

**THE SECURITIES ACT**

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**Order No. 3027**

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**Section 95(2)(c)**

)

**August 17, 2000**

**TOTAL FINA ELF S.A.**

**WHEREAS:**

(A) Total Fina Elf S.A., a French *société anonyme*, ("TotalFinaElf") has made an application to The Manitoba Securities Commission (the "Commission") for an order pursuant to clause 95(2)(c) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act") that TotalFinaElf be exempt from the requirements of sections 86 through 91 of the Act in respect of a securities exchange take-over bid (the "Exchange Offer") by TotalFinaElf to acquire the shares and American Depository Shares ("ADSs") of Elf Aquitaine, a French *société anonyme*, ("Elf Aquitaine");

(B) TotalFinaElf has represented to the Commission as follows:

1. TotalFinaElf is a major international integrated oil and gas company based in France with operations in more than 100 countries;
2. the shares of TotalFinaElf (the "TotalFinaElf Shares") are listed on the Paris, Brussels and London stock exchanges and are quoted on the international SEAQ. The TotalFinaElf Shares also trade in the form of ADSs (the "TotalFinaElf ADSs"). Each TotalFinaElf ADS represents one-half of one TotalFinaElf Share. The TotalFinaElf ADSs are listed on the New York Stock Exchange (the "NYSE");
3. TotalFinaElf is not a reporting issuer in Manitoba or in any other province in Canada;
4. as of April 30, 2000, TotalFinaElf owned, directly or indirectly, 95.56% of the outstanding Elf Aquitaine Shares, including Elf Aquitaine ADSs (each as defined below);
5. Elf Aquitaine is an international integrated oil and gas company with headquarters in France;
6. the shares of Elf Aquitaine (the "Elf Aquitaine Shares") are listed on the Paris Stock Exchange. The Elf Aquitaine Shares also trade in the form of ADSs (the "Elf Aquitaine ADSs"). Each Elf Aquitaine ADS represents one-half of one Elf Aquitaine Share. The Elf Aquitaine ADSs are listed on the NYSE. As of April 30, 2000, a total of 12,328,726 Elf Aquitaine Shares, including approximately 1,812,072 Elf Aquitaine ADSs, were issued and outstanding and publicly held;

7. Elf Aquitaine is not a reporting issuer in Manitoba or in any other province in Canada;

8. to TotalFinaElf's knowledge, on the date hereof there are five holders of Elf Aquitaine Shares having a registered address in Canada holding an aggregate of 9,170 Elf Aquitaine Shares, none of whom are in Manitoba;

9. to TotalFinaElf's knowledge, on the date hereof there are seven holders of Elf Aquitaine ADSs having a registered address in Canada: (i) one in the Province of Manitoba holding 10 Elf Aquitaine ADSs; (ii) four in the Province of Ontario holding an aggregate of 710 Elf Aquitaine ADSs; and (iii) two in the Province of Quebec holding an aggregate of 598 Elf Aquitaine ADSs;

10. the Bank of New York ("BONY") sponsors a plan (the "Global Buy Direct Bank Plan") pursuant to which purchasers may acquire beneficial ownership of Elf Aquitaine ADSs registered in the name of a nominee of BONY. On the date hereof, TotalFinaElf is aware of the following 40 beneficial holders of Elf Aquitaine ADSs through the Global Buy Direct Bank Plan who are resident in Canada: (i) one holder in Manitoba holding 20 Elf Aquitaine ADSs; (ii) 11 holders in Quebec holding an aggregate of 771 Elf Aquitaine ADSs; (iii) 25 holders in Ontario holding an aggregate of 2,688 Elf Aquitaine ADSs; and (iv) three holders in British Columbia holding an aggregate of 210 Elf Aquitaine ADSs;

11. based on the information in paragraphs 9 and 10 above and to TotalFinaElf's knowledge, on the date thereof there are an aggregate of 5,007 Elf Aquitaine ADSs held by holders having a registered address in Canada or held beneficially by participants resident in Canada through the Global Buy Direct Bank Plan;

12. TotalFinaElf is making two exchange offers to acquire all of the outstanding Elf Aquitaine Shares and Elf Aquitaine ADSs not held by TotalFinaElf. One offer is being made in accordance with the laws of France and was commenced on June 15, 2000. The Exchange Offer will be made in accordance with the federal securities laws of the United States, subject to limited tender offer exemptive relief available to TotalFinaElf (the "Tier II Exemption"). The Tier II Exemption is codified in a rule of the Securities and Exchange Commission (the "SEC") entitled "*Cross-Border and Exchange Offers, Business Combinations and Rights Offerings*", which came into effect on January 24, 2000. TotalFinaElf may rely on the Tier II Exemption since U.S. holders of Elf Aquitaine Shares and Elf Aquitaine ADSs hold less than 40% of such securities (counted together as a single class and excluding those shares and ADSs held by TotalFinaElf);

13. the Exchange Offer will be made to holders of Elf Aquitaine Shares and Elf Aquitaine ADSs in the United States as outlined in the prospectus contained in TotalFinaElf's Registration Statement on Form F-4 filed with the SEC on July 5, 2000 (the "U.S. Registration Statement");

14. TotalFinaElf may complete the Exchange Offer only if the U.S. Registration Statement is declared effective by the SEC. TotalFinaElf's obligation to accept Elf Aquitaine Shares and Elf Aquitaine ADSs is not subject to any condition that a minimum number of Elf Aquitaine Shares or ADSs be tendered in the Exchange Offer;

15. holders of Elf Aquitaine Shares will receive four (4) TotalFinaElf Shares for every three (3) Elf Aquitaine Shares tendered in the Exchange Offer. Holders of Elf Aquitaine ADSs will receive four (4) TotalFinaElf ADSs for every three (3) Elf Aquitaine ADSs tendered in the Exchange Offer;

16. upon expiration of the Exchange Offer, the deposit agreement governing the Elf Aquitaine ADSs will be terminated. In addition, Elf Aquitaine has announced its intention to delist the Elf Aquitaine ADSs from the NYSE and to delist the Elf Aquitaine Shares from the Paris Stock Exchange. If there are less than 300 holders of record of Elf Aquitaine Shares resident in the United States after the Exchange Offer, registration of the Elf Aquitaine Shares may be terminated upon application by Elf Aquitaine to the SEC;

17. although the Commission has recognized the laws of the United States for the purpose of clause 84(1)(e) of the Act, TotalFinaElf may not be able to rely upon the exemption in clause 84(1)(e) from the requirements in sections 86 through 91 of the Act because: (a) the number of registered holders, whose last address as shown on the books of Elf Aquitaine is in Manitoba, and the number of beneficial holders, resident in Manitoba, of Elf Aquitaine Shares and Elf Aquitaine ADSs may be greater than fifty; and (b) TotalFinaElf will rely upon the Tier II Exemption referred to above in paragraph 12 in connection with the Exchange Offer; and

18. if the relief requested is granted to extend the Exchange Offer into Manitoba, registered holders of Elf Aquitaine Shares and Elf Aquitaine ADSs whose last address shown on the books of Elf Aquitaine is in Manitoba will receive all material relating to the Exchange Offer that is sent to holders of Elf Aquitaine Shares and Elf Aquitaine ADSs in the U.S. and will be able to participate in the Exchange Offer.

(C) The Commission is of the opinion that it would not be prejudicial to the public interest to grant this order.

**IT IS HEREBY ORDERED:**

**1. THAT**, pursuant to clause 95(2)(c) of the Act, TotalFinaElf is exempt from the requirements in sections 86 through 91 of the Act in connection with the Exchange Offer, provided that:

(1) all materials relating to the Exchange Offer that are sent to holders of Elf Aquitaine Shares and Elf Aquitaine ADSs in the U.S are concurrently sent to all

registered holders of Elf Aquitaine Shares and Elf Aquitaine ADSs whose last address shown on the books of Elf Aquitaine is in Manitoba; and

(2) TotalFinaElf files a copy of the U.S. Registration Statement with the Commission;

**2. THAT** the fee for this order shall be \$550.00.

**BY ORDER OF THE COMMISSION**

**Director – Legal**