

TOTAL SA
Form F-3/A
August 03, 2005

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As filed with the Securities and Exchange Commission on August 3, 2005

Registration Nos. 333-104463

104463-01

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Pre-effective
Amendment No. 5 to FORM F-3
REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933**

**TOTAL S.A.
TOTAL CAPITAL**

(Exact name of Registrants as specified in their charters)

Republic of France

(State or other jurisdiction of Incorporation or organization)

Not Applicable

(I.R.S. Employer Identification Nos.)

Total S.A.

Total Capital

2, place de la Coupole

La Défense 6

92400 Courbevoie

France

011-331-4744-4546

(Address and telephone number of Registrants principal executive offices)

CT Corporation System

111 Eighth Avenue,

New York, New York 10011

212-894-8940

(Name, address and telephone number of agent for service)

Please send copies of all communications to:

**Jonathan E. Marsh
Group U.S. Counsel
Total S.A.
2, place de la Coupole
La Défense 6
92400 Courbevoie
France
011-331-4744-4546**

**Richard G. Asthalter
Sullivan & Cromwell LLP
24, rue Jean Goujon
75008 Paris
France
011-331-7304-1000**

**Andrew A. Bernstein
Cleary Gottlieb Steen & Hamilton
LLP
12, rue de Tilsitt
75008 Paris
France**

**Charles Paris de Bollardière
Group Treasurer
Total S.A.
2, place de la Coupole
La Défense 6
92400 Courbevoie
France
011-331-4744-4546**

011-331-4074-6800

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Unit(2)(3)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Debt Securities	\$4,000,000,000	100%	\$4,000,000,000	\$323,600(5)
Guarantee of the Debt Securities(4)				

(1) In U.S. dollars or their equivalent in foreign denominated currencies or composite currencies.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act.

(3) In no event will the aggregate initial public offering price of the securities issued under this Registration Statement exceed \$4,000,000,000 or if any Debt Securities are issued (i) at an original issue discount, such greater amount as shall result in aggregate net proceeds not in excess of \$4,000,000,000 to the Registrants or (ii) with a principal amount denominated in a foreign currency, such amount as shall result in an aggregate initial offering price equivalent to a maximum of \$4,000,000,000.

(4) Pursuant to Rule 457(n), no separate fee for the Guarantee is payable.

(5) Previously paid.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion. Preliminary Prospectus Dated August 3, 2005
\$4,000,000,000
TOTAL S.A.

TOTAL CAPITAL
(A wholly-owned subsidiary of Total S.A.)
FULLY AND UNCONDITIONALLY GUARANTEED
by
TOTAL S.A.

DEBT SECURITIES

Total S.A. or Total Capital may use this prospectus to offer from time to time up to \$4,000,000,000 in aggregate principal amount of debt securities. Debt securities offered by Total Capital using this prospectus will be fully and unconditionally guaranteed by Total S.A., and are referred to as guaranteed debt securities in this prospectus.

You should read this prospectus and the accompanying prospectus supplement carefully before you invest. We may sell these securities to or through underwriters, and also to other purchasers or through agents. The names of the underwriters will be set forth in the accompanying prospectus supplement.

Investing in these securities involves certain risks. See Risk Factors beginning on page 3.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities, or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated August 3, 2005.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the U.S. Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. Under this shelf process, we may sell the securities described in this prospectus in one or more offerings up to a total dollar amount of \$4,000,000,000. This prospectus provides you with a general description of the securities we may offer. Each time Total S.A. or Total Capital sells securities, we will provide a prospectus supplement that will contain specific information about the terms of those securities and their offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading *Where You Can Find More Information About Us*.

In this prospectus, the terms *we*, *our* and *us* refer either to Total S.A. or, in connection with an offering by Total Capital, both Total S.A. and Total Capital, *Total* refers to Total S.A., the *Total Group* refers to Total and its subsidiaries, and *Total Capital* refers to Total Capital. Any debt securities of Total Capital which are offered using this prospectus will be fully and unconditionally guaranteed by Total, and are referred to as guaranteed debt securities.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

Total and Total Capital are *sociétés anonymes* incorporated under the laws of France. Many of our directors and officers, and some of the experts named in this document, reside outside the United States, principally in France. In addition, although we have assets in the United States, a large portion of our assets and the assets of our directors and officers is located outside of the United States. As a result, although we have appointed CT Corporation System, 111 Eighth Avenue, New York, NY 10011 as agent for service of process under the registration statement to which this prospectus relates, U.S. investors may find it difficult in a lawsuit based on the civil liability provisions of the U.S. federal securities laws:

to effect service within the United States upon us or our directors and officers located outside the United States,

to enforce in U.S. courts or outside the United States judgments obtained against us or those persons in the U.S. courts,

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to enforce in U.S. courts judgments obtained against us or those persons in courts in jurisdictions outside the United States, and

to enforce against us or those persons in France, whether in original actions or in actions for the enforcement of judgments of U.S. courts, civil liabilities based solely upon the U.S. federal securities laws.

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RISK FACTORS

Investing in the securities offered using this prospectus involves risk. You should consider carefully the risks relating to Total's business and the securities being offered described below, which are discussed in more detail in the documents incorporated by reference into this prospectus, and any risk factors included in the prospectus supplement, before you decide to buy our securities. If any of these risks actually occurs, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the securities offered using this prospectus could decline, in which case you may lose all or part of your investment.

Industry and company risks

A substantial or extended decline in oil or natural gas prices would have a material adverse effect on our results of operations.

Prices for oil and natural gas historically have fluctuated widely due to many factors over which we have no control. These factors include:

global and regional economic and political developments in resource-producing regions, particularly in the Middle East;

global and regional supply and demand;

the ability of the Organization of Petroleum Exporting Countries (OPEC) and other producing nations to influence global production levels and prices;

prices of alternative fuels which affect our realized prices under our long-term gas sales contracts;

governmental regulations and actions;

global economic conditions;

cost and availability of new technology; and

weather conditions.

Substantial or extended declines in oil and natural gas prices would adversely affect our results of operations by reducing our profits. For the year 2005, we estimate that a decrease of \$1 per barrel in the price of Brent crude would have the effect of reducing our annual net income by approximately 0.2 B\$. Lower oil and natural gas prices over prolonged periods may also reduce the economic viability of projects planned or in development, causing us to cancel or postpone capital expansion projects, and may reduce liquidity, thereby potentially decreasing our ability to finance capital expenditures. If we are unable to follow through with capital expansion projects, our opportunities for future revenue and profitability growth would be reduced, which could materially impact our financial condition.

We face foreign exchange risks that could adversely affect our results of operations.

Our business faces foreign exchange risks because a large percentage of our revenues and cash receipts are denominated in U.S. dollars, the international currency of petroleum sales, while a significant portion of our operating expenses and income taxes accrue in euro and other currencies. Movements between the U.S. dollar and euro or other currencies may adversely affect our business by negatively impacting our booked revenues and income. For the year 2005, we estimate that a decrease in the dollar/euro exchange rate of \$0.10 per 1.00 would have, without the use of hedging techniques, a corresponding negative effect on our annual net income of approximately 0.6 B\$.

Our long-term profitability depends on cost effective discovery and development of new reserves; if we are unsuccessful, our results of operations and financial condition will be materially and adversely affected.

A significant portion of our revenues and the majority of our operating income are derived from the sale of crude oil and natural gas which we extract from underground reserves discovered and developed as part of our Upstream business. In order for this business to continue to be profitable, we continuously need to replace

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depleted reserves with new proved reserves. Furthermore, we need to accomplish such replacement in a manner that allows subsequent production to be economically viable. However, our ability to discover or acquire and develop new reserves successfully is uncertain and can be negatively affected by a number of factors, including:

- unexpected drilling conditions, including pressure or irregularities in geological formations;
- equipment failures or accidents;
- our inability to develop new technologies that permit access to previously inaccessible fields;
- adverse weather conditions;
- compliance with unanticipated governmental requirements;
- shortages or delays in the availability or delivery of appropriate equipment;
- industrial action; and
- problems with legal title.

Any of these factors could lead to cost overruns and impair our ability to make discoveries or complete a development project, or to make production economical. If we fail to discover and develop new reserves cost-effectively on a consistent basis, our results of operations, including profits, and our financial condition would be materially and adversely affected.

Our crude oil and natural gas reserve data are only estimates, and subsequent downward adjustments are possible. If actual production from such reserves is lower than current estimates indicate, our results of operations and financial condition will be negatively impacted.

Our proved reserves figures are estimates reflecting applicable reporting regulations. Proved reserves are estimated using geological and engineering data to determine with reasonable certainty whether the crude oil or natural gas in known reservoirs is recoverable under existing economic and operating conditions. This process involves making subjective judgments. Consequently, measures of reserves are not precise and are subject to revision. They may be negatively impacted by a variety of factors which could cause such estimates to be adjusted downward in the future, or cause our actual production to be lower than our currently reported proved reserves indicate. The main factors which may cause our proved reserves estimates to be adjusted downward, or actual production to be lower than the amounts implied by our currently reported proved reserves, include:

- a decline in the price of oil or gas, making reserves no longer economically viable to exploit and therefore not classifiable as proved;
- an increase in the price of oil or gas, which may reduce the reserves that we are entitled to under production sharing and buy-back contracts;
- changes in tax rules and other government regulations that make reserves no longer economically viable to exploit;
- the quality and quantity of our geological, technical and economic data, which may prove to be inaccurate;
- the actual production performance of our reservoirs; and
- engineering judgments.

Many of the factors, assumptions and variables involved in estimating reserves are beyond our control and may prove to be incorrect over time. Results of drilling, testing and production after the date of the estimates may require substantial downward revisions in our reserve data. Any downward adjustment would indicate lower future production amounts and may adversely affect our results of operations, including profits as well as our financial condition.

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We have significant production and reserves located in politically, economically and socially unstable areas, where the likelihood of material disruption of our operations is relatively high.

A significant portion of our oil and gas production occurs in unstable regions around the world, most significantly Africa, but also the Middle East, Asia and South America. Approximately 31%, 16%, 9% and 8%, respectively, of our 2004 production came from these four regions. In recent years, a number of the countries in these regions have experienced varying degrees of one or more of the following: economic instability, political volatility, civil war, violent conflict and social unrest. In Africa, certain of the countries in which we have production has recently suffered from some of these conditions. The Middle East in general has recently suffered increased political volatility in connection with violent conflict and social unrest. A number of countries in South America where we have production and other facilities, including Argentina and Venezuela, have suffered from economic instability and social unrest and related problems. In the Far East, Indonesia has suffered the majority of these conditions. Any of these conditions alone or in combination could disrupt our operations in any of these regions, causing substantial declines in production. Furthermore, in addition to current production, we are also exploring for and developing new reserves in other regions of the world that are historically characterized by political, social and economic instability, such as the Caspian Sea region where we have a number of large projects currently underway. The occurrence and magnitude of incidents related to economic, social and political instability are unpredictable. It is possible that they could have a material adverse impact on our production and operations in the future.

We are subject to stringent environmental, health and safety laws in numerous jurisdictions around the world and may incur material costs to comply with these laws and regulations.

We incur, and expect to continue to incur, substantial capital and operating expenditures to comply with increasingly complex laws and regulations covering the protection of the natural environment and the promotion of worker health and safety, including:

costs to prevent, control, eliminate or reduce certain types of air and water emissions,

remedial measures related to environmental contamination or accidents at various sites, including those owned by third parties,

compensation of persons claiming damages caused by our activities or accidents, and

costs in connection with the dismantling of drilling platforms.

If our established financial reserves prove not to be adequate, environmental costs could have a material effect on our results of operations and our financial position. Furthermore, in the countries where we operate or expect to operate in the near future, new laws and regulations, the imposition of tougher license requirements, increasingly strict enforcement or new interpretations of existing laws and regulations or the discovery of previously unknown contamination may also cause us to incur material costs resulting from actions taken to comply with such laws and regulations, including:

modifying operations,

installing pollution control equipment,

implementing additional safety measures, and

performing site clean-ups.

As a further result of any new laws and regulations or other factors, we may also have to curtail or cease certain operations, which could diminish our productivity and materially and adversely impact our results of operations, including profits.

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Our operations throughout the developing world are subject to intervention by various governments, which could have an adverse effect on our results of operations.

We have significant exploration and production, and in some cases refining, marketing or chemicals operations, in developing countries whose governmental and regulatory framework is subject to unexpected change and where the enforcement of contractual rights is uncertain. In addition, our exploration and production activity in such countries is often done in conjunction with state-owned entities, for example as part of a joint venture, where the state has a significant degree of control. Potential intervention by governments in such countries can take a wide variety of forms, including:

the award or denial of exploration and production interests;

the imposition of specific drilling obligations;

price and/or production quota controls;

nationalization or expropriation of our assets;

cancellation of our license or contract rights;

increases in taxes and royalties;

the establishment of production and export limits;

the renegotiation of contracts;

payment delays; and

currency exchange restrictions or currency devaluation.

Imposition of any of these factors by a host government in a developing country where we have substantial operations, including exploration, could cause us to incur material costs or cause our production to decrease, potentially having a material adverse effect on our results of operations, including profits.

We have investments in certain countries, which are subject to U.S. sanctions, and our activities in Iran could lead to sanctions under relevant U.S. legislation.

We currently have investments in Iran and, to a lesser extent, Syria and Sudan. U.S. legislation and regulations currently impose various sanctions on these countries.

In the case of Iran, the United States adopted the Iran Libya Sanctions Act (referred to as ILSA) implementing sanctions against those countries with the objective of denying Iran and Libya the ability to support acts of international terrorism and to fund the development or acquisition of weapons of mass destruction. In 2001, ILSA was extended until August 2006. In April 2004, the President of the United States terminated the application of ILSA with respect to Libya. ILSA authorizes the President to impose sanctions (from a list that includes denial of financing by the U.S. export-import bank and limitations on the amount of loans or credits available from U.S. financial institutions) against persons found by the President to have knowingly made investments in Iran of \$20 million or more in any twelve-month period. In May 1998 the U.S. government waived the application of sanctions for Total's investment in the South Pars gas field in Iran. This waiver, which has not been modified since it was granted, does not address Total's other activities in Iran, although Total has not been notified of any related sanctions. At the end of 1996, the Council of the European Union adopted Council Regulation No. 2271/96 which prohibits Total from complying with any requirement or prohibition based on or resulting directly or indirectly from certain enumerated legislation, including ILSA. It also prohibits Total from extending its waiver for South Pars to other activities. In each of the years since the passage of ILSA, Total has made investments in Iran (excluding South Pars) in excess of

\$20 million, sometimes substantially exceeding this figure. In 2004, Total's average daily production in Iran amounted to 26 kboe/d, approximately 1.0% of its average daily worldwide production. Total expects to continue to invest amounts significantly in excess of \$20 million per year in Iran in the foreseeable future. Total cannot predict interpretations of or the implementation policy of the U.S. government under ILSA with respect to its current or future activities in Iran. It is possible that the United States may determine that these or other activities will

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constitute activity prohibited by ILSA and will subject Total to sanctions. Total does not believe that enforcement of ILSA, including the imposition of the maximum sanctions under the current law and regulations, would have a material negative effect on its results of operations or financial condition.

Furthermore, the United States currently imposes economic sanctions, which are administered by the U.S. Treasury Department's Office of Foreign Assets Control and which apply to U.S. persons, with the objective of denying certain countries, including Iran, Syria and Sudan, the ability to support international terrorism and, additionally in the case of Iran and Syria, to pursue weapons of mass destruction and missile programs. Total does not believe that these sanctions are applicable to any of its activities in these countries.

Risks related to the offering and owning the debt securities

Since Total is a holding company and currently conducts its operations through subsidiaries, your right to receive payments on the debt securities and the guarantee is subordinated to the other liabilities of Total's subsidiaries.

Total is organized as a holding company, and substantially all of its operations are carried on through subsidiaries. Total's principal source of income is the dividends and distributions it receives from its subsidiaries. On an unconsolidated basis, Total's obligations consisted of 26,149 M of debt as of December 31, 2004. Total's ability to meet its financial obligations is dependent upon the availability of cash flows from its domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments. Total's subsidiaries are not guarantors on the debt securities we may offer, either with Total or Total Capital as issuer. Moreover, these subsidiaries and affiliated companies are not required and may not be able to pay dividends to Total. Claims of the creditors of Total's subsidiaries have priority as to the assets of such subsidiaries over the claims of creditors of Total. Consequently, holders of Total's debt securities or Total Capital's debt securities that are guaranteed by Total are in fact structurally subordinated, on Total's insolvency, to the prior claims of the creditors of Total's subsidiaries.

In addition, some of Total's subsidiaries are subject to laws restricting the amount of dividends they may pay. For example, these laws may prohibit dividend payments when net assets would fall below subscribed share capital, when the subsidiary lacks available profits or when the subsidiary fails to meet certain capital and reserve requirements. For example, French law prohibits those subsidiaries incorporated in France from paying dividends unless these payments are made out of distributable profits. These profits consist of accumulated, realized profits, which have not been previously utilized, less accumulated, realized losses, which have not been previously written off. Other statutory and general law obligations may also affect the ability of directors of Total's subsidiaries to declare dividends and the ability of our subsidiaries to make payments to us on account of intercompany loans.

Since the debt securities are unsecured, your right to receive payments may be adversely affected.

The debt securities that we are offering will be unsecured. The debt securities are not subordinated to any of our other debt obligations, and therefore they will rank equally with all our other unsecured and unsubordinated indebtedness. As of December 31, 2004, Total had 617 M of consolidated secured indebtedness outstanding and Total Capital had no secured indebtedness outstanding. If either Total or Total Capital, as issuer of the debt securities, defaults on the debt securities (or the guarantee in the case of Total if it is relevant), or after bankruptcy, liquidation or reorganization, then, to the extent the relevant obligor has granted security over its assets, the assets that secure that entity's debts will be used to satisfy the obligations under that secured debt before the obligor can make payment on the debt securities or the guarantee. There may only be limited assets available to make payments on the debt securities or the guarantee in the event of an acceleration of the debt securities. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

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FORWARD-LOOKING STATEMENTS

This prospectus, including documents incorporated by reference, and the related prospectus supplement may contain statements regarding our assumptions, projections, expectations, intentions or beliefs about future events. These statements are intended as Forward-Looking Statements under the Private Securities Litigation Reform Act of 1995. These statements may generally, but not always, be identified by the use of words such as anticipates, should, expects, estimates, believes or similar expressions. In particular, forward-looking statements include (i) certain statements with regard to management aims and objectives, planned expansion, investment or other projects, expected or targeted production volume, capacity or rate, the date or period in which production is scheduled or expected to come on stream or a project or action is scheduled or expected to be completed, (ii) the statements with respect to the Total Group's dividend policy, the manner in which the Total Group uses cash surpluses, the cost savings target of the Total Group, return on average capital employed, production targets, breakeven points, targeted performance improvements and effect on pre-tax results, and levels of annual investment and (iii) the statements with regard to trends in the trading environment, oil and gas prices, refining, marketing and chemicals margins, inventory and product stock levels, supply capacity, profitability, results of operations, liquidity or financial position. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including:

Future levels of industry product supply, demand and pricing;

Political instability, including international armed conflict, and economic growth in relevant areas of the world;

Development and use of new technology and successful partnering;

The actions of competitors;

Natural disasters and other changes in business conditions;

Wars and acts of terrorism or sabotage;

Other factors discussed under Risk Factors and elsewhere in this document; and

Other factors discussed under Risk Factors, Item 4 Information on the Company Other Matters, Item 5 Operating and Financial Review and Prospects and Cautionary Statement Concerning Forward-Looking Statements in our Annual Report on Form 20-F for the year ended December 31, 2004, incorporated by reference into this prospectus.

WHERE YOU CAN FIND MORE INFORMATION ABOUT US

Total files annual reports and other reports and information with the SEC. You may read and copy any document Total files at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, Total's SEC filings are available to the public at the SEC's web site at <http://www.sec.gov>.

Total's American depositary shares are listed on the New York Stock Exchange. The principal trading market for Total's shares is the *Eurolist* of Euronext Paris. Total's shares are also listed on Euronext Brussels and the London Stock Exchange, and are quoted on SEAQ International. You can consult reports and other information about Total that it files pursuant to the rules of the New York Stock Exchange at such exchange.

The SEC allows Total to incorporate by reference into this prospectus the information in documents filed with the SEC. This means that Total can disclose important information to you by referring you to those documents. Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in our affairs since the date

thereof or that the information contained therein is current as of any time subsequent

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to its date. The information incorporated by reference is considered to be a part of this prospectus and should be read with the same care. When Total updates the information contained in documents that have been incorporated by reference by making future filings with the SEC, the information incorporated by reference in this prospectus is considered to be automatically updated and superseded. In other words, in the case of a conflict or inconsistency between information contained in this prospectus and information incorporated by reference into this prospectus, you should rely on the information contained in the document that was filed later.

Total incorporates by reference the documents listed below and any documents Total files with the SEC in the future under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) until the offerings made under this prospectus are completed:

Annual Report on Form 20-F for the year ended December 31, 2004, filed with the SEC on April 20, 2005; and

Report on Form 6-K, filed with the SEC on June 17, 2005.

Furthermore, Total incorporates by reference any reports on Form 6-K furnished to the SEC by Total pursuant to the Exchange Act that indicate on their cover page that they are incorporated by reference in this prospectus, both after the date of the initial registration statement and prior to effectiveness of the registration statement, and after the date of this prospectus and before the date that any offering of the securities by means of this prospectus is terminated.

The Annual Report on Form 20-F of Total for the year ended December 31, 2004 contains a summary description of Total's business and audited consolidated financial statements with an auditors' report by Total's independent registered public accounting firms. These financial statements were prepared in accordance with generally accepted accounting principles applicable in France. We refer to these accounting principles as French GAAP in this prospectus. With effect from January 1, 2005, the consolidated annual and interim financial statements of the Total Group are and will be prepared in accordance with International Financial Reporting Standards (IFRS). The Annual Report on Form 20-F of Total for the year ended December 31, 2004 also presents the effects of the differences on our audited consolidated financial statements between French GAAP and generally accepted accounting principles applicable in the United States. We refer to the latter accounting principles as U.S. GAAP in this prospectus. Future Annual Reports on Form 20-F of Total will present the effects of the differences on our audited consolidated financial statements between IFRS and U.S. GAAP. For additional information on our transition from French GAAP to IFRS, see Item 5 Operating and Financial Review and Prospects Transition to International Financial Reporting Standards (IFRS) in our Annual Report on Form 20-F for the year ended December 31, 2004, incorporated by reference into this prospectus.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to or telephoning Total at the following address:

Total S.A.
2, place de la Coupole
La Défense 6
92400 Courbevoie
France
(011) 331 4744 4546

You should rely only on the information that we incorporate by reference or provide in this prospectus or the prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or the prospectus supplement is accurate as of any date other than the date on the front of those documents.

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Total was incorporated on March 28, 1924 and has a duration until March 22, 2099, unless earlier dissolved or extended to a later date. Total began its upstream operations in the Middle East in 1924. Since that time, the Company has grown and expanded its operations worldwide. Most notably, in early 1999 Total acquired control of PetroFina S.A. (Petrofina or Fina) and in early 2000, Total acquired control of Elf Aquitaine S.A. (Elf Aquitaine or Elf). Total currently owns 99.5% of Elf Aquitaine shares and, since early 2002, 100% of PetroFina shares. The Total Group operated under the name TotalFina from June 1999 to March 2000, and then under the name TotalFinaElf. Since May 2003, the Total Group has been operating once again under the name Total.

TOTAL CAPITAL

Total Capital is a wholly-owned indirect subsidiary of Total. It was incorporated as a *société anonyme* under the laws of France on December 15, 1999 under the name of DAJA 22, renamed TotalFinaElf Capital on July 17, 2000 and renamed Total Capital in May 2003. Total Capital is a financing vehicle for the Total Group and issues debt securities and commercial paper on behalf of the Total Group. Total Capital lends substantially all proceeds of its borrowings to the Total Group. Total will fully and unconditionally guarantee the guaranteed debt securities issued by Total Capital as to payment of principal, premium, if any, interest and any other amounts due.

RATIO OF EARNINGS TO FIXED CHARGES**(Unaudited)**

The following table shows the ratios of earnings to fixed charges for the Total Group, computed in accordance with IFRS and U.S. GAAP, for the three months ended March 31, 2005 and 2004.

	Three months ended March 31,	
	2005	2004
For the Total Group (IFRS)	21.22	21.67
For the Total Group adjusted to accord with U.S. GAAP	17.33	21.15

The following table shows the ratios of earnings to fixed charges for the Total Group, computed in accordance with French GAAP and U.S. GAAP, for the fiscal years ended December 31, 2004, 2003, 2002, 2001 and 2000.

	Years Ended December 31,				
	2004	2003	2002	2001	2000
For the Total Group (French GAAP)	20.80	16.14	13.21	10.50	9.46
For the Total Group adjusted to accord with U.S. GAAP	17.60	14.75	13.96	8.67	8.64

Earnings for the computations above under IFRS, French GAAP and U.S. GAAP were calculated by adding pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees, fixed charges and distributed income of equity investees. Fixed charges for both computations consist of interest (including capitalized interest) on all indebtedness, amortization of debt discount and expense and that portion of rental expense representative of the interest factor.

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**CAPITALIZATION AND INDEBTEDNESS OF TOTAL
(Unaudited)**

The following table sets out the consolidated capitalization and long-term indebtedness, as well as short-term indebtedness, of the Total Group at March 31, 2005, prepared on the basis of IFRS. You should read this table together with our consolidated financial statements and the other financial data appearing elsewhere, or incorporated by reference, in this prospectus.

	At March 31, 2005
	(in millions of euros)
Short-term borrowings, including current portion of long-term debt	
Current portion of long-term debt	1,712
Short-term borrowings	7,942
Bank overdrafts	183
Fair value of derivatives	(125)
Total short-term indebtedness	9,712
Long-term borrowings (loans)	10,795
Minority interests	
Minority interests	729
Subsidiaries redeemable preferred shares	117
Total minority interests	846
Shareholders equity	
Common shares	6,358
Additional paid in surplus and retained earnings	35,023
Accumulated translation adjustment	(481)
Treasury shares	(5,848)
Total shareholders equity	35,052
Total capitalization and long-term indebtedness	46,693

As of March 31, 2005, Total has authorized capital of 1,071,589,767 ordinary shares with a par value of 10 per share, and an issued share capital of 635,836,583 ordinary shares (including 43,621,147 treasury shares from shareholders equity).

As of March 31, 2005, 639 M of our indebtedness was secured by our assets. As of March 31, 2005, Total had no outstanding guarantees from third parties relating to its consolidated indebtedness. For more information about our commitments and contingencies, see Note 24 of the Notes to our audited consolidated financial statements in our Annual Report on Form 20-F for the year ended December 31, 2004, which is incorporated herein by reference.

Except as disclosed herein or in the prospectus supplement, there have been no material changes in the consolidated capitalization, indebtedness and contingent liabilities of Total since March 31, 2005.

USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, the net proceeds from the sale of securities will be used for general corporate purposes. These purposes include working capital for Total or other

companies in the Total Group and the repayment of existing borrowings of Total and its subsidiaries.

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DESCRIPTION OF DEBT SECURITIES AND GUARANTEE

General

Total may issue debt securities or Total Capital may issue guaranteed debt securities using this prospectus. As required by U.S. federal law for all bonds and notes of companies that are publicly offered, the debt securities that Total may issue are governed by a contract between Total and JPMorgan Chase Bank, N.A., as trustee, called an indenture. In the same manner, the guaranteed debt securities that Total Capital may issue are governed by another, separate indenture among Total Capital, Total and JPMorgan Chase Bank, N.A., as trustee.

The trustee under the indentures has two main roles:

first, it can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, described under **Default and Related Matters** **Events of Default** **Remedies If an Event of Default Occurs** below; and

second, the trustee performs administrative duties for us, such as sending you interest payments, transferring your debt securities to a new buyer if you sell your debt securities and sending you notices.

Under the indenture for the guaranteed debt securities that may be issued by Total Capital, Total acts as the guarantor. For the guaranteed debt securities that Total Capital may issue using this prospectus, Total will fully and unconditionally guarantee the payment of the principal of, premium, if any, and interest on the guaranteed debt securities, including certain additional amounts which may be payable under the debt securities and the guarantee, as described under **Special Situations** **Payment of Additional Amounts** . Total guarantees the payment of such amounts when such amounts become due and payable, whether at the stated maturity of the guaranteed debt securities, by declaration or acceleration, call for redemption or otherwise.

In other respects, the guaranteed debt securities are subject to the same material provisions as the other debt securities described below.

Each indenture and its associated documents contain the full legal text governing the matters described in this section. The indentures, the debt securities and the guarantee are governed by New York law. A form of each indenture is an exhibit to our registration statement. See **Where You Can Find More Information About Us** for information on how to obtain a copy.

This section summarizes the material provisions of the indentures, the debt securities and, for the case of guaranteed debt securities, the guarantee. However, because it is a summary, it does not describe every aspect of the indentures, the debt securities or the guarantee. This summary is subject to and qualified in its entirety by reference to all the provisions of the indentures, including some of the terms used in the indentures. We describe the meaning for only the more important terms. We also include references in parentheses to some sections of the indentures. Whenever we refer to particular sections or defined terms of the indentures in this prospectus or in the prospectus supplement, those sections or defined terms are incorporated by reference herein or in the prospectus supplement. This summary also is subject to and qualified by reference to the description of the particular terms of your series described in the prospectus supplement.

Total and Total Capital may issue as many distinct series of debt securities under their respective indentures as we wish. This section summarizes all material terms of the debt securities that are common to all series, unless otherwise indicated in the prospectus supplement relating to a particular series. References to **we** and **us** in this section refer to either Total, or in connection with an offering of guaranteed debt securities, both Total and Total Capital unless otherwise indicated.

We may issue the debt securities as original issue discount securities, which are debt securities that are offered and sold at a substantial discount to their stated principal amount. (*Section 101*) Special U.S. federal income tax, accounting and other considerations may apply to original issue discount securities. These considerations are discussed below under **Tax Considerations** **United States Federal Income Taxation** . The debt securities may also be issued as indexed securities or securities denominated in foreign currencies or currency units, as described in more detail in the prospectus supplement relating to any such debt securities.

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Unless otherwise specified in a prospectus supplement, we may issue debt securities of the same series as an outstanding series of debt securities without the consent of holders of securities in the outstanding series. Any additional debt securities so issued will have the same terms as the existing debt securities of the same series in all respects (except for the first interest payment on the new series, if any), so that such additional debt securities will be consolidated and form a single series with the existing debt securities of the same series.

In addition, the specific financial, legal and other terms particular to a series of debt securities are described in the prospectus supplement and the purchase agreement relating to the series. Those terms may vary from the terms described here. Accordingly, this summary also is subject to and qualified by reference to the description of the terms of the series described in the prospectus supplement.

The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

the title of the series of debt securities;

any limit on the aggregate principal amount of the series of debt securities;

any stock exchange, if any, on which we list the series of debt securities;

the date or dates on which we will pay the principal of the series of debt securities;

the rate or rates, which may be fixed or variable, per annum at which the series of debt securities will bear interest, if any, and the date or dates from which that interest, if any, will accrue;

the dates on which interest, if any, on the series of debt securities will be payable and the regular record dates for the interest payment dates;

any mandatory or optional sinking funds or analogous provisions or provisions for redemption at the option of the holder;

the date, if any, after which and the price or prices at which the series of debt securities may, in accordance with any optional or mandatory redemption provisions that are not described in this prospectus, be redeemed and the other detailed terms and provisions of those optional or mandatory redemption provisions, if any;

the denominations in which the series of debt securities will be issuable if other than denominations of \$1,000 and any integral multiple of \$1,000;

the currency of payment of principal of, premium, if any, and interest on the series of debt securities if other than the currency of the United States of America and the manner of determining the equivalent amount in the currency of the United States of America, if applicable;

any index used to determine the amount of payment of principal of, premium, if any, and interest on the series of debt securities;

whether we will be required to pay additional amounts for withholding taxes or other governmental charges and, if applicable, a related right to an optional tax redemption for such a series;

whether the series of debt securities will be issuable in whole or in part in the form of a global security as described under Legal Ownership Global Securities, and the depositary or its nominee with respect to the series of debt securities, and any special circumstances under which the global security may be registered for transfer or exchange in the name of a person other than the depositary or its nominee; and

any other special features of the series of debt securities.

The debt securities will be issued only in fully registered form without interest coupons.

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Legal Ownership

Street Name and Other Indirect Holders

We generally will not recognize investors who hold securities in accounts at banks or brokers as legal holders of securities. When we refer to the holders of securities, we mean only the actual legal and (if applicable) record holder of those securities. Holding securities in accounts at banks or brokers is called holding in street name. If you hold securities in street name, we will recognize only the bank or broker or the financial institution the bank or broker uses to hold its securities. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the securities, either because they agree to do so in their customer agreements or because they are legally required to do so. If you hold securities in street name, you should check with your own institution to find out:

how it handles securities payments and notices;

whether it imposes fees or charges;

how it would handle voting if it were ever required to vote;

whether and how you can instruct it to send you securities registered in your own name so you can be a direct holder as described below; and

how it would pursue rights under the securities if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, under the securities run only to persons who are registered as holders of securities. As noted above, we do not have obligations to you if you hold in street name or other indirect means, either because you choose to hold securities in that manner or because the securities are issued in the form of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to you as a street name customer but does not do so.

Global Securities

What is a Global Security? A global security is a special type of indirectly held security, as described above under Street Name and Other Indirect Holders . If we choose to issue securities in the form of global securities, the ultimate beneficial owners can only be indirect holders.

We require that the securities included in the global security not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the global security is called the depository. Any person wishing to own a security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depository. The prospectus supplement relating to an offering of a series of securities will indicate whether the series will be issued only in the form of global securities.