kazakhstan, Kenya, Iraq, Algeria, Brazil and Angola.

The aim of the contribution is to enable TOTAL to acquire production assets forming a good geographical fit with its own portfolio, so that both groups' human and technical capabilities can be pooled.

By means of this transaction, TOTAL plans to increase its probable and contingent reserves (2P + 2C) by around 1 billion barrels of oil equivalent, with production chiefly located in the North Sea. That would represent an increase in its daily output of 160,000 barrels of oil equivalent from 2018.

Under the terms of the Share Transfer Agreement entered into by the parties on August 21, 2017:

- MAERSK will receive 97,522,593 TOTAL shares in consideration for the contribution;
- the net financial receivable of US$2.5 billion due from MAERSK OIL to MAERSK will be repaid by TOTAL.

Upon completion of the contribution, TOTAL will hold all the shares making up MAERSK OIL's share capital, and MAERSK will have received, in consideration for its contribution, TOTAL shares making up 3.85% of the company's share capital[2].

1.2. Presentation of the parties to the transaction

1.2.1. TOTAL S.A., THE BENEFICIARY COMPANY

TOTAL is a *société anonyme* [public limited company] that has its registered office at 2 place Jean Millier, La Défense 6, 92400 Courbevoie. It is registered on the Nanterre Trade and Companies Register (RCS) under no. 542 051 180.

At January 11, 2018, its share capital stood at €6,340,193,800, made up of 2,536,077,520 shares each with a nominal value of €2.50 and all fully paid-up. Its shares are admitted to trading in Compartment A of the Euronext Paris market under ISIN code FR0000120271.

[1] After completion of the reorganization transactions prior to the contribution.
[2] Based on the 2,536,077,520 TOTAL shares outstanding at the date on which this report was issued.

At December 31, 2017, 157,402,584 TOTAL shares carried double voting rights, that is around 6.2% of the share capital and 11.7% of the theoretical voting rights[3].

TOTAL has also granted its executives and employees the benefit of bonus share allotment and stock option plans representing a maximum potential issue of 15,983,444 and 2,440,940 shares respectively[4].

TOTAL's corporate objects are: "*directly or indirectly, in all countries:*

- to search for and extract mining deposits, and particularly hydrocarbons in all forms, and to perform industrial refining, processing and trading in the said materials, as well as their derivatives and by-products;

- to conduct all activities relating to production and distribution of all forms of energy

- to conduct all activities relating to the chemical sector in all of its forms, as well as all activities relating to the rubber and health sectors;

- to conduct all forms and all means of transportation and shipping of hydrocarbons or other products or materials relating to the company's business purpose;

- and more generally, to conduct all financial, commercial and industrial operations and operations relating to any fixed or unfixed assets and real estate, acquisitions of interests or holdings, in any form whatsoever, in any business or company existing or to be created that may relate, directly or indirectly, to any of the above-mentioned purposes or to any similar or related purposes, of such nature as to promote its extension or its development."

TOTAL ranks among the world leaders in the energy sector. The group headed up by TOTAL has close to 100,000 employees in over 130 countries.

Since January 1, 2017, its activities have been organized into four sectors of activity:

- Exploration & Production, which encompasses all the hydrocarbon extraction activities;

- Gas, Renewables & Power, which includes the activities focused on renewable energies, gas[5] and electrical energy;

- Refining & Chemicals incorporating all the processing activities for the raw materials extracted;

- Marketing & Services, which commercializes oil products.

TOTAL's financial year-end is 31 December, and it publishes consolidated financial statements prepared under IFRS as applicable in the European Union.

[3] Based on the 2,536,077,520 TOTAL shares outstanding at the date on which this report was issued.
[4] At December 31, 2017.
[5] Excluding exploration and production.

1.2.2. MAERSK, THE CONTRIBUTING COMPANY

MAERSK is a company registered in Denmark under no. 22 75 62 14. Its registered office is at Esplanaden 50,DK - 1098 Copenhagen K, in Denmark.

Its share capital of 20,816,862,000 Danish kroner is made up of 20,817,064 shares which are admitted to trading on the Copenhagen stock market under ISIN code DK0010244425 (class A shares) and ISIN code DK001244508 (class B shares).

MAERSK is a global logistics and shipping group, which employs over 80,000 people around the world. MAERSK LINE, its main subsidiary, is the leader in the container shipping market. The group is also active in the energy sector via MAERSK OIL, MAERSK DRILLING and MAERSK SUPPLY SERVICE.

MAERSK's financial year-end is December 31, and it publishes consolidated financial statements prepared under IFRS as applicable in the European Union and further requirements in the Danish Financial Statements Act.

1.2.3. MAERSK OIL, THE SHARES OF WHICH ARE BEING CONTRIBUTED

MAERSK OIL is a Danish public limited company registered in Denmark under no. 22 75 73 18. Its registered office is at Esplanaden 50, 1263 Copenhagen K, in Denmark.

Its share capital totals 174,000,000 Danish kroner, divided into shares each with a nominal value of 1,000 Danish kroner (or approximately €134.42) or a multiple thereof, all fully paid-up and held by MAERSK.

The company has not issued any dilutive instruments.

MAERSK OIL's corporate objects are the "*exploration and extraction of underground raw materials in Denmark or elsewhere, as well as any and all related activities*", and it conducts hydrocarbon exploration and production activities and participates in projects, as both a partner and operator, in Algeria, Denmark, the United Kingdom, the United States, Kazakhstan, Iraq, Norway, Kenya, Angola and Brazil.

MAERSK OIL's financial year-end is December 31 and, for its own internal purposes, it also prepares consolidated financial statements under IFRS as applicable in the European Union.

1.2.4. RELATIONSHIP BETWEEN THE COMPANIES INVOLVED

At the date of this report, there are no capital ties between TOTAL, the beneficiary of the contribution, and MAERSK OIL, the shares of which are being contributed.

1.3. Description of the contribution

The general arrangements for the transaction, which are presented in detail in the draft contribution agreement contained in the schedules of this report (the "**draft contribution agreement**"), can be summarized as follows.

1.3.1. LEGAL FRAMEWORK

The contribution will be subject to the provisions of Article L. 225-147 of the French Commercial Code applicable to contributions in kind.

1.3.2. TAX REGIME

Pursuant to Article 810-I of the French General Tax Code, the beneficiary of the contribution will have to pay a fixed registration fee.

1.3.3. COMPLETION DATE OF THE CONTRIBUTION

The transaction will go ahead on the date on which TOTAL's Chairman and Chief Executive Officer formally records the completion of the capital increase and issue of new shares in consideration for the contribution, pursuant to the powers to be granted to him by TOTAL's board of directors, acting in turn pursuant to the powers delegated to it under the terms of the Twenty-Second resolution of the general meeting of the shareholders on May 24, 2016.

1.3.4. CONDITIONS PRECEDENT

Pursuant to article 5 of the draft contribution agreement, the completion of the contribution is subject to the satisfaction (or waiver, where permitted) of the following conditions precedent:

- (i) the approval of the transfer of the contributed shares to TOTAL by the Danish Minister of Energy, Utilities and Climate in accordance with article 3 of the MAERSK OIL articles of association;

- (ii) the approval of the transfer of the contributed shares to TOTAL by the Agency of the Republic of Kazakhstan for Competition Protection;

- (iii) the approval of the transfer of the contributed shares to TOTAL by the COMESA Competition Commission;

- (iv) the issuance of a letter signed by TOTAL (i) as of the "Unconditional Date", as defined in the Share Transfer Agreement, notifying that the TOTAL expects the absence of "Material Adverse Change", as defined in the Share Transfer Agreement, relating to MAERSK OIL and its subsidiaries (including APM PIPELINES A/S), which are listed in schedule 1.1 (g) of the Share Transfer Agreement, taken as a whole, as of the completion date of the contribution and (ii) immediately before or on the completion date of the contribution certifying the absence of "Material Adverse Change", as defined in the Share Transfer Agreement, relating to MAERSK OIL and its subsidiaries (including APM PIPELINES A/S), which are listed in schedule 1.1 (g) of the Share Transfer Agreement, taken as a whole;
- (v) the issuance of a letter signed by MAERSK (i) as of the "Unconditional Date, as defined in the Share Transfer Agreement, notifying that MAERSK expects the absence of "Material Adverse Change", as defined in the Share Transfer Agreement, relating to TOTAL and its "Affiliates", as defined in the Share Transfer Agreement, taken as a whole, as of the completion date of the contribution and (ii) and immediately before or on the completion date of the contribution certifying the absence of "Material Adverse Change", as

defined in the Share Transfer Agreement, relating to TOTAL and its "Affiliates", as defined in the Share Transfer Agreement taken as a whole;

- (vi) the completion of the "Pre-Closing Separation" provided in paragraphs 1, 2 and 4.1 of schedule 8.1.1 (Pre-Closing Separation) of the Share Transfer Agreement;

- (vii) the approval of Euronext Paris on the admission of the new shares to trading on Euronext Paris stock exchange as of the second coming day after the completion date of the contribution when Euronext Paris is open for trading at the latest.

Subject to the satisfaction of the aforementioned conditions precedent (or their waiving according to the procedure described in the paragraph below), the contribution will take effect on the completion date.

If such conditions precedent are not satisfied by 30 April 2018 (or on any other date agreed between the TOTAL and MAERSK) or not waived on such date at the latest (where permitted) either by TOTAL and MAERSK with respect to the conditions stated in (i) to (iii) and (vi) above, or by TOTAL with respect to the condition stated in (iv) above, or by MAERSK with respect to the conditions stated in (v) and (vii) above, the draft contribution agreement shall be considered as terminated.

1.3.5. ADJUSTMENT MECHANISM FOR ASSETS, PERMITS AND RIGHTS THAT CANNOT BE TRANSFERRED TO TOTAL

The Share Transfer Agreement provides for an adjustment mechanism related to, on the one hand, the pre-emption and acquisition rights held by third parties in relation to certain of MAERSK OIL's assets, permits and rights, and, on the other hand, to the government approvals which need to be obtained for the transfer of ownership of the shares being contributed. At the date of this report, it was confirmed to us that no pre-emption and acquisition rights would be exercised in connection with the transaction.

To this end, the Share Transfer Agreement adopts a mechanism outlined in schedule 1 of the draft contribution agreement, should it not be possible to transfer MAERSK OIL's assets, permits and rights (the "**Assets**") to TOTAL owing to the absence of or failure to obtain a government approval no later than by the date agreed by the parties in the Share Transfer Agreement[6]:

- prior to the completion of the contribution, a carve-out of the company holding the Assets, or of the Assets themselves[7], would take place with the beneficiary being a MAERSK group entity. In return, a receivable from the beneficiary/(ies) of the carve-out(s) would be recorded on MAERSK OIL[8]'s balance sheet (the "**Receivable**"). The amount of the Receivable would match the value of the Assets in respect of which authorization had not been obtained;
- should the Assets be sold by the members of the MAERSK group holding them to a third party within 12 months of the effective date of the contribution, the

[6] It being stipulated that this date is prior to the completion date of the contribution.

[7] Should the company holding them also own other assets, permits or rights on which there are no restrictions preventing them from being transferred to TOTAL.

[8] Or the Maersk Oil subsidiary holding the shares or the asset carved out.

proceeds (considered free of any tax or charge liability) received from the sale would be transferred to the relevant member of the MAERSK group, and considered as a final and definitive settlement, regardless of the amount of the sale proceeds, of the recognized Receivable laid down hereinabove;

- should, within 12 months of the effective date of the contribution, the Assets not be sold to a third party by MAERSK (or its subsidiaries), any recognized Receivable as laid down hereinabove would be repaid in cash for its nominal value by the members of the group MAERSK.

Any difference between, (i) the total amount of the Receivables arising from the Assets that could not be transferred to TOTAL and (ii) the amount actually received by MAERSK OIL or its subsidiaries from the sale of these Assets by MAERSK will be incurred by TOTAL up to a maximum limit of €500,000,000.

Should the difference exceed €500,000,000, the Share Transfer Agreement provides that TOTAL will be compensated in cash by MAERSK for any differential surpassing this amount.

1.4. Description and valuation of the contribution

1.4.1. DESCRIPTION OF THE CONTRIBUTION

Pursuant to the terms of the draft contribution agreement, MAERSK agreed to transfer to TOTAL all of the shares that it owns in MAERSK OIL, namely shares for a total nominal value of 174,000,000 Danish kroner representing 100% of the share capital and voting rights of MAERSK OIL as detailed in schedule 3 of the draft contribution agreement capitalization table, set out hereinafter.

Number of shares (unit)	Nominal value (DKK)	Total nominal value (DKK)	Number of voting rights
4	5 000	20 000	20
13	10 000	130 000	130
67	50 000	3 350 000	3 350
2	250 000	500 000	500
128	500 000	64 000 000	64 000
6	750 000	4 500 000	4 500
5	1 000 000	5 000 000	5 000
1	1 500 000	1 500 000	1 500
2	2 500 000	5 000 000	5 000
2	4 000 000	8 000 000	8 000
2	5 000 000	10 000 000	10 000
4	10 500 000	42 000 000	42 000
2	15 000 000	30 000 000	30 000
238		**174 000 000**	**174 000**

All shares confer the same rights upon their holders.

Pursuant to article 1 of the draft contribution agreement, each share contributed will be free of any pledge, third party right, lien or other form of security at the completion date of the contribution.

1.4.2. VALUATION OF THE CONTRIBUTION

Pursuant to the Autorité des Normes Comptables (ANC) regulation no. 2017-01 on the accounting treatment of mergers and similar transactions, the parties agreed that the MAERSK OIL shares will be contributed at their fair market value since the transaction involves a contribution in kind between companies under separate control, whereby a French entity benefits from a contribution made by a foreign contributing entity.

The value of the contributed shares was determined by the parties as being US$4,950,000,000, which was converted into euros at the exchange rate representing the average over the 20 days preceding August 21, 2017, i.e. a €/$ rate of 1.1748.

On this basis, the total value of the contribution works out at €4,213,434,373.79.

1.5. Consideration for the contribution

The method used to determine the consideration for the contribution is presented in schedule 1 of the draft contribution agreement.

For the purpose of determining the consideration for the contribution, the parties agreed to use the fair market value of the TOTAL shares estimated as the average closing price of TOTAL shares for the 20 sessions prior to August 21, 2017[9] on Euronext-Paris, that is a value of €43.2047.

In consideration for the contribution, TOTAL will issue 97,522,593 new shares each with a nominal value of €2.50.

The difference between the value of the contribution, that is €4,213,434,373.79, and the total amount of TOTAL's capital increase, that is €243,806,482.50, will represent a contribution premium, the amount of which will stand at €3,969,627,891.29.

[9] Date on which the two parties executed the Share Transfer Agreement.

2. Verification of the pertinence of the relative valuations

2.1. Procedures carried out

We performed the procedures we deemed necessary with reference to the professional standards set by the Compagnie Nationale des Commissaires aux Comptes (French national association of statutory auditors) to ensure the pertinence of the relative valuations attributed to both the shares contributed and the shares of the beneficiary company of the contribution.

The aim of our assignment is to assist TOTAL's directors[10] with their assessment of the pertinence of the relative valuations used to determine the consideration for the contribution, and to assess the fairness of the consideration implied by said relative valuations. It cannot be regarded as a due diligence assignment performed on behalf of a lender or a buyer and does not include all the work required for such an assignment. Neither may our report be used for such purposes.

Accordingly, we performed the following procedures:

- we held discussions in Paris and Copenhagen with the representatives and advisors of the companies involved in the contribution both to gain additional knowledge of the envisaged transaction and the background to it and to analyze its accounting, financial and legal terms;

- we examined the final version of the draft contribution agreement and schedules as they will be submitted for approval by TOTAL's board of directors on February 7, 2018 and then for signature by the parties;

- we looked at the Share Transfer Agreement entered into by MAERSK and TOTAL on August 21, 2017;

- we reviewed the legal and accounting details that served as the basis for the transaction, including the documentation about the MAERSK group's pre-contribution reorganization;

- we looked at MAERSK OIL's and TOTAL's consolidated financial statements for the financial years ended December 31, 2015 and December 31, 2016 and the interim financial reports for the periods ended June 30, 2017 and September 30, 2017;
- to establish the reliability of the financial statements and the accounting information provided to us, we made sure that the annual and consolidated financial statements for the financial year ended December 31, 2016 of MAERSK OIL and TOTAL had received an unqualified audit opinion from their statutory auditors. We also looked at the reports by the statutory auditors of MAERSK OIL and TOTAL on their limited review of the interim consolidated financial statements for the period ended June 30, 2017. With regard to MAERSK OIL, we also examined the due diligence report on MAERSK OIL's balance sheet at June 30, 2017 and at September 30, 2017, which were prepared by an auditor appointed by the TOTAL group, in addition to the work performed by MAERSK OIL's statutory auditor;

[10] Acting pursuant to powers delegated by the general meeting of the shareholders.

- we looked at the consolidated financial statements for the scope of the contribution at December 31, 2017 prepared in line with IFRS for the group's internal reporting purposes, which underwent a limited review by its auditor, leading to a limited-review report being issued on January 16, 2018;

- we reviewed TOTAL's draft consolidated financial statements for the financial year ended December 31, 2017. Since the statutory auditors' review of these financial statements had not been completed by the date of this report, we obtained a confirmation from TOTAL that its statutory auditors had not reported at that point in time any material misstatements liable to affect our assignment;

- we reviewed the budget data and projections prepared by MAERSK OIL's and TOTAL's management. We discussed with the relevant managers the pertinence of the assumptions adopted, after analyzing the business trends and the assets and liabilities of MAERSK OIL and of TOTAL's four business segments (§ 1.2.1);

- we examined schedules 1 and 2 of the draft contribution agreement, which set forth the valuation of the contribution and its consideration;

- we analyzed the relevance of the valuation approaches adopted and the parameters used, then implemented alternative valuation techniques and conducted sensitivity tests on the consideration for the contribution for each of the valuation approaches using criteria deemed pertinent, including oil and gas prices;

- we looked at the methods used to determine the amount of synergies expected from the transaction communicated to the market by TOTAL;

- we adopted the working assumption that the transaction would not give rise to specific material tax effects.

Lastly, we obtained a representation letter both from MAERSK and MAERSK OIL, and from TOTAL confirming to us the material points used in connection with our assignment.

2.2. Presentation of the methods and criteria adopted by the parties

To determine the number of shares to be issued by TOTAL in consideration for the contribution, the parties carried out a comparison of the relative valuations of TOTAL and MAERSK OIL shares using the valuation approaches presented in schedule 1 of the draft contribution agreement.

2.2.1. VALUATION OF MAERSK OIL SHARES

The value of the MAERSK OIL shares was agreed by the parties based on a multi-criteria valuation comprising:

- a discounted cash flow (DCF) model;

- comparative methods including those based on the hydrocarbon reserve multiples implied by past industry transactions.

2.2.2. VALUATION OF TOTAL SHARES

Since TOTAL shares are admitted to trading on the Euronext market in Paris, the parties decided to use its share price as an estimate of the fair market value of TOTAL shares. The reference share price of €43.2047 is the average closing price of TOTAL shares for the 20 sessions on Euronext-Paris prior to August 21, 2017, the date on which the Share Transfer Agreement between the parties was entered into.

2.3. Assessment of the pertinence of the relative valuations

Our observations based on our assessment of the relative valuations by the parties are as follows:

- since the shares contributed are not quoted, the parties used valuation approaches that we regard as customary and suitable for MAERSK OIL;
- based on the characteristics of TOTAL, its free float and the number of shares issued in consideration for the contribution, the use of its share price as a measure of the value of TOTAL shares is the preferred option.

As part of our assignment, we expanded on the valuation calculations in order to analyze the sensitivity of the consideration for the contribution to various parameters. To this end, we assessed the relative valuations of MAERSK OIL and TOTAL shares based on:

- a discounted cash flow (DCF) model for MAERSK OIL and TOTAL built on projections that were provided by both groups' management teams. This approach, based on our own discounting parameters computed consistently for MAERSK OIL and TOTAL, involved (i) setting various different levels of oil and gas prices, and (ii) considering the specific characteristics of each of the groups (§ 2.3.3);
- an assessment of the consideration in relation to a hybrid approach involving a DCF model for MAERSK OIL and the volume-weighted average share price - VWSP for TOTAL (§ 2.3.4);
- a comparison of a discounted cash flow valuation of MAERSK OIL with the published target prices set for TOTAL shares by investment analysts (§ 2.3.5);

Lastly, we conducted sensitivity tests of the consideration for the contribution to various market parameters that may affect the relative valuations of MAERSK OIL and TOTAL.

The valuations we performed, as described hereinafter in § 2.3.2 to § 2.3.5, are intended solely for the purpose of assessing the relative size of both groups and thereby establishing the entities' relative valuations to assess the consideration adopted by MAERSK OIL and TOTAL. Hence we set aside valuation techniques that cannot be applied consistently or coherently to both MAERSK OIL and TOTAL (§ 2.3.1).

2.3.1. VALUATION TECHNIQUES SET ASIDE

We discounted the following valuation techniques when forming our conclusions.

2.3.1.1. *Net book value*

MAERSK OIL's and TOTAL's net book value does not reflect their fair market value and captures only to a very limited extent their ability to generate future profits. Hence we did not use this valuation method in our analysis.

2.3.1.2. *Peer multiples based on hydrocarbon reserves*

This comparative approach consists in valuing a group by establishing a sample of companies or transactions regarded as comparable in terms of their line of business, business model, size and geographical footprint.

We attempted to conduct a valuation based on peer and industry transaction multiples applicable to hydrocarbon reserves, as this method is commonly used to value oil and gas exploration & production companies.

Even so, we discounted this method of assessing the consideration because the results are not consistent for MAERSK OIL and TOTAL. The reasons for this are as follows:

- MAERSK OIL is active solely in exploration & production[11], whereas TOTAL's presence extends to other areas, including downstream operations;
- in the exploration & production sector, the concept of comparability depends to a very large extent on the specific features of the assets owned, i.e. on the characteristics of individual fields and licenses. The value of reserves and their profitability can fluctuate substantially from one asset to another, even within a similar geographical region. These differences can be attributed to several factors:
    - the grades of the hydrocarbons extracted, which may vary from one field to another;
    - the license terms and conditions governing operational arrangements, including pricing and tax treatment, which are not uniform from one asset, country, contractual party, etc. to the next;
    - the period over which the relevant reserves will be extracted, which may materially affect their present value;
    - the unquantifiable impact of the exploration portfolio on the value produced by reference to reserves;
- lastly, we were unable to identify any companies holding assets and liabilities or industry transactions involving solely assets that can be validly compared on a consistent basis with those belonging to MAERSK OIL and TOTAL.

2.3.1.3. *Comparison of investment analysts' target prices for TOTAL with the valuation attributed to MAERSK OIL by analysts responsible for covering MAERSK* shares

[11] Including the related oil and gas trading services.

A large number of investment analysts cover TOTAL shares and regularly release their target prices, providing a steady and consistent source of information.

The target value for MAERSK OIL, which is taken from the research notes issued by analysts covering MAERSK and providing details of a sum-of-the-parts valuation, could legitimately be compared with the consensus target price for TOTAL shares.

That being said, this approach is subject to clear sources of bias preventing it from being implemented consistently to both MAERSK OIL and TOTAL:

- the analysts do not all provide details of how they have conducted the sum-of-the-parts valuation underpinning MAERSK's target price. The information provided about MAERSK OIL within the broader MAERSK group is thus only partial and limited;
- the analysts presenting details of their calculations do so only occasionally. Hence the most recent valuation of MAERSK OIL provided by an analyst does not systematically reflect the latest target prices for MAERSK;
- since MAERSK OIL's activities form an ancillary part of the MAERSK group, the work performed by analysts on this line of business is subsidiary.

Despite these limitations, we used this method to produce a valuation for information purposes only. The results obtained fall within the ranges of the number of TOTAL shares to be issued in consideration for the contribution presented in § 3.3.1. below.

2.3.2. PARAMETERS COMMON TO THE VALUATION METHODS IMPLEMENTED

2.3.2.1. Valuation date

Our valuation was conducted at January 1, 2018.

2.3.2.2. Number of shares

The number of shares used at the date of this report reflects:

- for MAERSK OIL: the shares contributed by MAERSK, which represent MAERSK OIL[12]'s entire share capital;
- for TOTAL: the shares outstanding and the dilutive instruments consisting of in-the-money stock options, the deferred contribution in relation to the ACRS[13] and bonus share allotment plans at December 31, 2017, and shares issued in respect of the payment of an interim dividend in shares in January 2018.

2.3.2.3. Net debt

We estimated MAERSK OIL's and TOTAL's net debt at December 31, 2017 using respectively the consolidated financial statements which underwent a limited review by its auditor and the draft consolidated financial statements, prepared in line with

[12] Including the shares issued by MAERSK OIL in respect of corporate reorganizations prior to the contribution.
[13] Capital increase reserved for employees.

IFRS.

MAERSK OIL's debt position chiefly reflects the long-term borrowings[14], less financial receivables, as well as investment commitments and provisions not taken into account in the business plan.

For TOTAL, net debt includes borrowings, the disbursement of provisions and other net liabilities not factored into the business plan and the payment of the expected dividends.

2.3.2.4. Potential impact of a failure to obtain government approval, preventing the transfer from MAERSK OIL to TOTAL of certain Assets

At the date of this report, the approval of the governments of Kazakhstan and Kenya, still needs to be obtained. These approvals do not constitute conditions precedent, but are covered by the adjustment mechanism for MAERSK OIL's Assets that cannot be transferred to TOTAL. Hence we verified that the mechanism presented in § 1.3.5 would not call into question all the analysis presented in § 2.3.3 to 2.3.5 below should it not be possible to transfer these assets.

As far as the assets in Algeria are concerned, the government approval was issued by the minister of energy on December 17, 2017 subject to certain conditions accepted by TOTAL and by MAERSK OIL, and efforts are currently being made to meet them. Should this condition be met, we may legitimately conclude that the assets in Algeria will not be covered by the price adjustment mechanism presented in § 1.3.5, which is necessary to confirm the substance of the contribution and to confirm that the value of the contribution is not overstated. Accordingly, our assessment of the consideration adopted by the parties does not preclude the transfer of these assets to TOTAL.

2.3.3. DISCOUNTED CASH FLOW VALUATION

We implemented a discounted cash flow (DCF) valuation for MAERSK OIL and TOTAL. Under this method, the value of a company's shares is considered to be equivalent to the sum of the present value of the cash flows it generates, adjusted for net debt or net cash at the valuation date.

2.3.3.1. Discount rate

The discount rates we calculated using market data observed at the date of our assignment reflect the level of risk inherent in the cash flow projections for MAERSK OIL and TOTAL[15].

2.3.3.2. Business plans used

In our estimates, we used the projections prepared by MAERSK OIL's and TOTAL's management teams.

It is worth noting that while both groups operate in hydrocarbon exploration & production, TOTAL is also active in other sectors, including downstream activities and

[14] Taking into account the payment of US$3,266,000 in respect of the pre-closing dividend paid to MAERSK

[15] Our discount rates were computed based on (i) a risk-free interest rate and a market rate of return observed over a one-year period sourced from Bloomberg, and (ii) a beta based on a sample of comparators specific to each of the groups.

renewable energies.

We reviewed the projections by geographical region, taking into account the development programs anticipated at present and the current market outlook.

The principles and assumptions applied by the groups in their business plans are not completely consistent. For the purposes of our assignment, we thus established valuation ranges incorporating various different operational assumptions to capture the impact of these differences in approach. These assumptions relate to license extensions and the assessment of the exploration and replacement potential of the portfolio of hydrocarbon reserves.

Lastly, the groups did not base their projections on the same forecasts for – what are volatile – oil and gas prices. As a result, we calculated the relative valuations of MAERSK OIL and TOTAL using various different, but consistent price scenarios:

- a scenario in which oil and gas prices reflect recent historical levels;
- another scenario in which oil and gas prices rise more significantly;

These two price scenarios:

- were factored in by the TOTAL group, which communicated to us the provisional data reflecting the group's view of these pricing levels;
- fall either side of the market consensus based on investment analysts' [16] forecasts, and the scenarios adopted by MAERSK OIL.

Since MAERSK OIL's business plan is built on scenarios for oil and gas prices that were drawn up by the group, we adjusted the forecasts. To this end, only the impact of the change in price on sales and income tax was taken into account. The results obtained provide a conservative valuation of MAERSK OIL insofar as the operational assumptions (production start-up for fields, operating costs) were not adjusted in these price scenarios.

Accordingly, in a final model, we assessed the number of TOTAL shares to be issued in consideration for the contribution based on a comparison of both business plans as submitted to us, without making any adjustments to the oil and gas price scenarios.

On this basis, we modelled MAERSK OIL's projected cash flows based on:

- MAERSK OIL's 2018 budget and business plan over the period from 2018 to 2067;
- information provided to us during discussions with MAERSK OIL's management;
- the oil and gas price assumptions referred to above.

Owing to the specific features of MAERSK OIL's business, i.e. its focus on exploration & production, no terminal value at the end of the explicit forecasting period was incorporated in our valuation. This approach is attributable to the fact that cash flow projections can be prepared for a lengthy period in this sector of activity, i.e. until fields' resources are used up over the period covered by the license and/or up to an

[16] Source: Bloomberg consensus estimate

economic cut-off point beyond which it is no longer profitable to operate them.

TOTAL's business plan is built around several business units ("**BUs**"), each with their own specific features, especially their profitability and investment profiles:

- Exploration & Production;
- Gas, Renewables & Power;
- Refining & Chemicals;
- Marketing & Services.

TOTAL's cash flow projections were prepared on the basis of:

- TOTAL's 2018 budget;
- TOTAL's business plan for the period from 2018 to 2023;
- the extrapolation of TOTAL's business plan for the Exploration & Production BU over the period of operation of the fields making up the group's existing portfolio of assets.
- the information provided to us during discussions with the group's management.

The Exploration & Production BU's activities are similar to those conducted by MAERSK OIL. The discounted cash flow valuation of this BU was thus also restricted to the period through until expiry of the licenses and/or the economic cut-off point, and no terminal value was used.

For the other BUs, we computed a terminal value beyond the explicit forecasting period reflecting a perpetual growth rate in operating cash flows.

Forecast dividends from each BU's equity affiliates were valued separately. These cash flows were discounted using the discounted dividend method.

2.3.3.3. Special situation concerning MAERSK OIL's license in Kenya

Since the license held by MAERSK OIL in Kenya is still at the exploration stage, it was not possible to capture reliably the future cash flows that will be generated by this asset, as its operational arrangements are still being considered.

Hence we opted to adopt a comparative approach based on a comparison with a listed company, namely AFRICA OIL, the assets and liabilities of which largely comprise a percentage holding equivalent to that held by MAERSK OIL in its license in Kenya.

The valuation of MAERSK OIL's asset in Kenya is thus predicated on AFRICA OIL's volume-weighted average share price and the consensus estimates prepared by analysts covering the company's shares.

2.3.3.4. Bridge from enterprise value to equity value

The enterprise values obtained from a DCF valuation were adjusted for overhead costs and debt as stated in § 2.3.2.3 above.

2.3.3.5. *Implied consideration*

The number of TOTAL shares to be issued in consideration for the contribution implied by our DCF valuation (§ 2.3.3.1 to § 2.3.3.4) lies within the following ranges:

- 56 million to 74 million TOTAL shares in the scenario of price trends reflecting recent historical levels;
- 86 million to 104 million TOTAL shares in the price scenarios drawn up by each group's management;
- 104 million to 117 million TOTAL shares based on an approach factoring in a scenario of larger price increases.

2.3.4. TOTAL'S VOLUME-WEIGHTED AVERAGE SHARE PRICE IN RELATION TO THE FUNDAMENTAL VALUATION OF MAERSK OIL

Use of TOTAL's share price as a point of reference to assess the consideration for the contribution seems the only logical approach given:

- the liquidity of TOTAL shares;
- the percentage of TOTAL's capital allotted in consideration for the contribution.

We analyzed the performance of TOTAL's share price over the 12 months preceding the announcement of the deal, and also calculated its volume-weighted average share price (VWSP) over periods of various lengths.

Since MAERSK OIL is not quoted, we were unable to draw on an observable market input for use in our valuation. We thus attempted to capture its value by conducting a DCF valuation of MAERSK OIL based on analysts' consensus forecasts of future oil and gas prices.

We compared the valuation this produced with TOTAL's share price:

August 18, 2017	VWSP
Spot price	€42.65
1-month VWSP	€43.17
2-month VWSP	€43.42
3-month VWSP	€44.45
6-month VWSP	€45.95
12-month VWSP	€45.45
12-month high	€49.00
12-month low	€40.61

Source : Bloomberg

In this approach, the number of TOTAL shares to be issued in consideration for this contribution lies between 97 million and 118 million TOTAL shares.

2.3.5. TOTAL'S SHARE PRICE TARGET IN RELATION TO THE FUNDAMENTAL VALUATION OF MAERSK OIL

We also analyzed the consideration based on:

- a valuation of TOTAL based on the target prices of investment analysts covering the company's shares, which were published prior to the announcement of the transaction;

- a valuation of MAERSK OIL produced by a fundamental valuation of the company based on the future oil and gas price trends anticipated by the market (§ 2.3.4).

Under this method, the number of TOTAL shares to be issued in consideration for this contribution lies between 89 million and 109 million TOTAL shares.

3. Assessment of the fairness of the proposed consideration

3.1. Methods used by the parties to determine the consideration for the contribution

At the end of their analysis (§ 2.2), the parties calculated the number of TOTAL shares to be issued in consideration for the contribution, opting to use:

- its share price for TOTAL;
- a value for MAERSK OIL determined based on a fundamental and a comparative valuation.

On this basis, they agreed that 97,522,593 TOTAL shares be issued in consideration for the contribution of the MAERSK OIL shares (§ 1.5).

3.2. Procedures carried out

We performed the procedures that we deemed necessary according to the professional standards set by the Compagnie Nationale des Commissaires aux Comptes (French national association of statutory auditors) to assess the fairness of the consideration for the contribution.

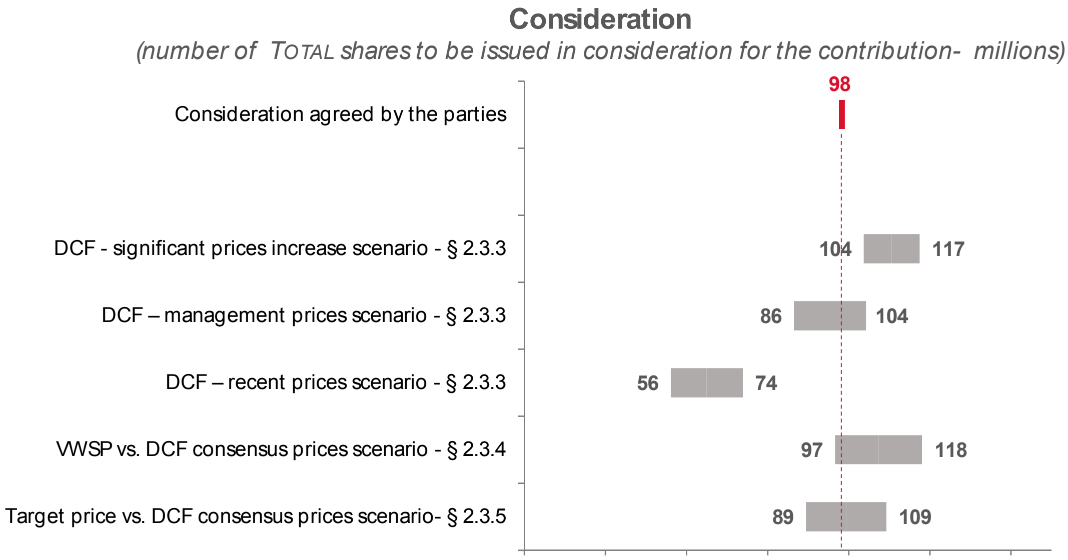
In particular, we drew on the analysis described above (§ 2.3), for the purpose of verifying the pertinence of the relative valuations attributed to the shares contributed and the shares of the beneficiary company of the contribution.

On this basis, we assessed the fairness of the proposed consideration.

3.3. Assessment and positioning of the consideration

3.3.1. CHARACTERISTICS OF THE CONSIDERATION

To assess the consideration agreed by the parties, we computed the number of TOTAL shares to be issued in consideration for the contribution, taking into account a range reflecting the various valuations obtained using a multi-criteria valuation approach.



In connection with our assessment of the fairness of the proposed consideration, we note that the consideration adopted by the parties falls within the range of our alternative approaches and does not therefore appear to be detrimental to the interests of TOTAL's existing shareholders.

It is worth noting that the range of consideration implied by the DCF method based on recent historical oil and gas price trends reflects a conservative valuation of MAERSK OIL insofar as the operational assumptions in the group's business plan were not adjusted in these price scenarios (§ 2.3.3.2). As a result, the range produced using this method should be seen in this light.

3.3.2. EXPECTED EFFECTS ARISING FROM THE ADDITION OF MAERSK OIL TO THE TOTAL GROUP

MAERSK OIL's assets form a very good fit, especially from a geographical perspective, with those of TOTAL, which should facilitate streamlining of the new portfolio and measures to increase its profitability.

The industrial and commercial synergies anticipated from this contribution transaction arise from cost savings and from financial and tax optimization. The beneficiary company of the contribution has estimated them at a net present value of over US$2 billion, particularly through the integration of TOTAL's and MAERSK OIL's operations in the North Sea.

TOTAL confirmed to us that this figure represents a conservative view of the transaction's impact on the group.

These synergies were not taken into account in our assessment of the consideration (§ 3.3.1). They will broadly benefit all the shareholders and represent a significant element of guidance concerning the positioning of the consideration within the range provided by the multi-criteria valuation.

Furthermore, TOTAL indicated when the deal was announced to the market that the contribution would have an accretive impact on its earnings per share. This accretive impact was computed by TOTAL based on its own view of MAERSK OIL's activities, which reflects the impact of the tight fit between MAERSK OIL's portfolio of assets and those belonging to TOTAL, and of the combination of both groups' skills sets.

4. Conclusion

Based on our work and at the date of this report, subject to the effective lifting of the conditions for the approval from the Algerian authorities, we are of the opinion that the consideration for the contribution of the MAERSK OIL shares, which consists of the company's entire share capital, agreed by the parties and leading to the issuance of 97,522,593 TOTAL shares, is fair.

Paris, January 30, 2018

The Contribution Appraisers

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Olivier PERONNET