

USA : Total exercises its preemption rights on Barnett Shale assets

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Paris, 9 September, 2016 – Total E&P USA today announced that it is exercising its preemption right to acquire Chesapeake's 75% interests in the jointly held Barnett Shale operating area located in North Texas. Total E&P USA has owned the remaining 25% in the Barnett Assets since December 2009. With the preemption, Total E&P USA will be the 100% owner and operator of the assets.

Properties in the proposed transaction include approximately 215,000 net developed and undeveloped acres, wells, leases, minerals, buildings and properties (the "Barnett Assets"). Associated 2016 net production is approximately 65 000 barrels of oil equivalent per day (boe/d).

The preemption and associated transactions are subject to a number of conditions, including the receipt of third-party consents, and are expected to close in the fourth quarter of 2016.

Under the terms of the transaction, Chesapeake will pay \$334 million to Williams, the gatherer and processor of 80% of the gas from the Barnett Assets, to terminate its gathering agreement, projected Minimum Volume Commitment (MVC) shortfall payments and fees pertaining to the Barnett Shale assets. Total E&P USA will supplement Chesapeake's payment with \$420 million to Williams for a fully restructured, competitive gas gathering agreement, free of any MVC and with a Henry Hub-based gathering rate instead of a fixed per Mcf fee. Total E&P USA will also pay \$138 million to be released from three midstream capacity reservation contracts.

José Ignacio Sanz, President & CEO Total E&P USA commented: *"Over the six years that we have been involved in the Barnett, we have gained an in-depth understanding of the play and the technology. With the new conditions created by the exit of Chesapeake and the associated restructuring of the midstream contracts, we believe that we can extract significant value from the substantial, well located resource base of the play by combining focused upstream operating efficiency, streamlined midstream contract management and marketing savvy through Total's trading affiliate Total Gas & Power North America. As an operator, we look forward to working with all stakeholders, our leaseholders, the Dallas Fort Worth and other authorities, Williams and other midstream partners, and our customers. Increasing our stake in the Barnett shale supports Total's global strategy to be a leader in natural gas."*

Total Exploration & Production in the USA

In 2015, the Group's USA production was 89 000 boe/d. In addition to its 25% interest in the Barnett upstream joint venture, Total holds a 25% interest in the Chesapeake-operated Utica shale joint venture in Ohio. In the Gulf of Mexico, Total holds a 17% interest in the Tahiti field and a 33.3% interest in the Chinook field. Additionally, Total and Cobalt International Energy are partnering in a strategic alliance to explore for oil in the deep offshore Gulf of Mexico.

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About Total

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