Prospectus dated 5 July 2011

Total Infrastructures Gaz France

(a *société anonyme* incorporated in France)

€500,000,000 4.339 per cent. Notes due 2021
Issue Price: 100 per cent.

This prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**) and the relevant implementing measures in France. Application has been made to the *Autorité des marchés financiers* (**AMF**) for approval of this Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**)).

The €500,000,000 4.339 per cent. Notes due 2021 (the **Notes**) of Total Infrastructures Gaz France (the **Issuer** or **TIGF**) will be issued outside the Republic of France and will mature on 7 July 2021.

Interest on the Notes will accrue at the rate of 4.339 per cent. per annum from 7 July 2011 (the **Issue Date**) and will be payable in Euro annually in arrear on 7 July in each year, commencing on 7 July 2012. Payments of principal and interest on the Notes will be made without deduction for or on account of taxes of the Republic of France (See "Terms and Conditions of the Notes – Taxation").

Unless previously purchased and cancelled, the Notes may not be redeemed prior to 7 July 2021. The Notes may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See "Terms and Conditions of the Notes – Redemption and Purchase").

If a Put Event occurs, each Noteholder will have the option to require the Issuer to redeem or repurchase all or part of the Notes held by such Noteholder on the Optional Redemption Date at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase all as defined and more fully described in "Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of Noteholders following a Change of Control".

Application has been made to Euronext Paris for the Notes to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, appearing on the list of regulated markets issued by the European Commission (a **Regulated Market**).

The Notes will, upon issue on 7 July 2011, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Notes – Form, Denomination and Title") including Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

The Notes will be in dematerialised bearer form in the denomination of €100,000. The Notes will at all times be represented in book-entry form (*dématérialisé*) in the books of the Account Holders in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes are expected to be rated A3 by Moody's Investors Services (**Moody's**). Moody's is established in the European Union and has applied to be registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, although the result of such application has not yet been notified by the relevant competent authority. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Copies of this Prospectus and the documents incorporated by reference will be available for inspection free of charge, at the office of the Fiscal Agent and will be available on the websites of the Issuer (www.tigf.fr) and the AMF (www.amf-france.org).

Prospective investors should have regard to the factors described in the section headed "Risk Factors" in this Prospectus.

Global Coordinator
Citi

Joint Lead Managers

Citi	**Crédit Agricole CIB**
HSBC	**Société Générale Corporate & Investment Banking**

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the ***Securities Act****). Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or of the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (****Regulation S****)). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".*

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the extent permitted by law, each of the Managers accepts no responsibility whatsoever for the content of this Prospectus or for any other statement in connection with the Issuer.

The Managers have not separately verified the information contained in this Prospectus in connection with the Issuer. None of the Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus in connection with the Issuer. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Managers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Managers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Managers.

See "Risk Factors" below for certain information relevant to an investment in the Notes.

In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR" or "euro" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

In connection with the issue of the Notes, Citigroup Global Markets Limited (the ***Stabilising Manager****) (or any person acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or any person acting on behalf of the Stabilising Manager) to the extent and in accordance with all applicable laws and regulations.*

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

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RISK FACTORS

The following are certain risk factors of the offering of the Notes of which prospective investors should be aware. The Issuer believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuers believe that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

The terms defined in "Terms and Conditions of the Notes" shall have the same meaning where used below.

Risks related to the Issuer and its business

The risks described below are those identified by the Issuer that could have an adverse effect on the Issuer's situation. Additional risks, which are either not currently known or not considered likely to materialise, as at the date of this Prospectus may also exist, such additional risks could materially and adversely affect the Issuer's business, financial condition or the results of its operations. The occurrence of one or more of these risks could also have an adverse effect on the Issuer's situation.

The Issuer's revenue from its gas transmission network is derived from regulated tariffs, the level of which may have an impact on the Issuer's results

The French Energy Regulation Commission (*Commission de Régulation de l'Energie* (***CRE***)) made a proposal to the Ministers of Economy and of Energy on 28 October 2010 concerning the tariff structure to be applied to the Issuer's gas transmission activities for the period from 1 April 2011 to 31 March 2013. The proposal became effective on 1 April 2011.

Article L. 452-1 of the French Energy Code requires tariff proposals in relation to gas transmission activities to be made in accordance with criteria that are public, objective and non-discriminatory, taking into account the nature of the service and the associated costs. Although the regulated tariff structure is intended to permit the Issuer to earn predictable returns, the Issuer cannot guarantee that current or future gas transmission tariffs have been, will or will be set or revised at a level that would allow it to improve or maintain its profitability margins and its rates of return on investments. Future changes in the tariff structure applicable to the Issuer's gas transmission network could have a material adverse effect on the Issuer's activities, profits and financial results.

Recent or future changes to applicable regulations could create uncertainty in matters that are significant to the Issuer's business and have an adverse effect on its financial condition or results of operations.

The Issuer operates in a highly regulated industry. The laws, regulations, directives, decisions and policies of the European Union, France, and the CRE determine the scope of its activities, and substantially affect its revenues and the way the Issuer conducts its business.

The regulatory framework applicable to the Issuer's gas transmission activities has undergone significant changes as a result of the adoption in 2009 of Directives 2009/72/EC and 2009/73/EC comprising the third package on the internal electricity and gas markets. Directives 2009/72/EC and 2009/73/EC have recently been implemented in France by ordinance N° 2011-504 dated 9 May 2011 (the ***Ordinance***), which enacts the legislative section of the French Energy Code.

Pursuant to the Ordinance and the relevant provisions of the French Energy Code, the Issuer will need to demonstrate by no later than March 2012 that it satisfies the requirements for certification as an "Independent Transmission Operator" (***ITO***). The requirements are generally aimed at ensuring the Issuer's independence and relate to, among other matters, the Issuer's relationship with its parent company (Total S.A.), corporate governance and ethics. If the Issuer obtains certification as an ITO, it will need to monitor and report on compliance on an ongoing basis. Furthermore, the Issuer will be required to propose a 10 year investment plan for approval by the CRE.

The Issuer believes that it will be able to satisfy the requirements imposed on an ITO. However, there can be no assurance that the Issuer will be certified as an ITO within the timeframes set out by the Ordinance.

In addition, future changes in regulations and future decisions or other actions by the CRE or other governmental authorities could affect the Issuer's business and remuneration in ways it cannot predict. Under the Third Gas Directive, beyond the monitoring of the Issuer's operations, the CRE can force network operators such as the Issuer to make investments, carry out a capital increase or allow for third party investors to acquire its shares. The CRE's powers will also include the power to impose fines. The Minister for Energy also has certain control and punitive powers, including granting or suspending authorisations to transport or store natural gas in the event of a threat to France's natural gas supplies.

A future change in applicable regulations (including European directives and their implementing measures) and future decisions or other actions by the CRE, the Minister for Energy or other governmental authorities could have an adverse effect on the way the Issuer conducts its business or on its financial condition and results of operations.

The Issuer's activities require various administrative authorisations that may be difficult to maintain or obtain or that may be subject to increasingly stringent conditions

The Issuer's gas transmission and underground natural gas storage activities require various administrative authorisations in France, at local and national levels. The procedures for obtaining and renewing these authorisations can be drawn out and complex. The Issuer may accordingly be required to pay significant amounts to comply with the requirements associated with obtaining or renewing these authorisations (for example, the costs of preparing the application for the authorisations or investments associated with installing equipment required before the authorisation can be issued or renewed). Costs in relation to authorisations associated with the Issuer's gas transmission activities should be covered by the regulated gas transmission tariffs. However, there is no such regulated tariff structure in relation to the Issuer's gas storage activities. There can be no assurance that the Issuer's future revenues will be sufficient to cover all costs associated with obtaining and maintaining administrative authorisations. If the Issuer cannot obtain or renew all such authorizations on a timely basis, or such authorisations are subject to challenge or to more stringent conditions, there could be a negative impact on the Issuer's business and financial condition.

Breaches of, or changes in, any applicable environmental, health and safety laws and regulations may cause the Issuer to incur increased costs or liability or other damages

Gas transmission and underground natural gas storage are potentially dangerous activities and involve the use of products and by-products that may be hazardous to human health and the environment. The Issuer's activities are subject to regulations for the protection of the environment and public health, which are increasingly numerous and restrictive. The Issuer has made and will continue to make significant capital and other expenditures to comply with applicable environmental, health and safety regulations. The Issuer is continuously required to incur expenditures to ensure that the installations that it operates comply with applicable legal, regulatory and administrative requirements. Any of the Issuer's operations, moreover, may, in the future, become subject to stricter laws and regulations, and correspondingly greater compliance expenditures. Compliance with current and future regulations in the environmental and health areas may have a material financial impact on the Issuer.

Furthermore, although the Issuer believes that its operations are in substantial compliance with applicable environmental and health and safety laws and regulations, the risk of substantial costs and liabilities is inherent in the nature of its operations. There can be no assurance that the Issuer will not incur substantial costs and liabilities, including the cost of clean-up operations and claims for damages to property and persons resulting from environmental or health and safety incidents. Any such costs and liabilities could adversely affect the Issuer's financial condition, results of operations and reputation.

Failure of the Issuer's gas transmission network or underground storage facilities may impair its operations and revenues and expose it to liability

There are risks associated with the operation of the Issuer's natural gas pipeline network and underground natural gas storage facilities, such as operational hazards and unforeseen interruptions caused by events beyond its control. These include accidents, the breakdown or failure of equipment or processes, the performance of its facilities below expected levels of capacity and efficiency and catastrophic events such as explosions, fires, earthquakes, landslides or other similar events beyond its control.

Any accident might result in injury or loss of life and extensive damage to property or to the environment. Liabilities resulting from any such accident could increase its costs, which could adversely affect its financial condition or results of operations.

In addition, terrorist attacks, sabotage or other intentional acts may cause damages to the Issuer's assets and adversely affect its business, its reputation, its financial condition or the results of its operations.

Any interruption to the Issuer's operations arising from an occurrence of this kind could also impair its operations and result in increased costs and liabilities for it, including successful third-party claims, if any. Such interruptions could also cause the Issuer to breach its regulatory obligations as a natural gas network operator or gas storage facility provider and as a result sanctions could be imposed on it. Any such costs, liabilities or sanctions could adversely affect the Issuer's financial condition or results of operations.

The Issuer's infrastructure investments could be subject to delays

The Issuer's ability to implement infrastructure investments, and the speed at which those investments are implemented, may be affected by delays in receiving necessary authorisations and approvals, delays in the required expropriation procedures or in construction, objections by local residents and other factors outside its control. Any such delays could adversely affect its financial condition or results of operation.

The Issuer is exposed to risks relating to its reliance on service providers and subcontractors

The Issuer is exposed to risks relating to its reliance on service providers and subcontractors notably in the context of the projects relating to its gas transmission network. Although TIGF is careful in the choice of its partners, TIGF cannot guarantee the performance and quality of services carried out by external companies or their compliance with applicable regulations. Financial difficulties, including insolvency, of any such service provider or subcontractor, or a decrease in the quality of their services, budget overruns or completion delays, are likely to have a negative effect on TIGF's business and results of operations. In addition, the progress of the projects can be delayed and costs can increase if non-performing subcontractors must be replaced by more expensive subcontractors.

The CRE has the power to require the Issuer to carry out investments that are not included in its infrastructure investment plans

Under the implementation of the Third Gas Directive, the CRE has the power to require the Issuer, in its capacity as a natural gas network operator, to carry out infrastructure investments subject to a competitive tender process if no other operator presents a bid. Accordingly, it may be required to carry out investments in addition to those envisioned in its business plan, which may require it to obtain additional funding to that currently contemplated and which may not be as profitable as other investments of the Issuer. However, as investment programmes are developed in consultation with industry participants in an “open season” process (see “Description of the Issuer – Gas transmission - Infrastructure investments”), the Issuer would generally have an interest in meeting demand for additional infrastructure. Furthermore, the costs of any such investment should be reflected in future tariffs charged by the Issuer to its clients.

Risk related to incentive mechanisms

The Issuer’s gas transmission tariff structure for the two-year period commencing 11 April 2011 has incentive-based mechanisms concerning control of operating costs and service quality. These incentive mechanisms take the form of a sharing of gains on operating costs and financial bonuses or penalties for service quality. Although the Issuer has implemented a cost control and risk management policy, there can be no assurance the Issuer will meet the objectives set by the incentive mechanisms, in which case the incentive mechanisms may have a negative impact on the Issuer’s results. Any such negative impact is not likely to be material in the context of the Issuer’s overall business, but there can be no assurance that different incentive mechanisms will not be introduced in the future, which may or may not result in a material impact on the Issuer’s results of operations if the relevant objectives are not met.

The inability to attract, train or retain qualified personnel could have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects

The Issuer’s ability to implement its long-term strategy depends on the capabilities and performance of its personnel. Loss of key personnel or an inability to attract, train or retain appropriately qualified personnel (in particular for technical positions where availability of appropriately qualified personnel may be limited) could affect the Issuer’s ability to implement its long-term strategy and could have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects.

The Issuer’s results of operations will be adversely affected if the demand for natural gas in France does not increase at the pace expected or declines from current levels

Demand for the Issuer’s transmission and storage capabilities is ultimately driven by demand for natural gas in France, which in turn depends on a number of factors outside of its control, including:

- the development of the electricity market;
- the price of natural gas compared to other fuels;
- economic growth in France generally;
- climate fluctuations;
- the availability of capacity in international importation pipelines;
- environmental laws; and
- the continuing availability of natural gas and liquid natural gas for importation from foreign countries.

A decline in demand for natural gas may have a material impact on the Issuer’s activities, in particular on its gas storage activities, whose revenues depend on the volume of demand for storage. Additionally, the Issuer’s transmission and storage infrastructure investment decisions have been and will continue to be based on projected demand for natural gas transmission and storage capacity, which reflect currently available data and historical information on market growth trends. Accordingly, if actual demand for natural gas transmission and storage capacity is not in line with the Issuer's projections, the Issuer may not earn the projected return on its investments, and its financial condition or results of operations could be adversely affected. However, returns on investments in the Issuer's transmission infrastructure should not be significantly affected by fluctuations in demand under the current regulated tariff structure.

The Issuer's customers may fail to perform their obligations, which could harm its results of operations

The Issuer is exposed to the risk that its customers may be unable or may refuse to perform their contractual financial obligations, whether as a result of a deterioration in their financial situation or in general economic conditions, or otherwise. Failure by customers of the Issuer to perform their financial obligations could materially adversely affect the Issuer's financial position. This risk is most significant in cases where the Issuer has concentrated exposures to a small number of customers.

The Issuer's activities may fluctuate in accordance with economic cycles and general economic conditions

The Issuer's activities fluctuate in accordance with the economic cycles and general economic conditions of the geographical regions in which it operates, particularly in the South West of France. Any economic slowdown in those regions would lead to a reduction in gas consumption, and, consequently, would have a negative impact on the demand for gas transmission and storage capacity, which in turn could have a temporary adverse effect on the Issuer's activities, profits and prospects. However, as the Issuer's revenues are a function of capacity purchased as opposed to volumes actually transmitted or stored, it is less exposed to temporary fluctuations in economic conditions than other types of businesses. Furthermore, with regard to the Issuer's gas transmission activities, any loss of earnings resulting from a difference between forecast and actual purchases of capacity should be offset by adjustments to the regulated tariffs over the following years. With regard to the Issuer's storage activities, however, failure to sell the unsubscribed portion of spare storage capacity due to a deterioration in general economic conditions could adversely affect the Issuer's results of operations.

The Issuer's storage activities are exposed to the risk of competition and are dependent on a limited number of clients

Users of the Issuer's storage facilities may choose to use storage services of alternative providers located outside of the Issuer's transmission network zone, which could result in the Issuer's storage capacity being under-utilised and/or the Issuer having to be increasingly competitive in terms of pricing. In addition, a significant portion of the Issuer's storage business is reliant on a long-term contract that will expire before the maturity of the Notes. If that contract is not renewed or replaced, or is renewed or replaced on terms that are not favourable to the Issuer, the Issuer's results of operations could be adversely affected. The Issuer intends to maintain a competitive price position, which limits the risk of its clients using alternative storage facilities. In addition, the Issuer's clients also have regulatory obligations to store sufficient gas to meet the needs of end users, which could not be fully satisfied by using the storage facilities located outside of the Issuer's zone. However, there can be no assurance that the Issuer's results of operations will not be adversely affected by the existence of alternative storage facilities and/or as a result of the Issuer's dependency on a limited number of storage clients.

Changes in the Issuer's relationship with Total S.A. may affect its operations

The Issuer is indirectly owned as to 99.99% by Total S.A. The remaining shares are held by the Directors or employees of the Total group. In addition, five (5) members of the Board of Directors of the Issuer occupy positions within Total S.A. Total S.A. therefore could be considered to have significant influence over key management and shareholder decisions affecting the Issuer, although the Issuer's gas transmission activities must be managed and operated in an independent fashion in accordance with the requirements of the Third Gas Directive.

Companies within the Total group are also currently among the Issuer's main customers for its transport and storage services. The Issuer is, therefore, dependent on customer relationships with the Total group. Companies within the Total group also provide services to the Issuer in compliance with the third gas directive. Loss of Total S.A. or members of its group as customers, failure by members of the Total group to meet their payment obligations for the services the Issuer provides or termination or suspension of their commercial arrangements with the Issuer, could adversely affect the Issuer's financial condition or results in operations.

Insurance

The Issuer does not have the benefit of any insurance against damage for the underground pipelines it owns. Any material damage to its underground pipelines could have a negative impact on the Issuer's investment plan, financial situation and results of operations. However, the other assets of the Issuer (storage facilities, other gas transmission assets, business premises) are covered by insurance against damage.

Risk relating to information systems

The Issuer operates multiple and highly complex information systems (such as servers, networks, applications and databases) which are essential for the everyday operations of its commercial and industrial business. A problem with one of these systems may have material, negative consequences for the Issuer. Furthermore, as a general matter, the Issuer cannot guarantee that the completion of the migration of information systems from the Total group to the Issuer will not meet with technical difficulties and/or delays in implementation, which could, in the event of a serious incident, have a material, negative impact on the activity, and even, in some cases, on the financial results and the financial position of the Issuer.

The Issuer's funding costs and access to financing may be adversely affected by changes to credit ratings and by prolonged periods of market volatility or illiquidity

The Issuer's business is financed primarily through cash generated from its ongoing operations and from bank facilities, including a EUR 500 million five (5) year term and revolving loan facility entered into on 24 June 2011 at prevailing market conditions. Failure by the Issuer to find new financing on similar terms on maturity (notably to fund its investment plan) would result in higher financing costs and could adversely affect the Issuer's financial condition and results of operations. Furthermore, deteriorations in the Issuer's credit ratings would affect the cost of borrowings under the term loan facility and may adversely affect the Issuer's borrowing capacity and the cost of its borrowings generally. In addition, financial markets can be subject to periods of volatility, interest rate increases and shortages of liquidity. If the Issuer were unable to access the bank markets or other sources of finance on favourable economic terms when required, its cost of financing may increase, future capital investment programmes may need to be reconsidered and the manner in which the Issuer implements its strategy may need to be re-assessed. The occurrence of any such events could have a material adverse impact on the Issuer's business, financial situation or results of operations.

Risks related to the Notes

The Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency or where the currency for principal or interest payments is different from the currency in which such potential investor’s financial activities are principally denominated;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Independent Review and Advice

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective investor may not rely on the Issuer or the Managers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Legality of Purchase

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

A Noteholder’s actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities issued by the Issuers is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the **Investor’s Currency**) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Euro would decrease (i) the Investor’s Currency-equivalent yield on the Notes, (ii) the Investor’s Currency-equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Notes due to any withholding as provided in Condition 4(b), the Issuer may redeem all outstanding Notes in accordance with such Terms and Conditions.

Exercise of put option in respect of certain Notes may affect the liquidity of the Notes in respect of which such put option is not exercised

Depending on the number of Notes in respect of which the put option provided in Condition 4(c) is exercised, any trading market in respect of those Notes in respect of which such put option is not exercised may become illiquid.

Market value of the Notes

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a holder of Notes will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

Credit Rating may not reflect all risks

The Notes are expected to be rated A3 by Moody's. The rating assigned by the Rating Agency to the Notes may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the Rating Agency at any time.

Change of law

The Terms and Conditions of the Notes are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice or the official application or interpretation of French law after the date of this after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

Modification and waiver

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

French insolvency law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a preservation (*procédure de sauvegarde* or *procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes) regardless of their governing law. The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Prospectus in Condition 8 will not be applicable in these circumstances.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Further, a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

EU Savings Directive

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/CE regarding the taxation of savings income in the form of interest payments (the Savings **Directive**). The Savings Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State (or certain limited types of entities established in that other Member State), except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise and authorises the paying agent to disclose the above information (see "Taxation").

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which are published simultaneously with this Prospectus and that have been filed with the AMF:

(a) the non-consolidated annual financial statements of the Issuer (and the related notes) in the French language for the year ended 31 December 2009 (the **2009 Financial Statements**);

(b) the statutory auditors' audit report in the French language on such 2009 Financial Statements (the **2009 Audit Report**);

(c) the non-consolidated annual financial statements of the Issuer (and the related notes) in the French language for the year ended 31 December 2010 (the **2010 Financial Statements**); and

(d) the statutory auditors' audit report in the French language on such 2010 Financial Statements (the **2010 Audit Report**).

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus may be obtained without charge from the registered office of the Issuer, the Issuer's website (www.tigf.fr) and the website of the AMF (www.amf-france.org). For the purpose of the Prospectus Directive, information can be found in the documents incorporated by reference in this Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant items of Annex IX of the Commission Regulation No. 809/2004 implementing the Prospectus Directive).

Any information not listed in the following cross-reference table but included in the documents incorporated by reference in this Prospectus is given for information purposes only.

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES	2009 Financial statements	2010 Financial statements
11.1. <u>Historical financial information</u>		
11.2. <u>Financial statements</u>		
- Balance sheet	Pages 3 to 4	Pages 4 to 5
- Income statement	Pages 5 to 6	Pages 6 to 7
- Accounting policies and explanatory notes	Pages 6 to 22	Pages 6 to 24
11.3. <u>Auditing of historical annual financial information</u>	Pages 1 to 2	Pages 1 to 3

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue outside the Republic of France of €500,000,000 4.339 per cent. Notes due 7 July 2021 (the **Notes**) of Total Infrastructures Gaz France (the **Issuer**) has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 16 June 2011 and a decision of Monique Delamare, Managing Director (*Directeur Général*), of the Issuer dated 30 June 2011. The Issuer has entered into a fiscal agency agreement (the **Fiscal Agency Agreement**) dated 5 July 2011 with Société Générale as fiscal agent and principal paying agent. The fiscal agent and principal paying agent and paying agents for the time being are referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent** and the **Paying Agents** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the **Agents**. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Notes are issued on 7 July 2011 (the **Issue Date**) in dematerialised bearer form in the denomination of €100,000. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

2 Status and Negative Pledge

(a) Status of the Notes

The obligations of the Issuer in respect of the Notes constitute direct, unconditional, unsubordinated and unsecured obligations and rank and will rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

(b) Negative Pledge

So long as any of the Notes remain outstanding (as defined below), the Issuer will not create or have outstanding any mortgage, charge, pledge or other form of security interest (*sûreté réelle*) (a **Security**) upon the whole or part of its undertakings, assets or revenues, present or future, in order to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time, the Issuer's obligations under the Notes are equally and rateably secured therewith.

For the purposes of this Condition:

(i) **outstanding** means, in relation to the Notes, all the Notes issued other than: (a) those which have been redeemed in accordance with Condition 4, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption monies (including all interest accrued on such Notes to the date for such redemption and any interest payable under Condition 3 after such date) have been duly paid to the Fiscal Agent and (c) those which have been purchased and cancelled as provided in Condition 4.

(ii) **Relevant Debt** means any present or future indebtedness for borrowed money in the form of, or represented by notes, bonds or other securities (*obligations*) which are for the time being, or are capable of being, quoted, listed, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.

3 Interest

The Notes bear interest at the rate of 4.339 per cent. per annum, from and including 7 July 2011 (the **Interest Commencement Date**) payable annually in arrear on 7 July in each year (each an **Interest Payment Date**), commencing on 7 July 2012. The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an **Interest Period**.

Notes will cease to bear interest from the date provided for their redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, the Notes will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Notes until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Notes (the **Noteholders**) in accordance with Condition 9 of receipt of all sums due in respect of all the Notes up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period, it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first but excluding the last day of such period).

4 Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition 4.

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer at their principal amount on 7 July 2021.

(b) Redemption for Taxation Reasons

(i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 6 below, the Issuer may on any Interest Payment Date, subject to having given not more than 60 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 9, redeem all, but not some only, of the outstanding Notes at their principal amount provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.

(ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 6 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven days' prior notice to the Noteholders in accordance with Condition 9 redeem all, but not some only, of the Notes then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

(c) *Redemption at the option of Noteholders following a Change of Control*

If at any time while any Note remains outstanding, there occurs (i) a Change of Control and (ii) within the Change of Control Period, a Rating Downgrade occurs or has occurred as a result of such Change of Control (a **Put Event**), the holder of such Note will have the option (the **Put Option**) (unless, prior to the giving of the Put Event Notice, the Issuer gives notice of its intention to redeem the Notes under Condition 4(b) (Redemption for taxation reasons)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note, on the Optional Redemption Date at its principal amount together with (or where purchased, together with an amount equal to) interest accrued to, but excluding, the Optional Redemption Date.

A **Change of Control** shall be deemed to have occurred each time that any person or persons acting in concert (in each case other than the Original Shareholders as defined below) come(s) to own or acquire(s) directly or indirectly such number of shares in the capital of the Issuer carrying more than 50 per cent. of the share capital of the Issuer or more than 50 per cent. of the voting rights attaching to the share capital of the Issuer.

Original Shareholder means one or more of Total S.A. and any subsidiaries thereof.

Change of Control Period means the period commencing on the date of the first public announcement of the relevant Change of Control (the **Relevant Announcement Date**) and ending on (i) the date which is 90 days after the date on which the Change of Control becomes effective, or (ii) the last day of such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 45 days after the occurrence of the relevant Change of Control) for rating review or, as the case may be, rating by, a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control (a) if within the Change of Control Period, the rating of the Notes assigned by any Rating Agency (as defined below) is (i) withdrawn or (ii) changed from an investment grade rating (Baa3/BBB-, or its equivalent for the time being, or better) to a non-investment grade rating (Ba1/BB+, or its equivalent for the time being, or worse) (a **Non Investment Grade Rating**) or (iii) if the rating previously assigned to the Notes by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from Ba1/BB+ to Ba2/BB; or their respective equivalents) or (b) if, on the Relevant Announcement Date, no rating is assigned to the Notes and, within the Change of Control Period, a Rating Agency assigns a Non Investment Grade Rating to the Notes or (c) if, on the Relevant Announcement Date, no rating is assigned to the Notes and, within the Change of Control Period, no Rating Agency assigns a rating to the Notes, provided that, with respect to (a) and (b) above, (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control, as the case may be, if the Rating Agency making the change in rating or assigning the Non Investment Grade Rating does not publicly announce or publicly confirm that the Non Investment Grade Rating or the reduction or withdrawal was the result, in whole or in part, of the Change of Control, as the case may be, and (ii) any Rating Downgrade must have been confirmed in a letter or other form of written communication, sent to the Issuer and publicly disclosed.

Rating Agency means Moody's Ratings or any other rating agency of equivalent international standing requested by the Issuer to grant a credit rating to the Notes or to the Issuer's senior unsecured long term debt and, in each case, their respective successors or affiliates.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 9 specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 4(c).

To exercise the Put Option to require redemption or, as the case may be, purchase of the Notes following a Put Event, a Noteholder must transfer or cause to be transferred its Notes to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the period (the **Put Period**) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise (a **Put Option Notice**) and in which the holder may specify a bank account to which payment is to be made under this Condition 4(c).

A Put Option Notice once given shall be irrevocable. The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Notes in respect of which the Put Option has been validly exercised as provided above and subject to the transfer of such Notes to the account of the Fiscal Agent for the account of the Issuer, on the date which is the fifth business day following the end of the Put Period (the **Optional Redemption Date**). Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 5.

For the avoidance of doubt, the Issuer shall have no responsibility for any cost or loss of whatever kind (including breakage costs) which the Noteholder may incur as a result of or in connection with such Noteholder’s exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise).

(d) *Purchases*

The Issuer may at any time purchase Notes together with rights to interest relating thereto in the open market or otherwise at any price. Notes so purchased by the Issuer may be held and resold in accordance with Article L.213-1A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

(e) *Cancellation*

All Notes which are redeemed or purchased for cancellation pursuant to paragraphs (b)(i), (b)(ii), (c) or, at the option of the Issuer, (d) of this Condition will forthwith be cancelled and accordingly may not be reissued or sold.

5 Payments

(a) *Method of Payment*

Payments of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. **TARGET System** means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Notes will, in all cases, be subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 6.

(b) *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day (as defined below) and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

In this Condition **Business Day** means any day, not being a Saturday or a Sunday, on which the TARGET System is operating and on which Euroclear France is open for general business.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) *Fiscal Agent and Paying Agents*

The names of the initial Agents and their specified offices are set out below:

Société Générale
32, rue du Champ de Tir
44312 Nantes
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given to the Noteholders in accordance with Condition 9.

6 Taxation

(a) Withholding Tax

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof having power to tax, unless such withholding or deduction is required by law.

(b) Additional Amounts

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Note become subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Note, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Note:

(i) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of such Note;

(ii) presented more than 30 days after the Relevant Date (as defined below), except to the extent that the Noteholder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or

(iii) where such withholding or deduction is required to be made pursuant to any European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive.

For this purpose, the “Relevant Date” in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if the full amount of the monies payable on such date in respect of such Note has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given to Noteholders that such monies have been so received, notice to that effect shall have been duly published in accordance with Condition 9.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 6.

7 Events of Default

If any of the following events (each an **Event of Default**) shall have occurred and be continuing:

(i) in the event of default by the Issuer in the payment of principal and interest on any of the Notes, if such default shall not have been cured within 60 days thereafter; or

(ii) in the event of default by the Issuer in the due performance of any provision of the Notes other than as referred in Condition 7(i) above, if such default shall not have been cured within 90 days after receipt by the Fiscal Agent of written notice of such default given by any Noteholder; or

(iii) (a) any Indebtedness (as defined below) of the Issuer (being Indebtedness having an outstanding aggregate principal amount in excess of Euro 50,000,000 or its equivalent in any other currency) is not paid when due or (as the case may be) within any original applicable grace period, (b) any Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of Euro 50,000,000 or its equivalent in any other currency) becomes due and payable prior to its stated maturity as a result of a default thereunder which is not remedied within any applicable grace period or (c) the Issuer fails to pay when due any amount payable by it under any guarantee of Indebtedness (being Indebtedness having an outstanding aggregate principal amount in excess of Euro 50,000,000 or its equivalent in any other currency) unless, in each case, the Issuer is contesting in good faith its obligations to make payment or repayment of such amount; or

(iv) the Issuer applies for the appointment of an *ad hoc* representative (*mandataire ad hoc*), enters into an amicable settlement (*procédure de conciliation*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or to the extent permitted by law, the Issuer is subject to any other insolvency or bankruptcy proceedings under any applicable laws or the Issuer makes any conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or

(v) the Issuer is wound up or dissolved, except in connection with a merger or reorganisation provided that the entity resulting from such merger or reorganisation assumes the obligations resulting from the Notes,

then the holder of any Notes may, by written notice to the Issuer and the Fiscal Agent given before all continuing Events of Default shall have been cured, cause all such Notes (but not some only) held by it to become immediately due and payable as of the date on which such notice for payment is received by the Issuer and the Fiscal Agent without further formality at the principal amount of the Notes together with any accrued interest thereon.

For the purpose of this condition, "Indebtedness" means (i) any present or future indebtedness for borrowed money in the form of, or represented by, notes, notes or other securities (*obligations*) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market or (ii) any indebtedness of the Issuer which is in the form of or represented by any bank loan.

8 Representation of the Noteholders

Noteholders will be grouped automatically for the defence of their common interests in a masse (the **Masse**). The Masse will be governed by the provisions of the French *Code de commerce*, and with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69 subject to the following provisions:

(a) **Legal Personality:** The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through a general meeting of the Noteholders (the **General Meeting**).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(b) **Representative:** The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

(i) the Issuer, the members of its Board of Directors (*conseil d'administration)*, its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their ascendants, descendants and spouse; or

(ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers *(gérants*), general managers *(directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Management Board (*Directoire*) or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouses; or

(iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or

(iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The following person is designated as Representative of the Masse:

Association de représentation des masses de titulaires de valeurs mobilières
Centre Jacques Ferronière,
32 rue du Champ de Tir, BP 81236,
44312 Nantes Cedex 3
France

Noteholders' attention is drawn to the fact that members of the *Association de représentation des masses de titulaires de valeurs mobilières* are also employees of Société Générale.

The Issuer shall pay to the Representative of the Masse an amount equal to EUR610 per annum, payable annually on 7 July in each year, commencing on 7 July 2011, up to and including 7 July 2020.

In the event of dissolution, death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative, an alternate Representative will be elected by the General Meeting.

(c) **Powers of the Representative:** The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) **General Meeting:** A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent *(mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 9 not less than 15 days prior to the date of such General Meeting.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunications allowing the identification of the participating Noteholders. Each Note carries the right to one vote.

(e) **Powers of the General Meetings:** The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) to Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting at 0:00, Paris time.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 9.

(f) **Information to Noteholders:** Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(g) **Expenses:** The Issuer will pay all reasonable expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(h) **Notice of Decisions:** Decisions of the meetings shall be published in accordance with the provisions set out in Condition 9 not more than 90 days from the date thereof.

9 Notices

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer (www.tigf.fr); and so long as the

Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris (www.euronext.fr). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

10 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

11 Further Issues

The Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality.

12 Governing Law and Jurisdiction

The Notes are governed by the laws of France.

For the benefit of the Noteholders, the Issuer submits to jurisdiction of the competent courts in Paris. This submission shall not limit the right of any Noteholder to take proceedings in any other court of competent jurisdiction.

USE OF PROCEEDS

The net proceeds from the issue of the Notes will be €498,875,000 and will be used by the Issuer mainly for the purpose of refinancing existing intercompany loans granted by the Total group, notably in the context of the regulatory framework applicable to the Issuer (as described in "Description of the Issuer - Additional Regulatory Background" below), which is intended to ensure the independence of gas transmission-storage businesses.

DESCRIPTION OF THE ISSUER

GENERAL INFORMATION ABOUT TIGF

Total Infrastructures Gaz France (***TIGF***) was incorporated in France on 17 November 1945 (for a period of 99 years) and is registered at the Trade and Companies Registry of Pau (*Registre du Commerce et des Sociétés de Pau*) under reference number 095 580 841 RCS Pau.

TIGF is a limited liability company (*société anonyme*) with a Board of Directors (*conseil d'administration*) governed by (i) the laws and regulations applicable to commercial companies in France, in particular, the French *Code de commerce*, (ii) specific provisions of French law in relation to natural gas transmission network and storage facility operators, including French law no. 2003-8 dated 3 January 2003, French law no. 2004-803 dated 9 August 2004 and ordinance n° 2011-504 dated 9 May 2011 implementing Directive 2009/73/EC; and (ii) the Issuer's by-laws (*statuts*).

The registered office of TIGF is 49, avenue Dufau - BP 522 - 64010 Pau Cedex, France. TIGF's telephone number is +33 (0)5 59 13 34 00 and its website is www.tigf.fr.

History and development of TIGF

TIGF is the corporate successor of the Société Nationale de Gaz du Sud Ouest (SNGSO), which was incorporated on 17 November 1945. SNGSO was created for the purpose of transporting and marketing natural gas in the South West of France, including the operation and maintenance of over 800 kilometres of pipelines.

SNGSO was formed as a joint venture between the Régie Autonome des Pétroles (RAP) and the Société Nationale des Pétroles d'Aquitaine (SNPA). In 1955, Gaz de France (GDF) acquired 30% of SNGSO. SNGSO was then owned as to 70% by SNPA and as to 30% by GDF.

The original source of natural gas transported by SNGSO was the Saint Marcet gas deposit, which was discovered by the RAP in 1939. The first gas pipeline in the south-west was built in 1942, to supply the region of Toulouse. In 1957, the Lacq deposit was put into operation in order to supply natural gas to the public and to industry in the South West of France. The Lussagnet aquifer underground natural gas storage site commenced operations at the same time.

The pipeline network in the South West of France developed rapidly from the Atlantic to the Mediterranean coast, increasing from 3,000 kilometres of pipeline in the 1980s to over 5,000 kilometres of pipeline at the date of this Prospectus, with over 500 delivery points.

The network was extended beyond France in 1993, with the construction of the first Trans-Pyrenees gas pipeline, linking Lacq with Calahorra in Spain via the Port of Larrau.

In 1976, SNPA merged with the Entreprise de Recherches et d'Activités Pétrolières (the ERAP), which had become the corporate successor of the RAP in 1965, to become Société Nationale Elf Aquitaine (SNEA). SNEA was privatized in 1994, and SNGSO was re-named Gaz du Sud-Ouest (GSO).

From 1998, GSO supplied, transported and marketed natural gas on a fully integrated basis.

In March 2000, the Totalfina and Elf groups merged, becoming TotalFinaElf, and then becoming the Total group in 2003. The merged entity held 70% of GSO, with GDF continuing to hold the remaining 30%.

In October 2004, Total S.A. and GDF terminated their joint ventures in gas transmission and supply in the South West of France. As a result, GSO became a wholly-owned subsidiary of Total S.A.

On 1 January 2005, GSO became TIGF. Total Stockage Gaz France and Total Transport Gaz France, two other wholly-owned subsidiaries of Total S.A., were then merged into TIGF in April 2005.

Corporate purpose of TIGF

In accordance with Article 3 of its by-laws, the corporate purpose of TIGF is to manage and develop its assets in France and in Europe, and in particular:

- to carry out any operations related to the transmission and underground storage of natural gas;
- to construct and operate natural gas transmission networks, natural gas underground storage facilities or liquified natural gas facilities; and
- to invest in companies that trade in natural gas on exchanges,

and more generally, to carry out any related industrial, financial, commercial or technical activities.

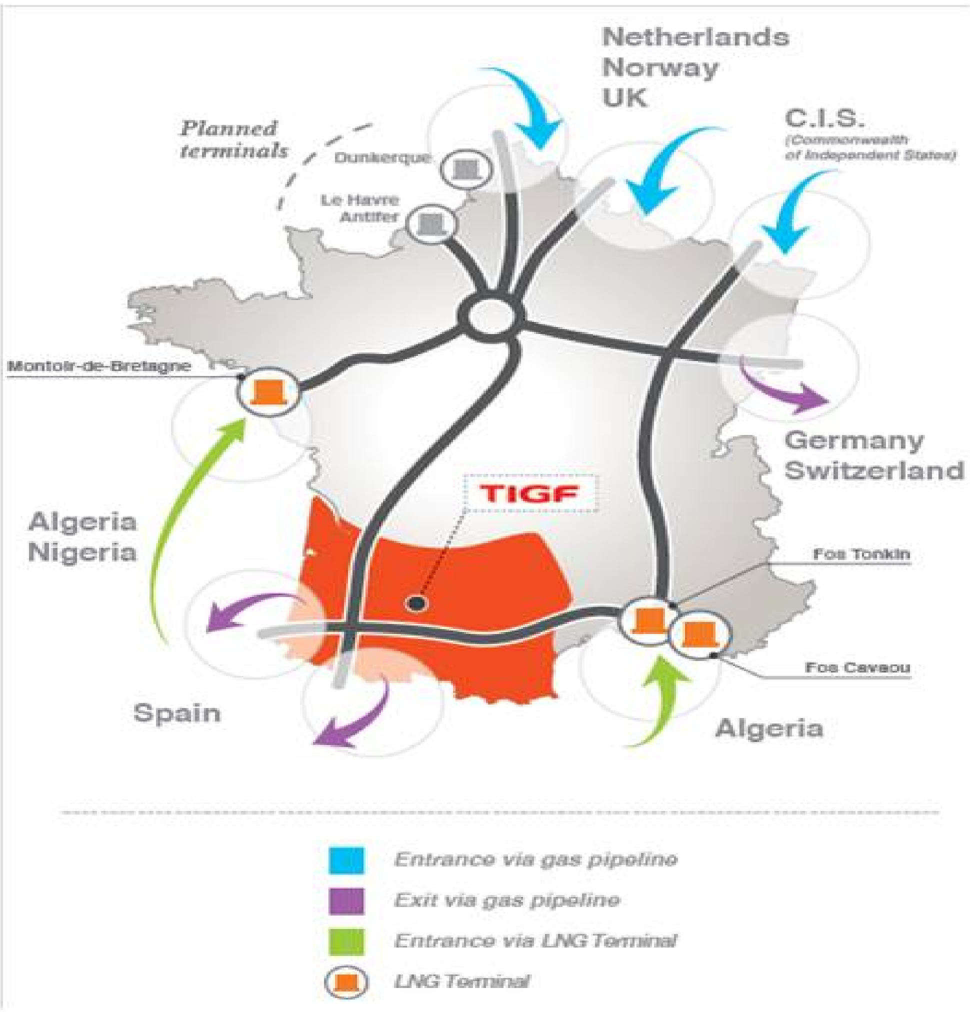
1. Business Overview and Principal activities of TIGF

1.1 Presentation of TIGF businesses

TIGF's principal businesses are gas transmission and the underground storage of natural gas. The gas transmission business involves the transmission of gas to end-users such as industries and public distribution networks in the south-west of France, as well as providing connections to other networks in France, Spain and the rest of Europe. The underground natural gas storage business consists of the operation of two storage facilities in the South West of France.

TIGF has the benefit of over fifty (50) years of experience in gas transmission and storage. The gas transmission business is a regulated activity with predictable cash flows, as transmission tariffs are set by the CRE. The gas storage business is not subject to regulated tariff-setting. However, structural and seasonal needs contribute to steady demand for storage, resulting in a resilient business model.

The combination of TIGF's transmission and storage activities provide shippers with flexibility in the management of flows and allows them to deal with possible variations in supply. TIGF's network and storage facilities are located halfway between the North Sea and Algerian gas reserves. As such, it occupies a strategic position at the heart of Europe:



TIGF's strategic goal is to develop activities that will improve fluidity in the European gas markets and contribute to security of gas supply, in particular by continuing to develop interconnections between

France and Spain and improving the performance of its storage services. It is focused on providing new customer-oriented services and reinforcing its positioning as a high-value partner in the gas chain.

1.2 Gas Transmission

(a) General

There are two gas transmission network operators in France: TIGF and GRTgaz.

TIGF inherited the know-how built up by GSO over more than 50 years. Starting off as a regional player in South West France, GSO grew to become an important intra-European gas transport hub, thanks in particular to investments linking Spain to the rest of Europe.

TIGF's gas transmission activity has two main purposes: delivering gas to consumers in South West France, and contributing to security of gas supply in Europe through its network interconnections, which help diversify supply sources.

TIGF's transmission tariffs are regulated, giving rise to a predictable return on investments (see "Tariffs for using the gas transmission network" below).

(b) TIGF's gas transmission network

The TIGF gas transmission network consists of over 5,000 kilometres of pipelines, representing approximately 13% of France's main pipeline network, and carrying approximately 15%of the total volume of natural gas transported in France, according to estimates of the Issuer.

TIGF's network transports high pressure natural gas to industries and communities in South West France and provides important links between Spain, France and the rest of Europe. It is operated from a control centre located in Pau.

The following map illustrates the geographical coverage of the TIGF network:

TIGF's network has 6 compression stations with a total power output of 70 MW. Annual gas consumption in the area served by the TIGF network amounts to 35 TWh, compared to a total of 550 TW of annual gas consumption in France.

Pipeline diameter ranges from 50 mm to 900 mm. Maximum operating pressure varies between 20 and 80 bar. The pipelines are buried under a layer of earth between 0.8m and 1.2m thick.

The pipelines in TIGF's network range in age from newly installed to original pipe dating back to the 1950s. On average, the pipelines are approximately 30 years old. TIGF's network undergoes constant maintenance, modernisation and replacement in order to ensure high performance and safety standards.

(c) Third party access to the network

The European and French regulatory framework in the gas sector gas is intended to ensure competitive and efficient European gas markets. An important element of that framework is the principle of transparent and non-discriminatory access to gas transmission networks. Accordingly, Articles L. 111-97 to L. 111-110 of the French Energy Code require gas transmission network operators such as TIGF to guarantee a right of access to suppliers of natural gas and end users. Network operators must also guarantee access to their networks and ancillary services for the purpose of enabling cross-border transit of high pressure gas within the European Economic Area.

In setting the conditions under which they will agree to grant access to their networks, TIGF and other network operators are required to refrain from discriminating between different network users or different categories of network users.

TIGF and other network operators must notify the CRE in the event that they refuse to grant access to their network to a third party. Subject to limited exceptions, refusal to grant access to the network may only be based on lack of capacity, safety or technical considerations or a need to give priority to public service obligations.

(d) Operation of TIGF network / Balancing

TIGF's transport service consists in collecting the gas supplied to it by the shipper at one or more inlet points and in delivering an equivalent quantity of energy to one or more redelivery points, within the limits of daily and hourly capacities established by contract.

The delivery of gas of a contractually specified quality and quantity and the balancing of natural gas flows requires sophisticated modelling taking into account, among other things, detailed daily weather forecasts and consumption records, as well as firmly established expertise in the areas of safety, flow distribution and quality monitoring.

Furthermore, pursuant to Article L.431-3 of the French Energy Code, network operators such as TIGF are required to ensure that their networks are safe and efficient and to ensure that gas flows are balanced at all times, taking into account technical constraints.

TIGF has developed specific balancing models for each urban agglomeration served by the network. A variety of simulation tools are used in order to determine the likely behaviour of supply, demand, pressure levels and other variables, and to calculate the corresponding adjustments that need to be made to the volume of gas shipped in order to maintain a balance between inputs and outputs. Simulation techniques also permit saturation points along the network to be identified, which may require further investments in infrastructure in order to ensure long-term optimisation of gas volumes.

As maintaining balanced gas flows ultimately depends on how shippers manage their inputs and off-takes, shippers are required to ensure, on a daily basis, that the quantity of energy supplied at the inlet point equals the quantity of energy collected at the delivery point, applying operating methods defined by TIGF. Penalties are charged in the event of imbalances. Shippers must also pay additional charges if they use more capacity than they have reserved.

TIGF currently proposes an optional daily balancing service (SEJ) allowing shippers to minimize part of their daily imbalances on its transmission network. For shippers who have subscribed capacity in the TIGF storage facilities, nominations may be corrected after the event in proportion to their subscribed storage capacity.

The Third Gas Directive provides that balancing rules shall be market based, that the transmission system operator is to provide sufficient, well-timed and reliable information on the balancing status of network users and that imbalance charges are to be cost-reflective to the extent possible, whilst providing appropriate incentives on network users to balance their input and off-take of gas. European regulators within ERGEG are currently working on a draft framework guideline on balancing.

As a result, TIGF expects to modify its balancing system once the guidelines are established, or earlier depending on the outcome of the ongoing "Concertation Gaz" gas consultation process with the CRE, GRTgaz and shippers in relation to improving the flexibility of French transport infrastructures. The costs of any such modification should be taken into account in the setting of future tariffs (see "Tariffs for using the gas transmission network", below).

(e) Code of best practice relating to third party access to the network

In accordance with Article L.111-22 of the French Energy Code, TIGF has established a code of best practice setting out its internal organisational measures designed to prevent discriminatory practices in relation to third party access to TIGF's transmission network.

The code of best practice applies to all TIGF personnel, without exception.

The rules of conduct set out in the code are aimed at protecting the confidentiality of information relating to users of the network, guaranteeing transparency of information, guaranteeing non-discriminatory treatment between network users and regulating the way in which contracts relating to third party access to the network are managed. TIGF reports annually to the CRE in relation to its implementation of the code.

(f) Public service obligations

Article L. 121-32 of the French Energy Code and the French governmental decree n° 2004-251 dated 19 March 2004 relating to public service obligations in the gas sector (the March 2004 Decree) provide that operators of gas transmission networks such as TIGF have a public service obligation to ensure service continuity in extreme weather conditions. Extreme weather conditions are defined as a winter as cold as it occurs statistically once every 50 years, or 3 consecutive days of temperatures as cold as occur statistically once every 50 years.

(g) TIGF's gas transmission clients

There are currently three types of clients for TIGF's transmission capabilities: shippers (representing EUR 179 million in sales in 2010), industrial clients and distribution network operators (representing EUR 8 million in sales in 2010) and a single transmission network operator (representing EUR 34 million in sales in 2010).

TIGF offers three types of services for its clients: a transport service, which generates variable capacity reservation fees, a connection service, which generates fixed annual service fees, and the provision of additional services, tailored to customer's needs, with specific fee structures.

Shippers typically subscribe for transmission capacity on the main network, at the entrance and exit points of the TIGF network, and at the entrance and exit points of TIGF storage facilities. The main network is designed to transport large volumes of gas over long distances, including in order to carry gas in transit to other networks. They also subscribe for capacity on the regional network at the exit point for consumption by industrial clients or towards other distribution network operators. The regional network is designed to transport smaller quantities of gas over shorter distances, primarily for regional users.

Shippers pay a capacity reservation fee that is not linked to the quantities of gas actually transported.

For a separate fee, shippers use the PEG "Point d'Echange Gaz" (Gas Exchange Point) or Powernext in order to trade gas quantities. The fee for this service is linked to the quantities of gas traded.

Industrial clients and distribution network operators use services linked to connections between their infrastructures and the TIGF network, such as pipe maintenance and pressure offer. A service fee is set annually and revalued on the basis of indexations or in the event that specific works are needed.

The single transmission network operator pays a fee for a gas transfer service – transferring gas from the South West of France for delivery to the North East of France. The fee is designed to remunerate TIGF for its investment in the Guyenne Artery (see "Infrastructure investments" below). The fee is set annually and is subject to indexation, according to the terms of a long term contract maturing in 2033.

(h) Tariffs for using the gas transmission network

Articles L. 452-1 and L. 452-3 of the French Energy Code provides that the CRE is to make tariff proposals in relation to the transmission of gas, for approval by the Ministers of Energy and the Economy. After the enactment of implementing regulations, which have not yet been published, the approval of the Ministers of Energy and the Economy will no longer be required. The CRE's proposals are to be made after consultation with industry participants, including TIGF.

Tariff proposals are to be made in accordance with criteria that are public, objective and non-discriminatory, taking into account the nature of the service rendered and the costs associated with the service. Costs to be taken into account include operating costs, research and development expenditures in relation to the safety of the network and the quality of gas at entrance and exit points of the network, as well as costs of extending the network and of fulfilling the network operator's public service obligations.

French governmental decree n° 2005-607 of 27 May 2005 (Decree n° 2005-607) provides that tariffs are to be set for each network operator, such as TIGF, as a function of all of the relevant operator's operating and investment costs. Operating costs may include, in particular, expenses relating to the management and maintenance of the network, the costs of managing users' accounts, the costs of public service obligations in respect of the transmission network, research and development costs necessary to ensure the safety and operation of the network and costs relating to the extension of the network. Investment costs include amortisation of fixed costs and the cost of invested capital.

Tariffs are set for each balancing zone. They include a component for the use of the main network, a component for use of a regional network and a component for delivery. The component for the use of the main network is composed of a portion that is proportional to the capacities reserved at the entrance and exit points of the main network and a portion that is proportional to the delivery costs between balancing points of the network operator, and the interconnection costs with adjacent networks. The component for the use of a regional network is proportional to the capacity reserved on the relevant regional network, and is set as a function of the distance between the delivery point and the connection point with the main network, as well as of the particular characteristics and costs of the relevant regional network. The tariff for delivery of gas is composed of a fixed portion and a variable portion that is proportional to the capacity reserved.

The tariff framework currently applicable to the TIGF network was originally implemented in 2009, and was modified with effect from 1 April 2011. The current TIGF tariffs are to remain in effect until 1 April 2013.

The current framework recognises investments made by TIGF as forming part of its regulatory asset base (RAB) on 1 January of the year following their entry into service.

The remuneration of the RAB in real terms before tax is currently set at a base rate of 7.25% with an automatic 3% increase for 10 years for new investments that create additional transport capacity on the main network.

Assets under construction are currently remunerated at a rate of 4.6% annually in real terms.

The allowable income in respect of investments is determined as a function of the duration of economic depreciation, remuneration of the RAB in real terms before tax and reimbursement of TIGF's operating expenses approved by the CRE "at cost".

The duration of economic depreciation is currently set at 50 years for pipelines, 30 years for compressors, metering installations and delivery stations and 10 years for related installations.

The tariff structure includes a mechanism – the expenses and revenues clawback account (compte de régularisation des charges et produits or CRCP) - for adjusting discrepancies between forecasted and actual costs and revenues related to pre-defined items. The balance of this account is reconciled over a four-year period by reducing or increasing the revenues to be recovered through tariffs.

The tariff structure includes incentive mechanisms in relation to the environment, maintenance programmes, quality of relationships with shippers and the quality of allocations and volume information readings.

The tariff for the 2011-2012 period also includes a mechanism to incite TIGF to control its operating expenses, by allowing TIGF to conserve 50% of productivity gains made on the basis of controllable operating expenses. The other 50% are to be deducted from the expenses to be covered in the next tariff.

Pursuant to the deliberation of the CRE dated 28 October 2010 on the proposal to modify the tariffs for the use of natural gas networks (the ***October 2010 Tariff Deliberation***), TIGF's regulatory asset base (RAB) has been established at the following levels for the purposes of calculating tariffs for the 2011-2012 period:

€M	**2011**	**2012**
RAB as at 1 January/n	997.6	1,023.2
Investments (*)	52.4	150.7
Depreciation	-43.8	-46.8
Revaluation[1]	17.0	21.9
RAB as at 31 December/n	1,023.2	1,149.0

*Investments taken into account in the RAB

[1] Inflation recorded in 2009 : +0.06% and inflation assumptions used for the two transmission system operators (2011 budget proposal) : +1.5% for 2010 and +1.75% for 2012.

For the purposes of calculating tariffs for the 2011-2012 period, capital expenditures are deemed to include the financial return on, and the depreciation of, the RAB, as well as the return on fixed assets under construction. Pursuant to the October 2010 Tariff deliberation, the CRE has calculated capital expenses (revenue coming from capital and amortisation) for TIGF as follows:

€M	2011	2012	Average
Capital expenses	128.0	135.5	131.7

Pursuant to the October 2010 Tariff Deliberation, TIGF's operating expenses for the purposes of calculating tariffs for the 2011-2012 period were defined on the basis of all of the operating costs necessary for the operation of TIGF's transport network, as communicated to the CRE and as they appear in TIGF's accounts, subject to certain adjustments by the CRE. Forecasts of other sources of income received separately from the tariff for the use of the transport network are deducted from operating expenses for the purposes of determining net operating expenses to be covered by the tariff. Net operating expenses for the purposes of the tariff for the 2011-2012 period have been determined by the CRE as follows:

€M	2011	2012	Average
Gross operating expenses	89.6	94.8	92.2
Operating income	38.0	38.5	38.2
Net operating expenses	**51.6**	**56.4**	**54.0**

Total authorised revenues (equal to capital expenses plus net operating expenses minus the CRCP balance) for TIGF have been set at the following levels for the 2011-2012 period pursuant to the October 2010 Tariff Deliberation:

€M	2011	2012	Average
Capital expenses	128.0	135.5	131.7
Net operating expenses	51.6	56.4	54.0
CRCP	-18.3	-18.3	-18.3
Total authorised revenue	**161.3**	**173.6**	**167.4**

(i) Technical standards for the gas transmission network

Pursuant to governmental decree n° 2004-555 of 15 June 2004, operators of gas transmission networks such as TIGF must establish technical standards for their network, which must be complied with by gas suppliers and shippers.

The technical standards set by network operators must ensure network inter-operability and not result in any discrimination in terms of access. The purpose of the technical standards is to ensure public safety, the protection of the environment and the operational safety of the network.

The technical standards relate to the design and construction specifications of the pipelines (materials, diameter, length, maximum pressure); the features of connection works (materials, mode of assembly, safety equipment); characteristics of metering equipment; required characteristics of natural gas at entry and connection points; operating, monitoring and maintenance conditions; and intervention procedures.

TIGF publishes its current technical standards on its website.

(j) Infrastructure investments

TIGF has contributed to the diversification of the supply of gas in the TIGF zone by developing input capacities from GRTgaz and from Spain, as well as by developing gas transmission capacities commensurate with the development of storage possibilities.

At a national level, the reinforcement of the Guyenne Artery has improved gas flows in the South of France, due to the increased capacity available to shippers at the interface between the TIGF and GRTgaz south zones. The Guyenne Artery represented an investment of 273 million euros.

At the European level, TIGF has developed interconnections with Enagas and Naturgas in Spain, which allows the transmission of gas from the south of Europe via Spain to the Northern European markets.

The Third Gas Directive gave new powers to national regulatory authorities such as the CRE regarding the monitoring of investments. In particular, gas transmission network operators are required to submit to national regulatory authorities a ten-year network development plan based on existing and forecast supply and demand. The plan is to indicate the main transmission infrastructures that should be built or upgraded over the next ten years, identify new investments which will have to be executed in the next three years and provide a time frame for each investment project.

At the European level, the European Network of Transmission System Operators for Gas (ENTSOG) is to define a non-binding Community-wide ten-year network development plan every two years, after a consultation process with stakeholders. The Agency for the Cooperation of Energy Regulators (ACER) is to provide an opinion on the plan and monitor its implementation, after checking its consistency with national plans.

At a national level, national regulatory authorities are to organise a public consultation on network operators' ten-year network development plans and publish the synthesis of the consultation. National regulators are also to examine the consistency with the European ten-year network development plan published by ENTSOG and, if any doubt arises, consult ACER. They may also require network operators to amend their plan.

TIGF's most recent ten-year plan, published in March 2011 and covering the period from 2010 to 2019, provides for investments totalling EUR 386 million for its transmission business for the five year period from 2010 to 2015, including the development of the Béarn pipeline (EUR 104 million), intended to increase transport capacity between France and Spain, which was launched in 2010; the Girland pipeline and compressor project (EUR 145 million), which will improve fluidity within the network zone; and the Euskadour pipeline project (EUR 130 million), which will further increase cross-border transport capacity to and from Spain through the Biriatou interconnection point.

The CRE noted in a deliberation dated 31 March 2011 that the most recent ten-year development plans of TIGF and the other French gas transmission network operator are consistent with the most recent ten-year plan published by ENTSOG. Pursuant to Article L. 431-6-II of the French Energy Code, French network operators must also prepare and submit for approval to the CRE an annual investment programme, which sets out the investments to be made over the coming year in furtherance of the ten-year plan. TIGF's most recent annual investment programme, for 2011, was approved by a decision of the CRE dated 16 December 2010. TIGF's approved investment programme for 2011 has a total budget of EUR 96.4 million, of which EUR 36.8 milllion was budgeted for the development of TIGF's main network – primarily for work on the Béarn and Guyenne pipeline projects. The budget for security and network renewal amounted to EUR 33 million. Other budgeted items include regional network investments, information systems and building expenses.

Consultations and decisions on investment plans can be made through, among other things, an “open season” process. The main projects that feature in TIGF’s current ten-year plan result from open seasons involving cooperation between Spanish and French regulators and neighbouring transport system operators. Open seasons are a transparent market test that allow a project sponsor to guage how much infrastructure the market wants. Open season procedures generally consist of a two-step process starting with an open assessment of market demand and a subsequent phase of capacity allocation. The open season for capacities in 2013, for example, resulted in the decision to develop the Larrau interconnection point and the Béarn pipeline project. The open season for capacities in 2015 resulted in the decision to develop interconnection capacity at Biriatou and the related Euskadour pipeline project.

(k) Maintenance and safety

General

As a result of GSO’s long history of management and extension of its physical transmission network, TIGF benefits from highly-developed skills in engineering, infrastructure management, intervention, safety and maintenance. TIGF has also implemented a Culture Based Safety (CBS) initiative in order to reduce the risk of workplace accidents.

Pipeline safety procedures

The multifluid order dated 4 August 2006 (the Multifluid Order) establishes mandatory pipeline safety measures. TIGF commenced Multifluid Order implementation measures in 2010, consisting of increased land and air surveillance of the network, improved pipeline inspection methods, and organising preventive maintenance of compressor stations and other ancillary network infrastructure.

TIGF has also stepped up efforts to improve safety in areas immediately surrounding its pipelines, in particular by engaging in public awareness campaigns and monitoring and reporting unregistered works and other unauthorised activities in proximity to pipelines.

Emergency responsiveness

The Russian-Ukrainian gas crisis that began on 5 January 2009, during a period of extreme cold weather, made such exceptional demands on TIGF's natural gas transportation and storage capacities that a new gas extraction record was set on 8 January. However, TIGF was able to demonstrate its ability to comply with its commitments by responding promptly and appropriately to consumer needs.

Further, in the wake of the Russian-Ukrainian gas crisis, the Klaus storm, which hit the South-West on 24 and 25 January 2009, tested TIGF's responsiveness and ability to maintain good relations with local towns in a difficult context.

In both cases, network operation and maintenance work continued, despite a very high level of transport and storage activity, and despite the large number of works and commissioning operations taking place at the facilities.

Insurance

TIGF has third party liability and property damage insurance coverage, except with respect to underground pipelines, which are not covered by property damage insurance. The policies are contracted with first rank insurers .The amounts insured depend on the risks defined in risk evaluations regularly performed. Other insurance contracts are in place in addition to property damage and third party liability coverage, mainly for car fleet, transportation and construction works when necessary.

1.3 Gas storage

(a) General

TIGF operates two underground natural gas storage sites in South West France, one at Izaute and the other at Lussagnet. TIGF's storage sites can store up to 5.7 Gm3 of natural gas, which TIGF estimates, based on publicly available information, represents 21% of France's natural gas storage capacity. TIGF is the only operator of storage facilities in its network zone.

Natural gas storage helps compensate for seasonal and other fluctuations in demand and thereby helps avoid overinvestment in natural gas transmission infrastructure. Energy consumption patterns are closely correlated with climatic variations, and change considerably from one period of the year to another.

Consumption during a winter month can be as much as five times higher than during a summer month. A daily peak in demand can be as much as four times higher than the yearly average and as much as twelve times higher than the low point.

To mitigate the effects of fluctuations in demand, gas can be introduced into the storage facilities in the summer when demand is generally lower, and withdrawn in the winter, when demand is higher.

Natural gas storage also enables suppliers of natural gas to comply with their regulatory obligation to secure distribution to end users. Furthermore, it ensures a source of supply for natural gas combined cycle plants, and facilitates arbitrage.

Underground storage facilities are subject to mining law and can only be operated under a concession that determines the scope and the geological formations to which it applies. The holders of underground gas storage licenses must operate them in a manner compatible with the safe and effective functioning of the interconnected natural gas networks.

TIGF has two main storage service offers: the balanced service and the dynamic service. The dynamic service offers greater withdrawal and injection capacity, and carries a higher tariff. The balanced service is designed to cover the needs of arbitrage, whereas the dynamic service is designed to enable shippers to comply with their storage obligations, as they need the higher withdrawal rate offered by the dynamic service in order to match peak season demand. The technical characteristics of the balanced and dynamic service offers are described in greater detail below.

(b) Geological background

The Lussagnet storage site was commissioned at the same time as the Lacq field in 1957. It was originally intended to regulate the natural gas production activities of the Lacq plant. Its capacity has increased fourfold since it was created. The Izaute storage facility was commissioned in 1982 in response to an increase in the demand for natural gas in France and Europe.

The geological origins of the Lussagnet and Izaute sites date back forty million years. Erosion of the Massif Central resulted in deposits of different geological layers that make up the substratum of the sites. The sands of each site enclose an aquifer extending under the whole of South West France, from the Pyrenees to the north of the Bordeaux region and the foothills of the Massif Central. The emergence of the Pyrenees then created folds. The storage sites use the sandy layer of two of these folds. The layer is formed from molasse, plastic clay and calcium beds that are over 500 metres thick, and is completely airtight. The Lussagnet and Izaute storage facilities are located at a depth of between 500 and 900 metres.

(c) Operation of TIGF's storage facilities

Gas is transported to TIGF's storage facilities from production sites, from where it is routed by pipeline, and from several LNG producing facilities in different worldwide locations, via the methane terminals at Fos and the Midi Artery. During the summer the gas is compressed and then injected through wells into the underground reservoir. It then displaces the water contained in the sand in the storage facility. To meet the increase in demand in winter, the gas is withdrawn via the same wells. The water displaced on injection then naturally takes its place in the sand. Once on the surface and compressed, the gas undergoes various processes to meet the specifications of the distribution circuits: dehydration, desulphurisation where applicable, decompression then odorisation.

Before being distributed to the network, the gas is continuously analysed. Numerous parameters are assessed every ten minutes to ensure the continuous quality of the product delivered to the end user. The Izaute storage facility is linked to Lussagnet by a pipeline that is 600 mm in diameter and 10 km long. The surface facilities of both storage units are managed and controlled from a central control room at the Lussagnet site.

(d) Public service obligation

Pursuant to Article L. 121-32 of the French Energy Code and Articles 17 and 18 of the March 2004 Decree, TIGF has a public service obligation, which consists, in particular, of (i) an obligation to inform operators of gas transmission networks on a daily basis of its available storage capacity so as to permit network operators to enter into contracts if necessary in order to achieve instantaneous balancing in their networks and (ii) an obligation to give at least two months' notice to shippers and network operators with which they are connected of any works or maintenance operations on their facilities which could limit or interrupt injections and withdrawals of gas.

(e) Third party access to storage

Articles L. 451-2 and L. 421-8 to 421-14 of the French Energy Code set out the principle of third party access to gas storage (accès des tiers au stockage or ATS), by providing, in particular, that gas stocks are intended to ensure, in priority, the normal operation and balancing of networks connected to underground storage facilities, the direct or indirect satisfaction of clients' needs and compliance with the public service obligations referred to in Article L. 121-32 of the French Energy Code. Furthermore, the conditions of access to storage capacity, and in particular the price, are to be negotiated in a transparent and non-discriminatory fashion.

The guaranteed access rights and related obligations of shippers are further detailed in French governmental decree n°2006-1034 dated 21 August 2006 (the August 2006 Decree).

The August 2006 Decree provides that gas stocks are intended to ensure, in priority, the normal operation and balancing of networks connected to underground storage facilities. Remaining stocks are to be allocated to shippers for the purposes, among other things, of satisfying their clients' needs in a regulated order or priority, and ensuring compliance with their public service obligations.

The August 2006 Decree provides that each shipper must determine the consumption profile of each of its end consumers. Unitary storage rights for each consumption profile are to be determined in accordance with a methodology set out in a ministerial order. Each shipper's unitary storage rights are equal to the sum of the unitary storage rights of its end consumers. Each shipper may make an application to a storage facility operator such as TIGF for storage capacity in a quantity which may be less than, equal to or greater than its unitary storage rights, but allocations of capacity must be made so as to ensure that each shipper is able to meet its end consumers' needs.

Shippers must make an annual declaration to the Minister of Energy each year to the effect that their gas stored will be sufficient to enable them to meet their public service obligations. On 1 November of each year, each shipper must hold gas in storage in an amount at least 85% of the storage rights of their end customers.

All storage contracts and protocols must be submitted both to the CRE and to the French climate and energy authority (the DGEC). Furthermore, TIGF's rules in relation to the allocation of storage capacity are required to be submitted to the DGEC. The CRE has the power to intervene in any dispute in relation to allocation of storage capacity. Storage facility operators must also publish their available storage capacity and the levels of their stocks on a weekly basis.

(f) Gas storage tariffs

TIGF sells storage units (called "bundle units") combining volume, injection capacity and withdrawals from gas storage facilities under two different service offers: the balanced service and the dynamic service.

A bundle unit is defined by a storage unit capacity (SUC) expressed in kWh, a unit of daily nominal withdrawal capacity (UDNDC) expressed in kWh/day and a unit of daily nominal injection capacity (UDNIC) expressed in kWh/day.

The technical characteristics of the balanced service and the dynamic service as at the date of this Prospectus are set out in the table below:

	Balanced Service	Dynamic Service
Volume (SUC)	10,000 kWh	10,000 kWh
Withdrawal (UDNDC)	88 kWh/per day	192 kWh/per day
Injection (UDNIC)	90 kWh/per day	100 kWh/per day
Tariff 2011	34.00 €	60.50 €

The use of storage may also be invoiced on a variable basis, at a current cost of 0.17 euros per MWh for injection and 0.27 euros/MWh for withdrawal.

In 2010, subscription for bundle units (subscription revenue) represented 88% of turnover, injections and withdrawals from storage facilities (variable revenue) represented 7% of turnover and internal subscription by TIGF's natural gas transmission division represented 5% of turnover.

The following table shows the evolution of tariffs, the subscription rate and storage capacity over the period from 2006 to 2011:

		April 1st 2006	April 1st 2007	Var.	April 1st 2008	Var.	April 1st 2009	Var.	April 1st 2010	Var.	April 1st 2011	Var.
Capacity volume		27,356	27,760	1%	27,760	0%	28,925	4%	29,439	2%	29,973	2%
Sales	Balanced service	1,555,600	1,555,600		1,555,600		1,560,889		1,528,004		1,419,100	
(nb bundles)	Dynamic service	1,180,000	1,220,400		1,220,400		1,331,615		1,415,871		1,451,250	
Sold volume (GWh)		27,356	27,760	1%	27,760	0%	28,925	4%	29,439	2%	28,704	-2%
Subscription rate		100%	100%		100%		100%		100%		96%	
Number of customers		8	8		8		10		11		11	
Unit price	Balanced service	27.50	29.15	6%	30.90	6%	32.50	5%	33.10	2%	34.00	3%
	Dynamic service	49.50	52.50	6%	55.65	6%	58.50	5%	59.60	2%	60.50	2%
	Withdrawal (€/MWh)	0.25	0.25	0%	0.26	4%	0.26	0%	0.26	0%	0.27	4%
	Injection (€/MWh)	0.15	0.15	0%	0.16	7%	0.16	0%	0.16	0%	0.17	6%

The significant variations in tariffs over the 2007-2009 period was due to the need to finance the development of new storage capacities.

TIGF revises its tariffs every year taking into account previous tariffs, TIGF's profitability objectives and competitive positioning. TIGF's tariff revisions are not subject to prior regulatory approval.

In addition to its standard service offers, TIGF sells its surplus storage capacity through tender offers with a floor price at the tariff level.

(g) Clients

TIGF has 11 shipping clients for its storage business as of the date of this Prospectus.

11 TWh of storage capacity (approximately 37% of TIGF's total capacity) are used to cover regulatory storage obligations related to gas consumption in the TIGF geographic zone, as described under "Third party access to storage" above.

Shipping clients are not obliged to use TIGF's storage capacity to cover their regulatory obligations related to TIGF's geographic zone; however, the subscription of local storage capacity is generally the most economical solution for them, in part because of the additional transportation costs that would be incurred if they were to use storage facilities outside the TIGF zone.

Approximately a further 45% of TIGF's total storage capacity is reserved pursuant to a long-term contract. The remaining term to maturity of that contract is approximately 10 years. TIGF is currently considering its options for when the contract comes to maturity.

(h) Investments and development

A prefectural order signed in August 2009 authorised an annual increase of 100 Mm3 in the total volume permitted to be stored at Lussagnet over a ten year period. Additional development work at Lussagnet (including the doubling of the Izaute-Lussagnet pipeline) was completed and the new facilities were put into operation. All of the additional capacity was sold, despite the economic climate in 2010 being unfavourable to storage services. TIGF intends to increase capacities in Lussagnet from 2.4 billion m3 to 3.5 billion m3 over the next ten years by increasing the quantities of gas that can be injected from 20 million m3 per day to 35 million m3 per day, through re-dimensioning of its equipment. Storage capital expenditures amounted to EUR 35 million in 2010 and EUR 47 million in 2009. Storage capital expenditures are expected to remain in the range of EUR 20 million to EUR 45 million per year in the short term.

1.4 Organisation

TIGF is divided into five divisions:

- the operations division, in charge of the operation, maintenance and construction of facilities and purchasing;
- the commercial development division, in charge of pricing, marketing and development of infrastructure;
- the health, safety, environment, and quality control division, also in charge of sustainable development, health and safety;
- the general secretariat, in charge of human resources, legal communication matters and the secretariat of the board;
- the finance and information system division, in charge of (i) accounting, management and cash flow control and economic affairs and (ii) operation, maintenance and development of information systems, industrial and commercial information technology.

1.5 Environmental and safety policies

(a) Sustainable development

TIGF has set itself the target of providing and developing natural gas transportation and storage services across Europe in a manner that adheres to principles of sustainable development. TIGF's sustainable development policy includes the following objectives:

- achieving levels of reliability and safety that match the highest standards of the profession;
- developing gas infrastructure so as to increase transport capacity;
- developing centres of expertise to provide its customers with know-how in the fields of safety, the environment and quality compliance;
- maintaining ISO 14001 certification across all of its storage sites and obtaining ISO 14001 certification for its network;
- maintaining ISO 9001 certification for its odorisation of delivered gas;
- maintaining level 7 status on the International Safety Rating System; and
- maintaining a safety management system in compliance with Directive 96/82/EC (as amended), known as "Seveso II", for its underground storage facilities, which are "high-threshold" Seveso sites. Seveso II aims to control major-accident hazards involving dangerous substances.

(b) Commitment to water-related problems

TIGF is committed to improving the management of aqueous waste at its Lussagnet and Izaute storage sites. Part of this waste comes from the production water, which is treated internally through a biological process that channels it into an aeration tank and then a settling tank. Some of the waste comes from cooling tower purging operations. Physico-chemical analyses are performed every two weeks by an approved laboratory. A study on the optimisation of the water treatment plant is in progress. Its aim is to improve the functioning of the settling tank and the ultrafiltration unit already in place.

In 2009, TIGF implemented a programme for the study and reduction of hazardous waste substances in water, which involves the regular monitoring of substances identified in aqueous waste.

(c) Health and Safety

Storage facilities

TIGF's underground storage facilities are classified as "Seveso II high threshold". Accordingly, TIGF has developed a safety management system (SMS) intended to prevent the occurrence of major disasters. Hazard studies that have been carried out in order to identify accident scenarios, based on which TIGF has set up an Internal Operation Plan (IOP) for each storage facility, and a Special Intervention Plan (SIP) for Lussagnet.

A network of surveillance wells serves to monitor the aquifer in which the storage sites sit. In addition to water quality checks carried out twice a year by approved laboratories, the Regional Directorate of Industry, Research and the Environment (DRIRE) in turn performs regular audits of TIGF's two storage zones.

1.6 Additional regulatory background

The first European Directive (Directive 98/30/EC) concerning common rules for the internal market in natural gas (the First Gas Directive) came into force on 10 August 2000. The First Gas Directive established common rules regarding the storage, transmission, supply and distribution of natural gas. The aim of the First Gas Directive was to promote full, fair competition in the market, while maintaining a structural framework favourable to the funding of large international natural gas and liquified natural gas projects.

This First Gas Directive set out the following principles:

- *The legal separation of transmission - storage businesses from supply and distribution businesses*. The principle of separation brought an end to integrated business models that had combined transmission, storage and supply of natural gas within a single company. The First Gas Directive created a regulated economic environment in which natural gas transmission and storage businesses are required, among other things, to grant access to their networks and facilities to all gas suppliers on a transparent basis.

- *Third party access to networks (accès des tiers aux réseaux or **ATR**) and third party access to storage (accès des tiers aux stockage or **ATS**).* Access conditions, including pricing conditions, must be non-discriminatory and are subject to approval by the CRE. In particular, the CRE sets natural gas transmission tariffs, which define the duration and method of depreciation of infrastructure and the return on assets beyond their financial depreciation period;

- *The gradual opening up of the energy markets, with the possibility in the long term for end-users to choose their gas supplier*. This possibility was limited, in the First Gas Directive, to industrial customers with consumption of more than 25 Mm^3 of gas per year, representing 20% of the French market.

- *Creation of an independent supervisory authority in France.* The CRE is responsible for monitoring and enforcing compliance by market participants with the laws and regulations applicable to the energy markets. The CRE also intervenes in any disputes that may arise between participants in the markets.

- *Strict confidentiality of data*. Operators of gas transmission networks and storage facilities are required to preserve the confidentiality of commercially sensitive information obtained in the context of their business with gas suppliers. Transmission network operators are not permitted to abuse commercially sensitive information in the context of providing or negotiating access to their systems.

Following transitional arrangements, the First Gas Directive was implemented in France through the enactment of French law n° 2003-8 dated 3 January 2003.

The First Gas Directive was replaced by European Directive 2003/55/EC (the Second Gas Directive) on 26 June 2003.

The Second Gas Directive was intended to accelerate the process of liberalisation of the gas markets with a view to achieving a fully operational internal market. In particular, it provided for the separation of accounts between the activities of transport, storage, distribution and the sale of gas from 1 January 2004. Legal separation of gas transmission, storage and distribution activities had to take place by 1 July 2004, although combined operators were permitted subject to complying with a number of conditions intended to ensure their independence. The Second Gas Directive also set out a timetable for the liberalisation of the markets, with eligibility for non-domestic customers from 1 July 2004, and the complete liberalisation of the markets (including eligibility for individuals) by 1 July 2007.

The third European directive (Directive 2009/73/EC) concerning common rules for the internal market in natural gas (the Third Gas Directive) was adopted on 25 June 2009 by the European Council and was published in the European Union's Official Journal on 14 August 2009. It was implemented into French law by ordinance n° 2011-504 dated 9 May 2011, which enacts the legislative section of the French Energy Code, and is to take full effect in France by no later than 3 March 2012.

The Third Gas Directive generally seeks to achieve greater transparency and independence of transmission system operators (ITOs) such as TIGF.

As a gas transmission network operator belonging to a vertically integrated group of companies, TIGF falls directly within the scope of the provisions of the Third Gas Directive in relation to ITOs. The Third Gas Directive sets out principles that will apply, among other things:

- to relations between TIGF and its parent company;

- to the corporate governance of TIGF;
- to the ethical conduct of TIGF’s directors, officers and employees; and
- to TIGF’s relationship with the CRE, particularly with regard to the planning of investments.

The steps taken by TIGF to comply with the requirements of an ITO are described under “Major Shareholders and Organisational Structure of the Issuer”, below.

2. Major Shareholders and Organisational Structure of the Issuer

TIGF is owned as to 99.99% by Total Gaz Electricité Holdings France S.A.S, an indirect, wholly-owned subsidiary of Total S.A., with the remainder held by directors of TIGF or employees of the Total group. Its share capital is €17,579,088 represented by 2,197,386 shares of par value €8 each as at 31 December 2010.

100% of the shares of Total Gaz Electricité Holdings France S.A.S. are held by Elf Aquitaine S.A., which is itself owned as to 99.99% by Total S.A. The remaining shares of Elf Aquitaine S.A. are held by board members and/or employees of the Total group.

Although the Issuer is controlled in the manner described above, the Issuer considers that there is no risk that such control be abused.

As TIGF is indirectly owned and controlled by Total S.A., it falls within the definition of a "vertically integrated undertaking" within the meaning of the Third Gas Directive, as implemented in France by ordinance N° 2011-504 dated 9 May 2011. Pursuant to the Third Gas Directive, operators of gas transmission networks such as TIGF must meet a certain number of requirements intended to ensure their independence from the vertically integrated undertaking of which they form a part (see "Description of the Issuer – Additional regulatory background").

In order to demonstrate its compliance with the requirements of the Third Gas Directive in respect of its gas transmission activities, TIGF delivered a certification file to the CRE on 6 June 2011. The CRE will have three months to analyse the file and must then deliver it to the European Commission along with its opinion. The file describes all the rules and procedures which TIGF has implemented or will implement in order to maintain the independence of its gas transmission activities from the vertically integrated undertaking. Those measures include having a board of eight (8) directors, three (3) of whom are independent; being the owner of all of the assets necessary for its gas transmission business; having its own communication service and not referring to the Total group in corporate communications; and having a code of best practice concerning access of third parties to the network, which TIGF has had since 2005.

TIGF is also taking steps to ensure that all personnel necessary for the activity of gas transmission, including the performance of all corporate tasks, are employed by TIGF and that it does not share its IT systems with the vertically integrated undertaking. In particular, as from 1 January 2011, any new personnel must be employees of TIGF and cannot be seconded from the Total group. On 1 January 2012 all secondees who wish to stay in their position will be required to have a TIGF contract. In addition, the representative labor unions of TIGF and TIGF's management signed a new collective agreement as well as a new profit-sharing agreement on 26 April 2011 on the basis of TIGF criteria. As to IT, most of TIGF's information systems are already independently operated by TIGF. Two additional systems are in the process of migration.

Furthermore, a compliance officer will be appointed by the board of directors of TIGF upon a proposal of the managing director and after approval by the CRE. The compliance officer will verify, among other things, compliance with the code of best practices.

TIGF intends to modify its by-laws (statuts) during the course of 2011 to the extent necessary in order to comply with the Third Gas Directive, as implemented in France.

3. Administrative, Management and Supervisory Bodies

TIGF is managed by a Board of Directors (Conseil d'adiministration), whose term of office is fixed at six years by the by-laws (statuts).

The Board of Directors must elect a Chairman who takes the title of Chairman of the Board of Directors. The Board has decided to separate the duties of Chairman and Managing Director (Directeur Général). As a result, the Board appoints the Managing Director. The Managing Director is vested with the widest powers to act under all circumstances in the name of the company. He/she must exercise his/her powers within the limits of the company's corporate objects and subject to the powers expressly conferred by law on shareholders in general meetings and on the Board of Directors.

The following table sets forth the names of the members of TIGF's Board of Directors, their current functions within TIGF and their principal business activities outside TIGF as at the date of this Prospectus:

Name	**Position**	**Principal business activities outside TIGF**
Bernard Clement	Chairman	*Directeur Infrastructures Gaz, Technique et Recherche & Développement de la Direction Gaz et Energies Nouvelles* of Total S.A.
Monique Delamare	Managing Director	None
Total Gaz Electricité Holdings France Permanently represented by: Bernadette Baudier	Director	*Directeur Finance, Ressources Humaines et Communication, Juridique de la Direction Gaz et Energies Nouvelles* of Total S.A.
Raymond Lejamtel	Director	*Responsable du département France - Direction Gaz et Energies Direction Infrastructures* of Total S.A.
Daniel Laure	Director	*Directeur Stratégie, Marchés, Informatique de la Direction Gaz et Energies Nouvelles* of Total S.A.
Marc Bertoneche	Independent Director	Professor (*Agrégé des facultés*)
François Lepine	Independent Director	Honorary regional prefect
François-Raymond Dumas	Independent Director	None

There are no potential conflicts of interest between any duties owed by the members of the Board of Directors to the Issuer and their private interests and/or other duties.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN TIGF STATUTORY ACCOUNTS AND IFRS

The non-consolidated annual financial statements of TIGF ("Annual Brochure Financial Statements") have been prepared and presented in accordance with the accounting principles described in the notes to the financial statements which comply with generally accepted accounting principles in France ("French GAAP") applicable to the statutory financial statements.

Significant differences exist between French GAAP and generally accepted international accounting standards ("IFRS") as adopted by the European Union that may be material to the financial information presented in the Prospectus.

Investors must rely on their own examination of TIGF and its financial information in making an investment decision. They should consult their own professional advisers for an understanding of the differences between French GAAP and IFRS, and how those differences might affect the financial information set forth in the Prospectus.

The following represents a narrative summary of certain differences between French GAAP, and IFRS applied to the TIGF Annual Brochure Financial Statements, following a limited analysis of both sets of principles. TIGF has not reconciled the Annual Brochure Financial Statements to IFRS nor does it undertake to identify all differences. Accordingly, there can be no assurance that these are the only differences in accounting principles that would impact amounts recorded in the Annual Brochure Financial Statements. The differences disclosed below relate to the significant differences that may impact amounts recorded in the Annual Brochure Financial Statements rather than differences in presentation or disclosure.

It should be noted that KPMG have not performed any audit, review or other procedures in respect of the differences described below.

First time adoption of IFRS

IFRS 1 - First time adoption of IFRS – contains all transitional requirements applicable on the first application of IFRS.

An entity adopting IFRS for the first time may elect to use a number of exemptions which are available from the general requirement for application of IFRS accounting policies in preparing its first IFRS financial statements and first IFRS opening balance sheet.

Leases

Under French GAAP, assets held under finance lease contracts are not capitalized and are accounted for as purchases of goods or services.

Under IFRS, lessees shall recognize finance leases as assets and liabilities in their statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Retirement obligation benefit

Under French GAAP, retirement and pensions obligations related to the employees can be disclosed as off balance sheet commitments for the portion which is not covered by insurance contracts. TIGF retirement obligations were entirely covered by insurance contracts at 31 December 2010.

Under IFRS, the cost of an employee's pension is recognized over that employee's service period. A liability is recognized if net period pension costs charges to income exceed amounts the employer has contributed to the pension plan and an asset if net period pension costs charged to income are less than amounts the employer has contributed to the pension plan.

Accounting for financial instruments, derivatives and hedging activities

Financial loans and liabilities

Under French GAAP, liabilities and loans are initially recorded at face value. Directly attributable transaction costs premiums and discounts are recognized separately and amortized linearly to the income statement. Interest expense is recognized based on the contractual interest rate.

Under IFRS, liabilities and loans are initially measured at fair value less directly attributable transaction costs. The effective tax rate method should be used to recognize interest expense or income.

Derivative financial instruments

Under French GAAP, derivative financial instruments used for hedging purposes are not recorded but disclosed in the notes as off balance sheet items.

Under IFRS derivative financial instruments are recognized on a company's balance sheet at their fair values. Movements between fair values between financial reporting periods are recognized in the income statement. For hedging relationships that qualify for hedge accounting, portion of the movements shall be recognized in other comprehensive income.

Deferred taxation

Under French GAAP, no deferred tax is generally recognized.

Under IFRS, deferred tax liability shall be generally recognized for all taxable temporary differences and deferred tax assets for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets and liabilities are not recognized for a limited number of exceptions.

One taxable temporary difference which would result in a deferred tax liability for TIGF would be related to the fact that depreciation used in determining taxable income is accelerated from that used in determining accounting profit. The temporary difference would be the difference between the carrying amount of the asset and its tax base.

CRCP - Rate regulated activities

TIGF’s transportation activity is a rate regulated activity.

Rate regulation is a restriction in the setting of prices that can be charged to customers for services or products. Generally, it is imposed by regulatory bodies or governments when an entity has a monopoly or a dominant market position that gives it excessive market power.

The CRCP is a non-accounting fiduciary account which is funded at regular intervals by all or some of the cost or revenue differences recognized on pre-defined terms. The balance of this account is discharged by a decrease or increase in the revenue to be recovered through tariffs periods.

Under French GAAP, no asset or liability arising from the effects of price regulation is recognized in the financial statements.

Under IFRS, discussion are in progress to determine whether IFRSs should be amended to require certain regulated entities to recognize assets or liabilities arising from the effects of price regulation and/ or to require specific disclosures that help financial statement users to understand the regulatory environment in which the entity operates. At present time, no IFRS standard has been issued yet.

FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

TIGF

ANNUAL BROCHURE

FINANCIAL STATEMENTS

……………………………………………….

FISCAL 2010

Pages

BALANCE SHEET

In €

	ASSETS	Gross	Amortization, depreciation, provisions	At end of 12/10	At end of 12/09
NON-CURRENT ASSETS	**INTANGIBLE. ASSETS* 1**	**31,482,114**	**11,738,050**	**19,744,064**	**14,790,458**
	Concessions, Patents and similar rights	23,957,768	11,069,561	12,888,207	7,662,297
	Other intangible assets	668,489	668,489		
	Intangible assets in progress	6,855,857		6,855,857	7,128,161
	PROPERTY, PLANT, EQUIPMENT* 2	**1,889,565,585**	**572,411,741**	**1,317,153,844**	**1,265,970,155**
	Land	13,940,718	4,545,962	9,394,756	9,627,295
	Buildings	46,056,119	13,965,516	32,090,603	32,148,798
	Technical facilities	1,741,835,036	551,998,083	1,189,836,953	1,164,440,272
	Other property, plant and equipment	5,402,733	1,902,180	3,500,553	2,374,038
	Assets in progress	82,235,996		82,235,996	56,943,552
	Advances and installments	94,983		94,983	436,200
	FINANCIAL ASSETS (1) * 3	**1,079,188**		**1,079,188**	**1,086,092**
	Equity interests	979,578		979,578	947,578
	Loans				37,947
	Other long-term financial assets	99,610		99,610	100,567
	NON-CURRENT ASSETS	**1,922,126,887**	**584,149,791**	**1,337,977,096**	**1,281,846,705**
CURRENT ASSETS	**INVENTORIES * 5**	**20,845,930**	**636,497**	**20,209,433**	**20,732,025**
	Raw materials, supplies	20,361,656	636,497	19,725,159	20,113,748
	Production of goods in progress	484,274		484,274	618,277
	ADVANCES AND INSTALLMENTS	**116,243**		**116,243**	**475,980**
	RECEIVABLES (2) * 6	**115,498,173**	**9,741,932**	**105,756,241**	**137,261,099**
	Trade receivables	48,663,047	9,741,932	38,921,115	38,693,686
	Other receivables	66,835,126		66,835,126	98,567,413
	OTHER	**22,531,945**		**22,531,945**	**213,235**
	Marketable Securities				
	Cash and cash equivalents	22,531,945		22,531,945	213,235
	CURRENT ASSETS	**158,992,291**	**10,378,429**	**148,613,862**	**158,682,339**
ACCRUALS AND DEFERRALS	Prepaid expenses (2) *7	862,520		862,520	1,229,106
	Current translation adjustment asset				
	TOTAL ASSETS	**2,081,981,698**	**594,528,220**	**1,487,453,478**	**1,441,758,150**

(1) less than one year
(2) more than one year

In €

	LIABILITIES	At end of 12/10	At end of 12/09
SHAREHOLDERS' EQUITY	Capital stock or individual capital	17,579,088	17,579,088
	Additional paid-in capital	45,538,644	45,538,644
	Revaluation variance	150,045	150,045
	Legal reserve	1,757,909	1,757,909
	Statutory or contractual reserves	130,918	130,918
	Other reserves	129,555	129,555
	Retained earnings	458,854,374	346,747,582
	Income (loss) for the period	**113,967,000**	**112,106,792**
	Investment subsidies * 9	31,026,087	13,726,323
	Regulated provisions	55,568,633	33,159,672
	SHAREHOLDERS' EQUITY * 8	**724,702,253**	**571,026,528**
PROVISION	Provisions for risks	1,263,090	93,090
	Provisions for contingencies	213,000	190,000
	PROVISIONS FOR RISKS AND CONTINGENCIES * 10	**1,476,090**	**283,090**
DEBTS	Convertible bonds		
	Other bonds		
	Borrowings and debt with credit institutions * 11		386,909
	Other borrowing and financial debt	569,253,826	618,339,726
	Advances and installments received on current orders	301,226	
	Trade payables	66,941,654	46,182,166
	Fiscal and social liabilities	70,325,961	120,567,116
	Debts on non-current assets and related accounts		
	Other liabilities	1,122	30,802
ACCRUALS AND DEFERRALS	Prepaid income	54,451,346	84,941,813
	Currency translation adjustment liabilities		
	DEBTS* 11 (1)	**761,275,135**	**870,448,532**
	TOTAL LIABILITIES	**1,487,453,478**	**1,441,758,150**
	(1) less than one year 203,901,229		
	(1) more than one year 557,373,906		
	(2) inc. cash		

INCOME STATEMENT

In €

INCOME STATEMENT	France	Export	At end of 12/10	At end of 12/09
Production of goods sold	153,296		153,296	598,497
Production of services sold	385,581,006		385,581,006	351,486,655
REVENUES	**385,734,302**		**385,734,302**	**352,085,152**
Production in inventory			(435,229)	(455,375)
Production capitalized			105,980,621	122,738,230
Operating subsidies			2,600	1,800
Reversals on amortization, depreciation and provisions, transfers of expenses			5,796,438	1,557,329
Other income			36	(27)
TOTAL OPERATING INCOME * 12			**497,078,768**	**475,927,109**
Purchases of raw materials & other supplies (including customs duties)			10,656,749	8,249,934
Change in inventory (raw materials and supplies)			381,388	(6,555,348)
Other external purchases and expenses			203,090,814	207,004,027
Income and others taxes			9,754,573	14,641,713
Wages and salaries			15,996,103	12,415,638
Social Security contributions			8,375,417	6,791,875
Operating amortization and depreciation on assets			66,748,997	58,525,211
Operating provisions on current assets			6,437,043	3,256,263
Operating provisions on risks and contingencies			1,193,000	27,000
Other operating expenses			2,039,415	1,631,280
TOTAL OPERATING EXPENSES * 13			**324,673,499**	**305,987,593**
1 – OPERATING INCOME			**172,405,269**	**169,939,516**
Financial income from equity interests			8,000	32,658
Income from other securities and receivables from non-current assets				
Other interest and related income			369,464	802,497
Positive foreign exchange differences			74	2,342
Net income on sales of marketable securities				
TOTAL FINANCIAL INCOME			**377,538**	**837,497**
Interest and related expenses			6,914,052	11,979,445
Negative foreign exchange differences			3,224	452
TOTAL FINANCIAL EXPENSES			**6,917,276**	**11,979,897**
2 – FINANCIAL INCOME * 14			**(6,539,738)**	**(11,142,400)**
3 – CURRENT INCOME BEFORE TAXES			**165,865,531**	**158,797,116**

In €

INCOME STATEMENT	**At end of 12/10**	**At end of 12/09**
Non-recurring income on management transactions	109,613	1,478
Non-recurring income on capital transactions	30,827,241	30,785,210
Reversals on provisions and transfers of expenses	579,546	337,746
TOTAL NON-RECURRENT INCOME * 15	**31,516,400**	**31,124,434**
Non-recurring expenses on management transactions	39,705	13,705
Non-recurring expenses on capital transactions	167,616	218,336
Non-recurring amortization, depreciation and provisions	22,988,541	19,399,846
TOTAL NON-RECURRING EXPENSES * 16	**23,195,862**	**19,631,887**
4 – NON-RECURRING INCOME	**8,320,538**	**11,492,547**
Employee profit-sharing	104,569	118,130
Income tax * 16	60,114,500	58,064,741
TOTAL INCOME	**528,972,706**	**507,889,040**
TOTAL EXPENSES	**415,005,706**	**395,782,248**
5 – PROFIT OR LOSS	**113,967,000**	**112,106,792**
OPERATING INCOME (LOSS)	**172,405,269**	**169,939,516**
JOINT OPERATIONS		
FINANCIAL INCOME (LOSS)	**(6,539,738)**	**(11,142,400)**
NON-RECURRING INCOME (LOSS)	**8,320,538**	**11,492,547**
PROFIT SHARING AND CORPORATE TAX	**(60,219,069)**	**(58,182,871)**
PROFIT OR LOSS	**113,967,000**	**112,106,792**

NOTES

IN

ANNUAL FINANCIAL STATEMENTS OF 2010

The total balance sheet for the year ended December 31, 2010 before distribution was €1,487,453,478 and the income statement shows a profit of €113,967,000.

The year is twelve months running from January 1 to December 31.

The notes and tables below are an integral part of the annual financial statements established on March 18, 2011 by the Board of Directors.

I – ACCOUNTING PRINCIPLES

General information

The financial statements have been prepared in accordance with French Generally Accepted Accounting Principles for the individual accounts.

The Income Statement, Balance Sheet and Notes prudently give a fair representation of the company's business and financial situation.

Accounting methods

Non-current assets

Tangible and intangible assets are booked at the acquisition or production cost, including related expenses.

Any investment expenses is systematically expensed.
At the end of each month, an asset production item neutralizes the expense in the Income Statement (account 722000) with an asset in progress contra account.

As decommissioning costs cannot be valued precisely, they are not capitalized

Inventories

All TIGF inventories are valued using the weighted average cost method.

II – NOTES TO THE BALANCE SHEET - ASSETS

The change in the amortization periods made in 2008 created a difference between the fiscal and corporate periods, and therefore generated the recognition of tax allowances (Amount end of 2010 = 55,568 thousand euros)

1 – INTANGIBLE ASSETS

Software and patents acquired or created by the company are recorded in the intangible assets account; these items are amortized over the probable useful life (maximum 5 years).
The account also includes transit rights in third-party networks.

Amortization for the depreciation of intangible assets is calculated using the straight-line method over the following periods:

PATENTS	5 years
SOFTWARE	5 years
TRANSIT RIGHTS	10 years

2 – PROPERTY, PLANT AND EQUIPMENT

2-a – Gross values

Property, plant and equipment are carried at the acquisition or production costs, with the exception of certain plots of land acquired before December 31, 1976 which has been revalued.

2-b – Depreciation

Pursuant to CRC 2002-10, the assets are depreciated on the basis of the life of the assets.

This approach by component leads to straight-line amortization with the periods for depreciation:

	Corporate period	Fiscal period
IT EQUIPMENT	5 years	3 years
EQUIPMENT AND TOOLS	10 years	5 years
TRANSPORT EQUIPMENT	10 years	5 years
OFFICE EQUIPMENT	10 years	5 years
TELECOM EQUIPMENT	10 years	5 years
LAND IMPROVEMENTS	10 years	10 years
GEN. INSTALL. IMPROVEMTS	10 years	10 years
OTHER OPER. FACILITIES	10 years	10 years
FAC. IMPROVMENTS ON UNOWNED LAND	10 years	10 years
OFFICE FURNISHINGS	10 years	10 years
METERING STATIONS	30 years	15 years

COMPRESSION ST - SECT. CONNECTION	30 years	15 years
BUILDINGS	25 years	25 years
BUILDINGS ON UNOWNED LAND	25 years	25 years
UNDERGROUND WELLS	25 years	25 years
CUSHION GAS	25 years	25 years
MAIN PIPELINES	50 years	25 years
CONNECTION	50 years	25 years

2-c – Assets in progress

Assets in progress are valued at production cost, which includes of equipment and external expenses (subcontracting).
Since 2010, non-current assets include a share of the personnel expenses of TIGF (repayment by percentage of personnel expenses for personnel sections on investment projects)
The amount of the capitalization of personnel expenses in 2010 is 9,442 thousand euros.

3 – FINANCIAL ASSETS

Financial assets can be analyzed as follows:

- Equity interests 979,578 euros

11,742 Powernext shares 899,578 and 800 Declaranet shares for 80,000 euros

- Deposits and securities 99,610 euros

Maturities

The breakdown of financial assets by maturity is as follows:

TOTAL	Indefinite Maturity	Maturity less than 1 year	Maturity 1 to 5 years	Maturity + 5 years
99,610	-			99,610

4 – TOTAL NON-CURRENT ASSETS

Amount of asset production 2010:	123,825	thousand euros
Amount of commissioning in 2010:	98,805	thousand euros
Amount of assets in progress in 2010:	89,092	thousand euros

Principal commissioning in 2010

Storage

Cushion gas	3,882	thousand euros
New Lussagnet fire network	12,075	thousand euros
Izaute Events center	4,481	thousand euros
Lussagnet power grid reliability	2,348	thousand euros
Start of Gascogne EP compliance work	1,512	thousand euros
Compliance of Lussagnet tanks	1,240	thousand euros
Lussagnet compression station	838	thousand euros
Emergency shutdown isolated Izaute wells	1,870	thousand euros

Transport Network

Renovation of Guyenne artery	1,525	thousand euros
Lacal reversibility	1,871	thousand euros

Regional network

Préchac Landiras pipeline reinforcement	16,345	thousand euros
Libourne pipeline, withdrawal from urban zone	6,352	thousand euros
Despartins to Parempuyre pipeline	1,211	thousand euros
Ambès Bassens aboveground DN200 Pipeline	1,544	thousand euros
Sector modernization St Martory	1,969	thousand euros
Sector modernization Boussens	1,008	thousand euros
Sector modernization Montgaillard	1,217	thousand euros
Sector modernization Mazerolles	1,289	thousand euros
Sector modernization Mondavezan	931	thousand euros

Metering stations	5,256	thousand euros
Software	7,727	thousand euros

(OGIC, Vision, …)

Principal work in progress, end of 2010:

Software	6,855	thousand euros
Buildings – Cugnaux site	2,888	thousand euros
Pipelines (inc. Bearn artery: 20,425 thousand euros, Girland: 15,748 thousand euros)	42,375	thousand euros
Metering stations	1,774	thousand euros
Compressions stations	6,667	thousand euros
Other facilities (inc. modif. Lussagnet flaring events: 6,178 thousand euros)	13,439	thousand euros
Technical facilities	8,222	thousand euros

Scrap 2010

Analysis conducted with the technical entities resulted in the removal of 130 lines of asset sheet for a gross value of 3,143 thousand euros.

These lines are fully amortized.

(4.a) I - Fixed assets table on 31/12/2010

Sections		Situations & flows	Situation beginning of the year	Increase	Decrease		Situation at year end
					Transfer	Others	
Intangible assets			**24,135,765**	**15,334,782**	**0**	**7,988,433**	**31,482,114**
Concessions, Patents and similar rights			*16,339,115*	*7,803,543*	*0*	*184,890*	*23,957,768*
Other intangible assets			*668,489*	*0*	*0*	*0*	*668,489*
Intangible assets in progress			*7,128,161*	*7,531,239*	*0*	*7,803,543*	*6,855,857*
Property, plant, equipment assets			**1,776,781,077**	**206,954,333**	**209,971**	**93,959,855**	**1,889,565,584**
Land			*13,409,769*	*532,381*	*1,433*	*0*	*13,940,717*
		of which revaluation	*150,045*	*0*	*0*	*0*	*150,045*
Buildings	*Own ground*		*28,377,056*	*1,047,497*	*0*	*0*	*29,424,553*
	Ground of others		*19,818*	*0*	*0*	*0*	*19,818*
	General installations		*15,276,981*	*1,498,936*	*0*	*164,169*	*16,611,748*
Technical facilities			*1,658,467,391*	*86,073,122*	*208,538*	*2,496,938*	*1,741,835,037*
Others Tangible Assets	*General installations*		*91,142*	*24,705*	*0*	*0*	*115,847*
	Transportation equipement		*177*	*0*	*0*	*0*	*177*
	Office, computing equipments		*3,758,991*	*1,824,912*	*0*	*297,195*	*5,286,708*
Assets in progress			*56,943,552*	*116,293,997*	*0*	*91,001,553*	*82,235,996*
Advances and installments			*436,200*	*-341,217*	*0*	*0*	*94,983*
Financial assets			**1,086,092**	**70,212**		**77,116**	**1,079,188**
Total			**1,802,002,934**	**222,359,327**	**209,971**	**102,025,404**	**1,922,126,886**

(4.b) II - Depreciation table on 31/12/2010

Situations & flows / Sections		Situation beginning of the year	Increase	Decrease: Transfer	Decrease: Others	Situation at year end
Intangible assets		**9,345,307**	**2,577,634**	**0**	**184,890**	**11,738,051**
Concessions, Patents and similar rights		*8,676,818*	*2,577,634*	*0*	*184,890*	*11,069,562*
Other intangible assets		*668,489*	*0*	*0*	*0*	*668,489*
Property, plant, equipment assets		**510,810,923**	**64,601,441**	**42,354**	**2,958,269**	**572,411,742**
Land		*3,782,474*	*763,487*	*0*	*0*	*4,545,962*
	of which revaluation	*6,525,316*	*1,034,853*	*0*	*0*	*7,560,169*
Buildings	*Own ground*	*16,979*	*793*	*0*	*0*	*17,772*
Buildings	*Ground of others*	*4,982,762*	*1,568,970*	*0*	*164,156*	*6,387,576*
Buildings	*General installations*	*494,027,119*	*60,510,253*	*42,354*	*2,496,935*	*551,998,083*
Technical facilities		*7,667*	*9,229*	*0*	*0*	*16,896*
Others	*General installations*	*177*	*0*	*0*	*0*	*177*
Tangible	*Transportation equipement*	*1,468,429*	*713,856*	*0*	*297,178*	*1,885,107*
Assets	*Office, computing equipments*					*0*
Financial assets		**0**	**0**	**0**	**0**	**0**
Total		**520,156,230**	**67,179,075**	**42,354**	**3,143,159**	**584,149,793**

5 – INVENTORIES AND WORK IN PROGRESS

5-a – Method

Gas inventories are valued using the weighted average cost method.

Inventories of consumable equipment and supplies are valued using the weighted average cost method.

The cost for the entry of item in inventory includes the real incidental costs of purchase (excluding transport).

The provision for depreciation of the inventory of equipment and supplies is funded on the basis of a detailed analysis of each article.
The last movement date of the article is compared to the closing date. The difference obtained allows the calculation of a number of years which determines the provision percentage.

Number of years	percentage
- of 5 years	0 %
5 to 6 years	5 %
6 to 7 years	10 %
7 to 8 years	20 %
8 to 9 years	40 %

9 to 10 years	60 %
10 to 11 years	80 %
+ 11 years	100 %

Work in progress is valued at production cost which includes equipment expenses, the external expenses (subcontracting)

5-b – Securities

	Natural gas Gross	Equipment	
		Gross	Provision
01/01/2010	6,941,481	13,801,564	629,297
Change	(3,089,668)	2,708,279	7,200
31/12/2010	3,851,813	16,509,843	636,497

6 - RECEIVABLES

- Receivables represented by commercial paper: None

- Receivables relating to affiliates:

15,686,650 euros (including income not yet invoiced:15,586,815 euros)

- Income receivable related to receivable items primarily represents revenues from storage capacity and gas transport allocated in December 2010, but which not be billed until January 2011.

- Provisions for impairment of receivables represent an assessment on a case-by-case basis of the risk incurred. The receivables in question represent clients who are the subject of litigation or pre-litigation legal proceedings (provisional administration – court-order settlement – creditors' agreement – liquidation of assets).

- At the end of December 2010, decision to show only a single VAT position a receivable of 839 thousand euros.

Statement of maturities at year end:

Receivables	Balance	Maturity		
		up to one year	1 to 5 years	+ 5 years
Advances & installments paid	116,243	116,243		
Trade receivables				

Doubtful or disputed clients	11,896,403	11,896,403		
Other trade receivables	3,325,312	3,325,312		
Income receivable	33,441,332	33,441,332		
Other receivables				
Amounts due to and from employees	22,373	22,373		
Social Security organizations				
State and Local Authorities	58,598,984	58,598,984		
Group and affiliates	56,674	56,674		
Other debtors	5,051	5,051		
Income receivable				
- Personnel				
- Social security organizations	4,344	4,344		
- State and Local Authorities	7,922,972	7,922,972		
- Other Debtors	224,729	224,729		
	115,614,417	115,614,417		

7 – PREPAID EXPENSES

Prepaid expenses (862 thousand euros) related to operations; they reflect the following:

- invoices for equipment not yet received.
- rent paid in advance.
- insurance premiums paid in advance.
- royalties and transit expenses paid in advance.
- subscriptions and fees paid in advance.
- IT maintenance services paid in advance.

III – NOTES TO THE BALANCE SHEET - LIABILITIES

8 – SHAREHOLDERS' EQUITY

The capital is composed of 2,197,386 shares with a par value of €8
The 2009 income was allocated to retained earnings

	Situation as at 01/01/2010	Change 2010	Situation as at 31/12/2010
Number of shares	2,197,386		2,197,386
Share par value	8		8
Capital stock or individual capital	17,579,088		17,579,088
Additional paid-in capital	45,538,644		45,538,644
Revaluation discrepancies	150,045		150,045
Legal reserve	1,757,909		1,757,909
Statutory or contractual reserves	130,918		130,918
Other reserves	129,555		129,555
Retained earnings	346,747,582	112,106,792	458,854,374
Income for 2009	112,106,792	(112,106,792)	0
Income for 2010	0	113,967,000	113,967,000
Investment subsidies	13,726,323	17,299,764	31,026,087
Regulated provisions (*)	33,159,672	22,408,961	55,568,633
Total	**571,026,528**	**153,675,725**	**724,702,253**

(*) Special amortization and depreciation

9 – INVESTMENT SUBSIDIES

Two types of investment subsidies are recognized:
- Investment subsidies defined contractually which correspond to equity interests financial participation of clients in the costs of the work to build trunks, pipelines, etc.
- Investment subsidies paid by the European Community:

In 2010, payment of 2 subsidies from the European Community as subsidy outstanding:
15,000 thousand euros for the "Bearn Artery" project and 1,080 thousand euros - "Lacal Reversibility" project

These payments are recognized as income based on the rate of amortization of the corresponding assets and reduce the allocation for the year.

Gross Amounts	Situation beginning of the year	Movements 2010		Situation at year end
		Increase	Decrease	
On main pipelines	3,277,503			3,277,503
On secondary pipelines	9,456,748	2,055,469	126,900	11,385,317
On underground wells	1,500,000			1,500,000
On other assets	772,523			772,523
Total	15,006,774	2,055,469	126,900	16,935,343

Impairment	Situation beginning of the year	Movements 2010		Situation at year end
		Increase	Decrease	
On main pipelines	840,272	54,978		895,250
On secondary pipelines	1,189,549	312,729	12,126	1,490,152
On underground wells	230,301	60,000		290,301
On other assets	716,795	2,371		719,166
Total	2,976,917	430,078	12,126	3,394,869

Outstanding	Situation beginning of the year	Movements 2010		Situation at year end
		Increase	Decrease	
On main pipelines	169,410			169,410
On secondary pipelines	1,527,056	17,844,616	2,055,469	17,316,203
On underground wells				
On other assets				
Total	1,696,466	17,844,616	2,055,469	17,485,613

10 – PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions for risks and contingencies represent the following items:

Provisions for disputes	Situation beginning of the year	Movements 2010		Situation at year end
		Increase	Decrease	
Provision for dispute	93,090	1,170,000		1,263,090
Total	93,090	1,170,000		1,263,090

Provisions for contingencies	Situation beginning of the year	Movements 2010		Situation at year end
		Increase	Decrease	
Long-service awards	190,000	23,000		213,000
Total	190,000	23,000		213,000

Pension commitments for employees who have left the company on the closing date of the period or who benefit and will benefit from guaranteed allocations of resources stipulated by the internal regulations of the ELF Aquitaine Retirement Fund (CREA) total 13,905 thousand euros, a fund completely outsourced under an insurance contract intended to cover these commitments.

11 – DEBT

Statement of maturities at year end

Debt	Balance	Maturity			
		Indefinite	up to one year	1 to 5 years	+ 5 years
Advances and installments received	301,226		301,226		
Financial liabilities					
Borrowings and debt with credit institutions (1) Interest accrued					
Borrowings and other financial liabilities (2)	569,253,826	4,672,173	39,081,653	156,000,000	369,500,000

Operating liabilities					
Trade payables and related accounts	19,317,420		19,317,420		
Deferred expenses	47,624,234		47,624,234		
Fiscal and social liabilities	1,762,500		1,762,500		
Deferred expenses					
- Personnel	3,477,462		3,477,462		
- Social Security Organizations	1,117,158		1,117,158		
- State and Local Authorities	63,968,840		63,968,840		
Other liabilities	1,122		1,122		
Deferred expenses					
Prepaid income (3)	54,451,346		27,249,613	27,201,733	
	761,275,135	4,672,173	203,901,229	183,201,733	369,500,000

(1) Borrowings contracted during the period Borrowings repaid during the period 386,204

(2) Borrowings contracted with Total Treasury (affiliate company) Borrowings subscribed during the period Borrowings repaid during the period 39,000,000

(3) Inc. deferral of gain realized on network purchase 54,050,841

In agreement with the Tax Administration, the gain realized in 2002 at the time of the purchase of the licensed network was deferred over the amortization period of the corresponding assets.

This gain was recognized as prepaid income.

The net balance of the gain is as follows:

	GSO	TTGF	TIGF
Initial gain	326,495,480	14,861,996	341,357,476
Total amount booked as income in			
prior years	248,013,308	8,818,117	256,831,425
Amount booked as income during the period	29,286,250	1,188,960	30,475,210
Net balance	49,195,922	4,854,919	54,050,841

IV – NOTES TO THE INCOME STATEMENT

12 – OPERATING INCOME

- **Revenues**

The company's revenues were 385,734,302 euros

They consist primarily of:

- sales of gas transmission capacities	179,394,585
- sales of gas storage capacities	143,439,457
- interconnection revenue	33,598,116
- connection and interface revenue	7,752,090

- **Capitalized production**

The SALSA application recovers monthly all expense flows charged to investment OTP. This primarily represents external expenses (see operating expenses).

An entry is generated by OTP as follows:
Debit of a in progress account 23xxxx
Credit to the account 722000

- **Reversals on amort., deprec. and provisions, transfers of expenses**

Transfers of operating expenses record:

- reimbursements received from insurance companies on claims,
- reimbursement received from Social Security organizations (daily allowances) or training
- compensation charged the DDE, metropolitan community for the pipelines moved
- reinvoicing of the electricity contract to the Group

13 – OPERATING EXPENSES

Operating expenses (324,673 thousand euros) include operating expenses and investment expenses

Expenses for investments (123,825 thousand euros) are neutralized by the production of assets. These expenses are broken down as follows:

Change in inventory	732,711 euros
Other external purchases and expenses	118,349,191 euros
Income and others taxes	107,686 euros
Wages and salaries	2,353,587 euros
Social Security contributions	910,497 euros
Other operating expenses	30,432 euros
Non-recurring expenses/management operations	1,341,133 euros
	euros
Subsidies	(17,844,616) euros

- **Operating allocations to amortization and depreciations**

Amortization and depreciation (66,749 thousand euros) take into account the value of the amortization and depreciation assets of the company, minus the amortization of the investment subsidies.

14 – FINANCIAL INCOME

In 2010, the financial loss was €-6.5 m (versus €-11.1 m in 2009). This decline is the result of the 0.7 point drop in the Euribor rate on an average Group debt of €575 m. The TIGF debt at the end of 2010 was €564.5 m (€603 m at year-end 2009)

15 – NON-RECURRING INCOME

- **Non-recurring income on capital transactions**

This primarily represents the deferral of the gain realized on the purchase of our transmission network (€30,475,210) and the income from the sale of long-term securities (€237,257)

16 – NON-RECURRING EXPENSES

Non-recurring expenses primarily represent:
- the tax allowances (€22,988,507)
- the book value of the assets sold (€167,616)

17 – INCOME TAX

Calculation of the provision of income tax

1.– Book profit for the period		**174,081,500**
2.– Reintegrations		**2,107,942**
- 2010 profit-sharing	104,569	
- Provisions for paid leave 2010	1,062,183	
- CVAE 2010 provisions	187,000	
- Tax on company cars	53,573	
- 2010 solidarity social security tax	599,139	
- Penalties & fines	8,049	
- Attendance fees	10,913	
- Corporate giving	53,776	
- Excess amortization and depreciation (art.39-4 of the Gen. Tax Code)	28,740	
3. – Deductions		**1,335,051**
- Provisions for paid leave 2009	658,463	
- CSS 2009	558,458	
- 2009 profit-sharing	118,130	
4. – Taxable income **1 + 2 - 3**		**174,854,391**
5.– Income tax 33.33% 4		58,284,796

6.– Flat allowance			763,000	
7.– Social tax/profits	Base: (5)-(6)		57,521,796	
	3.30%	7		1,898,219
8.– Research tax credit				72,143
9.– Charitable giving credit				32,265
	Total Tax	**5 + 7 - 8**		**60,078,607**

Deferred tax receivables and liabilities

There are increases and reduction in the future tax liability coming from differences in the time between the tax treatment and the accounting treatment of income or expenses.

Differences	Receivables
Expenses temporarily not deductible	
1.– to be deducted in the following year:	
- Provisions for paid leave 2010	1,062,183
- 2010 profit-sharing	104,569
- 2010 solidarity social security tax	599,139
- CVAE 2010 provisions	187,000
TOTAL	**1,952,891**
Future tax receivables (34.43% of the total above) not recognized	672,380

Note: the company, pursuant to the recommendation of the Total Group, has opted to maintain the earlier rules for the tax treatments of provisions for paid leave days (deferred deductibility).

V – OTHER INFORMATION

Employees* by category	12/31/2009	12/31/2010
- MANAGERS	40	73
- OETAM	177	210
Total number of employees	**217**	**283**

*Employees with open-ended contracts

Tax consolidation and integration

The company's accounts are consolidated within the Total group by full consolidation.
TIGF is part of the tax consolidation group led by Total SA, and determines its tax as if it were taxed separately

Commitments given

- Elf Aquitaine Retirement Fund	13,905 thousand euros
inc. covered by insurance contract:	15,029 thousand euros

(discount rate used at 12/31/2010 for retirement commitment = 4.25%)

> Recognition of a retirement asset 1,124 thousand euros

- Retirement benefits	2,134 thousand euros
inc. covered by insurance contract:	1,664 thousand euros
- Personnel posted	634 thousand euros

CO2 quotas

The company recognizes CO2 emissions rights as follows:

Free quotas are booked at zero value

Any difference between available quotas and the obligations to return at maturity are provisioned for their market value

Commitments received

- client bank bonds	10,557 thousand euros
- supplier bank bonds	13,369 thousand euros

Individual training rights

Law 2004-391 of May 4, 2004 concerning professional training gives

employees with a private indefinite employment contract,
an individual right to training from 20 hours minimum per year to a total of 120 hours over a period of six years.
At the end of this six-year period, and if it has not been used in whole or in part, the individual right to training is capped at 120 hours.
Pursuant to Opinion 2004 F of the Emergency Committee on the recognition of the individual right to training, TIGF does not provision any right in this area.
As at December 31, 2010, the rights vested by employees totaled 21,874 hours."

2010 directors' fees

Directors' fees allocated to Board members in 2010 amounted to €23,808

VI – CRCP NOTES

The CRCP is a non-accounting fiduciary account which is funded at regular intervals by all or some of the cost or revenue differences recognized on pre-defined items. The balance of this account is discharged by a decrease or increase in the revenues to be recovered through tariffs during the following tariff periods In order to ensure the financial neutrality of the mechanism, an interest rate is applied to the account balance.

For this rate proposal, the expense and revenue items which are subject to this mechanisms are:

- the revenues related to transmission on the transmission network.
    - Based on the implementation of the system of standardized subscriptions to the transmission capacities in the PITD, the revenue related to transmission on the transmission downstream network (exit from the main network, regional network and delivery) is covered in its entirety by the CRCP.
    - This is also true for the revenue at the level of entries and removals from storage.
    - The revenue from transmission on the upstream transmission network (other points of the main network) is covered as follows:
        - 50% by the CRCP for a difference between actual and projection less than or equal to +/- 10% of the revenue expected;
        - 100% by the CRCP for a difference between actual and projection greater than +/- 10% of the revenue projected;
- the capital expenses paid by the GRT.
    - The amount covered by the CRCP is the difference between the assumption about capital expenses included in the revenue to be recovered through the tariff and the amount of the capital expenses calculated ex-post on the basis of the data realized in investments, removals of assets from the BAR and inflation;
- drive energy expenses (gas and electricity) of the GRT. These expenses are covered as follows:
    - 80% by the CRCP for a difference between actual and projection less than or equal to +/- 20% of the expenses projected;
    - 100% by the CRCP for a difference between actual and projected greater than +/- 20% of the expenses projected;
- the income from connection of the combined-cycle gas plants.

The difference between the revenue generated over the 2007-2008 period and the amount deducted from the operating expenses will be record in its entirety in the balance of the CRCP.

As applicable, the application of the CRCP will include controls on the effective and prudent nature of the expenses incurred. This controls will be performed in particular on the investments made by the GRT and on the energy expenses they pay.

In addition, the results of the audits conducted by the CRE will be systematically included in the CRCP.

The principal operating rules for the CRCP are as follows:

- for each of the eligible items, the differences reported in the CRCP is calculated on the basis of a comparison between the projections and the actuals for each of the two years of the tariff period;

- an interest rate equal to the base BAR remuneration rate is applied annually to the corrected amounts;

- the balance of the corrected amounts which is identified at the end of a tariff period is reconciled over the following tariff period by a "constant annuity" type amortization";

- when, at the time of the review of the differences to be corrected at the end of a tariff period, the definitive amount of certain differences is not known with certainty, a "first-tier" correction is made on the basis of the best estimate available at that time, a "second tier" correction is made at the time of the following tariff revision on the basis of the definitive values.

The scope of the elements eligible for the correct mechanism and the procedures used to make the corrections reflect the state of the economic environment and of the regulatory system at the time the tariffs are established. These elements can change at the time of subsequent tariff revisions.

Pursuant to the tariff rules in force, these amounts will be reconciled over a period of four years with constant annuities.

The discount rate of the CRCP used in the ATRT4 tariff, which is 4.2%, will be applied annually.

The balance of the CRCP to be taken into account for the 2011-2012 period for TIGF is €-18.3m/year. It is composed of:
- the annuity related to the final balance sheet for the year 2007 and the estimated balance sheet for 2008, which is €-5.5 m, announced in the CRE tariff proposal of July 10, 2008;
- the annuity related to the final balance sheet for 2008, €-1.3 m;
- the annuity related to the final balance sheet for 2009 and the estimated balance sheet for 2010, which is €-11.5 m.

TIGF

ANNUAL BROCHURE
FINANCIAL STATEMENTS

FISCAL 2009

CONTENTS

	ASSETS	Gross	Amortization, depreciation, provisions	At end of 12/09	At end of 12/08
NON-CURRENT ASSETS	**INTANGIBLE. ASSETS* 1**	**24,135,765**	**9,345,307**	**14,790,458**	**9,682,054**
	Concessions, Patents and similar rights	16,339,115	8,676,818	7,662,297	5,501,092
	Other intangible assets	7,796,650	668,489	7,128,161	4,180,962
	PROPERTY, PLANT, EQUIPMENT* 2	**1,776,781,077**	**510,810,922**	**1,265,970,155**	**1,208,264,942**
	Land	13,409,769	3,782,474	9,627,295	9,275,806
	Buildings	43,673,855	11,525,057	32,148,798	22,570,291
	Technical facilities	1,658,467,391	494,027,119	1,164,440,272	991,766,007
	Other property, plant and equipment	3,850,310	1,476,272	2,374,038	1,764,368
	Assets in progress	56,943,552		56,943,552	180,446,068
	Advances and installments	436,200		436,200	2,442,402
	INTANGIBLE. FINANCIAL ASSETS (1) * 3	**1,086,092**		**1,086,092**	**1,203,216**
	Equity interests	947,578		979,578	947,578
	Loans	37,947		37,947	156,270
	Other long-term financial assets	100,567		100,567	99,368
	NON-CURRENT ASSETS * 4	**1,802,002,934**	**520,156,229**	**1,281,846,705**	**1,219,150,212**
CURRENT ASSETS	**INVENTORIES * 5**	**21,361,322**	**629,297**	**20,732,025**	**22,342,288**
	Raw materials, supplies	20,743,045	629,297	20,113,748	13,699,415
	Production of goods in progress	618,277		618,277	8,642,873
	ADVANCES AND INSTALLMENTS	**475,980**		**475,980**	**906,144**
	RECEIVABLES (2) * 6	**140,636,897**	**3,375,798**	**137,261,099**	**148,997,855**
	Trade receivables	42,069,484	3,375,798	38,693,686	38,086,229
	Other receivables	98,567,413		98,567,413	110,911,626
	OTHER	**213,235**		**213,235**	**616,167**
	Marketable Securities				
	Cash and cash equivalents	213,235		213,235	616,167
	CURRENT ASSETS	**162,687,434**	**4,005,095**	**158,682,339**	**172,862,454**
ACCRUALS AND DEFERRALS	Prepaid expenses (2) *7	1,229,106		1,229,106	2,237,195
	Current translation adjustment asset				
	TOTAL ASSETS	**1,965,919,474**	**524,161,324**	**1,441,758,150**	**1,394,249,861**
	(1) less than one year	37,947			
	(2) more than one year				

In €

	LIABILITIES	At end of 12/09	At end of 12/08
SHAREHOLDERS' EQUITY	Capital stock or individual capital	17,579,088	17,579,088
	Additional paid-in capital	45,538,644	45,538,644
	Revaluation variance	150,045	150,045
	Legal reserve	1,757,909	1,757,909
	Statutory or contractual reserves	130,918	130,918
	Regulated reserves		
	Other reserves	129,555	129,555
	Retained earnings	346,747,582	268,479,264
	Income (loss) for the period	**112,106,792**	**78,268,319**
	Investment subsidies * 9	13,726,323	12,894,873
	Regulated provisions	33,159,672	14,103,883
	SHAREHOLDERS' EQUITY * 8	**571,026,528**	**439,032,498**
PROVISION	Provisions for risks	93,090	93,090
	Provisions for contingencies	190,000	163,000
	PROVISIONS FOR RISKS AND CONTINGENCIES * 10	**283,090**	**256,090**
DEBTS	Convertible bonds		
	Other bonds		
	Borrowings and debt with credit institutions * 13	386,909	988,648
	Other borrowing and financial debt (2)	618,339,726	653,319,268
	Advances and installments received on current orders		7,569,222
	Trade payables	46,182,166	73,041,229
	Fiscal and social liabilities	120,567,116	104,626,265
	Debts on non-current assets and related accounts		
	Other liabilities (2)	30,802	4,754
ACCRUALS AND DEFERRALS	Prepaid income	84,941,813	115,411,887
	Currency translation adjustment liabilities		
	DEBTS* 11 (1)	**870,448,532**	**954,961,273**
	TOTAL LIABILITIES	**1,441,758,150**	**1,394,249,861**

(1) less than one year	247,633,683
(1) more than one year	622,814,849
(2) inc. cash	10,592,365

In €

INCOME STATEMENT	France	Export	At end of 12/09	At end of 12/08
Sales of merchandise				
Production of goods sold	598,497		598,497	
Production of services sold	351,486,655		351,486,655	305,059,440
REVENUES	**352,085,152**		**352,085,152**	**305,059,440**
Production in inventory			(455,375)	594,353
Production capitalized			122,738,230	205,797,701
Operating subsidies			1,800	
Reversals on amortization, depreciation and provisions, transfers of expenses			1,557,329	8,666,099
Other income			(27)	337,288
TOTAL OPERATING INCOME * 12			**475,927,109**	**520,454,881**
Purchases of raw materials & other supplies (including customs duties)			8,249,934	7,103,393
Change in inventory (raw materials and supplies)			(6,555,348)	(1,508,509)
Other external purchases and expenses			207,004,027	289,654,531
Income and others taxes			14,641,713	11,900,591
Wages and salaries			12,415,638	11,934,474
Social Security contributions			6,791,875	7,056,866
Operating amortization and depreciation on assets			58,525,211	49,445,008
Operating provisions on current assets			3,256,263	300,857
Operating provisions on risks and contingencies			27,000	
Other operating expenses			1,631,280	10,580,291
TOTAL OPERATING EXPENSES * 13			**305,987,593**	**386,467,502**
1 – OPERATING INCOME			**169,939,516**	**133,987,379**
Financial income from equity interests			32,658	
Income from other securities and receivables from non-current assets				
Other interest and related income			802,497	5,509,663
Positive foreign exchange differences			2,342	57,556
TOTAL FINANCIAL INCOME			**837,497**	**5,567,219**
Interest and related expenses			11,979,445	34,463,684
Negative foreign exchange differences			452	172
TOTAL FINANCIAL EXPENSES			**11,979,897**	**34,463,856**
2 – FINANCIAL INCOME * 14			**(11,142,400)**	**(28,896,637)**
3 – CURRENT INCOME BEFORE TAXES			**158,797,116**	**105,090,742**

In €

INCOME STATEMENT	At end of 12/09	At end of 12/08
Non-recurring income on management transactions	1,478	30,857
Non-recurring income on capital transactions	30,785,210	30,709,132
Reversals on provisions and transfers of expenses	337,746	
TOTAL NON-RECURRENT INCOME * 15	**31,124,434**	**30,739,989**
Non-recurring expenses on management transactions	13,705	486,382
Non-recurring expenses on capital transactions	218,336	493,244
Non-recurring amortization, depreciation and provisions	19,399,846	15,440,507
TOTAL NON-RECURRING EXPENSES * 16	**19,631,887**	**16,420,133**
4 – NON-RECURRING INCOME	**11,492,547**	**14,319,856**
Employee profit-sharing	118,130	189,276
Income tax * 16	58,064,741	40,953,004
TOTAL INCOME	**507,889,040**	**556,762,089**
TOTAL EXPENSES	**395,782,248**	**478,493,771**
5 – PROFIT OR LOSS	**112,106,792**	**78,268,318**
OPERATING INCOME (LOSS)	**169,939,516**	**133,987,379**
JOINT OPERATIONS		
FINANCIAL INCOME (LOSS)	**(11,142,400)**	**(28,896,637)**
NON-RECURRING INCOME (LOSS)	**11,492,547**	**14,319,856**
PROFIT SHARING AND CORPORATE TAX	**(58,182,871)**	**(41,142,280)**
PROFIT OR LOSS	**112,106,792**	**78,268,318**

NOTES

IN

ANNUAL FINANCIAL STATEMENTS OF 2009

The total balance sheet for the year ended December 31, 2009 before distribution was €1,441,758,150 and the income statement shows a profit of €112,106,792.

The year is twelve months running from January 1 to December 31.

The notes and tables below are an integral part of the annual financial statements established on March 24, 2010 by the Board of Directors.

I – ACCOUNTING PRINCIPLES

General information

The financial statements have been prepared in accordance with French Generally Accepted Accounting Principles for the individual accounts.

The Income Statement, Balance Sheet and Notes prudently give a fair representation of the company's business and financial situation.

Accounting methods

Non-current assets

Tangible and intangible assets are booked at the acquisition or production cost, including related expenses.

Any investment expenses is systematically expensed.
At the end of each month, an asset production item neutralizes the expense in the Income Statement (account 722000) with an asset in progress contra account.

Inventories

All TIGF inventories are valued using the weighted average cost method.

Presentation

The summary documents are presented in accordance with the basic system of the PCG 99, except for the liabilities which follow the presentation of the system developed.

II – NOTES TO THE BALANCE SHEET - ASSETS

The change in the amortization periods made in 2008 created a difference between the fiscal and corporate periods, and therefore generated the recognition of tax allowances (Amount end of 2009: 33,160 thousand euros)

1 – INTANGIBLE ASSETS

Software and patents acquired or created by the company are recorded in the intangible assets account; these items are amortized over the probable useful life (maximum 5 years).
The account also includes the transit rights in third-party networks.

Amortization for the depreciation of intangible assets is calculated using the straight-line method over the following periods (period amended in 2008):

PATENTS	5 years
SOFTWARE	5 years
TRANSIT RIGHTS	10 years

2 – PROPERTY, PLANT AND EQUIPMENT

2-a – Gross values

Property, plant and equipment are carried at the acquisition or production costs, with the exception of certain plots of land acquired before December 31, 1976 which has been revalued.

2-b – Depreciation

Pursuant to CRC 2002-10, the assets are depreciated on the basis of the life of the assets.

The component approach consists in using the straight-line depreciation approach with the following new depreciation periods periods below

IT EQUIPMENT	5 years
EQUIPMENT AND TOOLS	10 years
TRANSPORT EQUIPMENT	10 years
OFFICE EQUIPMENT	10 years
TELECOM EQUIPMENT	10 years
LAND IMPROVEMENTS	10 years
GEN. INSTALL. IMPROVEMTS	10 years
OTHER OPER. FACILITIES	10 years
FAC. IMPROVMENTS ON UNOWNED LAND	10 years
OFFICE FURNISHINGS	10 years
METERING STATIONS	30 years
COMPRESSION ST - SECT. CONNECTION	30 years
BUILDINGS	25 years
BUILDINGS ON UNOWNED LAND	25 years
UNDERGROUND WELLS	25 years
CUSHION GAS	25 years
MAIN PIPELINES	50 years
CONNECTION	50 years

2-c – Assets in progress

Assets in progress are valued at production cost, which includes of equipment and external expenses (subcontracting).
Fixed assets managed by Project and Major Project entities include payroll expenses of these entities

3 – FINANCIAL ASSETS

Financial assets can be broken down as follows:

- Equity interests 947,578 euros
  representing 11,742 Powernext shares for €899,578 and 480 Declaranet shares for €48,000

- Employee loans 37,947 euros

- Deposits & securities 100,567 euros

Loans are impaired, on a case by case basis, based on their prospect for payment.

Maturities

The breakdown of financial assets by maturity is as follows:

TOTAL	Indefinite Maturity	Maturity less than 1 year	Maturity 1 to 5 years	Maturity + 5 years
138,514	-	37,947		100,567

4 – TOTAL NON-CURRENT ASSETS

Amount of asset production 2010:	244,538	thousand euros

Principal commissionings in 2009

Storage

Well LUG 71	4,066	thousand euros
Well LUG 72	3,084	thousand euros
Puits LUG 73	4,620	thousand euros
Completion of well LUG-101	530	thousand euros
Cluster D (phase 1B)	4,620	thousand euros
Complement Gaz cushion	3,884	thousand euros
Close of link to Lussagnet storage site	1,476	thousand euros
Compliance TEG / Filtration pumping equipment	2,902	thousand euros
LDS220 separator	3,230	thousand euros
DN 600 Lussagnet Izaute	13,796	thousand euros
Lussagnet Izaute gas treatment technical facilities	8,219	thousand euros
Lussagnet Izaute water treatment technical facilities	2,669	thousand euros

Transport

Transport Network

Renovation of DN600 Lacq-Lussagnet	620	thousand euros
Bringing into compliance of metering odorization Armagnac Adour	3,501	thousand euros
Bringing into compliance of LIAS plcs	1,752	thousand euros

Compression Station

Sauveterre de Guyenne compression station	65,664	thousand euros
Sauveterre Guyenne compression station buildings and land development	4,193	thousand euros
Lussagnet compression station	82,791	thousand euros
Lussagnet compression station buildings and land development	6,461	thousand euros

Regional network

Modernization of Seilh North & South sector	2,107	thousand euros

Modernization of Lias sector	920	thousand euros
Captieux Est - Prechacq pipeline	1,197	thousand euros
Odorization of Lacq emission point	657	thousand euros

<u>Software</u>	3,843	thousand euros

<u>Scrap 2009</u>

Analysis conducted with the technical entities revealed from the asset 79 lines of the file for the amount of 3,226 thousand euros.

These lines are fully amortized.

<u>(4.a) I - Fixed assets table on 31/12/2009</u>

Sections	Situations & flows	Situation beginning of the year	Increase	Decrease: Transfer	Decrease: Others	Situation at year end
<u>Intangible assets</u>		**19,320,087**	**10,634,107**	**0**	**5,818,429**	**24,135,765**
Concessions, Patents and similar rights		*14,470,636*	*3,843,454*	*0*	*1,974,975*	*16,339,115*
Other intangible assets		*668,489*	*0*	*0*	*0*	*668,489*
Intangible assets in progress		*4,180,962*	*6,790,653*	*0*	*3,843,454*	*7,128,161*
<u>Property, plant, equipment assets</u>		**1,663,232,208**	**355,880,822**	**378,692**	**241,953,259**	**1,776,781,079**
Land		*12,312,856*	*1,096,913*	*0*	*0*	*13,409,769*
	of which revaluation	*150,045*	*0*	*0*	*0*	*150,045*
Buildings	*Own ground*	*18,197,243*	*10,179,813*	*0*	*0*	*28,377,056*
Buildings	*Ground of others*	*19,818*	*0*	*0*	*0*	*19,818*
Buildings	*General installations*	*14,276,773*	*1,704,687*	*0*	*704,479*	*15,276,981*
Technical facilities		*1,432,223,240*	*226,629,958*	*378,692*	*7,114*	*1,658,467,392*
Others Tangible Assets	*General installations*	*75,745*	*15,397*	*0*	*0*	*91,142*
Others Tangible Assets	*Transportation equipement*	*177*	*0*	*0*	*0*	*177*
Others Tangible Assets	*Office, computing equipments*	*3,237,885*	*1,068,003*	*0*	*546,896*	*3,758,992*
Assets in progress		*180,446,069*	*117,192,253*	*0*	*240,694,770*	*56,943,552*
Advances and installments		*2,442,402*	*-2,006,202*	*0*	*0*	*436,200*
<u>Financial assets</u>		**1,203,216**	**40,231**		**157,355**	**1,086,092**
Total		**1,683,755,511**	**366,555,160**	**378,692**	**247,929,043**	**1,802,002,936**

(4.b) II - Depreciation table on 31/12/2009

Situations & flows / Sections		Situation beginning of the year	Increase	Decrease		Situation at year end
				Transfer	Others	
Intangible assets		**9,638,033**	**1,682,249**	**0**	**1,974,975**	**9,345,307**
Concessions, Patents and similar rights		*8,969,544*	*1,682,249*	*0*	*1,974,975*	*8,676,818*
Other intangible assets		*668,489*	*0*	*0*	*0*	*668,489*
Property, plant, equipment assets		**454,967,267**	**57,256,188**	**160,355**	**1,252,178**	**510,810,922**
Land		*3,037,051*	*745,423*	*0*	*0*	*3,782,474*
	of which revaluation	*5,693,441*	*831,875*	*0*	*0*	*6,525,316*
Buildings	*Own ground*	*16,186*	*793*	*0*	*0*	*16,979*
Buildings	*Ground of others*	*4,213,918*	*1,473,270*	*0*	*704,426*	*4,982,762*
Buildings	*General installations*	*440,457,233*	*53,731,097*	*160,355*	*856*	*494,027,119*
Technical facilities		*21*	*7,646*	*0*	*0*	*7,667*
Others	*General installations*	*177*	*0*	*0*	*0*	*177*
Tangible	*Transportation equipement*	*1,549,240*	*466,084*	*0*	*546,896*	*1,468,428*
Assets	*Office, computing equipments*					*0*
Financial assets		**0**	**0**	**0**	**0**	**0**
Total		**464,605,300**	**58,938,437**	**160,355**	**3,227,153**	**520,156,229**

5– INVENTORIES AND WORK IN PROGRESS

5-a – Method

Gas inventories are valued using the weighted average cost method.

Inventories of consumable equipment and supplies are valued using the weighted average cost method.

The cost for the entry of item in inventory includes the real incidental costs of purchase (excluding transport).

The provision for depreciation of the inventory of equipment and supplies is funded on the basis of a detailed analysis of each article.

The last movement date of the article is compared to the closing date. The difference obtained allows the calculation of a number of years which determines the provision percentage.

Number of years	percentage
- of 5 years	0%
5 to 6 years	5%
6 to 7 years	10%
7 to 8 years	20%
8 to 9 years	40%
9 to 10 years	60%
10 to 11 years	80%
+ 11 years	100%

Work in progress is valued at production cost which includes equipment expenses, the external expenses (subcontracting)

5-b – Securities

	Natural gas	Equipment		Service in progress
	Gross	Gross	Provision	service
01/01/2009	4,958,268	9,229,429	488,282	8,642,873
Change	1,983,213	4,572,135	141,015	(8,024,596)
31/12/2009	6,941,481	13,801,564	629,297	618,277

6 – RECEIVABLES

- Receivables represented by commercial paper: None
- Receivables relating to associates 15,553,291 euros (inc. income not yet invoiced: 15,414,307 euros)

- Income receivable related to receivable items primarily represents revenues from storage capacity and gas transport allocated in December 2009, but which not be billed until January 2010.

- Provisions for impairment of receivables represent an assessment on a case-by-case basis of the risk incurred. The receivables in question represent clients who are the subject of litigation or pre-litigation legal proceedings (provisional administration – court-order settlement – creditors' agreement – liquidation of assets).

Statement of maturities at year end:

Receivables (1)	Balance	Maturity		
		up to one year	1 to 5 years	+ 5 years
Advances & installments paid	475,980	475,980		
Trade receivables				
Doubtful or disputed clients	4,046,825	4,046,825		
Other trade receivables	4,464,616	4,464,616		
Income receivable	33,558,043	33,558,043		
Other receivables				
Amounts due to and from employees	5,910	5,910		
Social Security organizations				
State and Local Authorities	92,225,919	92,225,919		
Group and affiliates	32,674	32,674		
Other debtors	5,378	5,378		
Income receivable				
- Personnel				
- Social security organizations	6,450	6,450		
- State and Local Authorities	6,034,681	6,034,681		
- Other Debtors	256,401	256,401		
	141,112,877	141,112,877		

7– PREPAID EXPENSES

Prepaid expenses, for €1,229,106, are related to the operation, they primarily represent:

- invoices for equipment not yet received.
- rent paid in advance.
- insurance premiums paid in advance.
- royalties and transit expenses paid in advance.

- subscriptions and fees paid in advance.
- IT maintenance services paid in advance.

III– NOTES TO BALANCE SHEET – LIABILITIES

8– SHAREHOLDERS' EQUITY

The capital is composed of 2,197,386 shares with a par value of €8

	Situation as at 01/01/2009	Change 2009	Situation as at 31/12/2009
Number of shares	2,197,386		2,197,386
Share par value	8		8
Capital stock or individual capital	17,579,088		17,579,088
Additional paid-in capital	45,538,644		45,538,644
Revaluation variances	150,045		150,045
Legal reserve	1,757,909		1,757,909
Statutory or contractual reserves	130,918		130,918
Other reserves	129,555		129,555
Retained earnings	268,479,264	78,268,318	346,747,582
Income for 2008	78,268,318	(78,268,318)	0
Income for 2009	0	112,106,792	112,106,792
Investment subsidies	12,894,873	831,450	13,726,323
Regulated provisions (*)	14,103,883	19,055,789	33,159,672
Total	**439,032,497**	**131,994,031**	**571,026,528**

(*) Special amortization and depreciation

9 – INVESTMENT SUBSIDIES

The subsidies are defined contractually and correspond to the financial participation of clients in the costs of the work to build trunks, pipelines, etc.

These payments are recognized as income based on the rate of amortization of the corresponding assets and reduce the allocation for the year.

Gross Amounts	Situation beginning of the year	Movements 2009		Situation at year end
		Increase	Decrease	
On main pipelines	3,277,503			3,277,503
On secondary pipelines	7,047,136	2,409,612		9,456,748
On underground wells	1,500,000			1,500,000
On other assets	772,523			772,523
Total	12,597,162	2,409,612		15,006,774

Impairment	Situation beginning of the year	Movements 2009		Situation at year end
		Increase	Decrease	
On main pipelines	785,294	54,978		840,272
On secondary pipelines	945,005	244,544		1,189,549
On underground wells	170,301	60,000		230,301
On other assets	663,091	53,704		716,795
Total	2,563,691	413,226		2,976,917

Outstanding	Situation beginning of the year	Movements 2009		Situation at year end
		Increase	Decrease	
On main pipelines	169,410			169,410
On secondary pipelines	2,691,992	1,244,676	2,409,612	1,527,056
On underground wells				
On other assets				
Total	2,861,402	1,244,676	2,409,612	1,696,466

10 – PROVISIONS FOR RISKS AND CONTINGENCIES

Provisions for risks and contingencies represent the following items:

Provisions for risks	Situation beginning of the year	Movements 2009		Situation at year end
		Increase	Decrease	
dispute with MM Anduesa	93,090			93,090
Total	93,090			93,090

Provisions for contingencies	Situation beginning of the year	Movements 2009		Situation at year end
		Increase	Decrease	
Long-service awards	163,000	27,000		190,000
Total	163,000	27,000		190,000

Pension commitments for employees who have left the company on the closing date of the period or who benefit and will benefit from guaranteed allocations of resources stipulated by the internal regulations of the

ELF Aquitaine Retirement Fund (CREA) total 13,143 thousand euros, a fund completely outsourced under an insurance contract intended to cover these commitments.

11 – DEBT

Statement of maturities at year end:

Debt	Balance	Maturity			
		Indefinite	up to one year	1 to 5 years	+ 5 years
Advances and installments received					
Financial liabilities					
Borrowings and debt with credit institutions (1)	386,204		386,204		
Interest accrued	705		705		
Borrowings and other financial liabilities (2)	618,339,726	4,225,367	49,575,618	155,332,000	409,206,741
Operating liabilities					
Trade payables and related accounts	12,295,624		12,295,624		
Deferred expenses	33,886,542		33,886,542		
Fiscal and social liabilities	53,676,207		53,676,207		
Deferred expenses					
- Personnel	2,673,801		2,673,801		
- Social Security Organizations	830,241		830,241		
- State and Local Authorities	63,386,866		63,386,866		
Other liabilities Deferred expenses	30,802		30,802		
Prepaid income (3)	84,941,813		30,891,072	54,050,741	
	870,448,532	4,225,367	247,633,683	209,382,741	409,206,741

(1)Borrowings contracted during the period Borrowings repaid during the period 386,204
(2)Borrowings contracted during the period Borrowings repaid during the period 38,833,000
(3) Inc. Deferral of gain realized on network purchase 84,526,051

In agreement with the Tax Administration, the gain realized in 2002 at the time of the purchase of the licensed network was deferred over the amortization period of the corresponding assets.

This gain was recognized as prepaid income.

The net balance of the gain is as follows:

	GSO	TTGF	TIGF
Initial gain	326,495,480	14,861,996	341,357,476
Total amount booked as income in prior years	218,727,058	7,629,157	226,356,215
Amount booked as income during the period	29,286,250	1,188,960	30,475,210
Net balance	78,482,172	6,043,879	84,526,051

IV – NOTES TO THE INCOME STATEMENT

12 – OPERATING INCOME

- Revenues

The company's revenues were	352,085,152	euros

They consist primarily of:

- sales of gas transmission capacities	180,646,453
- sales of gas storage capacities	134,594,683
- interconnection revenue	24,299,058
- connection revenue	7,827,717

- **Capitalized production**

The SALSA application recovers monthly all expense flows charged to investment OTP. This primarily represents external expenses (see operating expenses).

An entry is generated by OTP as follows:
Debit of a in progress account 23xxxx
Credit to the account 722000

- **Reversals on amort., deprec. and provisions, transfers of expenses**

Transfers of operating expenses record:

- reimbursements received from insurance companies on claims,
- the reimbursements received from Social Security organizations (daily allowances) or training
- compensation charged to GIE Langon-Pau, metropolitan area for moving pipelines

13 – OPERATING EXPENSES

In operating expenses (305,987 thousand euros), a number of expenses are investment expenses 122,738 thousand euros)
These expenses are found in the following items:

Change in inventory	(2,231,834)	euros
Other external purchases and expenses	122,093,148	euros
Income and others taxes	2,071,738	euros
Wages and salaries	482,600	euros
Social Security contributions	496,623	euros
Other operating expenses	1,070,910	euros
Income	-279	euros

Subsidies (1,244,676) euros

- **Operating allocations to amortization and depreciations**

Amortization and depreciation (58,525 thousand euros) take into account the value of the amortization and depreciation of the assets of the company, minus the amortization of investment subsidies

14– FINANCIAL INCOME

In 2009, the financial loss is €-11.1 m (versus €-28.9 m in 2008). This decline is due to the decline in the average Euribor rate by 3 points on an average Group debt of €614.3 m.
At the end of December 2009, the TIGF debt was €603.4 m compared with €642.2 m at the end of 2008

15– NON-RECURRING INCOME

- **Non-recurring income on capital transactions**

This primarily represents the deferral of the gain realized on the purchase of our transmission network (€30,475,210)
and the income from the sale of long-term securities for €310,000

16– NON-RECURRING EXPENSES

- Non-recurring expenses primarily represent:
- the tax allowances for €19,393,534
- the book value of the assets sold (€218,336)
- amortization and depreciation of assets scrapped (€6,312)

17 – INCOME TAX

Calculation of the provision of income tax

1 – Book profit for the period				**170,171,327**
2 - Reintegrations				**1,325,492**
- 2009 profit-sharing			118,130	
- Provisions for paid leave 2009			547,800	
- Tax on company cars			47,694	
- 2009 solidarity social security tax			558,458	
- Penalties & fines			13,705	
- Excess amortization and depreciation (art.39-4 of the Gen. Tax Code)			32,497	
- Attendance fees			7,208	
3 - Deductions				**1,351,407**
- Provisions for paid leave 2008			649,296	
- CSS 2008			512,835	
- 2008 profit-sharing			189,276	
4 – Taxable income	**1 + 2 - 3**			**170,145,412**
5 – Income tax	33.33%	4		56,715,137
6 – Flat allowance			763,000	
7 – Social tax/profits	Base: (5)-(6)		55,952,137	
	3.30%7	7		1,846,421

8 – Research tax credit		72,143
Total Tax **5 + 7 - 8**		**58,489,415**

Deferred tax receivables and liabilities

There are increases and reduction in the future tax liability coming from differences in the time between the tax treatment and the accounting treatment of income or expenses.

Differences	Receivables
Expenses temporarily not deductible	
1 – to be deducted in the following year:	
- Provisions for paid leave 2009	547,800
- 2009 profit-sharing	118,130
- 2009 solidarity social security tax	558,458
2 – to be subsequently deducted:	
- Provision for expenses	
- Provision for disputes	93,090
TOTAL	**1,317,478**
Future tax receivables (34.43% of the total above) not recognized	453,608

Note: the company, pursuant to the recommendation of the Total Group, has opted to maintain the earlier rules for the tax treatments of provisions for paid leave days (deferred deductibility).

V – OTHER INFORMATION

Employees* by category	12/31//2008	12/31/2009
- MANAGERS	39	40
- Non-executive employees (OETAM)	176	180
Total number of employees	**215**	**220**

* Employees with open-ended contracts: excluding those released from activity

Consolidation

The company’s accounts are consolidated within the Total group by full consolidation.Financial lease commitments

Financial lease commitments

	Royalties paid		Royalties payable			
Balance sheet items	from year	year to date	until 1 year	+ 1 year 5 years	+ 5 years	Total at payable
Buildings						

Commitments given

- Elf Aquitaine Retirement Fund	13,143	thousand euros
inc. covered by insurance contract:	14,081	thousand euros
> Recognition of a retirement asset	938	thousand euros
- Retirement indemnities	1,473	thousand euros
inc. covered by insurance contract:	1,030	thousand euros
- Personnel posted	562	thousand euros

Commitments received

- client bank bonds	9,134	thousand euros
supplier bank bonds	22,719	thousand euros

STATUTORY AUDITORS REPORT OF THE ISSUER ON THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009 (ENGLISH TRANSLATIONS)

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Total Infrastructures Gaz France S.A.

Year ended December 31, 2010

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's meeting, we hereby report to you, for the year ended December 31, 2010, on:

• the audit of the accompanying financial statements of Total Infrastructures Gaz France S.A.;

• the justification of our assessments;

• the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. - Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Law ("*Code de commerce*") relating to the justification of our assessments, we bring to your attention the following matter:

- The note « Fixed assets » of part 1 « Accounting Principles » to the financial statements discloses the methods regarding the fixed assets accounting.

- The note 2b of part II « Notes to the Balance Sheet – Assets » to the financial statements discloses the accounting methods regarding the fixed assets depreciation.

- The note 2c of part II « Notes to the Balance Sheet – Assets » to the financial statements discloses the accounting methods regarding the assets in progress valuation.

Within the framework of our assessments, we verified the reasonable nature of the estimates derived from these methods and the information given in the notes to the financial statements and we assessed the correct application of those methods.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Paris La Défense March 21, 2011

The statutory auditor

French original signed by

KPMG Audit a division of KPMG S.A.

Michel Piette

Partner

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Total Infrastructures Gaz France S.A.

TIGF

Year ended December 31, 2009

Statutory auditors' report on the financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholder's meeting, we hereby report to you, for the year ended December 31, 2009, on:

• the audit of the accompanying financial statements of Total Infrastructure Gaz France S.A.;

• the justification of our assessments;

• the specific verifications and information required by law.

These financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. - Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2009 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. - Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (“Code de commerce”) relating to the justification of our assessments, we inform you that the assessments made by us focused on the appropriateness of the accounting principles used and the reasonableness of the significant estimates made by the management.

These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. - Specific verifications and information

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

In accordance with French law, we inform you that the information relating to payment terms required by the article D.441-4 of the French Commercial Code ("Code de commerce") in application of the article L.441-6-1 of the French Commercial Code ("Code de commerce") has not been properly disclosed in the management report.

Neuilly-Sur-Seine April 2, 2010

The statutory auditor

French original signed by

ERNST & YOUNG and Others

Yvon Salaün

Partner

SPECIAL REPORTS OF THE STATUTORY AUDITORS OF THE ISSUER FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009 IN RELATION TO REGULATED AGREEMENTS (ENGLISH TRANSLATIONS)

This is a free translation into English of the special report of the statutory auditors on regulated agreements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Total Infrastructures Gaz France S.A.

Year ended December 31, 2010

Special report of statutory auditors on regulated agreements

General meeting of shareholders approving the financial statements for the year ended December 31, 2010

Madams, Sirs,

In our capacity as statutory auditors of your company, we hereby report to you on regulated agreements.

It is our duty to report to you, on the basis of the information provided to us, on the features and essential terms of the agreements of which we have been advised, without judging their utility or soundness. It is up to you, in accordance with Article R. 225-31 of the French Commercial Law ("*Code de commerce*"), to assess the benefits associated with the entering into of these agreements in view of approving them.

Furthermore, it is our duty to communicate to you, if applicable, the information provided for by Article R.225-31 of the French Commerical Law in relation to the performance, during the financial year, of agreements approved by a previous shareholders' meeting.

We have carried out such diligence as we considered necessary in light of the professional doctrine of the *Compagnie nationale des commissaires aux comptes* in relation to this task. This diligence consists of verifying the consistency of the information provided to us with the primary documents from which such information is derived.

Agreements submitted to the shareholders' meeting for approval

We hereby inform you that we have not been notified of any agreement having been authorised during the financial year that is required to be submitted to the shareholders' meeting for approval pursuant to Article 225-38 of the French Commercial Law.

Agreements previously approved by shareholders' meeting

Pursuant to Article R. 225-30 of the French Commercial Law, we have been informed that the following agreements, which were previously approved by a shareholders' meeting, were performed during the financial year:

- Relevant person: Total S.A., holder of more than 10% of the shares of Elf Aquitaine, which itself holds more than 10% of the shares of Total Gaz Electricité Holdings France, which itself holds more than 10% of the shares of Total Infrastructures Gaz France S.A.;

- Nature and purpose: a framework agreement in relation to the secondment of personnel

- Conditions: the charges recorded by Total Infrastructures Gaz France S.A. for the financial year ended December 31, 2010 amount to EUR 20,997,149, excluding tax.

Paris La Défense March 21, 2011

The auditor

French original signed by

KPMG Audit

A division of KPMG S.A.

Michel Piette

Partner

This is a free translation into English of the special report of the statutory auditors on regulated agreements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Total Infrastructures Gaz France S.A.

Year ended December 31, 2009

Special report of statutory auditors on regulated agreements

To the Shareholders

In our capacity as statutory auditors of your company, we hereby report to you on regulated agreements.

It is not our duty to enquire as to the existence of agreements, but rather to report to you, on the basis of the information provided to us, on the features and essential terms of the agreements of which we have been advised, without judging their utility or soundness. It is up to you, in accordance with Article R. 225-31 of the French Commercial Code ("*Code de commerce*"), to assess the benefits associated with the entering into of these agreements in view of approving them.

Absence of notice of agreements

We hereby inform you that we have not been notified of any agreement having been entered into during the financial year that is subject to the provisions of Article 225-38 of the French Commercial Code.

Agreements approved in previous financial years and which have continued to be performed during the financial year

Furthermore, in accordance with the French Commercial Code, we have been informed that the following agreement, which was approved in a previous financial year, continued to be performed during the most recently ended financial year:

With Total S.A.

Nature, purpose and conditions

A framework agreement in relation to the secondment of personnel was signed on 12 May 2006 between your company and Total S.A. for an indefinite duration.

We have carried out such diligence as we considered necessary in light of the professional doctrine of the *Compagnie nationale des commissaires aux comptes* in relation to this task. This diligence consists of verifying the consistency of the information provided to us with the primary documents from which such information is derived.

Neuilly-Sur-Seine April 2, 2010

The statutory auditor

French original signed by

ERNST & YOUNG and Others

Yvon Salaün

CASH FLOW STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009

The Statement of Cash Flows (unaudited) below does not form part of the audited Financial Statements but is directly derived from them.

M€	2009	2010
Cash flows from operating activities		
Profit before taxation	170	174
Adjustments for:		
Depreciation	78	91
Other non cash income	-31	-31
Foreign exchange loss	-	-
Investment income	-	-
Interest expense	7	11
	224	245
Trade and other receivable	*12*	*32*
Inventories	*2*	*1*
Trade payables	*-45*	*-12*
Working capital variance	-31	20
Cash generated from operations	193	265
Interest paid	-7	-11
Income taxes paid	-31	-77
Net cash from operating activities	***156***	***177***
Cash flows from investing activities		
Acquisition of subsidiary net of cash acquired	-	-
Purchase of property, plant and equipment	-121	-106
Proceeds from sale of equipment	0	0
Interest received	-	-
Dividend received	-	-
Net cash used in investing activities	***-121***	***-105***
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long-term borrowings	-36	-49
Payment of finance lease liabilities	-	-
Dividend paid	-	-
Net cash used in financing activities	***-36***	***-49***
Net increase in cash and cash equivalents	**-1**	**22**
Cash and cash equivalents at beginning of period	**1**	**0**
Cash and cash equivalents at end of period	**0**	**23**

RECENT DEVELOPMENTS

Rating

On 17 June 2011, Moody's assigned an A3 rating to the Issuer.

Credit facility

On 24 June 2011, the Issuer entered into an unsecured EUR 500 million credit facility with a group of 4 leading corporate and investment banks, consisting of a term loan of EUR 250 million, which is available to be drawn until 30 September 2011, and a revolving credit facility of up to EUR 250 million, currently undrawn. The facility agent is Crédit Agricole Corporate and Investment Bank.

The facilities have a five year term. The term loan must be repaid on 24 June 2016. Any loan under the revolving facility, which is available to be drawn until 24 May 2016, must be repaid at the end of the relevant interest period, which cannot extend beyond 24 June 2016.

The facilities bear interest at a floating rate plus a margin, which is subject to reduction or increase in the event of a change in the rating of the Issuer. The margins applicable to the facilities as at the date of this Prospectus do not result in higher financing costs for the Issuer as compared to its financing costs under its existing intra-group financing arrangements. In order to hedge its exposure to the floating rate of interest, the Issuer will enter into an interest rate swap transaction in connection with the term loan.

The facilities contain customary representations and undertakings, including restrictions on the granting of security and disposals of assets. The facilities are subject to cancellation and prepayment in certain circumstances, including, subject to certain conditions, upon a change of control of the Issuer or in the event of future capital markets issuance (other than the issue of the Notes), and in other customary circumstances such as illegality or tax events.

Dividend payment

A mixed shareholders' meeting of the Issuer held on 25 May 2011 approved the distribution of a dividend in the amount of EUR 56,978, 219, for payment at a future date following the issuance of the Notes.

On 16 June 2011, the Board of Directors resolved to propose to a shareholders' meeting of the Issuer, to be held on 4 July 2011, the distribution of a dividend in the amount of EUR 143,005,881, subject to the issuance of the Notes.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in France or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

EU Savings Directive

On 3 June 2003, the European Council of Economics and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**). Pursuant to the Savings Directive, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, inter alia, details of payments of interest within the meaning of the Savings Directive (interest, premium or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State or to certain limited types of entities established in that other Member State (the **Disclosure of Information Method**).

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals or certain entities.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 20% until 30 June 2011 and 35% until the end of the transitional period.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the **OECD Model Agreement**) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

France

Withholding Tax

Following the introduction of the French *loi de finances rectificative pour 2009 n°3* (n°2009-1674 dated 30 December 2009) (the **Law**), payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 50% withholding tax will be applicable by virtue of Article 125 A III of the French *Code général* *des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 25% or 50% (subject, if applicable, to the more favourable provisions of a tax treaty).

Notwithstanding the foregoing, the Law provides that neither the 50% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the ruling (*rescrit*) n°2010/11 (*FP et FE*) of the French tax authorities dated 22 February 2010, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are:

(i) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(ii) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Consequently, payments of interest and other revenues made by the Issuer under the Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion does not apply to such payments.

EU Savings Directive

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

SUBSCRIPTION AND SALE

Subscription Agreement

Citigroup Global Markets Limited, Crédit Agricole Corporate & Investment Bank, HSBC Bank plc and Société Générale (the **Managers**) have, pursuant to a Subscription Agreement dated 5 July 2011 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Notes at an issue price equal to 100 per cent. of the principal amount of the Notes, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Managers in connection with the issue of the Notes.

The Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Notes.

General Selling Restrictions

Each Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would, to the best of each Manager's knowledge, permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

France

Each of the Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

United Kingdom

Each Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

GENERAL INFORMATION

1. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The International Securities Identification Number (ISIN) for the Notes is FR0011075043. The Common Code number for the Notes is 064615505.

The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

2. Listing and admission to trading

Application has been made to the AMF, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive, for the approval of this Prospectus.

Application has been made to list and admit the Notes to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

3. Corporate authorisations

The issue of the Notes was authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 16 June 2011 and a decision of Monique Delamare Managing Director (*Directeur Général*) of the Issuer dated 30 June 2011.

4. Documents available

Copies of:

(v) the *statuts* of the Issuer;

(vi) the Fiscal Agency Agreement;

(vii) this Prospectus; and

(viii) the documents incorporated by reference in this Prospectus,

will be available for inspection during the usual business hours on any week day (except Saturdays and public holidays) at the registered office of the Issuer.

This Prospectus and the documents incorporated by reference in this Prospectus will be published on the websites of the Issuer (www.tigf.fr) and the AMF (www.amf-france.org).

5. No material change

There has been no significant change in the financial or trading position of the Issuer or since 31 December 2010 and no material adverse change in the prospects of the Issuer since 31 December 2010.

6. Material contracts

At the date of this Prospectus, there are no material contracts (other than those entered into in the ordinary course of the Issuer's business) which could result in the Issuer being under an obligation or entitlement that is material to its ability to meet its obligations to Noteholders in respect of the Notes being issued.

7. Litigation

The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

8. Auditors

KPMG Audit are the statutory auditors of the Issuer. KPMG Audit have audited, and rendered unqualified report on, the financial statements of the Issuer as at, and for the year ended, 31 December 2010. Ernst & Young et Autres have audited, and rendered unqualified report on, the financial statements of the Issuer as at, and for the year ended, 31 December 2009

KPMG Audit are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes* and the *Compagnie Régionale de Versailles*) and are regulated by the *Haut Conseil du Commissariat aux Comptes*. The Issuer does not publish interim financial statements.

9. Listing fees

The estimated costs for the admission to trading are €8,000.

10. Yield

The yield in respect of the Notes is 4.339 per cent. per annum and is calculated on the basis of the issue price of the Notes. It is not an indication of future yield.

11. Interest material to the issue

As far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

Total Infrastructures Gaz France
49, avenue Dufau
64000 Pau
France

Duly represented by:

Hervé Fleury
Directeur Finance et Systèmes d'Information (Chief Financial and IT Systems Officer)
authorised signatory, pursuant to the resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 16 June 2011, the decision of Monique Delamare, Managing Director (*Directeur Général*) of the Issuer dated 30 June 2011 and the power of attorney dated 1 July 2011.

Dated 5 July 2011

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

Autorité des marchés financiers

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement Général*) of the *Autorité des marchés financiers* (**AMF**), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa no. 11-294 on 5 July 2011. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

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