TOTAL GABON

Société anonyme incorporated in Gabon with a Board of Directors and share capital of $76,500,000
Headquarters: Boulevard Hourcq, Port-Gentil, BP 525, Gabonese Republic
www.total.ga
Registered in Port-Gentil: 2000 B 00011

NEWS RELEASE

First-Quarter 2018 Results

Port-Gentil — May 14, 2018

Main Financial Indicators

		Q1 18	Q1 17	Q1 18 vs. Q1 17
Average Brent price	$/b	**66.8**	53.7	+24%
Average Total Gabon crude price[(1)]	$/b	**61.7**	48.7	+27%
Crude oil production from fields operated by Total Gabon	kb/d [(2)]	**24.0**	53.7	-55%
Crude oil production from Total Gabon interests[(3)]	kb/d	**35.7**	46.0	-22%
Sales volumes[(1)]	Mb[(4)]	**2.93**	3.79	-23%
Revenue[(5)]	$M	**208**	210	-1%
Funds generated from operations[(6)]	$M	**33**	86	-62%
Capital expenditure	$M	**30**	17	+76%
Net income (loss)[(7)]	$M	**23**	5	x5

(1) Excluding profit oil reverting to the Gabonese Republic as per production sharing contracts.

(2) kb/d: Thousand barrels per day

(3) Including profit oil reverting to the Gabonese Republic as per production sharing contracts.

(4) Mb: Million barrels.

(5) Revenue from hydrocarbon sales and services (transportation, processing and storage).
As from December 31st 2017, the Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Following the application of IAS 18 – *Revenue*, profit oil reverting to the Gabonese Republic is now included in revenue. This reclassification, which was also applied to Q1 17 revenue, has no impact on net income.

(6) Funds generated from operations = operating cash flow + gains (losses) on disposals of assets + working capital changes.

(7) The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Various items taken into account in the calculation of Q1 17 net income have been adjusted as a result of the adoption of IFRS. A summary of these adjustments is provided in Appendix 1.

First Quarter 2018 Results

Selling Prices

Reflecting the higher Brent price, the selling price of the Mandji and Rabi Light crude oil grades marketed by Total Gabon averaged $61.7 per barrel, up 27% compared to first quarter 2017.

Production

Total Gabon's equity share of operated and non-operated oil production[1] was 35,700 barrels per day in first quarter 2018, a decline of 22% compared to first quarter 2017, due mainly to:

- the sale of mature assets to Perenco on October 31, 2017;
- compression issues on the Anguille and Torpille fields;
- the natural decline of fields.

This was partly offset by:

- The impact of the acquisition of an additional 50% in the Baudroie-Mérou license in June 2017.

Revenue

Revenue amounted to $208 million in first quarter 2018, stable compared to first quarter 2017, with the price effect offsetting lower volumes.

Funds Generated From Operations

Funds generated from operations amounted to $33 million, down 62% compared to first quarter 2017, mainly due to the increase in working capital (price effect on receivables, cost reduction effect on payables).

Capital Expenditure

Capital expenditure amounted to $30 million in first quarter 2018, up 76% compared to first quarter 2017, and included the commencement of an onshore drilling campaign, integrity works offshore (Anguille, Torpille, Grondin) and onshore (Cap Lopez terminal), and geoscience and development studies.

Net Income

Net income amounted to $23 million in first quarter 2018, a significant improvement from $5 million in first quarter 2017 thanks primarily to a positive price effect, the Company's cost-cutting program, lower depreciation and reduced financial expenses due to the Company's debt reimbursement.

.

[1] Including profit oil reverting to the Gabonese Republic as per production sharing contracts.

First Quarter 2018 Highlights

Board of Directors Meeting of March 27, 2018

The Board of Directors approved on March 27, 2018 the accounts for the year ending December 31, 2017 and decided that it will recommend at the Annual Meeting on May 22, 2018 that shareholders approve the payment of a dividend of $5.5 per share, for a total payout of $24.75 million. This represents an increase of 22% from the previous year's dividend of $4.5 per share.

Media contact: **Florent Caillet** **florent.caillet@total.com**

APPENDIX 1: IMPACT OF ADOPTING IFRS ON THE Q1 17 INCOME STATEMENT

Information on Options Retained in First-Time Adoption

The move from the Organization for the Harmonization of Business Law in Africa (OHADA) accounting standard to International Financial Reporting Standards (IFRS) was conducted in accordance with IFRS 1 - *First-time Adoption of International Financial Reporting Standards*. As an affiliate that became a first-time adopter later than its parent, the Company chose to measure its assets and liabilities as the carrying amount in the consolidated financial statements of Total S.A.

Summary of the Main Impacts on the Q1 17 Income Statement

Net income (OHADA)		**11**
Unit-of-production method - IAS 16	note 1	(3)
Exceptional depreciation - IAS 16	note 1	(3)
Site restoration - IAS 16	note 2	(1)
Measurement of oil and gas inventories - IAS 2	note 3	(1)
Deferred taxes - IAS 12	note 4	2
Total adjustments		**(6)**
Net income (IFRS)		**5**

Notes

In terms of measurement, Q1 17 net income was primarily impacted by the application of IAS 16 - *Property, Plant and Equipment*, as well as by the recognition of deferred taxes.

Note 1 – Property, Plant and Equipment

Development costs for the drilling of development wells and for the construction of production facilities are capitalized, together with borrowing costs incurred during the period of construction and present value of estimated and future costs of asset retirement obligations. The depletion rate is equal to the ratio between oil and gas production for the period and proved developed reserves (unit-of-production method). Previously, the Company determined depreciation using the straight-line method.

Note 2 – Asset Retirement (Site Restoration)

Under IAS 16 - *Property, Plant and Equipment*, an item of property, plant and equipment should initially be recorded at cost. Cost includes the estimated costs of dismantling and removing the item and restoring the site on which it is located if such an obligation exists when the asset is recognized. A corresponding asset retirement obligation is recorded in liabilities.

Changes in the liability for an asset retirement obligation due to the passage of time are measured by applying a risk-free discount rate to the amount of the liability.

Note 3 – Oil and gas inventories

Over- or underliftings of hydrocarbons are valued based on the entitlement method, under which production is valued at the selling price at the date of the preparation on of the financial statements. Previously, any such difference between volumes sold and entitlement volumes, based on net working interest, was valued at production cost.

Note 4 – Deferred Taxes

Under the deferred tax method, both current tax expense (or income) and deferred tax expense (or income) relating to the current or previous periods are disclosed in the financial statements.

Current taxes, calculated according to tax regulations, are recognized in the statement of income and the balance sheet. Deferred income taxes are recognized on a separate line. In accordance with IAS 12 – *Income Taxes* and the “comprehensive balance sheet method,” deferred income taxes are recorded based on the temporary differences between the carrying amounts of assets and liabilities recorded in the balance sheet and their tax bases. Permanent differences do not give rise to deferred taxes.