CORPORATE PARTICIPANTS

Jean-Pierre Sbraire *TotalEnergies SE - CFO*
Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

CONFERENCE CALL PARTICIPANTS

Alastair Roderick Syme *Citigroup Inc., Research Division - MD & Global Head of Oil and Gas Research*
Bertrand Hodee *Kepler Cheuvreux, Research Division - Head of Oil and Gas Sector Research & Equity Analyst*
Biraj Borkhataria *RBC Capital Markets, Research Division - Director, Co-Head of European Energy Research Team & Lead Analyst*
Christopher Kuplent *BofA Securities, Research Division - Head of European Energy Equity Research*
Christyan Fawzi Malek *JPMorgan Chase & Co, Research Division - MD and Head of the EMEA Oil & Gas Equity Research*
Henri Jerome Dieudonne Marie Patricot *UBS Investment Bank, Research Division - Associate Director and Equity Research Analyst*
Irene Himona *Bernstein, Research Division - Head of European Oil & Gas*
Jean-Luc Romain *CIC Market Solutions, Inc. - Research Analyst*
Kim Anne-Laure Fustier *HSBC, Research Division - Head of European Oil & Gas Research*
Lucas Oliver Herrmann *BNP Paribas Exane, Research Division - Head of Oil and Gas Research*
Lydia Rose Emma Rainforth *Barclays Bank PLC, Research Division - MD and Equity Analyst*
Martijn Rats *Morgan Stanley, Research Division - MD and Head of Oil Research*
Michele Della Vigna *Goldman Sachs Group, Inc., Research Division - Head of Natural Resources Research & MD*
Paul Cheng *Scotiabank Global Banking and Markets, Research Division - Analyst*

PRESENTATION

Operator

Ladies and gentlemen, welcome to TotalEnergies First Quarter 2024 Results Conference Call. (Operator Instructions) I must advise you that this conference is being recorded today, 26th of April, 2024.

I now hand you over to Mr. Patrick Pouyanné, Chairman and CEO; and Jean-Pierre Sbraire, CFO, who will lead you through this call. Sir, please go ahead.

Patrick Pouyanné *TotalEnergies SE - Chairman & CEO*

Good morning, and good afternoon, everyone, for this quarterly results session. I'm happy to welcome you together with Jean-Pierre, who will go through all the details of these good, or strong results in the first quarter 2024. But before doing this, I would like to highlight the way we have implemented our 2-pillar strategy during this quarter, and first, to recognize that the company celebrated its 100th year anniversary on March 28.

We have been celebrating this event through the company in the 120 countries where we are present. The company's ancestors were really pioneers when they discovered oil in Iraq in 1927. And of course, it this anniversary was the opportunity to pay tribute to hundreds of thousands of pioneers who had followed them and who are, in fact, the past and the present employees of the company. And we have decided, by the way, that the signature of this anniversary, would be ‘Pioneers for 100 years’.

So today, I would say it is with the same pioneer spirit that we have decided in 2020 to embark in our journey in the energy transition and moving TotalEnergies to an integrated, multi-energy company with a clear and simple strategy anchored on 2 pillars.

First, on oil and gas, mainly LNG, with the objective to continue producing hydrocarbons in a responsible way, producing and growing hydrocarbons in a responsible way in order to answer the growing demand. And second, investing and developing Integrated Power, energy for the future, with the objective to become net cash positive by 2028.

So this first quarter 2024 is about advancing this strategy. I would say we are off to a great start on both pillars. We have achieved several milestones during this quarter that I would like to underline. First, on the oil, upstream, we successfully started up some operated operations in Nigeria with Akpo West and the Tyra redevelopment in Denmark, both of which are additive to our overall corporate cash margin, as well as Mero 2 Brazil, which started up at the beginning of the year.

We continued to have success on the exploration and appraisal front. We've recently finished the positive appraisal of the Venus oil discovery in Namibia, and we are now working towards FID targeting end of 2025. We have also captured in this prolific Orange Basin some new license of high interest on the South African side.

We are also making, and as I told you it's a matter of execution of our growth towards 2028, good progress on some FIDs, which were planned for 2024. We will sanction this month of May the Kaminho project in Angola, 80,000 barrels per day, operated by us with 40%. And we also plan in May to place the LLI orders for our Suriname project. And we confirm that we envisage to take the FID before year-end 2024 in Suriname. Finally, I would like to also comment that we've done an interesting deal recently in Congo to increase our interest into the giant deepwater field, Moho and divested at same time some very mature assets. That's for oil. On the LNG side, quite a big activity as well during the quarter. First, we begin to benefit from a low Henry Hub trading below $2/MMBTU to seize some opportunities to further integrate our U.S. LNG value chain upstream with the first acquisitions from Lewis Energy Group's upstream natural gas assets in the Eagle Ford, operated by a strong operator, EOG.

Earlier this week, we announced the FID of the Marsa LNG project in Oman, which is really setting a new low carbon intensity standard for the next generation of LNG plants, 3 kg of CO_2 per boe, fully-electrified and the electricity coming from renewable sources. And it's a very good example of TotalEnergies deploying its integrated multi-energy model in the country. Thanks to that strategy, we reached a new scale in Oman combining LNG and renewables, our 2 pillars. So it's a good example again of what we can achieve by moving on the 2 pillars.

On LNG, I would also insist that we continue to work with Asian buyers, which have some appetite for medium- and long-term contracts. And I would say oil-linked long-term contracts, which is important, of course. In particular, for example, this quarter, we signed a contract with Sembcorp in Singapore beginning in 2027, which is perfect, when we'll have more production. And to cover it, I would say, or to hedge it with some oil-linked contracts, that's the target. And there will be more to come as our teams are quite active on the Asian front: China, Japan, Korea. So we are working. Of course, it's important.

We have a strong LNG position, and we know we have some perspective to sign some oil-linked LNG contracts as part of our strategy. And lastly, I would also mention on the integrated gas part that we are acquiring the whole of SapuraOMV in Malaysia. This is a gas business related to a netback of LNG pricing with quite a good potential to increase. And in fact, Sarawak is a prolific gas region with some potential to grow in the future. That's why we were interested to acquire these assets.

Then moving to the second pillar, Integrated Power. We have again, for the fourth quarter in a row, an increasing adjusted net operating income, and Jean-Pierre will come back on it. As you noticed, we have advanced in the implementation of the integrated strategy in Texas on the ERCOT with the acquisition of 1.5 GW CCGTs. And the demand is growing in Texas with data centers and AI so we are right on the good market there. And also in Germany, which is another key market for us, we closed the Kyon Energy acquisition, which is a battery storage developer. So you will see through the results that the relevance of our strategic continues to be demonstrated quarter after quarter as a proof of concept that our differentiated model works, delivering strong results, which are fundamentals that allow us to grow our shareholder distribution in a sustainable way.

We confirm again that we increase the interim dividend by 7% compared to last year, which I think will be appreciated by all our shareholders. And by the way, it's also this proof of concept starting to pay off as we can observe the positive evolution of the share price recently, which is in our view, in the view of the Board, a signal that the strategy is being increasingly recognized by the market as a good one or the right one and also evidenced by our leading total shareholder return.

Finally, this value is not only shared with our shareholders, but also with the pioneers of TotalEnergies, and it's important for promoting employee shareholding plans. We are now in Europe the #1 company in terms of amount of capital owned by employees, more than EUR 11 billion, and a special grant of 100 shares to each of the 100,000 employees has been decided by the Board to celebrate our 100th year anniversary. So, I don't know if we'll have a $100 billion result, Jean-Pierre, but… not yet.

So then with that, I'll turn it over to Jean-Pierre, that was the transition, to go through the detailed financials this first quarter.

Jean-Pierre Sbraire ***TotalEnergies SE - CFO***
Yes. Thank you, and good morning, good afternoon, everyone. As Patrick mentioned, our consistent strategy continues to deliver strong results, and we are well positioned to deliver on our 2024 objectives of more energy, less emissions and growing cash flow.

Brent prices were flat quarter-to-quarter, down only 1% to $83/b and refining margins were strong, plus 36% quarter-to-quarter but European gas prices declined by 35%, reflecting a mild winter and high storage levels. In this context, TotalEnergies reported first quarter 2024 adjusted net income of $5.1 billion, only down 2% sequentially, and cash flow from operations, excluding working cap, of $8.2 billion.

Profitability remains strong with return on average capital employed of 16.5% and we maintain discipline, confirming net investment guidance of $17 billion to $18 billion for 2024. Importantly, we continue to extend our track record of attractive shareholder distribution with $2 billion of buybacks executed during the first quarter and nearly a 7% increase year-on-year of the first interim dividend for 2024, which is now up 20%

compared to pre-COVID level.

Moving now to the business segment results and starting with hydrocarbons. Production was 2.46 Mboe/d in the first quarter 2024, stable quarter-to-quarter and up 1.2% excluding Canada. Production benefited from oil start-ups at Mero 2 in deep offshore Brazil and Akpo West in Nigeria, as well as 6% growth quarter-to-quarter in LNG production, which helped offset the Canadian oil sands asset disposal that closed in the fourth quarter.

Looking forward now. Production for Q2 2024 is expected to be between 2.4 million and 2.45 Mboe/d and reflects planned maintenance that is partially compensated by ramp-ups of Mero 2 in Brazil and Tyra in Denmark. We reiterate full year 2024 production guidance of 2.4-2.5 Mboe/d, which is 2% growth year-on-year, excluding Canada.

Exploration and Production reported adjusted net operating income of $2.6 billion and cash flow of $4.5 billion. Also, we continue our leadership as a low-cost producer with first quarter 2024 upstream production cost at $4.6 per barrel.

Moving now to Integrated LNG. Hydrocarbon production for LNG was strong during the first quarter, up 6% quarter-to-quarter, thanks to higher availability, mainly at Ichthys in Australia and QatarEnergy LNG N2 in Qatar, as well as the increased supply of LNG in Nigeria.

However, first quarter LNG sales decreased by 9% quarter-to-quarter, primarily due to lower demand in Europe, given the mild winter and high inventories. Volumes also reflected partial downtime in Freeport LNG in the U.S. this quarter.

Integrated LNG adjusted net operating income was $1.2 billion during the quarter, reflecting lower LNG prices, sales, but also low volatility in the market. Cash flow totaled $1.3 billion, impacted by the timing of dividend payments from some of our equity affiliates. Given the evolution of oil and gas prices in recent months and the lag effect on price formulas, we anticipate that TotalEnergies average LNG selling price should be between $9 and $10 per MBTU in the second quarter 2024.

Now moving on to our Integrated Power business segment. We are pleased to report that this business continues its profitable growth trajectory with adjusted net operating income growing sequentially for the fourth quarter in a row as activity grows. Adjusted net operating income grew 16% quarter-to-quarter to more than $600 million and was supported by production growth in both renewables and flexible generation. So flexible generation, as Patrick mentioned, now includes the 1.5 GW CCGT acquisition in Texas, which closed during the quarter and further enhanced our integrated position to provide clean firm power in the attractive and growing ERCOT market.

Cash flow from Integrated Power was $692 million for the first quarter, on track to achieve our target of $2.5-3 billion of cash flow for the full year 2024. Finally, return on average capital employed for the 12 months ending end-March 2024 reached 10%.

Moving to Downstream. The refinery utilization rate for the first quarter of 2024 was stable at close to 80% with the restart of SATORP in Saudi Arabia, following a planned turnaround during the fourth quarter 2023, offsetting the impact of the unplanned shutdown at the Donges refinery in France.

Refining & Chemicals contributed $960 million of adjusted net operating income in the first quarter of 2024, up 52% quarter-over-quarter due to higher refining margins. R&C cash flow from operations excluding working cap evolution was $1.3 billion, also increased double digits quarter-to-quarter, although it was impacted by the timing effect in cash dividend payments from equity affiliates.

Looking forward now, we anticipate that the Q2 2024 refining utilization rates will increase to around 85% as the Donges refinery progressively restarts and because there are no major turnarounds planned.

On Marketing & Services, this quarter demonstrates the efficiency of the implementation of our value-over-volume selective strategy with cash flow from operations increasing by 5% year-on-year to $480 million in the first quarter of 2024, despite the decrease in our sales of petroleum products.

At the company level, we reported a working capital expenditure of $6 billion during the first quarter of 2024. And the main components behind this figure are first, the reversal of the exceptional working cap release of $2 billion in the fourth quarter of 2023 we highlighted during our last earnings call. Secondly, $1.5 billion related to the effects of higher oil and petroleum products price on inventories at the end of the first quarter 2024 compared to end of 2023. And $2 billion of seasonal effects: $1 billion related to the seasonal effect on tax liabilities and an additional $1 billion related to the seasonal effects on gas and power distribution activities.

Gearing at the company level increased to around 10% at the end of the first quarter compared to 5% at the end of last year and the just described $6 billion working capital build led to a 4% increase in gearing. And the decision we made given the interest rate environment to exercise the call end of March on the EUR 1.5 billion hybrid bonds resulted in an additional 1% increase in gearing. Therefore, we expect gearing to structurally range around 7% to 8% as 2% to 3% of the current gearing is related to seasonality impact on working cap at the end of the quarter.

Our consistent and balanced strategy is paying off, as Patrick mentioned and the first quarter has positioned us for continued success in 2024. In this context, the Board of Directors of TotalEnergies decided the distribution of our first interim dividends of 0.79€ per share for the fiscal year of 2024, representing an increase of close to 7% compared to 2023 and authorized an additional $2 billion of share buybacks for the second quarter 2024.

And with that, I'll turn it over to Q&A.

QUESTIONS AND ANSWERS

Christopher Kuplent ***BofA Securities, Research Division - Head of European Energy Equity Research***
On net working capital and your net debt outlook. I think that removes already a few questions. But maybe a broader one, I wanted to just double check with you, Patrick, the political temperature and your assessment as we go into, not just AGM season, but the idea that petrol prices remain capped, there is talk about windfall taxes should they be expanded or not, whether there is a plan to tax buybacks what your thoughts are in terms of whether Europe has learned its lesson from the energy crisis that we're in or whether it's still a dangerous

thing to make too much money as an oil and gas company. I'll leave it there for you to go in whichever direction you would like.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. Thank you, Chris. For sure, European leaders, they don't want to have again an energy crisis on the price. You can see that in Europe, not only you have the German farmers, the French farmers, who are complaining as soon as you try to lift or to increase some taxes on the tractors' fuel prices, so it's not a good idea, that's very clear.

We see, by the way, a global political temperature where a lot of people are calling for sort of, not a pause, but for less regulation linked to the green deal. And we could think that the next mandate of the European Commission might be more about execution than increasing targets and regulations.

The petroleum price, obviously, European leaders can do nothing about it. It's more in the hands of OPEC and OPEC+, which, by the way, today are probably quite fine with around $90 per barrel. They don't want as well to go back too high above $100 because they don't want to have some impact on customers. So clearly, the price was pushed up in the last months because of the crisis in the Middle East. But I don't see the fundamentals of the market. As we all know, there is not much inflows of new supply in the market. The demand continues to grow 1%, 1.2%. So my view is that we can expect this price above $80, $80-plus for the year, I would say. So we are fine.

But having said that, you never know, we have observed some volatility. Windfall tax? No, not windfall tax. There is a principle, to be clear. We are in a state of law and you have a territorial principle for taxes. That's very anchored in most of the constitutions. For France, it's in 120 or 130 treaties with other countries. We tax the profits which are delivered in the same country, and we cannot be double taxed for the same profit. That's a fundamental principle. So I don't think it will come.

The point is that, of course, the European politicians are looking to what has been done in the U.S. on the 1% of tax on the buybacks. So honestly, this is a music which could cross the Atlantic this year.

Having said that, honestly, it will not change the buyback policy of TotalEnergies because again, the buyback policy is sharing additional profits with our shareholders. And even if we have to pay 1% of $8 billion, which makes $80 million or €. So we'll absorb it. But we'll not encourage them to do it, let's be clear. But that is something.

The debt in Europe have increased so countries will look for some additional taxes. We should teach them how we can cut costs as well, but that's necessarily the way they look at it. So you must make the difference between all the statements during the European campaign and politicians and the reality of what is really executed.

Christopher Kuplent ***BofA Securities, Research Division - Head of European Energy Equity Research***
Very clear, thank you, Patrick. Maybe one day we'll see the US companies talking about relisting in Europe, but I'll leave it there. Thanks for your time.

Operator
The next question is from Irene Himona with Bernstein.

Irene Himona ***Bernstein, Research Division - Head of European Oil & Gas***
Question on Namibia, if I may. You said, Patrick, you're working on an FID by year-end '25. Can you say what the size of resource will be for that FID? And can you share with us post your successful appraisal, what have you encountered in terms of reservoir thickness, the gas cut, flow rates, et cetera?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Irene, you go to details, which we pay a lot of money to get this data, and I will not share them publicly with all my colleagues because we still have quite some exploration to be done.

Now in fact, today, I will not answer by reserves, but I would answer. The reserves, it's more a question for us of the dimension of the production in barrel per day. And it's linked, in fact, like in Suriname, these type of FPSOs, the key parameter will be the volume of gas we need to recycle because there is a GOR. So we speak around, I would say, a development around between 150,000 barrels per day and 180,000. It has to be now firmed up through the reservoir engineering studies. But all the data are there. We have made the campaign so Venus now the priority is to go to production, I would say.

And then, of course, Namibia for us, is not only that. Because our neighbor has just announced a new discovery in the Southern part of their block. Southern part, we have the equivalent prospect on our side. So we'll drill it. So we are acquiring that seismic in order to make the acquisition. So for me, in Namibia, it's the first development, and we see others coming behind. But let's explore and as I said as well, we continue to acquire some acreage, in particular on the Orange Basin. We have 2 good licenses -- prospective licenses on the South African side, which we might drill in 2025 according to the process of authorization, which is prevailing in South Africa. So that's where we are. So it's good news.

We will be probably the first to produce oil in Namibia. That's the objective. So Suriname this year, Namibia first development next year. That's good news, I think.

And so to answer your technical questions. First, I don't have the data, so I cannot share the secret. Second, to be honest, no, I have some. Second, I think if we speak today about developments it’s because data are good enough to make a profitable development, fitting with our criteria, which is, as you know, less than $20 per barrel of CapEx plus OpEx or less than $30 per barrel breakeven.

Operator
The next question is from Christyan Malek from JPMorgan.

Christyan Fawzi Malek ***JPMorgan Chase & Co, Research Division - MD and Head of the EMEA Oil & Gas Equity Research***
Two questions. Just maybe just first on Namibia. I mean I was quite shocked how the scale of the resource has been increased in as far as the Galp statement. And I say that because I've never seen such a massive move in the way it's been presented.

But the question I have is, therefore, in the context of your execution plans and your discipline on spend and investments. How comfortable are you that as and when you do sanction the FID, and sort of if and when, that this will stay within your CapEx envelope in terms of both cost per barrel and so on, given we've seen this movie before as far as Angola, when we had major discoveries and then sort of fast forward 2, 3 years, and it wasn't as easy to get the volume online for a number of reasons. So that's my first question. Even if you have line of sight on that from now, that would be good.

And the second question is, there's a lot of debate around listings. And I sort of find that we can blame everything apart from the actual valuation and why the valuation is where it is relative to the U.S. But the question I have for you, Patrick, is electrons versus molecules. At what point do you potentially in a stronger macro environment, reemphasize your molecules and as far as either sort of rotating capital or investing more capital because it sort of strikes me that the quantum of cash flows the U.S. majors can deliver versus Europeans.

The main striking difference or the distinction is just the level of hydrocarbon as far as oil and the cash flows generated from that oil volume. And I know energy transition is a whole other debate. But just purely on quantum of cash flow, is there anything that would make you reconsider a reallocation of capital?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. First, on the first question, I'm very comfortable to FID Namibia, a first FPSO and a second one... And it will be within the $18 billion of framework of capital per year. We can do it. It's profitable. It's not a problem. And obviously, our priority typically if we have good oil projects, that are fitting with our criteria, they will be sanctioned. There is no doubt about that. And we never arbitrated against an oil project in the company, and that's why we have expressed our strategy with 2 pillars.

The first being oil and gas. The second one is Integrated Power. But it's clear. So no, I'm not afraid to have 1, 2 or 3 developments to be done in Namibia. I think what is good for our company will be good for the shareholders. So if it's good projects, we will sanction them. And we have some space. And we have been very agile in the company to arbitrate.

And I prefer to have more options in my portfolio, and a constant strategy to arbitrate and then to give priority to some of them. We just demonstrated it with Marsa LNG. We postponed PNG because the costs were too high. We have sanctioned Marsa LNG with a 80% share. It's not big, but it's profitable because the CapEx were in line with our expectations. So this is the type of options.

And so I prefer to have too many options and to be selective on the most profitable ones because this will contribute to enhanced cash flow per barrel and so the cash flow per share, I would say. So that's fundamentally what we do.

So this one, and if there is more to come, we will capture it, to be clear. By the way, you are right, but I’ve never seen anybody in 25 years in the history to speak about 10 billion barrels with 1 well or 2 wells. With 2 wells, never, but we'll see.

Then on the stock listing. Listen, by the way, it's nice to mention 1 of the U.S. companies because I was looking to the results, which have just been announced. They are exactly the same as us. So maybe it's not a matter of molecules or electrons. That's why we have mentioned that we could. And as we have more and more U.S.

shareholders thinking to have a clear listing in New York is obviously a move on which the Board asked me to look at it because it makes sense.

So we'll see what we can organize, but it's going into the direction of our growing U.S. shareholder base seems to be a normal thinking from a Board of Directors independently, by the way, of the domiciliation of the company in Europe.

That's clear, but that's the first one. So the reallocation of capital, no, I don't consider it. I think we prefer to stick and to be consistent with the strategy. I think it has a value in the energy field to have a consistent strategy and because we know it's a long-term industry and if you should not navigate g… So the integrated power business, it continues to grow and deliver cash flows. We are on the road map to reach 12% and then to be net cash positive. So I don't see why I should suddenly reallocate capital because the barrel of oil is higher.

And again, I prefer to stick to our strategy to be selective in terms of projects, including hydrocarbon projects, sticking on the low cash breakeven of the company, I think it's fundamental. Rather than suddenly, having another race to volumes, which will not be positive.

We are generating as much dollars as one of the companies you mentioned. That's the reality. So it's not a question, of course, of portfolio. It's a question fundamentally of going to the shareholders who are willing to buy energy companies.

Christyan Fawzi Malek ***JPMorgan Chase & Co, Research Division - MD and Head of the EMEA Oil & Gas Equity Research***
I just meant over the medium term, there could be a bifurcation of cash flow. As their oil volumes grow and others don't, that's what I meant more in the context of if and when prices move higher and there's more volume in oil, is the market starting to look so backwards for that in terms of valuing cash flow? That's what I meant more in the medium.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. No, honestly, it will be a good problem if we have more cash flows because the price of oil is going higher, but I will not make the mistake to think that yes, it's possible, the scenario you described is perfectly possible, Christyan. But at the same time, don’t say again higher forever. That's not true.

I mean we know that it's volatile. You know that when the price of oil go up, then demand will slow, and then exactly the same typical thing. So we must not forget this sense of the history. Having said that, the best answer I tell you is that today, we have a super strong oil and gas business, which allows us to deliver the best return on capital employed among the majors despite the fact, I don't like the word despite, but we are also investing in integrated power with a lower return.

So that means the best question is if we have a portfolio and an efficient oil and gas operations. The proof again this quarter is the OpEx per barrel is $4.6 per barrel. So we protect you, and if the barrel is higher, we'll make more cash flows for sure because we maintain and we continue to steer this breakeven. So it's not only a matter of investment, it's also a matter of portfolio, quality of the portfolio.

Operator
The next question is from Lydia Rainforth with Barclays.

Lydia Rose Emma Rainforth ***Barclays Bank PLC, Research Division - MD and Equity Analyst***
Two questions, if I could. One just a follow-up on the U.S. listing. Patrick, I think you said that the Board has asked you to look at the moving listing. How long would that process take? And ultimately, sort of what would stop you from doing it at this point?

And then the second question was on the LNG business. You talked earlier about, having flexibility within the portfolio. I'm just wondering if you could talk us through what your outlook is at the moment on the LNG market? Because obviously, we've had some projects that have been delayed because of higher costs, but others that are coming in that are very competitive. So just your perspective on that market. Thank you.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. On the first one, to be clear, there was a discussion with the Board, clearly, on the matter of U.S. listing. We all agreed that we have to seriously look at it. And we are working on it together with Jean-Pierre. And I plan to report to the Board by September, and then we'll see the pragmatic way forward, and we'll come back to you.

But we consider, and I had discussions, by the way, with a number of large shareholders in the U.S. about it, that today, in fact, we have ADR, which is not a real share. They come to buy shares on the Paris market. You have exchange rates. And when I look to the behavior of the share during every day. You have the Paris market, which is dictating the share until 3 p.m.

And suddenly, you have a drop or an increase because New York is leading it. And by the way, the share at the closing in Paris is just the value in New York at 12 p.m. So, on the top of it, which is more important again, we have, it's clear that in the energy and the oil and gas field, U.S. shareholders are buying the shares and European shareholders are not buying in the same way.

So, I think it's also about the recognition to the growing part of the shareholding. And we must look at it because again, the Board is keen to understand why. If there is, I'd say, a way to fill the gap that we see and if we can give easier access to our shares for U.S. shareholders. So that's where we are, and we'll keep you aware, don't worry, but I think it was the right time to mention it to our investors.

On the LNG, you know the LNG, I will tell you, I'm positive for 2025, 2026 because you will not see much new capacities. Of course, like you and all of us, we are not naive. We observed that from 2027 - I've not mentioned 2026 because some projects will be delayed, I'm sure there are big projects - you will see new capacities coming on stream from the U.S. and from Qatar. This will have an impact on the market. That's clear.

But 2025, 2026, the price could be tensioned since some of the plants, again, could have some difficulties, that's possible. After that, okay, that will be good for the demand, it will rebound. What we are doing together with the LNG teams is to sign some oil-related medium-term contracts because the view that we have on this business is that the oil might remain like Christyan's question suggested it, it might remain stronger. So that's what we can do.

And again, I'm not afraid because generally, and it was very well demonstrated by one of our peers, when you have some low cycle in LNG, they are not very long because generally, the demand is very reactive. You have countries, clearly, we've seen it this year in 2023. You've seen more China buyers coming back to the market at $8, $9, $10. Under $10, you see China. And you will see if it is dropping to $9, you will see India as well coming. So, I think it's positive for the demand.

That would be something important in this business because somewhere, with the events of 2022, customers are a little shy with energy prices, which went to the roof. That's why, they are also interested themselves to sign more oil-related contracts because basically, they see more stability in that oil pricing than in the gas market, which has been very volatile.

Again, maybe a lower price. Another comment on it because sometimes I'm surprised by some analysis, which are reported. LNG, one of the interests of LNG, like you've seen in the results of TotalEnergies when the price of gas is going down in Europe, we have some dampers or absorbers in the LNG pricing formulas. We are not a European gas seller, I would say. And so, the impacts on our revenues, cash flows and results are much lower because the formula LNG are dampening these falls.

So again, I'm not worried. I continue to believe that it's a good business to invest in because it's a growing demand, because we need gas to complement the intermittency of renewable electricity. There is an air-conditioning demand for the middle class in Asia. All that is driving, I would say, electricity demand. Part might be covered by coal and renewables, but part also with gas.

And you know a country like India is very interesting. They are building a real gas infrastructure with big trunklines around the country. City gas is being developed. And so, it’s a reality we are investing in this business there. It’s a reality.

So, a lower price during 2, 3 years would give some oompf to that demand. And when the demand is installed, it's difficult to stop because then gas becomes your fuel for your house. So that's the perspective I see. But again, we are active in order to hedge, no hedge is not the right word, but to sign some medium-term contracts with oil-related terms.

Operator
The next question is from Martijn Rats with Morgan Stanley.

Martijn Rats ***Morgan Stanley, Research Division - MD and Head of Oil Research***
When oil prices are referred to as relatively stable, I find that a very sort of very interesting comment. But anyway, I have 2 questions that I wanted to ask. The first is a relatively simple one on the buyback and oil prices. We started the year, of course, with $2 billion a quarter in buybacks. But I think it's fair to say that oil prices have been surprising to the upside so far this year.

I was wondering if there is some move in the quarterly buyback perhaps later this year, if this oil price sticks and under what conditions we might see sort of the quarterly buyback much higher? I was hoping you could say a few words on what the prospect of that sort of might be?

And then the other one is about the SapuraOMV acquisition. You bought 100% in 2 tranches. I know it's not as exciting as Namibia perhaps, but it's not entirely small I was wondering if you could say a few words about the rationale of that transaction, what the attractions of the assets are, how it fits in the overall picture.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Good. No, it's not small. It's a good deal. Even if we don't make a lot of noise, you know I prefer to pick some good assets, which fits with the strategy, with growth potential. We don't really think it's small because, in fact, it's giving us with SapuraOMV deal an operating position in Malaysia. We see that as many advantages.

In fact, we have a strong partner Petronas. Malaysia is in fact still a prolific basin, with several gas basins, prolific ones. It's an opportunity to have a material position, around 50,000 barrels per day, I think. It's material. We can dedicate people. We see there beyond these licenses more to be done. There is a potential to expand in the gas business.

This is a business which is related to and priced as a netback from LNG. You have different formulas. So, it's part of also the interest of this business. You have some upside, and you can correlate it to LNG. And it's also a way again to strengthen the links with Petronas. Malaysia is an interesting location as well for other activities like in particular CO_2 storage for Asian buyers. A lot of Japanese companies are looking into that.

Again, I think for a company of our size, Helle [Kristoffersen] is now in Asia, in charge of Asia strategy. I think having a larger footprint in Asia is important for our future. This is where the demand will come from. And Malaysia is an interesting country. We have also some LNG business and this was a good opportunity. Again, a material one because what I don't want is to move from a small asset. So we worked to have materiality by making all this transaction together.

On the buybacks, okay, in fact, you know the answer by asking the question, Martijn, I think. When we stated in the press release of the 2023 results in February, just reading it, with “$2 billion of share buyback in the first quarter of '21, which will remain the base level for quarterly buybacks in the current environment”. I think the current environment in February were more or less $79, $80 per barrel. We continue on this basis, but it's quite clear we have been clear about the cash allocation framework we follow.

First dividend. The Capex where we are, and we don't intend to extend them. And we said that we use share buyback, if we have more cash flows, to share it with shareholders. So again, it was premature this quarter because we have only seen $90 for 1 month, so I will not conclude that the $90 will remain for the year. I know that when I was making some roadshows in London, people were speaking to me about $100. But in the meantime, it was at $95 then It went down to $88 or $89, So it's volatile.

To be clear, it's clear that in our minds that if we have more cash than the base case, then we'll look to share it through share buybacks with some shareholders. But we don't have a mathematical formula to give you, so you have to guess.

And again, it's a monitoring. We'll see what the second quarter will be. And I expect some decision probably middle of the year or September by the Board, when we'll have a better visibility of what could be the execution of the year.

We have a good balance sheet. We will not wait the end of the year to announce to you what we'll do. But again, let's look to what is the reality of the market. Because at the same time, if oil price is better, gas price was a little lower than anticipated at the beginning of the year even if it's going up in the last weeks to $9, $10 in Europe, and the spread with the U.S. because Henry Hub is going down at 1.5 and it is also a good and important indicator for us, between TTF and Henry Hub. That's a good signal.

So again, we will follow what we said to our investors and shareholders. I remind you as well that we said that we want to distribute a payout of more than 40%. This quarter it's at 46%, I think. So, we are on the way not to disappoint you. But it's like the strategy, we are consistent, and we go step by step. And when we are in a position to take decisions, we'll take them.

Operator
The next question is from Lucas Herrmann with BNP Paribas.

Lucas Oliver Herrmann ***BNP Paribas Exane, Research Division - Head of Oil and Gas Research***
Interesting comments throughout, Patrick. Amazing, isn't it? We all focus on oil now and have moved on a little bit. But I just wanted to turn, on the subject of FIDs, I wondered if you could talk a little bit about the offshore wind business and just how things have progressed for you over the last 6 to 12 months around costs, and what your thoughts are now on the timing of decisions: Germany, U.K., possibly North Asia where you have opportunity. So just to give us some idea of, okay, I know what I'm doing on Namibia or Suriname, but what am I thinking around the allocation of capital to wind and timeline?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. I will be transparent. There is no way. It's clear that we had the experience recently in New York where in fact, it's an issue. When you are in some markets, which are more regulated or I would say, more depending on some fiscal incentives. Suddenly, everybody wants to take the incentive for himself.

But if the supplier is increasing the price of his turbines because he wants to capture the ITC, then we don't have it and then we cannot make the project. So, it's a chicken and egg story. But we are not condemned to develop projects if they are too costly. I'm Capex driven, and you know me for long now. We have just recently said that on PNG, we are able to delay because the Capex were not there and we are going to new contractors. And on offshore wind, obviously, we can be in the same position. Because it's clear that this energy is more expensive than onshore wind or solar.

And in our Integrated Power strategy, it has to find its place in a merchant way, somewhere to be able to make money with a merchant pricing as well. So, if it's too costly and that is going out of what could be expected as a merchant pricing for electricity, then why should we do it? We are working on it. There is no rush. We will not be led by, I don't know which planning or by a 2030 target. The 2030 target for TotalEnergies can be filled with plenty of onshore possibilities. We'll have some offshore projects because we have some in the portfolio, which are good, on which we will give the priority.

We have created many options. And what we were discussing between us with Stéphane [Michel] was, okay, we need to rank all these opportunities and to do only the best ones and not necessarily all of them.

So again, you have some heating there. But either we can have some cold water on all this value chain, otherwise, we will wait and see. We are at this point. But we work, we work on that. Last comment, I would say, for me, offshore wind is an energy where you have to look carefully to what will be the electricity market prices. It's an energy for markets where the electricity price will remain high.

You cannot deploy it everywhere. But Germany is a good fit. U.K. is potentially a good fit as well. And New York we'll see again, how we can obtain or not the right conditions to develop it. We are monitoring it. But in our capacity of Integrated Power, it should represent something like 10% by 2030. So, it's not the core of the growth.

And if the 10% are only 7% or 8%, I don't care. Our priority is profitability , profitable growth. And so, we will go and review these projects one by one and if costs are rocketing, it's better to wait and see or to allocate our capital to another project.

Operator
The next question is from Biraj Borkhataria with RBC.

Biraj Borkhataria ***RBC Capital Markets, Research Division - Director, Co-Head of European Energy Research Team & Lead Analyst***
The first one is on LNG. There's been on and off news flow around potential EU sanctions on Russian LNG. Now I'm just wondering what this would mean for your offtake at Yamal? In particular, would you be able to divert the cargoes and sell them elsewhere? Or would you have to declare force majeure?

And then the second question is on hydrogen. So late last year, you announced a call for tender for across your refineries. And I don't think we've seen anything since then so I was wondering if you could provide any insight on the response from the industry and what you're seeing there?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. I know you like Russia, Biraj, very much. To be clear, for TotalEnergies, I will tell you, if EU sanctions Yamal LNG, the price of LNG will go up quickly, and globally, our portfolio will benefit from it. So it's a positive if there were sanctions, not a negative. Because the cash from Yamal is quite limited, contrary to what you might all think.

First, we don't receive dividends from Yamal LNG since 2023. Second, I remind you that because of the risk of sanction, we decided not to hedge the volumes of Yamal. That means that this year, we have sold Yamal in Europe at a TTF price, and we buy it on a Brent basis. That means that it's not a very profitable operation this year, this contract. So honestly, it's not a point.

So yes, if there are sanctions on Yamal by Europe or by EU, we will have to exercise force majeure for sure on some of the contracts. It's two contracts, one is for Europe, on which we could exercise it. And one is for Asia, on which we'll have to look more carefully to the clause. So this is where we are. But my view, to share it with you, Biraj, is that the European leaders understand that their gas security of supply today relies on LNG. And they don't want again to see a price crisis in Europe until 2027.

And what I understand is that they might have some ideas, but from 2027 onwards, not before. So we'll see. Again, for TotalEnergies, it's neutral. It's even a plus if there were some sanctions. So maybe people will think I'm a little provocative but in fact, that's a reality when I look at these projects. It's not billions of dollars in cash flows, it's more a few hundreds of million dollars, which we can absorb easily and which have already been largely absorbed since 2022 in the company by other projects.

On the second one, I would like you to follow more carefully. We gave you some indications in February on hydrogen. We told you that we received a lot of offers - more than 50 different offers - to our tender. We have been offered 5 million tons, and we are targeting 500,000 tons per year. So then all the maturities of all these projects are not the same. We are working on them.

I'm quite optimistic, to be clear, that we'll get what we are targeting. It's important for us because these 500,000 tons will allow us to decrease CO_2 emissions by 5 million tons. We have this year 38 million tons. So it's quite sensible on the road map.

And again, within the European ETS framework and the famous RED III, we can do it, I would say, in terms of neutrality compared to paying the taxes or eliminating emissions and getting some green hydrogen.

So really, it's quite attractive. We are, in fact, becoming an anchor customer for some players, in particular in Antwerp or Rotterdam. And even in Leuna in Germany, there is quite a strong interest. So we could benefit from being a first mover there. Because again, there are people who are willing to develop the projects, thanks to such a 15-year contract that we could offer.

So we'll come back to you when we have clarity. There are different tenders, a lot of discussions. But I think before this year-end, we'll be able to come back to you with news. But I prefer the teams to work than giving more indications. But I'm convinced that we'll be able to execute the road map as planned.

Operator
The next question is from Michele Della Vigna with Goldman Sachs.

Michele Della Vigna ***Goldman Sachs Group, Inc., Research Division - Head of Natural Resources Research & MD***
Congratulations on the strong capital discipline and the ongoing upgrading of the portfolio. I think you mentioned PNG, that is definitely a great example where cost inflation has led you to rethink or at least delay the project. I was wondering which other projects in your portfolio you think should be delayed or perhaps reengineered a bit following some of the recent cost inflation. Mozambique is certainly one where it feels like some of the bids have come back a little bit on the high side.

And my second question goes back to the idea that you floated off a U.S. primary listing. Clearly, the big aim there is to be included in one of the major indices, like the S&P 500 which has so much passive and semi-passive following. I was wondering if you've had any discussions there and if you think it's actually something doable to be included in that index while remaining headquartered in Europe.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Ok. Michele, you know the answer to the second question. And you know that you cannot be in the S&P 500 if you are not domiciliated in the U.S., that's the rule. So we don't intend to do it and that's why we speak about primary listing. But again, when we discuss with U.S. shareholders, for them having access directly to real shares in New York would be a plus compared to going through these ADRs or through the Paris market

to buy shares. I think that's what we think about.

We see clearly more appetite on the North American side for energy companies - oil and gas companies - than in Europe. So we are studying how to facilitate their appetite by offering them easier access to our shares, that's the idea. The index might be a plus, but it's not in the agenda to be clear, because we don't speak about domiciliation, we speak about primary listing. That's one point.

On the first point, no, honestly, on Mozambique, we don't face inflation at all. I know one of my colleagues wanted to float that idea, but it's not true. I mentioned a few months ago that we were discussing with contractors on Mozambique, because they raised their costs. We had good discussions with them. So the good news that I can confirm today is that in fact, we are back to good contracts with all of them. We realigned all the contractors, because their interest is that we can execute the contract, the project. Their interest is not to force us to re-tender or redesign, or I don’t know which strange idea.

So we have a good concept, a strong concept, a resilient one. So we worked with all of them and today, we have contracts which have been initialed to restart the project.

But we have other dimensions in that project. And on the security side there has been a lot of things. The security in Northern Cabo Delgado is okay. There are no incidents, no events. It’s well controlled. And I will meet soon, President Nyusi from Mozambique to review it with him.

And on the southern part of Cabo Delgado – it’s quite far from where we are – there have been some incidents. But they are redeploying some forces there. And by the way, again, people are asking me: “will you lift the force majeure?” But the first thing to be done is by the State of Mozambique – which is in charge of the sovereignty and the security – to tell us if we could lift it before I decide. Let’s do it in the right order. I would say don’t try to ask privately owned companies to decide about something which is not fully in our hands. Security in that region is the duty of the State of Mozambique, and we are working with them. So it's not a matter of cost, this one. It's more a matter of having the right conditions to lift the force majeure and to move on progressively, because it has to be done. Remobilizing this project will take time, but it's not a matter of cost.

So, on PNG it was the cost discipline. Frankly, it is not really a redesign. As we tried to explain, it’s more that we are limited to our traditional engineering firms, partners, the Western ones. I think what is new is that Western contractors have not so much appetite for many projects. It's like us, it's value over volume. So they have plenty of projects in the U.S. probably easier to execute. And so we have begun to work with some Asian engineering firms, which are also able to deliver good upstream projects, and we observe it. Half of the contractors who are working in Uganda are coming from Asian countries and the execution is very smooth. They respect the cost, the budget, so we are happy with them.

So we went to the traditional players and know we want to open the tender: it will take time. And I'm optimistic that we can put this project back on track. But again, as I answered before, within our portfolio, we have many options. And that's good to have many options.

We were not discussing a lot about Marsa LNG but now we have it, we introduced it. We might have another option, which is called Train 4 of the Rio Grande LNG project, which might be more efficient than others. So I prefer to have more options and then to organize the planning and to be able to resist cost increases to keep the discipline. We will be able, despite this, to deliver the LNG growth we anticipate for 2028.

So that's where we are. And again, we'll monitor these projects one by one. And we'll see in Suriname, clearly, we have good costs, probably benefiting somewhere from synergies for some contractors with all the projects in Guyana. That's clear there are synergies somewhere. And contractors who are working on Guyana, they propose to come with us in Suriname because for them, it's just next door. And so they can capitalize on what they've done. We'll see in Namibia, which is a new province. It will be for me the next frontier from this perspective: how do we establish an efficient oil and gas industry in terms of servicing, et cetera, in Namibia.

Operator
The next question is from Kim Fustier with HSBC.

Kim Anne-Laure Fustier ***HSBC, Research Division - Head of European Oil & Gas Research***
I've got 2 on LNG, please. First one is on U.S. LNG integration. I think your intention to extend into the upstream in U.S. gas has been well telegraphed for a while. And now you've made a first step with the Lewis Energy deal. Are you able to say roughly what proportion of your U.S. LNG offtake you'd like to cover in the medium term?

And secondly, you mentioned good appetite for new oil-linked LNG contracts from Asian customers. Are you able to say or give any color on the slopes embedded in these new contracts? And also, what share of your contracted LNG sales is up for renegotiation over the next few years? Thank you.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. On the first one, I think I've been clear. We want to protect or to hedge, I would say, our cost of production by having some equity in gas production in the U.S. So it's around 1 Bcf/d, which we could target, more or less.

But then again, there is no rush. Today is the right time, the Henry Hub is low. We've seen some dry gas producers quite keen to open the doors, so we try to jump in. It will not be a big acquisition, probably it will be a sum of assets. We prefer to do that than rushing to make big M&A, which are expensive, and so we had an opportunity to do it. Dry gas window, Eagle Ford is perfectly located next to Rio Grande. That was one of the advantages of Rio Grande LNG. And you know there is not much appetite for this dry gas Eagle Ford basin. So there are opportunities there to deploy, to develop a position in the long term. That's what we target.

And the cost of acquisition is quite good. It's quite low, in fact. In particular, today, because it's countercyclical. It's always what I explain, to make good deals when it’s countercyclical, and this is typically what we should do today. And with Henry Hub at 1.5 or 2 $/Mbtu, it is a good opportunity for us to advance. So if people are listening to me, they can come.

Then on the LNG contracts, no, I cannot give you some commercial discussions on the slopes. It's protected information. By the way, in most of my contracts, it's written that I cannot disclose it. So I cannot do that. If we sign it because it's fitting with our expectations, that's all what I can tell you.

And you know, we renegotiate contracts. In most of the long-term contracts, you have a price-review clause, which is either every 5 or 10 years. It depends. So I think it's more or less 7 years in average. We have a large portfolio: we have 30 million tons of LNG contracts. So every year, I would say we have more or less 1/7 of these volumes, which are being renegotiated.

But you know a renegotiation for us, it's also a positive because it can be the opportunity sometimes to have longer contracts. It's a permanent exchange around pricing, duration, volumes and optionality. So in fact, when we are reopening these contracts every 5 years, there are many parameters, which are on the table. It's not just the pricing. And then you exchange: you give maybe more optionality to redirect some volumes in favor of the seller or of the buyer. So that's quite interesting, these negotiations.

So I would say yes we renegotiate more or less 1/7 – as a rule of thumb – of our 30 million. We are accustomed to do it. I was in China recently, we also discussed new contracts with the people there. So it's a permanent give and take and that's *commerce*: it's a business, a trade.

Operator
The next question is from Alastair Syme with Citi.

Alastair Roderick Syme ***Citigroup Inc., Research Division - MD & Global Head of Oil and Gas Research***
Can you talk about how much of your Integrated Power business earnings comes out of Spain? I think you've got a lot of the flexible generation combined cycle capacity. I'm really just interested in how current low Spanish power prices will eventually feed through into earnings if they do at any point?

And then my other question just back on Namibia. I mean I think in the press earlier in the week, you've got pinned down to suggest that it might hold similar potential to Guyana. You talked about 180,000 barrel a day development, which is something but is not a huge -- I'm just sort of interested in what makes you connect the dots to something Guyana-sized to the basin?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
On the second point, there are 2 differences. One is each development: how much is the size of 1 development. It is dimensioned fundamentally by the facilities on the top side on the FPSO. Because due to the GOR, you cannot oversize the gas handling facilities on the top side of the FPSO, and that governs generally the oil production. The question will be how many can we do ?

It will not be like in Guyana where 1 JV covers the full discoveries, it's not the case. So we won't have, from this perspective, the same efficiency as having 1 JV in charge of deploying the full resources while it is the case for our friends in Guyana.

In Namibia, you have different operators who are discovering oil and hydrocarbons: ourselves, Shell, Galp. So that means, but when I'm adding what we know about it, I think the perspective to have 6, 7 FPSOs or I don't know, is perfectly possible on the whole Orange Basin, and we're just at the beginning of the exploration including on our block, including I mentioned the Orange Basin on the South African side.

So honestly, it will not be as efficient in terms of development because it's not on 1 JV, but several JVs could cover, the potential of this area which seems to be quite attractive. So again, you have different operators, different exploration programs to be executed. So that's the second part.

On the first one, Spain is -- around 2025, out of the 35 gigawatts, it will represent, I think, something like 1 to

2 gigawatts. So it's not a major country. It's the one we started quickly because it was easy to have access to some solar projects next to France. But it appears -- yes, you're right – that it's not an easy country because a lot of competition, the price electricity is quite low.

And you have some curtailment. So you have to be careful about the projects. It was an early mover to renewable. So there is a lot of projects there.

But in the plan by 2030, we could target something like 4 gigawatts of 100, so 4%, 5%. In Europe, for me, it's not the #1 country to deploy in terms of Integrated Power. Germany has more interest and even, I would say, U.K. Because, again, for us, the driver will be where do we see the best combination between gas and renewables.

Alastair Roderick Syme ***Citigroup Inc., Research Division - MD & Global Head of Oil and Gas Research***
Okay. My question, which is really on today. I get a lot of your earnings Integrated Power coming out of a combined cycle in the gas in Spain.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Spain is quite low. You don't use much of this combined cycle today, honestly.

Operator
The next question is from Bertrand Hodee with Kepler Cheuvreux.

Bertrand Hodee ***Kepler Cheuvreux, Research Division - Head of Oil and Gas Sector Research & Equity Analyst***
Yes. Two questions. The first one is on the U.S. offshore wind. There were recently your project Attentive Energy that was canceled. Can you share with us the reason of that cancellation? Because I understood there were -- there should have been a one-off, I would say, indexation clause linked to the cost. And so I'm struggling to really understand. And do you still see a way forward in U.S. offshore wind?

And then the second question is LNG related. You said in your introductory remarks that you've asked your team to sign long-term LNG contracts with Asian buyers in the coming years. Do you have a volume in mind?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
The first question, in fact, Bertrand, I answered previously. I explained that one of the key contractors, which is making a lot of local content, had suddenly increased its costs, probably trying to push the limits, has reached the limit.

And you have to wait and see the follow-up. But I cannot disclose it because again, we have some contracts with the te State of New York. So I prefer not to comment it.

The state of New York is managing these contracts. Their intent is yes to have the projects, and so they will probably, like they've done for the 2 old contracts with 2 competitors that will re-tender it in the conditions, which will allow us to launch a project. You need to have a little more time and you will understand.

On the second one, I don't want to put a target officially today publicly with my teams. We know that we have some volumes available in our portfolio. So this volume might be marketed and it has to be marketed. When we took in Rio Grande the commitment of 5 million tons, we don't want to market all of it, but part of it clearly has to be marketed. It's clear. It's part of the strategy.

We have -- our balance sheet is strong enough and we are trusting our teams enough to do it without having the contracts. But at the same time, it's good to deliver the contracts. So it's less than 5, but it's not 0. So you find the objective. It's not like that. Again, at the end, it's a question of negotiation, discussion and having the right contracts in terms of value.

Operator
The next question is from Paul Cheng with Scotiabank.

Paul Cheng ***Scotiabank Global Banking and Markets, Research Division - Analyst***
Patrick, you did a small deal buying 20% of Dorado. With your LNG exposure in the Gulf Coast, is that sufficient or that you are seeking additional asset in the U.S.?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Okay. Paul, I think I answered to Kim. No, it's not enough. It's the first one. It's an opportunity. It's a first volume. It's, I think, 100 million to 200 million scf per day, and we target more 1 Bcf/d. So there will be more to come. But the Eagle Ford, as I said before, is a good basin: dry gas in Eagle Ford is a good basin for us.

Paul Cheng ***Scotiabank Global Banking and Markets, Research Division - Analyst***
Okay. And that your acquisition of Talos Low Carbon Solution, with that, how that changed the way that your approach or that your pace on investment in that area in the carbon storage?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
I think it's a complement. I have been obviously on CO2 storage that we were ready to develop a portfolio primarily in Europe because it's linked to our assets. In the U.S., we have some refineries and petrochemical assets. So we know that we'll have to store CO2.

We had the opportunity to have access, as I would say, at cheap conditions to 2 nice projects CO2 storage, 1 in Texas, very next to Port Arthur where we are located, which is operated by Chevron, very committed. So a good operator next to our facilities. So that's matching our target. And another one Louisiana, and we intend to divest the second one.

So again, we are driven fundamentally by securing some volumes on good projects for being able to store our own CO2. And if we have more capacity, we'll offer it to hard to abate industries in the vicinity. So that's our strategy. In the U.S., we have quite a vibrant CO2 economy. So it might be a nice place to have a good scheme to have, I would say, a low-cost CO2 storage.

It's part of the Texas strategy – you know we have a new country: Texas.

Paul Cheng ***Scotiabank Global Banking and Markets, Research Division - Analyst***
Patrick, primarily that you said for lower your carbon emission or intensity of your own operations or that you look at it as a gateway for a third-party revenue source business?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
It's for both.

Operator
The next question is from Henri Patricot with UBS.

Henri Jerome Dieudonne Marie Patricot ***UBS Investment Bank, Research Division - Associate Director and Equity Research Analyst***
Just 1 question on Integrated Power. You mentioned your strong first quarter in terms of cash flow from operations. If we annualize the first quarter, you are already in the upper half of the guidance range for the year and you have more capacity coming on stream over the rest of the year. So I expect that you're more likely to be -- at the upper end of the $2.5 billion, $3 billion cash flow range, maybe even slightly higher. Is there something to have in mind when it comes to the first quarter cash flow, which we expect that we may not expect exactly that run rate through the year?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
Thank you. No, I confirm the $2.5 billion to $3 billion, you can multiply by 4, you will find something like $2.7 billion, $2.8 billion… It's a permanent growth. And don't forget the seasonality in this business, you consume more in winter and sometimes in summer time, it depends on the region. In Texas, it's a contrary: you have more cash in summer time with hot weather than in Europe. But yes, it's a seasonality aspect. So I confirm $2.5 billion to $3 billion. And if we can be next to $3 billion rather than next to $2.5 billion, we'll be happy.

Operator
The next question is from Jean-Luc Romain with CIC Market Solutions.

Jean-Luc Romain ***CIC Market Solutions, Inc. - Research Analyst***
My question is related to CapEx in Integrated Power. You have had a strong start to the year. Should we expect the quarterly level of organic CapEx to continue about the same over the rest of 2024 or to still accelerate?

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***
No. But I think you have something there and even during the year. Because as you know, the guidelines we give you is the net CapEx. And you have, of course, with a growing portfolio, a growing part of farm downs, which will be booked probably more on the second half of the year than the first half. So you see more organic CapEx at the beginning and then we should land to what was the plan for the year. I think $5 billion, that's what we mentioned to you. So I don't anticipate a higher capital allocation to this segment.

And by the way, as was said by Christyan, as we have quite a number of good oil projects, again, we've told you that we have reached the right percentage of allocation, 30%, 33%. So that's a guideline. And I'm sticking on this one for the years to come.

We came to that level quicker than expected. But now it's also a matter of discipline. We have a lot of opportunities, but we are also selective. And it's important because again, it's not one against the other, we execute the strategy. So it's more a timing effect like for the working capital rather than seasonal effects, but you will see it landing during the year. Okay?

Operator

Gentlemen, there are no more questions registered at this time.

Patrick Pouyanné ***TotalEnergies SE - Chairman & CEO***

Well, and thank you. Thank you to all of you. I think we were targeting to be on time in order for you to attend the Exxon call, if I understand, which will follow in 5 or 10 minutes. So we respected it.

Thank you for your attendance. And again, it's another quarter of strong delivery. Some people will say TotalEnergies is sometimes a little boring, but we are boring for the good and always going up as a share. So I mean, I prefer to be in that situation, not to surprise, but to execute, to deliver, to be consistent. And when you buy shares, you can trust that we will deliver. That's the message. Thank you.

Operator

Ladies and gentlemen, this concludes the conference call. Thank you for your participation. You may now disconnect.
