TOTAL

TOTAL E&P NORGE AS
ANNUAL REPORT

2018

CONTENTS

2018

TOTAL REVENUES MILLION NOK	35 091
OPERATING PROFIT MILLION NOK	17 785
PRODUCTION (NET AVERAGE DAILY PRODUCTION) THOUSAND BOE	211
RESERVES OF OIL AND GAS (PROVED DEVELOPED AND UNDEVELOPED RESERVES AT 31.12) MILLION BOE	754
EMPLOYEES AVERAGE NUMBER OF FULL-TIME EMPLOYEES	212

KEY FIGURES

MILLION NOK	2 018	2017	2016
INCOME STATEMENT			
Total revenues	35 091	29 705	24 762
Operating profit	17 785	9 890	4 164
Financial income / (expenses) - net	(378)	(79)	(204)
Net income before taxes	17 407	9 811	3 960
Taxes on income	12 077	6 563	1 663
Net income	5 331	3 248	2 297
Cash flow from operations	16 249	18 824	13 351
BALANCE SHEET			
Intangible assets	1 256	1 416	1 763
Investments, property, plant and equipment	63 252	81 676	85 103
Current assets	11 580	15 775	9 385
Total equity	12 655	10 429	17 154
Long-term provisions	36 471	43 713	37 922
Long-term liabilities	13 647	27 957	32 856
Current liabilities	13 314	16 767	8 319
OTHER KEY FIGURES			
Acquisition of property, plant and equipment (in MNOK)	6 967	8 919	13 583
Exploration activity, costs and investments (in MNOK)	573	544	1 512
Rate of return on capital employed *)	12.8%	7.4%	4.8 %
Production cost USD/bbl	6,0	5,0	5,5
Transport cost USD/bbl	3,7	3,6	3,6
PRODUCTION (IN THOUSAND BOE.)			
Net average daily production	211	239	235
RESERVES OF OIL AND GAS (IN MILLION BOE.)			
Proved developed and undeveloped reserves at 31.12	754	765	816
EMPLOYEES			
Average number of employees	212	392	438

*) Net income plus financial expense after tax as a percentage of capital employed at 1 January.
Capital employed consists of total equity and liabilities less non-interest carrying debt.

BOARD OF DIRECTORS' REPORT

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INTRODUCTION

Total E&P Norge AS (the Company) is a wholly owned subsidiary of the Total Group (Total). Total is a global, integrated energy player committed to supplying affordable energy to a growing population, addressing climate change and meeting new customer expectations. With operations in more than 130 countries worldwide, the Total Group is a leading oil and gas company and a major player in low-carbon energy.

The Company has been present in Norway for more than 50 years and has its office in Stavanger. The Company is responsible for Total's exploration and production activities in Norway. As of 31 December 2018, the Company participated in 67 licenses on the Norwegian Continental Shelf (NCS), of which 13 were operated licenses.

In 2018, the oil and gas production from Norwegian producing assets represented approximately 8% of the annual production from Total's global E&P business, making the Company one of the main contributors to Total's overall production.

Total continues to be a significant player and has a long-term perspective on our activities in Norway. During March/April 2018, closing took place of Total's global acquisition of Maersk Oil (announced in August 2017) as well as the divestment of Martin Linge and Garantiana on the NCS to Equinor (announced in November 2017).

> Total continues to be a significant player and has a long-term perspective on our activities in Norway.

As a result of these two main transactions, the Company will mainly have production from assets operated by others (OBO) in the years to come. The Maersk Oil acquisition added a participating interest of 8.44% in the Johan Sverdrup field to the Company's portfolio. This giant field will, from its planned production start-up in November 2019, significantly strengthen and prolong the output from our producing assets in Norway.

Following the transactions a re-organisation process was carried out. The Company and Maersk Oil Norway AS were merged into one company. A new asset-based organisation was created to handle our activity and portfolio going forward and the necessary manning reduction was solved through voluntary measures. The new organisation structure was effective from mid-May 2018.

1.1 KEY EVENTS IN 2018

- The Martin Linge topside sail away from the Samsung Heavy Industries yard in Geoje, South Korea took place on 12 January 2018 and the flare module left South Korea on 31 January 2018. The topsides modules arrived at the Rosenberg WorleyParsons yard in Stavanger on 29 March. Prior to arrival Equinor had taken over as Operator of the development project, after closing of the Martin Linge/Garantiana transaction.
- In March 2018, the Askeladd development project in the Barents Sea was sanctioned with estimated start-up of production in Q4 2020. The Company holds a 18.4% participating interest in the license. This is a subsea development of the Askeladd discovery which will extend the supply of gas to the Snøhvit LNG plant in Hammerfest where the Company holds the same 18.4% participating interest.
- On 25 April 2018, the final Johan Sverdrup riser platform module was lifted into place in the North Sea. In early June 2018, the topside of the Johan Sverdrup drilling platform was installed on the platform jacket offshore in one single lift by the new vessel Pioneering Spirit owned by Allseas. The project was the first user of this ground-breaking technology.
- In July 2018, the development plan for the third phase of the Troll field development was submitted. Troll Phase 3 is a subsea development of the Troll West gas cap. The Company holds a 3.69% participating interest in the license.
- On 13 August 2018, Total as Operator spudded the Jasper HP/HT exploration well located on block 6406/6 in PL 255B. The well and a sidetrack branch was drilled by the semisubmersible drilling rig Scarabeo 8 and resulted in a minor gas discovery.
- The Johan Sverdrup partnership submitted the development plan for the second phase of the Johan Sverdrup Project on 27 August 2018.
- The Northern Lights CCS project where Total participates together with Shell and project lead Equinor submitted an application for a permit to inject and store CO2 on the NCS in September 2018. This was the first time that the authorities announced a licencing round for injection and storage of CO_2.
- Oseberg Vestflanken 2 came on stream 14 October 2018 and is producing from the first dual-branch well H-8. The Askepott Cat-J rig will continue to drill the remainder of the development wells, 11 in total.
- In December 2018, the Johan Sverdrup processing platform topsides left the Samsung Heavy Industries yard in South Korea fully assembled and tested.
- The Company submitted applications in the Awards in Predefined Areas (APA) 2018 licensing round, which resulted in two North Sea licenses awarded in January 2019, one of which as Operator.

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HSE PERFORMANCE, OPERATED ACTIVITY

The Company continues its efforts in order to reach the ambition of being a benchmark company in HSE performance, based on safe and environmentally friendly operations. Safety is a core value.

There was no Lost Time Injury (LTI) recorded within the Company's HSE perimeter in 2018. The Total Recordable Injury Rate (TRIR) in 2018 was also 0.00, with a target of 0.00. The Lost Time Injury Frequency (LTIF) was 0.00, also with a target of 0.00. The number of worked hours within the Company's perimeter was 0.8 million hours, compared to 0.7 million budgeted hours.

The Company also met its objective when it comes to high potential incidents in 2018, with zero high potential incidents compared to a target of one or less high potential incidents. The objective related to major spills recorded was met, with zero spills recorded during the year.

The annual HSE program for 2018 included several activities to improve the HSE standards in operated activities. 100% of the HSE program was completed at year end.

A total of four external audits and two internal audits were performed by the Company during 2018. In addition, two internal verifications and seven external verifications were performed by and on the Company during 2018 with generally good results. The main focus areas were on risks associated with the preparation of the Jasper exploration drilling operation and on potential HSE impacts related to staff reductions during the reorganisation process.

Absence due to illness in the Company decreased from 2.8% in 2017 to 2.5% in 2018. The Company has a Rehabilitation Committee which is responsible for providing relevant assistance to employees suffering from long-term illness. During the course of 2018, six employees were on long-term sick leave beyond four weeks. This number was reduced to two at year-end.

The Company also has a committee that follows up and supports employees with identified alcohol-related problems, in line with best practices. There were no employees on related AKAN contracts in 2018.

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ACTIVITIES ON THE NORWEGIAN CONTINENTAL SHELF

3.1 LICENCE PORTFOLIO MANAGEMENT

Total made a strategic reshaping of its portfolio in Norway during 2017 with the sale of the operated Martin Linge and Garantiana assets to Equinor. In addition came the integration with Maersk Oil Norway AS as part of the global merger with Maersk Oil, and with that the participating interest in the giant Johan Sverdrup field development. Both transactions were completed in March 2018.

The Company has moved from having a portfolio combining significant partner operated production with an operated field under development to being a strong partner going forward, with assets predominantly operated by others.

As a consequence of this change in focus, the Company agreed the sale of a set of smaller operated discoveries to Aker BP. The transaction which included Rind, Alve Nord as well as Trell & Trine was completed in November 2018.

The Company also divested its share in the non-core infrastructure assets Polarled and Nyhamna. These assets were sold to CapeOmega and the transaction was completed in October 2018.

In November 2018, the Company made an agreement to sell its interest in the Mikkel field, located in PL 092 and PL 121, to Repsol. Completion was done 31 January 2019.

After relinquishing the part of PL 211 containing the Victoria discovery, the remainder of the license area was agreed transferred to DEA. The transfer was approved by the Ministry of Petroleum and Energy in February 2019.

3.2 EXPLORATION AND LICENSING ROUNDS

The Company continued the search for attractive new exploration acreage in 2018. Total still sees a significant exploration potential on the NCS. We continue exploring with the aim to bring added value to our portfolio of assets by:

- Focusing on material exploration prospects which have the potential for stand-alone economic development.
- Increasing the value of the portfolio through nearby exploration and tie-backs to existing infrastructure.

> We continue exploring with the aim to bring added value to our portfolio of assets.

The Company applied in the Awards in Pre-defined Areas 2018, and in early 2019 it was awarded two North Sea licenses. PL 982 is located in block 16/3 and was awarded to the Company (60%, operator) and partner Aker BP (40%). The license is in the direct vicinity of Johan Sverdrup. In the other awarded license, PL 983, Total has a 20% participating interest together with Equinor (40%, Operator), Petoro (20%) and Faroe (20%). The license is located in the Stord basin.

In August 2018, the Company started to drill the Jasper high pressure/high temperature (HPHT) well followed by an additional sidetrack branch (6406/6-6 S & A) in the Norwegian Sea. The wells were drilled about 40 km southeast of the Kristin field in the southern part of the Norwegian Sea. The result after concluding the drilling operations in January 2019 was a minor gas discovery. Preliminary estimates place the size of the discovery between 0.4 and 2.5 million standard cubic meters (Sm3) of recoverable oil equivalents.

The prospect was located in PL 255B (the Company 40% and Operator, Statoil 30% and Petoro 30%). The Jasper results will be integrated in evaluation of future opportunities in the area, similar to the Ragnfrid North well (6406/2-9 S) in PL 199 concluded in January 2019 (the Company 6%, Operator Equinor), which resulted in a small gas and condensate discovery.

The next exploration well is targeting the Brunost prospect in PL 785S in the North Sea. A decision to drill has been made and the planning of a site survey on location and an future well is ongoing.

Total's exploration activities in the North Sea area form part of a geological basin approach across country borders. The exploration activities are managed through an integrated Exploration hub in Copenhagen working closely together with the Company's team in Stavanger focusing on the Company's NCS licenses.

3.3 HIGHLIGHTS – PRODUCING FIELDS AND DEVELOPMENT PROJECTS

The production from Total E&P Norge in 2018 was 211 kboe/d on average, down from 239 kboe/d the year before. The production is mainly Operated By Others (OBO) and approx. 64% of the oil and gas production came from Equinor-operated fields in the North Sea, the Norwegian Sea and the Barents Sea, while approx. 34% of the volumes were produced in the Greater Ekofisk Area operated by ConocoPhillips. There was also approx. 1% Total-operated production from subsea fields in the Heimdal Area (Skirne/Byggve/Atla) and some production from Flyndre and Islay which cross the Norway/UK border and are operated from the UK.

EKOFISK AREA, THE NORTH SEA

The Greater Ekofisk Area contributed with more than a third of the Company's production, in total 72.2 kboe per day (the Company's share) during 2018, where the most important contributors were the Ekofisk and Eldfisk fields (the Company holds a 39.9% participating interest). Two major projects which were sanctioned and launched in 2011 are underway in the Ekofisk area – Ekofisk South and Eldfisk II.

- Ekofisk South aims at maintaining the level of production on Ekofisk: The 2/4 VB subsurface template with 8 injection wells and the 36 slot 2/4 Z platform were installed in 2013. In 2018, 8 production wells were drilled and 7 wells will be drilled in 2019 to complete the Ekofisk Z development program.
- At Eldfisk II the 2/7-S platform jacket was installed in 2013 followed by the topsides in 2014. In total, 30 new production wells and 9 injector wells will be drilled of which 16 wells remains to be drilled in 2019-2021, and 5 re-drilled wells in 2025.

In addition, there were activities in 2018 related to two projects sanctioned the year before:

- The Ekofisk VC project consists of one subsea water injection manifold with four slots. The first two wells were completed and put on injection in September 2018. The final two wells were drilled by the end of 2018 and put on injection in January 2019.
- The Ekofisk Removal Cat 3 project consists of removal of four redundant Ekofisk I platforms. In 2018, the bridges connecting the 2/4 H and 2/4 FTP and 2/4 Q to the Ekofisk Complex were removed.

SNØHVIT, THE BARENTS SEA

In 2018, the Snøhvit area in the Barents Sea, operated by Equinor, contributed with 13 % of the Company's production – on average 27.3 kboe/d. The Company holds a 18.4% participating interest in the Snøhvit gas liquefaction plant and in Snøhvit Unit. The current production is exceeding the technical capacity and the regularity is high, and 2018 was the best year in Snøhvit's history so far.

The Askeladd field development project (the Company holds a 18.4% participating interest) was approved for execution in March 2018. Production start is planned for Q4 2020. The Snøhvit Future Phase 2 project is being matured in order to select the next building block for maintaining the production plateau after the Askeladd Project.

ÅSGARD AREA, THE NORWEGIAN SEA

The Åsgard area operated by Equinor contributed in 2018 to 22% of the Company's production – on average 46.3 kboe/d. Åsgard Unit (the Company holds a 7.68% participating interest) includes the Smørbukk, Smørbukk Sør and Midgard fields. In 2018, the overall production was 271.2 kboe/d including 171.7 kboe/d of gas.

The Mikkel field (the Company holds a 7.65% participating interest) which is a subsea satellite to Åsgard, produced 40 kboe/d (in 100%) in 2018, including 23 kboe/d of gas. The field is located next to Midgard and its production is supported by the subsea compression system. The Company's 7.65% interest in Mikkel was divested to Repsol late 2018 and the transaction completed in January 2019.

In 2018, the production (in 100%) from the Kristin field (the Company holds a 6% participating interest) was 34 kboe/d including 19 kboe/d of gas. The production (in 100%) from the Tyrihans field (the Company holds a 23.145% participating interest) was 106 kboe/d including 71 kboe/d of gas.

THE TROLL AREA, THE NORTH SEA

The Troll Area contributed to 17% of the Company's production in 2018, with 35.7 kboe/d. The Company has a 3.69% interest in the Troll field, which provides a significant share of the natural gas requirements of continental Europe. The 2018 production (in 100%) from the field was 824 kboe/d of which 702 kboe/d was gas.

The production from the Kvitebjørn gas-condensate field (the Company holds a 5% participating interest) was 109 kboe/d including 90 kboe/d of gas (in 100%).

In June 2018, the development of Troll Phase 3 was sanctioned as a subsea development of the Troll West gas cap with expected production start-up in Q1 2021.

OSEBERG, THE NORTH SEA

In 2018, the Oseberg assets contributed to 11% of the production from the Company with 23 kboe/d. The fields in production are Oseberg Main, Oseberg East and Oseberg South, where Total has a 14.7% interest.

Oseberg Vestflanken 2 (the Company holds a 14.7% participating interest) came on stream 14 October 2018. The start-up was 4.5 months later than originally planned, but with production as expected from the first well.

Drilling with the Oseberg owned Cat-J drilling rig Askepott continues with the Vestflanken development wells. After a challenging start the drilling rig is now performing well. Oseberg applied for and was granted increased gas export capacity from 3 GSm3 to 4 GSm3 from the gas year 2018.

JOHAN SVERDRUP FIELD DEVELOPMENT, THE NORTH SEA

Phase 1 of the Johan Sverdrup field development is progressing according to plan with expected startup in November 2019, and the PDO for Phase 2 was delivered to the Ministry of Petroleum and Energy in August 2018. The resources in this giant field is estimated at 2.7 billion barrels of oil equivalents which places the field among the largest oil fields on the NCS. The Company holds a 8.44% participating interest in the field acquired as part of its acquisition of Maersk Oil Norway.

The daily production during the first phase is estimated at 440,000 barrels per day. Peak production is estimated to reach 660,000 barrels per day. In 2019, the topsides for the processing platform will be installed as well as the utility and living quarters.

MATLA AND SKIRNE/BYGGVE OPERATED FIELDS, THE NORTH SEA

The Skirne gas and condensate field (the Company holds a 40% participating interest and is the field Operator) includes the two subsea wells Skirne and Byggve which are both connected to the Heimdal facilities. The Atla field (the Company holds a 40% participating interest and is the field Operator) has one production well and is also connected to Heimdal.

In 2018, Atla and Skirne together produced around 6.6 kboe/d of which the Company's equity represents 2.6 kboe/d. An application from the Company to prolong the design life of the Skirne/Byggve subsea facilities until 2024 was approved by the Petroleum Safety Agency in October 2018.

A subsea leak at Byggve was repaired and the well was restarted in June 2018. Byggve was shut in shortly thereafter due to production of formation water which was not compatible with the platform process at Heimdal. The Company is looking into different options to reduce the inlet pressure on the facility and further extend commercial production from Skirne and Atla.

GAS TRANSPORT

The Company is a shipper in the main gas grid on the NCS. The Company performs bookings according to needs.

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FINANCIAL HIGHLIGHTS

4.1 COMMENTS ON THE INCOME STATEMENT

PRODUCTION VOLUMES

In 2018, the average daily quantities produced were 211 thousand barrels of oil equivalents per day (kboe/d). In total, 51% of the yearly production came from gas production, equivalent to an average of 16.4 million standard cubic meters per day.

The production was lower than in 2017, mainly due to the disposal of Visund and lower performance on Ekofisk. In 2018, the 39.9% interest in the Greater Ekofisk Area remained the largest contributor, representing a third of the Company's overall production.

REVENUES

The revenues in 2018 were NOK 35 091 million, compared to NOK 29 705 million in 2017, up 18%.

Crude oil and gas sales amounted to NOK 33 055 million, while the figure in 2017 was NOK 29 099 million. The increase was related to higher average oil and gas prices. The average price achieved for oil and condensates in 2018 was USD 71.7 per barrel, significantly higher than the average price of USD 53.0 per barrel in 2017.

Revenues from oil and other liquids were NOK 19 927 million compared to NOK 18 712 million in 2017. Booked gas revenues (excluding trading) reached NOK 12 879 million, up 26% from NOK 10 193 million in 2017, primarily due to higher selling prices.

Overall in 2018, the NOK value has been affected by the oil and gas price trends. The Company's accounts are denominated in NOK, while liquids sales are invoiced in USD and gas sales predominantly in EUR, Pound Sterling or USD. The average exchange rate for NOK/USD was 8.13 in 2018, down 1.6% from 8.26 in 2017. The average NOK/EUR exchange rate was 9.60, up 2.4% from 9.33 in 2017.

The amount shown as other income includes gains on disposals of assets, insurance claim settlements and other income attached to licenses. The main contributor to the amount in 2018 shown as other income, comes from the disposal of the Company's 11% participating interests in PL 120 and PL 120B to Repsol Norge AS with closing date on 31 January 2018 (and legal and fiscal effective date on 1 January 2017). The disposal contributed to a gain of NOK 805 million.

In addition came disposal of the Company's 51% participating interest in the Martin Linge field and 40% participating interest in the Garantiana discovery to Equinor including transfer of relevant employees from Total to Equinor in compliance with the applicable legislation. The closing date for the transaction was 19 March 2018 (and legal and fiscal effective date 1 January 2018). The disposal contributed to a loss of NOK 766 million.

Total E&P Norge also disposed of its 2.6969% participating interest in Nyhamna Joint Venture and 5.11% participating interest in Polarled Joint Venture to CapeOmega with closing date 31 October 2018 (legal and fiscal effective date 1 January 2018) which led to a loss of NOK 10 million.

Moreover, the Company sold its 62.13% participating interest in PL 026, 64% participating interest in PL 036E, 40% participating interest in PL 102D, 40% participating interest in PL 102F, 40% participating interest in PL 102G, 50% participating interest in PL 127, 50% participating interest in PL 127B, 100% participating interest in PL 127C, 20% participating interest in PL 906 and 20% participating interest in PL 907 to Aker BP with closing date 30 November 2018 (and legal and fiscal effective date 1 January 2018). The disposal contributed to a gain of NOK 1 408 million. Lastly, ongoing disposal of houses during 2018 contributed to a gain of NOK 63 million.

> In 2018, the average daily quantities produced were 211 thousand barrels of oil equivalents per day.

OPERATING EXPENSES

After the deduction of charges to partners, net operating costs in 2018 were down 13% at NOK 17 305 million, compared to NOK 19 815 million in 2017. This reduction is mainly due to lower provisions for well plugging, dismantlement and removal as well lower depreciation, depletion and amortization charges.

NET INCOME

The pre-tax profit was NOK 17 407 million in 2018, compared to NOK 9 811 million in 2017. This increase was driven by higher oil and gas prices, lower operating expenses and gain on asset disposals. Due to significantly higher taxable income, the current and deferred tax cost increased from NOK 6 563 million in 2017 to NOK 12 077 million in 2018. After taking into account current and deferred taxes, the net profit of the year was NOK 5 331 million compared to NOK 3 248 million in 2017, up 64%.

4.2 COMMENTS ON THE STATEMENT OF CASH FLOWS

CASH FLOWS

Cash flow from operations was NOK 16 204 million, compared to NOK 18 824 million in 2017. After working capital variation, the net cash flow provided by operating activities was NOK 18 345 million, down 11% when compared to the net cash flow of NOK 20 578 million in 2017.

INVESTMENTS

Investments totaled NOK 6 967 million (including exploration, appraisal, development capital expenditures and acquisitions) which were 22% lower than the NOK 8 919 million spent in 2017.

The largest development investments were linked to drilling activities in the Ekofisk area, investments on Martin Linge up until disposal, Johan Sverdrup investments and several projects in the Oseberg area. In addition, Total E&P Norge incurred a NOK 573 million exploration effort in 2018 (including the Jasper well) compared to NOK 544 million in 2017.

SALES OF ASSETS

Total E&P Norge's main disposals in 2018 was the sale of its 11% participating interests in PL 120 and PL 120B to Repsol Norge AS, its 51% participating interest in Martin Linge field and 40% participating interest in Garantiana discovery to Equinor and the sale to Aker BP of its 62.13% participating interest in PL 026, 64% participating interest in PL 036E, 40% participating interest in PL 102D, 40% participating interest in PL 102F, 40% participating interest in PL 102G, 50% participating interest in PL 127, 50% participating interest in PL 127B, 100% participating interest in PL 127C, 20% participating interest in PL 906 and 20% participating interest in PL 907.

FINANCING

Total E&P Norge restructured its financing tools in May 2015 and entered into a syndicated 4-years term loan for NOK 8 000 million with eight international banks which was fully paid back in November 2018. Maersk Oil Norway AS had a long term loan agreement transferred to Total Treasury at the time of the merger. This long term loan of NOK 6 386 million was paid back in full in September 2018.

In addition in 2015, Total E&P Norge agreed with an affiliated company a restructuration of its financing facilities, by having a NOK 22 000 million 4.5-years term loan and a NOK 5 000 million 4.5-years revolving credit facility. During 2017, the maximum amount of NOK 5 000 million of the revolving credit facility loan was reduced to a maximum amount of NOK 4 000 million with the same maturity date.

At year-end 2018, the total balance on the two term loans is NOK 12 000 million. NOK 4 000 million were undrawn from the revolving credit facility. The long-term liabilities (including financial lease) shows a position at year-end of NOK 13 647 million from associated companies and third parties.

4.3 COMMENTS ON THE BALANCE SHEET

FIXED ASSETS

Total fixed assets after depreciation, depletion and amortization have decreased to NOK 64 508 million compared to NOK 83 092 million in 2017. Total E&P Norge has in 2018 decreased its assets in progress mainly as a consequence of its disposal of its 51% participating interest in the Martin Linge field. The producing assets after depreciation are decreasing to NOK 51 875 million, compared to NOK 56 226 million at year-end 2017, mainly due to the sale of the Company's interest in the Visund asset and depreciation being higher than acquisition in 2018.

CURRENT ASSETS

Total current assets are at NOK 11 580 million, down 21% compared to NOK 15 775 million booked at year-end 2017. This is relating to a decrease in cash equivalents.

EQUITY AND LIABILITIES

Total equity has increased in 2018 to NOK 12 665 million from NOK 10 429 million in 2017, after the proposed dividend distribution for 2018.

This increase is composed by the net result of NOK 5 331 million for the year 2018, the proposed NOK 5 000 million dividend for 2018, NOK 1 915 million from the merger with Maersk Oil Norway AS and a negative effect of NOK 20 million (change over the year of actuarial assumptions for pension obligations).

The total long-term provisions are decreasing to NOK 36 471 million in 2018, compared to NOK 43 713 million in 2017, mainly because of the lower deferred tax position. During 2018, the Company has restructured its organization after the sale of its participating interests in the Martin Linge field and the transfer of operatorship. A new organization was put in place on 22 May. As a result, the planned reduction in headcount in that phase was reached. An effect of this was a decrease in pension obligations to NOK 1 094 million at year-end 2018, compared to NOK 1 317 million at year-end 2017.

Total liabilities have decreased by NOK 25 006 million to NOK 63 432 million in 2018, mainly due a significant decrease in long term loans and lower deferred tax liabilities.

PROPOSED DIVIDEND

Taking into account the current and forecasted income and cash flow development of the Company for the coming year, it is recommended to distribute a dividend of NOK 5 000 million, as per the request from the shareholder. The shareholder's equity together with the continuation of the funding support provided by the shareholder and other related affiliates and external financing capacity of the company is ensuring a sound equity and liquidity for the company.

4.4 COMMENTS ON THE FINANCIAL RISKS

MARKET RISK

The Company is exposed to changes in oil and gas prices, and to changes in currency exchange rates, in particular USD and EUR, as the Company's revenues are largely in these two currencies. The Company hedges the exposure on recognized crude oil sales in foreign currencies and on a significant portion of its gas sales. Some capital expenditures and operating costs are incurred in other currencies than NOK, mainly USD.

The Company is exposed to changes in interest rate levels, as the Company's debt is subject to floating interest rates.

CREDIT RISK

Risk associated with the inability of counterparties to fulfil their obligations is considered low, as the Company's sales are mainly to group companies and other large corporations. The Company has not realized losses on receivables in previous years.

LIQUIDITY RISK

The Company's liquidity is considered satisfactory. It is anticipated that the Company will be able to fund its future cash requirements through cash flows from operations and loans within the TOTAL Group as well as external financial institutions.

4.5 REPORT ON PAYMENTS TO AUTHORITIES

According to the Accounting Act Section 3-3d, the Company shall issue a yearly report detailing payments made to the Authorities. Total E&P Norge contributed to the Group transparency reporting which was consolidated by Total S.A. and submitted according to similar obligations under the French Law which transposed the EU reporting requirements.

The contribution from Total E&P Norge is accessible through the Total Group Registration Document (available on Total's web site www.total.com) in chapter 9 referring to "Supplemental oil and gas information (unaudited)", 9.3 "Report on the payments made to governments".

5 EMPLOYEES AND ORGANISATION

At the end of 2018, the total number of staff employed by the Company was 156. This figure includes 105 local employees, 23 impatriated staff and 47 employees assigned abroad or to partners in Norway. There were also 14 contracted employees, mainly linked to the Jasper exploration drilling operation.

Diversity and internationalisation have been priority areas in the organisation for several years. This forms part of our long-term strategy. At year-end, the workforce represented 12 different nationalities with women making up 44% of the organisation. At senior position levels of local employees, 20% are women.

A recruitment freeze has been in effect during 2018, given the economic environment and the restructuring of the organisation following the divestment of Martin Linge and the integration of Maersk Oil Norway.

By year end, 38% of the local employees were union members belonging to Tekna or IndustriEnergi (avd. 268). The Company is a member of the Norwegian Oil and Gas Association. The association is affiliated with the Confederation of Norwegian Enterprises (NHO).

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APPLIED RESEARCH

The R&D centre situated in the Company's offices is one of five international Total R&D centres outside France within the Exploration & Production branch of the Total Group. The 2018 expenditure for the Stavanger Research Centre was USD 16 million.

The Company is increasingly involved in the development of Carbon, Capture, Utilization and Storage (CCUS) technologies.

The R&D centres form an essential part of an integrated research strategy strongly linked to Total's overall technology development road map. The Company's R&D objectives focus on specific challenges associated with the NCS, covering three technical domains: subsurface including drilling and well technology, production and the environment.

The Total Group provides access to the substantial research undertaken in France and elsewhere in the world. In line with Total's ambition to deliver responsible energy that is reliable, affordable and clean, the Company is increasingly involved in the development of Carbon, Capture, Utilization and Storage (CCUS) technologies through its participation in the Norwegian CCS Research Centre (NCCS), the Technology Centre Mongstad (TCM) and the Northern Lights project, aiming at developing a full scale CCUS value chain.

The Research Council of Norway runs two major R&D initiatives aligned with OG21 priorities. The PETROMAKS program covers basic research whilst DEMO2000 addresses the development and demonstration of new technologies. The Company plays an active role in both programs, providing technical expertise, pilot testing opportunities and financial support for projects.

In addition to supporting the Research Council of Norway, the Company's R&D strategy includes active participation and collaboration within the wider Norwegian technology innovation ecosystem including Joint Industry Projects managed by the SINTEF and NORCE research institutes.

Further, the Company invests in the training of young professionals coming from both French and Norwegian higher education institutions. Through R&D cooperation with the Norwegian universities, the Company continues to support and evaluate opportunities for PhD projects in 2019 and beyond.

TABLE 2	2018	2017	2016	2015	2014	2013
Drilled Length (m)	5 320	4982	17289	23250	16032	3967
Total Mud Used (tonnes)	13 943	19267	48679	52887	39257	8603
Cuttings Discharged to Sea (tonnes)	1 654	2022	3893	2186	8887	1167
Treated Cuttings Discharged to Sea (tonnes)	0	0	0	2460	0	0
Mud Discharged to Sea (tonnes)	1 645	2339	6981	8998	17006	5044
Volume of Discharged Water (m^3)	2 089	6585	9518	10634	4220	1892
Discharged Conc. (g/m^3)	6,7	2,39	6	20	11	9
CO_2 (tonnes)	14 006	71 965	97 119	85 208	68 863	13 409
NO_X (kg)	234 175	312 463	691 988	569 304	755 937	270 265
CH_4 (tonnes)	0,24	3	2	1	0	0
NMVOC (TONNES)	22,3	28	56	54	45	19
SO_X (Tonnes)	4,64	4	10	9	8	13
Hazardous (tonnes)	3419	1466	7174	5519	3840	274
% re-used waste	8	34	34	37	11	85
Non-Hazardous (tonnes)	66	180	576	512	566	275
% re-used waste	94	90	85	83	99	98

TABLE 1 2018	TARGET	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Number of non-compliances with discharge permits	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of spills to sea	0	0	0	0	0	0	0	0	0	0	0	0	1*
Waste segregation – Scarabeo 8 (%)	> 80	-	-	-	-	-	-	-	94	79	85	91	99.9
NOx emission vs. permit – Scarabeo 8 (%) • Energy production	< 100	-	-	-	-	-	-	-	65	69	60	60	63
• Well clean-up & testing	< 100	-	-	-	-	-	-	-	-	-	-	-	-
CO2 emission vs. permit – Scarabeo 8 (%)	< 100	-	-	-	-	-	-	-	65	69	60	59	63

* The spill to sea is related to 7 m^3 of NABM leaking from the riser telescopic joint on the drilling rig Scarabeo 8 on 19 December 2018.

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ENVIRONMENTAL ACCOUNTS AND IMPACT

The Company focuses on limiting its energy consumption, atmospheric emissions, discharges to sea and waste production in line with the Total Group's commitments. Our environmental performance is measured through key indicators established annually as a means to measure and continuously improve our performance. Environmental verifications are performed through the year to follow up on compliance with regulatory and internal requirements. The main environmental indicators for 2018 are listed in Table 1.

Detailed information on our environmental accounts can be found in the annual discharge report submitted through the joint electronic reporting format for the Norwegian Environment Agency, the Norwegian Petroleum Directorate and the Norwegian Oil and Gas Association.

The main environmental discharges and emissions coming from the activities operated by the Company are listed in Table 2. The Company's offshore activities in recent years have been dominated by drilling activities and production from two subsea fields, Atla and Skirne.

From August 2014 to August 2017, there was continuous production drilling on the Martin Linge field, which contributed to increased emissions to air and waste generation during the period. Discharge of oily water is associated with drilling activities. In 2018, the Jasper exploration drilling operation was the main contributor to environmental discharges.

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OUTLOOK FOR 2019

The Company will continue as a significant player in Norway and will maintain its strong presence on the NCS after more than 50 years of activity, key to the E&P branch of the Total Group. The Company currently ranks as number three in Norway in terms of equity production and reserves, after Equinor and Petoro (representing the State's Direct Financial Interest).

Safety is a core value in Total. The Company aims to have zero fatalities and maintain its best-in-class status within HSE. The main portion of the Company's producing portfolio consists of assets operated by others. The Company works continuously to improve HSE, operational efficiency and lower the operating costs from its asset portfolio. By sharing our expertise and experience with the respective operators we aim to maximize the value being created from our partnerships to the benefit of the full joint venture. We continue to challenge the operators where there is room to bring additional value.

In its activities the Company integrates expertise from the North Sea & Russia (NSR) regional office in Copenhagen together with its technical hub covering Exploration, Development and Operations. The close proximity of this dedicated hub strengthens the support to the Company's NCS activities in addition to specialist expertise in Paris and Pau.

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ACCOUNTS

The 2018 accounts and explanatory notes are presented in this annual report.

We are not aware of any matters not dealt with in this report or the accompanying accounts that could be of significance when evaluating the Company's position at 31 December 2018 and the results of the year just ended.

Taking into account legal requirements and other relevant considerations, it is proposed that the Company's net profit shall be distributed as follows:

	MILL NOK
2018 net income	5 331
To retained earnings	-331
Dividend	5 000

THE BOARD OF DIRECTORS OF TOTAL E&P NORGE AS, 11 MARCH 2019

MARTIN RUNE PEDERSEN
CHAIR OF THE BOARD

GUILLAUME XAVIER BRUNO CHALMIN

HENNING EIDE

FRODE LJONES

DIMITRI LOBADOWSKY

MORTEN STAGE

GRETHE KJEILEN-EILERTSEN *

HÅVARD SØVIK KNUTSEN *

ANN-CATHRIN KNUTZEN VETAAS *

MONICA PAULSEN REISÆNEN *

PIERRE BANG
MANAGING DIRECTOR

* EMPLOYEES' REPRESENTATIVES

INCOME STATEMENT

MILLION NOK	NOTES	2018	2017	VARIANCE
REVENUES				
Crude oil and gas sales	1	33 055	29 099	3 956
Tariff income		421	415	6
Other income	2	1 615	192	1 423
TOTAL REVENUES		**35 091**	**29 705**	**5 386**
OPERATING EXPENSES				
Purchases of gas		261	173	88
Salaries and employee benefits	3,4	991	1 018	(27)
Licence fees, royalties and governmental expenses		662	600	62
Production and transportation expenses	5,6	6 431	6 089	342
Exploration expenses		165	155	10
General and administrative expenses		185	248	(63)
Provisions for well plugging, dismantlement and removal	7	1 314	1 810	(496)
Depreciation, depletion and amortization	10	7 088	8 238	(1 150)
Impairment	10	0	473	(473)
Variation of product stock		210	(503)	713
Other operating cost	2	0	1 514	(1 514)
OPERATING EXPENSES		17 305	19 815	(2 510)
OPERATING PROFIT		**17 785**	**9 890**	**7 895**
FINANCIAL INCOME AND (EXPENSES)				
Financial income	8	45	8	37
Financial expenses	8	(337)	(160)	(177)
Income from subsidiary and related companies		12	3	9
Net exchange gains/(losses)		(99)	69	(168)
FINANCIAL INCOME/(EXPENSES) - NET		(378)	(79)	(298)
ORDINARY NET INCOME BEFORE TAXES		**17 407**	**9 811**	**7 596**
Taxes payable	9	7 820	3 145	4 675
Deferred taxes	9	4 257	3 418	839
NET INCOME		**5 331**	**3 248**	**2 083**
ALLOCATION				
Dividend	13	5 000	10 000	(5 000)
Retained earnings	13	331	(6 752)	7 083
TOTAL ALLOCATION		**5 331**	**3 248**	**2 083**

CASH FLOW STATEMENT

MILLION NOK	2018	2017	VARIANCE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before taxes	17 407	9 811	7 596
Current taxes on income	(7 820)	(3 145)	(4 675)
Depreciation, depletion and amortisation	7 088	8 711	(1 623)
Long-term provisions	1 088	1 947	(859)
Loss / (gain) on sales of property, plant and equipment	(1 514)	1 500	(3 014)
Cash flows from operations	**16 249**	**18 824**	**(2 575)**
Cash increase/(decrease) from variations in:			
Accounts receivable and prepaid expenses	(433)	(267)	(166)
Inventories	715	(458)	1 173
Accounts payable and accrued liabilities	(1 479)	(590)	(889)
Accrued taxes	3 282	3 074	208
Long-term receivables	11	(5)	16
NET CASH PROVIDED BY OPERATING ACTIVITIES	**18 345**	**20 578**	**(2 233)**
CASH FLOWS FROM/(TO) INVESTING ACTIVITIES			
Capital expenditures	(6 967)	(8 919)	1 952
Proceeds from sales of property, plant and equipment	15 695	2 939	12 756
NET CASH USED IN INVESTING ACTIVITIES	**8 728**	**(5 980)**	**14 708**
CASH FLOW FROM/(TO) FINANCING ACTIVITIES			
Increase/(decrease) in associated long-term liabilities	(12 658)	(4 700)	(7 958)
Increase/(decrease) in other long-term liabilities	(8 075)	(199)	(7 876)
Dividend paid to shareholder	(10 000)	(4 000)	(6 000)
NET CASH FLOWS FROM/(TO) FINANCING ACTIVITIES	**(30 733)**	**(8 899)**	**(21 834)**
Net increase/(decrease) in cash and cash equivalents	**(3 660)**	**5 699**	**(9 359)**
Cash and cash equivalents at 01.01	9 675	3 976	5 699
CASH AND CASH EQUIVALENTS AT 31.12	**6 015**	**9 675**	**(3 660)**

BALANCE SHEET

MILLION NOK	NOTES	31 DEC 2018	31 DEC 2017	VARIANCE
FIXED ASSETS				
INTANGIBLE ASSETS				
Licence acquisitions	10	1 256	1 416	(160)
TOTAL INTANGIBLE ASSETS		1 256	1 416	(160)
PROPERTY, PLANT AND EQUIPMENT	8,10			
Buildings		166	182	(16)
Producing assets - completed		51 875	56 226	(4 351)
Producing assets - in progress		8 331	20 404	(12 073)
Exploration wells		1 567	3 447	(1 880)
Transport - and other equipment		1 041	1 137	(96)
TOTAL PROPERTY, PLANT AND EQUIPMENT		62 980	81 395	(18 415)
FINANCIAL INVESTMENTS				
Shares	11	217	216	1
Long-term receivables	3	55	66	(11)
TOTAL INVESTMENTS		272	281	(9)
TOTAL FIXED ASSETS		**64 508**	**83 092**	**(18 584)**
CURRENT ASSETS				
INVENTORIES				
Material and supplies		291	811	(520)
Oil/Gas underlift		1 681	2 130	(449)
TOTAL INVENTORIES		1 972	2 941	(969)
ACCOUNTS RECEIVABLE				
Customers	12	3 507	3 002	505
Other		86	156	(70)
TOTAL ACCOUNTS RECEIVABLE		3 593	3 159	434
CASH AND CASH EQUIVALENT	12	6 015	9 675	(3 660)
TOTAL CURRENT ASSETS		**11 580**	**15 775**	**(4 195)**
TOTAL ASSETS		**76 087**	**98 867**	**(22 780)**

BALANCE SHEET (CONTINUED)

MILLION NOK	NOTES	31 DEC 2018	31 DEC 2017	VARIANCE
EQUITY				
PAID-IN CAPITAL				
Share capital (4 201 000 shares à 1 000.00)	13	4 201	4 201	0
Share premium	13	4 255	2 340	1 915
TOTAL PAID-IN CAPITAL		8 456	6 541	1 915
RETAINED EARNINGS				
Retained earnings	13	4 199	3 888	311
TOTAL RETAINED EARNINGS		4 199	3 888	311
TOTAL EQUITY		**12 655**	**10 429**	**2 226**
LIABILITIES				
LONG-TERM PROVISIONS				
Pension obligations	4	1 093	1 317	(224)
Deferred taxes	9	19 470	27 751	(8 281)
Well plugging, dismantlement and removal	7	15 345	14 275	1 070
Other provisions	4	564	370	194
TOTAL LONG-TERM PROVISIONS		36 471	43 713	(7 242)
OTHER LONG-TERM LIABILITIES				
Long-term loans from associated companies	14	12 000	18 300	(6 300)
Long-term loans from financial institutions	14	0	8 000	(8 000)
Long-term loans from other companies	14	1 647	1 657	(10)
TOTAL LONG-TERM LIABILITIES		13 647	27 957	(14 310)
CURRENT LIABILITIES				
Oil/Gas overlift		159	414	(255)
Accounts payable and accrued expenses	12	1 408	2 822	(1 414)
Taxes other than income taxes		44	80	(36)
Income taxes payable	9	6 579	3 298	3 281
Proposed dividend	13	5 000	10 000	(5 000)
Other short term debt		124	154	(30)
TOTAL CURRENT LIABILITIES		13 314	16 767	(3 453)
TOTAL LIABILITIES		**63 432**	**88 438**	**(25 006)**
TOTAL EQUITY AND LIABILITIES		**76 087**	**98 867**	**(22 780)**

ACCOUNTING POLICIES

The financial statements are presented in accordance with the regulations in the Accounting Act and Norwegian Generally Accepted Accounting Principles.

REVENUE RECOGNITION Revenues associated with sales and transportation of hydrocarbons is recognised when title passes to the customer at the point of delivery of the goods based on the contractual terms of the agreements. Other services are recognized at the time of delivery.

JOINT OPERATIONS The Company's shares in joint operations are booked under the respective lines in the profit and loss statement and the balance sheet.

BALANCE SHEET CLASSIFICATION Current assets and short-term liabilities consist of receivables and payables due within one year after transaction date. Other balance sheet items are classified as fixed assets / long-term liabilities.

Current assets are valued at the lowest of acquisition cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

FOREIGN CURRENCY TRANSLATION Transactions in foreign currency are translated at the rate applicable on the transaction or invoicing date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date or, if covered by forward currency exchange contracts, at the contract rate. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

CASH AND CASH EQUIVALENTS Cash and cash equivalents includes cash, bank deposits and other short term highly liquid investments with maturities of three months or less.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT Costs related to intangible assets, property, plant and equipment are capitalized and depreciated linearly over the estimated useful life. Maintenance is expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset.

Depreciation charges for licence acquisitions, offshore and onshore production installations, booked under operating expenses, are determined mainly by the unit-of-production method. Other onshore property, plant and equipment are depreciated by use of the linear or declining balance method.

If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used.

Incurred interest cost related to substantial development projects are capitalized as part of the development cost.

EXPLORATION Exploration costs are treated in accordance with the successful effort method, with the well as basis for the evaluation. Exploratory drilling costs are capitalized pending the determination of whether the wells found proved reserves. If the wells are determined commercially unsuccessful costs are expensed as depreciation. Geological and geophysical costs are expensed as incurred.

RESEARCH AND DEVELOPMENT Research and development costs are expensed as incurred.

LEASING COMMITMENTS Leases transferring substantially all the risks and rewards incidental to ownership from the lessor to the lessee are treated as financial leases. These contracts are capitalized as assets at fair value, or if lower, at the present value of the minimum lease payments according to the contract. A corresponding financial debt is recognized. These assets are depreciated over the shortest of the estimated economical life time of the asset and the leasing period.

Leasing agreements without transfer of substantially all the risk and control to the lessee are considered as operating leases. The Company's leasing costs in operating leases are reflected as operating expenses.

SHARES The investment is valued as at cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

The operations of the subsidiaries are considered immaterial compared to the level of the company's business, and consolidated accounts have therefore not been prepared. Group accounts are prepared by the holding company TOTAL S.A resident in France.

INVENTORIES Consumable inventories consist of equipment for exploration and field development, and are calculated at average purchase prices. Spare parts are charged to operations when acquired.

OVER-/UNDERLIFTING Overlifts or underlifts of petroleum products in relation to the company's ownership, is valued at sales price.

FUTURE WELL PLUGGING, ABANDONMENT AND REMOVAL COSTS Annual provisions are made to meet future costs for decommissioning, abandonment and removal of installations. Provision requirements are reviewed on an individual field basis, and the net present value of future costs is the basis for the recognized obligation. Changes in time element (net present value) of the abandonment provisions are expensed annually and increase the obligations in the balance sheet. Changes in estimates are recognized over the remaining production period, unless the production is for material purposes completed. In such a case the changes in estimate is recognized immediately.

PENSIONS Defined benefit plans- are valued at the present value of accrued future pension benefits at the balance sheet date. Pension plan assets are valued at their fair value.

Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period.

The company follows the revised IAS19, also valid in NRS 6. The accumulated effects of the changes in estimates in financial and actuarial assumptions are recognized in full in the "Changes in actuarial assumptions for pensions" in equity. These are incorporating revisions of costs of previous years' contributions, changes in interest costs, expected return on the pension funds and in discount rates used to calculate the pension obligations and assets.

The net pension cost for the period is classified in salaries and personnel costs.

Defined contribution plan – Contribution to the defined contribution scheme is recognized in the income statement in the period in which the contribution amounts are earned by the employees.

INCOME TAX Income taxes reflect both current taxes and taxes payable in the future as a result of the current year's activity. When calculating the deferred taxes, the company uses the liability method, under which deferred taxes are calculated applying legislated tax rates in effect at the closing date. Earned future deductible uplift allowance is offset against the special tax when calculating deferred taxes.

MERGER Maersk Oil Norge AS were merged into Total E&P Norge AS with tax effect from 01.01.2018 and accounting effect 01.03.2018. The merger was performed with continuity, where continuity on Company level is applied for both tax and accounting purposes. Both companies had the same parent Total Holding Europe S.A.S at time of merger. Corresponding figures have not been restated.

CASH FLOW STATEMENT The statement of cash flow has been prepared in accordance with the indirect method as per the temporary Norwegian accounting standard.

NOTES

01 CRUDE OIL AND GAS SALES

MILLION NOK	2018	2017
Crude oil	**17 334**	16 506
NGL	**2 058**	1 761
Gas	**13 127**	10 388
Condensate	**536**	444
Total	**33 055**	29 099

Most sales of petroleum products are within Europe with some LNG cargoes sold in other markets.
The main part of the oil and liquids sales are to Group companies.

02 OTHER INCOME / OTHER OPERATING COSTS

"The amount shown as other income includes if any gains on disposals of assets, insurance claim settlements and other income attached to licenses. The main contributer to the amount in 2018 shown as other income, comes from the disposal of Total E&P Norge's 11% participating interest in PL 120 and 11% participating interest in PL 120B to Repsol Norge AS with closing date on 31/01/2018 (and legal and fiscal effective date on 01/01/2017). The disposal contributed to a gain of NOK 805 million. In addition, disposal of Total E&P Norge's 51% participating interest in the Martin Linge field and 40% participating interest in the Garantiana discovery to Equinor (including transfer of relevant employees from Total to Equinor in compliance with the applicable legislation) with closing date 09/03/2018 (and legal and fiscal effective date on 01/01/2018). The disposal contributed to a loss of NOK 766 million. In addition, disposal of Total E&P Norge's 2,6969% participating interest in Nyhamna Joint Venture and 5,11% participating interest in Polarled Joint Venture to CapeOmega with closing date 31 October 2018 (and legal and fiscal effective date on 01/01/2018). The disposal contributed to a loss of NOK 10 million. In addition, disposal of Total E&P Norge's 62,13% participating interest in PL 026, 64% participating interest in PL 036E, 40% participating interest in PL 102D, 40% participating interest in PL 102F, 40% participating interest in PL 102G, 50% participating interest in PL 127, 50% participating interest in PL 127B, 100% participating interest in PL 127C, 20% participating interest in PL 906 and 20% participating interest in PL 907 to Aker BP with closing date 30/11/2018 (and legal and fiscal effective date on 01/01/2018. The disposal contributed to a gain of NOK 1 408 million. In addition, ongoing disposal of own houses during 2018 contributed to a gain of NOK 63 million.

03 SALARY, EMPLOYEE BENEFITS, NUMBER OF EMPLOYEES

MILLION NOK	2018	2017
Salaries	**469**	580
Social security and other benefits	**105**	97
Pension cost	**303**	132
Other	**90**	209
Total salaries and employee benefits	**967**	1 018

Average number of full-time employments	**212**	392

03 SALARY, EMPLOYEE BENEFITS, NUMBER OF EMPLOYEES (CONTINUED)

Fees paid to the Board of Directors in 2018 amounted to NOK 210 000. Full cost incurred by Total E&P Norge for salaries and remunerations to the Managing Director amounted to NOK 5 563 744 in 2018. The Managing Director is formally employed and part of a pension agreement in another group company. There are no agreements with the Managing Director or the Board of Directors for special bonuses or separate remuneration in connection with termination.

The General Assembly of Shareholders of TOTAL S.A. has decided restricted share plans and share subscription option plans. The restricted shares plan is subject to certain conditions of economic performance of the TOTAL S.A. Group after a vesting period. Certain employees of Total E&P Norge AS were invited to participate in the plans. Given the immaterial value of the benefits, no expense has been recognized in the accounts.

Long-term receivables contain loans to employees of NOK 13 million. Total E&P Norge AS have also issued a guarantee to Nordea for loans to Total E&P Norge AS employees of total NOK 234 million as per 31.12.2018.

No company loans were granted to the Managing Director.

04 EMPLOYEE RETIREMENT PLANS

With effect from 01/01/2015 all new employees and current employees born in 1963 or later were transferred to a defined contribution plan. The previous collective benefit retirement plan became a closed pension plan from 01/01/2015. A pension compensation scheme has been established for employees between 40-52 years. In addition, the Company has established a senior policy for employees who would choose to retire as from the age of 62. Both these schemes are included in unfunded pension plans. Employees born in 1962 or earlier will still have a part of the Company`s collective benefit retirement with DNB. In addition, this plan also includes retired personnel who receive defined future pensions.

Unfunded defined benefit plan for employees with higher salary was closed 01/07/2015. A new plan was introduced for all employees based on defined contribution principles. A pension compensation scheme has been established for employees who would have insufficient funding at 67 years compared to the defined benefit scheme.

New voluntary measures were put in place in 2018, after review of the size of the organization in light of future ambitions and objectives and after sale of Martin Linge and Garantiana, including transfer of relevant employees to Equinor. The duration of applications for these schemes ended 17 April 2018.

MILLION NOK	2018	2017
BENEFIT PLANS:		
Current service cost	67	94
Interest cost	60	60
Interest on plan assets	(32)	(28)
Loss (gain) from curtailment or settlement	(206)	14
Net periodic pension cost *	(111)	140
CONTRIBUTION PLANS:		
Defined contribution cost	23	31
Total periodic pension cost	(88)	171

* Pension cost includes associated social security tax.

THE FOLLOWING STATEMENT PRESENTS THE STATUS OF THE PLANS AT 31 DECEMBER 2018:

MILLION NOK	NET FUNDED PENSION PLANS	NET UNFUNDED PENSION PLANS	TOTAL ALL PLANS
Projected benefit obligation	1 042	1 281	2 323
Pension plan assets	715	515	1 230
Net pension assets (obligation)	(327)	(766)	(1 093)

Net unfunded plans are presented under long-term provisions.

Social security tax is calculated based on the pension plan's net funded status and is included in the defined benefit obligation.

04 EMPLOYEE RETIREMENT PLANS (CONTINUED)

THE ACTUARIAL PRESENT VALUE HAS BEEN CALCULATED USING THE FOLLOWING ASSUMPTIONS:

	2018	2017
Discount rate	**2.6 %**	2.4%
Projected wage increases	**2.75 %**	2.50%
Projected pension regulation	**2.50% / 1.50%**	2.25% / 1.50%

The calculation is based on the mortality table K2013FT.
Total E&P Norge AS is obliged to follow the Act on mandatory pension obligations.
The pension scheme satisfies the requirement in this Act.

05 AUDITOR

The audit fee for work performed in 2018 amounted to NOK 1 324 180 excl VAT, of which NOK 370 810 was for audit related services, NOK 313 898 for other attestation services and NOK 264 472 for income tax and VAT advice.

06 RESEARCH AND DEVELOPMENT

In 2018 the Company has incurred expenses of NOK 41 million on Research and Development activities. The Company's R&D program is a part of the TOTAL Group plan and is aimed at improving the value of our current and future investments on the Norwegian Continental Shelf. The focus is on improving understanding, developing new methodologies, models and hardware in the areas of enhanced oil recovery, reservoir/well monitoring, flow assurance, power supply and distribution on seabed, technology for subsea separation and fluid treatment for transport on long distances, and environmental assessment/monitoring. The program of work is accomplished through joint industry projects collaboration with Norwegian universities and institutes. The program also recognizes technical challenges set out in the national technology strategy, OG21.

07 PROVISIONS FOR FUTURE WELL PLUGGING, DISMANTLEMENT AND REMOVAL COSTS

Under the terms of the oil and gas licenses, the State may require full or partial dismantlement and removal of offshore oil and gas installations, or assume ownership at no charge when production finally ceases or upon the expiration of the licenses, and also if the license is surrendered or recalled. In the event of take over, the State will assume responsibility for dismantlement and removal of installations. If the Norwegian Government should require dismantlement and removal of the installations, removal costs will be fully tax deductible for the licensees.

The change in provision in 2018 for future well plugging, dismantlement and removal costs has been calculated at NOK 1 314 million using the unit-of-production method. Incurred expenses in 2018 amounting to NOK 276 million have been offset to previous year's provisions. The discounted value of the total obligations expected to be paid for removal activities, are estimated to NOK 18 766 million.

08 FINANCIAL INCOME AND EXPENSES

MILLION NOK	2018	2017
FINANCIAL INCOME:		
Interest income from group companies	45	8
Other interest income	0	0
Total financial income	45	8
FINANCIAL EXPENSES:		
Interest expenses to group companies	(313)	(360)
Other interest expenses	(196)	(118)
Capitalized financial interest	172	318
Total financial expenses	(337)	(160)

09 INCOME TAXES

Taxes include both current and deferred taxes on income. The special petroleum tax has been calculated after the deduction of the available uplift allowance.

THE BASIS FOR THE CURRENT TAX PROVISIONS IS CALCULATED AS FOLLOWS:

MILLION NOK	2018	2017
Net income before taxes	17 407	9 811
Permanent differences *	(26 417)	(1 771)
Change in timing differences	24 740	910
Losses carried forward	(3 938)	-
Basis for current tax calculation	11 792	8 950
Onshore loss (income)	786	139
Uplift Carried Forward	(783)	-
Uplift Usable Current Year	(1 598)	(6 217)
Basis for Special Offshore Tax	10 197	2 872
Corporate Tax 23%	2 712	2 148
Special Revenue Tax 55%	5 608	1 551
Previous years' adjustment	(500)	(554)
Tax cost on interim result for Sale and Acquisitions of assets	11 301	(454)
Deferred tax	(7 045)	3 872
This year's tax cost	12 077	6 563
Taxes payable in the income statement	7 821	3 699
Taxes refundable relating to exploration cost	-	-
Previous years' adjustment	500	(554)
This year's taxes payable	8 321	3 145
Instalments of income taxes paid	(2 310)	(750)
Other payable taxes related to previous years	575	903
Total taxes payable in the balance sheet	6 586	3 298

09 INCOME TAXES (CONTINUED)

DEFERRED TAX LIABILITIES ARE PROVIDED ON ALL TEMPORARY DIFFERENCES BETWEEN THE FINANCIAL REPORTING BASIS AND THE TAX BASIS OF THE COMPANY'S ASSETS AND LIABILITIES:

MILLION NOK	2018	2017
Property, plant and equipment	**44 204**	54 538
Pensions	**(1 657)**	(1 764)
Other	**(676)**	(483)
Provision for well plugging and decommissioning	**(15 081)**	(13 991)
Basis for deferred ordinary taxes 22%	**26 790**	38 300
Deferred Uplift	**(2 216)**	(3 374)
Onshore assets	**(323)**	(486)
Basis for deferred special taxes 56%	**24 251**	34 440
Deferred tax:		
Corporate Tax	**5 894**	8 809
Special Revenue Tax	**13 581**	18 942
Deferred tax liabilities	**19 474**	27 751
Change in deferred tax	**(7 045)**	3 872

TAX PROOF:

Income before taxes	**17 407**	9 811
Marginal tax rate 78%	**13 577**	7 653

TAX EFFECT OF:

Permanent and other differences	**(11 554)**	736
Tax interimperiod related to sale and acquisition of participating interest in licenses	**11 301**	(454)
Earned uplift	**(747)**	(1 100)
Previous years' adjustment	**(500)**	(272)
This years tax cost	**12 077**	6 563

* Mainly related to disposal of the Martin Linge / Garantiana, Polarled and Aker BP transaction

Payable taxes are calculated based on 23% corporate tax and 55% special tax which were the applicable rates for 2018. Deferred tax is calculated based on 22% corporate tax and 56% special tax which are the applicable rates valid from 1 January 2019. Maersk Tax Risk Provision is reallocated to accrued taxes and adjusted accordingly. The Tax Note balance sheet movement on deferred taxes is based on 2017 accounts movement in 2018, which show a difference of NOK 103 million increased Maersk deferred tax for January and February 2018. The merger was effective as of 1 March 2018.

10 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

MILLION NOK	PROD. INST. COMPLETED	TRANSPORT- & OTHER EQUIPMENTS	BUILDINGS	CONSTRUCTION IN PROGRESS	EXPLO WELLS	LICENCE ACQUISITIONS	TOTAL ALL ASSETS
At cost 01.01.18	166 322	2 125	286	20 404	9 699	5 669	204 505
Additions merger	955	0	0	6 419	0	0	7 374
Additions**	4 487	8	0	2 081	391	0	6 967
Transfers	465	0	0	(545)	80	0	0
Retirements and sales	(5 385)	0	(12)	(20 028)	(2 481)	(13)	(27 920)
Accumulated investments at 31.12.18	166 844	2 134	274	8 331	7 688	5 655	190 926
Accumulated depreciation merger	37						37
Accumulated depreciation	114 932	1 093	108	0	6 121	4 400	126 653
Book value 31.12.18	51 875	1 041	166	8 331	1 567	1 256	64 236

** Capitalized financial interests are included in the additions with 172 MNOK

2018 depreciation	6 762	105	5	0	70	147	7 088
Estimated useful life of assets		10-20 years	30 - 50 years	Evaluation	Evaluation	Unit-of-prod	
Depreciation plan	Unit-of-prod	Decl bal / linear	Decl bal	-	-		

FIXED ASSETS INCLUDE THE FOLLOWING AMOUNTS FOR CAPITAL LEASING AGREEMENTS PER 31 DECEMBER 2018 AND 2017:

MILLION NOK	31.12.18	31.12.17
Transport- & Other equipments	**1 544**	1 544
Accumulated depreciation	**529**	443
Book value year end	**1 015**	1 101

The financial leasing is reflecting a contract with a fixed capital cost for a period of 18 years.
Total E&P Norge AS has in addition the possibility to extend this agreement by 11 more years.

11 SHARES

ALL AMOUNTS IN THOUSAND NOK	REGISTERED OFFICE	OWNERSHIP INTEREST	VOTING INTEREST	EQUITY 31.12.2018	PROFIT (LOSS) 2018	BOOK VALUE
SHARES IN SUBSIDIARIES AND ASSOCIATED COMPANIES:						
Total Etzel Gaslager GmbH	Düsseldorf	100 %	100 %	14 894	(178)	8 736
TOTAL Gass Handel Norge AS	Stavanger	100 %	100 %	41 190	60 717	300
Norpipe Oil AS	Sola	34.93%	34.93%	60 974	30 878	178 347
Total subsidiaries and associated companies						187 383
SHARES IN OTHER COMPANIES:						
Kunnskapsparken Nord AS		11.75%				13 002
Johan Sverdrup Eiendom DA		8.44 %				1 012
Leda Technologies DA		25.00 %				15 374
Total other companies						29 388

12 TRANSACTION AND CURRENT BALANCES WITH GROUP COMPANIES

Total E&P Norge AS has different transactions with Group companies. All the transactions, are part of the normal business and with arm's-length prices. Except for the group internal loan described in note 14, the major transactions in 2018 are:

MILLION NOK	TYPE	SALES	COSTS
GROUP COMPANIES			
TOTAL S.A.	Services		247
Total Gas & Power Ltd	Sale of Gas	6 444	
Total Oil Trading SA	Sale of Oil/ NGL	19 347	

MILLION NOK	2018	2017
RECEIVABLES		
Intercompany customers	**2 563**	1 982
Total	**2 563**	1 982
PAYABLES		
Intercompany accounts payable	**161**	149
Total	**161**	149

The cash deposit is integrated into a group cash pooling agreement.

13 EQUITY

MILLION NOK	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	TOTAL
Equity at 31.12.2017	4 201	2 340	3 888	10 429
Merger	0	1 915	0	1 915
Net income	0	0	5 331	5 331
Dividend	0	0	(5 000)	(5 000)
Changes in actuarial assumptions for pensions	0	0	(20)	(20)
Equity at 31.12.18	4 201	4 255	4 199	12 655

At 31.12.18 Total E&P Norge AS was a wholly owned subsidiary of TOTAL HOLDINGS EUROPE S.A.S, a company in the Total Group The consolidated accounts of TOTAL S.A. are available on www.total.com. Share capital consist of 4 201 000 shares of NOK 1 000.

14 OTHER LONG-TERM LIABILITIES

LONG-TERM LOANS FROM ASSOCIATED COMPANIES

Two new unsecured intercompany financing tools were signed in May 2015 with Total Treasury maturing in December 2019; one term loan for the amount of NOK 22 000 million and one revolving credit facility for the maximum amount of NOK 5 000 million. During 2017, the maximum amount of NOK 5 million of the revolving credit facility was reduced to a maximum amount of NOK 4 million with the same maturity date. At year end 2018 the term loan is NOK 12 000 million, and an undrawn funding capacity of NOK 4 million related to the revolving credit facility. The interest rate applicable on the long-term loans from associated companies are based on a floating market rate. Maersk Oil Norge AS had a long term loan agreement transferred to Total Treasury at the time of the merger. This long term loan of NOK 6 386 million was paid back in full in September 2018.

LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

The Company had a syndicated long term loan agreement of NOK 8 000 million signed in May 2015 for 4 years. This loan was paid back in full November 2018.

LONG-TERM LOANS FROM OTHER COMPANIES

As of 31 December 2018, the long-term loans from other companies is linked to the booked financial leasing commitment.

MILLION NOK	1 YEAR	2 - 5 YEARS	5 YEARS +
Long term debt related to leasing commitment	121	484	1 042

15 LIABILITIES, LEASE AGREEMENTS AND OTHER COMMITMENTS

LEASES

As an Operator, Total E&P Norge AS has lease contracts for rental of LNG carrier vessels (charter party) for the transportation of LNG production share of the Snøhvit field, and a rental contract of an office building.

As a non operating Partner in the fields under development and operation, the Company has leasing agreements for helicopters, FSO's, storage and vessels. Leasing payments for Total E&P Norge AS was in 2018 NOK 392 million. Total future leasing costs for Total E&P Norge AS are NOK 4 708 million.

OTHER COMMITMENTS

As a non operating partner Total E&P Norge AS has several commitments to purchase goods and services related to development of different projects for an amount of NOK 2 610 million.

MILLION NOK	1 YEAR	2 - 3 YEARS	4 - 5 YEARS	5 YEARS +
Leasing agreements	472	1 026	824	2 386

16 OIL AND GAS RESERVES (NOT AUDITED)

The definitions used for proved, proved developed and proved undeveloped oil and gas reserves are in accordance with the United States Securities & Exchange Commission (SEC)'s final rule "Modernization of Oil and Gas Reporting" issued on 31 December 2008. 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 regulatory, economic and operating conditions.

Oil and gas reserves are assessed annually, taking into account, among other factors, levels of production, field reassessment, additional reserves from discoveries and acquisitions, disposal of reserves and other economic factors.

This process involves making subjective judgments. Consequently, estimates of reserves are not exact measurements and are subject to revision under well-established control procedures.

The estimation of reserves is an ongoing process which is done within Total E&P Norge by experienced geoscientists, engineers and economists under the supervision of the Company's General Management. Persons involved in reserves evaluation are trained to follow SEC-compliant internal guidelines and policies regarding criteria that must be met before reserves can be considered as proved.

The estimation of proved reserves is controlled by the Group through established validation guidelines. For further description of the Group's internal control process, please refer to the Reference Document issued by TOTAL S.A. and available at www.total.com.

RESERVES 31.12.2018	OIL, NGL AND CONDENSATE (MILLIONS OF BBLS)	NATURAL GAS (BILLIONS OF SM3)	OIL EQUIVALENTS (MILLIONS OF BOE)
Proven, developed and undeveloped reserves	367	59	754

17 LICENSE PORTFOLIO 31.12.2018

TOTAL NORGE ASSETS	SHARE (%)	OPERATOR	COMPRISED OF
EKOFISK AREA			
EKOFISK	39.90	CONOCOPHILLIPS	PL 018, PL 018 B
TOR	48.20	CONOCOPHILLIPS	PL 006
TOMMELITEN ALPHA	20.23	CONOCOPHILLIPS	PL 044
HEIMDAL AREA			
ATLA & SKIRNE	40.00	TOTAL	PL 102 C, PL 102, PL 102 E
HEIMDAL (reservoir)	26.33	EQUINOR	PL 036 BS
ÅSGARD AREA			
KRISTIN	6.00	EQUINOR	PL 134 D, PL 199
MIKKEL	7.65	EQUINOR	PL 092, PL 121
TYRIHANS	23.15	EQUINOR	PL 073, PL 073 B
ÅSGARD	7.68	EQUINOR	PL 062, PL 094, PL 094 B, PL 134, PL 237, PL 479
YTTERGRYTA ***	24.50	EQUINOR	PL 263 C
OSEBERG AREA			
OSEBERG	14.70	EQUINOR	PL 053, PL 053 C, PL 055 C, PL 079, PL 104, PL 104 B, PL 171 B
TUNE	10.00	EQUINOR	PL 034, PL 190
ISLAY*	100.00	TOTAL	PL 043 CS, PL 043 DS
SNØHVIT AREA			
SNØHVIT	18.40	EQUINOR	PL 064, PL 077, PL 078, PL 099, PL 100, PL 110, PL 110 B, PL 448
TROLL AREA			
TROLL	3.69	EQUINOR	PL 054, PL 085, PL 085 B, PL 085 C
KVITEBJØRN	5.00	EQUINOR	PL 193, PL 193 C, PL 193 E
GIMLE	4.90	EQUINOR	PL 120 B
SINDRE	4.95	EQUINOR	PL 193 FS
ACQUIRED ASSETS			
JOHAN SVERDRUP	8.44	EQUINOR	PL 501, PL 501 B
FLYNDRE**	88.35	TOTAL	PL 018 C, PL 018 DS
SUM FIELDS	53 Licenses		
DISCOVERIES			
King Lear	22.20	AKER BP	PL 146, PL 333
Linnorm	20.00	SHELL	PL 255
Erlend and Ragnfrid	6.00	EQUINOR	PL 257
EXPLO LICENSES			
PL 255B, PL 255C, PL 255 D	40.00	TOTAL	
PL 219	15.00	EQUINOR	
PL 275	40.00	CONOCOPHILLIPS	
PL 785S	40.00	TOTAL	
PL 795	40.00	TOTAL	
PL 764	40.00	LUNDIN	
PL 922	20.00	SPIRIT	
PL 211	57.00	TOTAL	
SUM DISCOVERIES AND EXPLO LICENSES	14 Licenses		
SUM PORTFOLIO	67 Licenses		

*Operated from the U.K., Norwegian share 5.51% of the field
**Operated from the U.K., Norwegian share 6.26% of the field
*** Ceased production - P&A and removal when Åsgard is removed

18 SUBSEQUENT EVENTS

"Total E&P Norge AS has sold 7.65% participating interest in PL 092 and 7.65% participating interest in PL 121, representing 7.65% in the Mikkel Unit to Repsol Norge AS. MPE approval received 21 December 2018, and final settlement completed January 2019.

19 NOTE MERGER

THE TOTAL REVENUE FOR MERGED COMPANIES IN 2017 AND 2018:

MILLION NOK	2018	2017
Total revenue Total E&P Norge AS	35 081	29 705
Total revenue Maersk Oil Norway AS	0	58
Total revenue merged company	35 081	29 763

Maersk Oil Norway AS merged (business continuity) with Total E&P Norge AS 1 March 2018. Comparative figures have not been restated and the result for the period from 1 January 2018 to 28 February 2018 relates only to Total E&P Norge AS.

AUDITOR'S REPORT

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To the General Meeting of Total E&P Norge AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Total E&P Norge AS showing a profit of NOK 5 330 899 486. The financial statements comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

AUDITOR'S REPORT (CONTINUED)

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S REPORT (CONTINUED)

KPMG

Total E&P Norge AS

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Governance and Corporate Social Responsibility concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 27 March 2019
KPMG AS

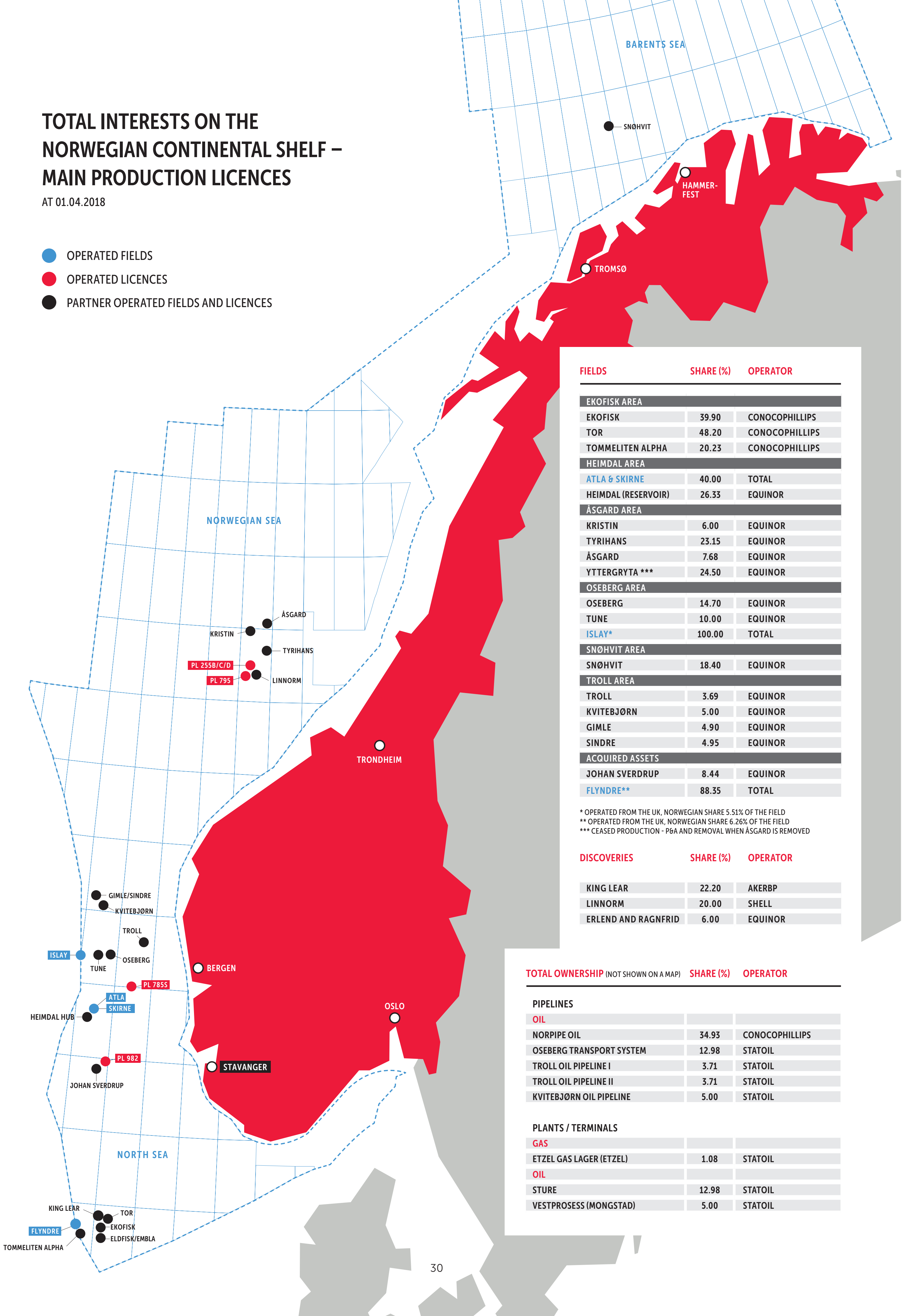
Kurt Ove Østrem
State Authorised Public Accountant

3

TOTAL INTERESTS ON THE NORWEGIAN CONTINENTAL SHELF – MAIN PRODUCTION LICENCES

AT 01.04.2018

- OPERATED FIELDS
- OPERATED LICENCES
- PARTNER OPERATED FIELDS AND LICENCES



FIELDS	SHARE (%)	OPERATOR
EKOFISK AREA		
EKOFISK	39.90	CONOCOPHILLIPS
TOR	48.20	CONOCOPHILLIPS
TOMMELITEN ALPHA	20.23	CONOCOPHILLIPS
HEIMDAL AREA		
ATLA & SKIRNE	40.00	TOTAL
HEIMDAL (RESERVOIR)	26.33	EQUINOR
ÅSGARD AREA		
KRISTIN	6.00	EQUINOR
TYRIHANS	23.15	EQUINOR
ÅSGARD	7.68	EQUINOR
YTTERGRYTA ***	24.50	EQUINOR
OSEBERG AREA		
OSEBERG	14.70	EQUINOR
TUNE	10.00	EQUINOR
ISLAY*	100.00	TOTAL
SNØHVIT AREA		
SNØHVIT	18.40	EQUINOR
TROLL AREA		
TROLL	3.69	EQUINOR
KVITEBJØRN	5.00	EQUINOR
GIMLE	4.90	EQUINOR
SINDRE	4.95	EQUINOR
ACQUIRED ASSETS		
JOHAN SVERDRUP	8.44	EQUINOR
FLYNDRE**	88.35	TOTAL

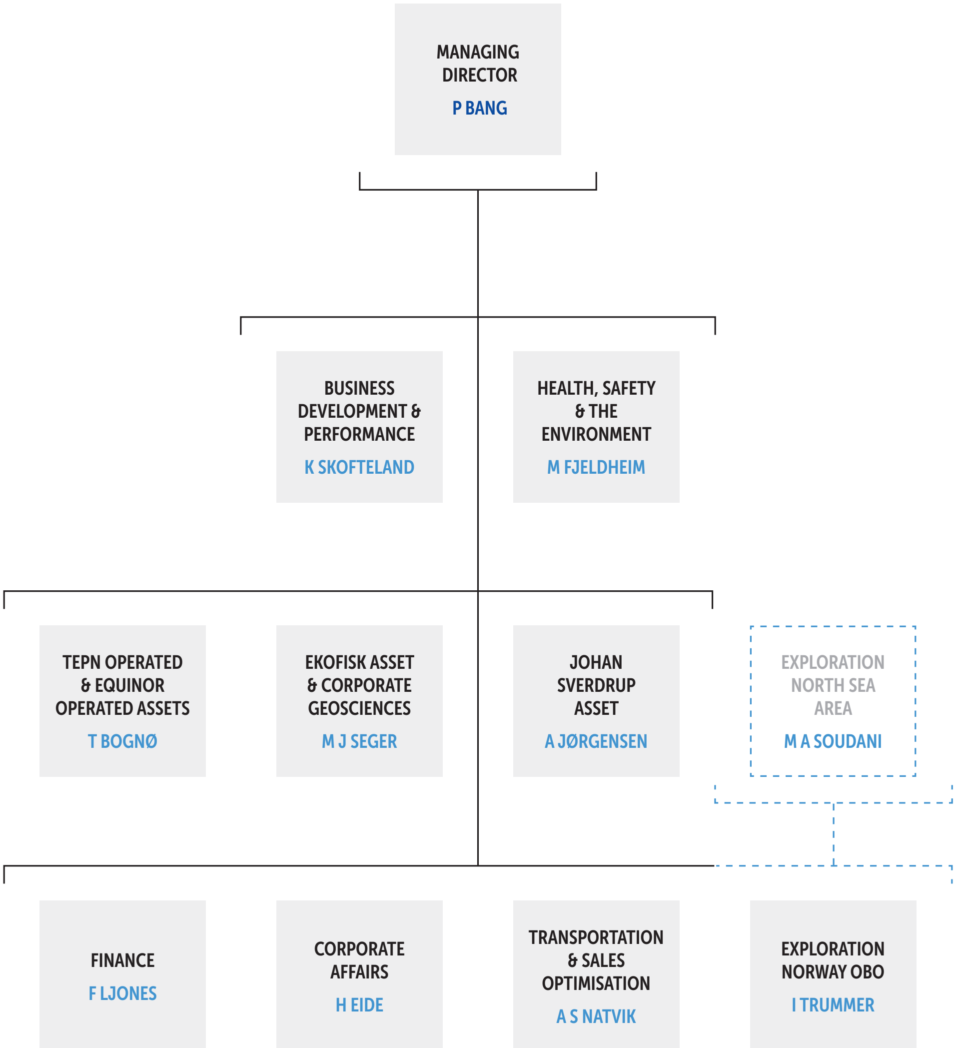
* OPERATED FROM THE UK, NORWEGIAN SHARE 5.51% OF THE FIELD
** OPERATED FROM THE UK, NORWEGIAN SHARE 6.26% OF THE FIELD
*** CEASED PRODUCTION - P&A AND REMOVAL WHEN ÅSGARD IS REMOVED

DISCOVERIES	SHARE (%)	OPERATOR
KING LEAR	22.20	AKERBP
LINNORM	20.00	SHELL
ERLEND AND RAGNFRID	6.00	EQUINOR

TOTAL OWNERSHIP (NOT SHOWN ON A MAP)	SHARE (%)	OPERATOR
PIPELINES		
OIL		
NORPIPE OIL	34.93	CONOCOPHILLIPS
OSEBERG TRANSPORT SYSTEM	12.98	STATOIL
TROLL OIL PIPELINE I	3.71	STATOIL
TROLL OIL PIPELINE II	3.71	STATOIL
KVITEBJØRN OIL PIPELINE	5.00	STATOIL
PLANTS / TERMINALS		
GAS		
ETZEL GAS LAGER (ETZEL)	1.08	STATOIL
OIL		
STURE	12.98	STATOIL
VESTPROSESS (MONGSTAD)	5.00	STATOIL

MANAGEMENT STRUCTURE

MARCH 2019



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