equinor

Capital markets update

February 06, 2019

London, United Kingdom

Forward-looking statement

This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "believe", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding plans and expectations with respect to Equinor's returns, balance sheet and long-term underlying earnings growth; cash flow and returns and the average break-even price; start-up of projects through 2028, including Johan Sverdrup; Equinor's digitalisation and innovation; expected carbon emissions from the current portfolio; building a profitable renewable energy portfolio; market outlook and future economic projections and assumptions; capital expenditure and exploration guidance for 2019 and beyond; production guidance through 2025 and unit production cost through 2020; CAGR for the period 2019 – 2025; organic capital expenditure for 2019; Equinor's intention to mature its portfolio; exploration and development activities, including estimates regarding exploration activity levels; ambition to keep unit of production cost in the top quartile of its peer group; equity production and expectations for 2019; planned maintenance activity and the effects thereof for 2019; expected dividend payments and dividend subscription price; estimated provisions and liabilities, including the COSL Offshore Management AS litigation; implementation of IFRS 16, and the impact thereof; planned and announced acquisitions and divestments, including timing and impact thereof, including the acquisition of lease OCS-A 0520 in Massachusetts, the swap of interests with Faroe Petroleum in the NCS, the acquisition of Danske Commodities, the acquisition of Chevron's interest in the Rosebank project and other pending acquisitions and divestments discussed in this report; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to and future impact of legal proceedings are forward-looking statements.

You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of Norway and other oil-producing countries; EU developments; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions, including war, political hostilities and terrorism; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields or wells on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; unsuccessful drilling; an inability to find and develop reserves; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of field partners; the actions of governments (including the Norwegian state as majority shareholder); counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; labour relations and industrial actions by workers and other factors discussed elsewhere in this report. Additional information, including information on factors that may affect Equinor's business, is contained in Equinor's Annual Report on Form 20-F for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission (and section 2.11 Risk review – Risk factors thereof). Equinor's 2017 Annual Report and Form 20-F is available at Equinor's website www.equinor.com.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.

Prices used in the presentation material are given in real 2018 value, unless otherwise stated. We also confirm that we have obtained approval from IHS Markit and Barclays to publish data referred to on slides in this presentation.

Growing returns, production and value

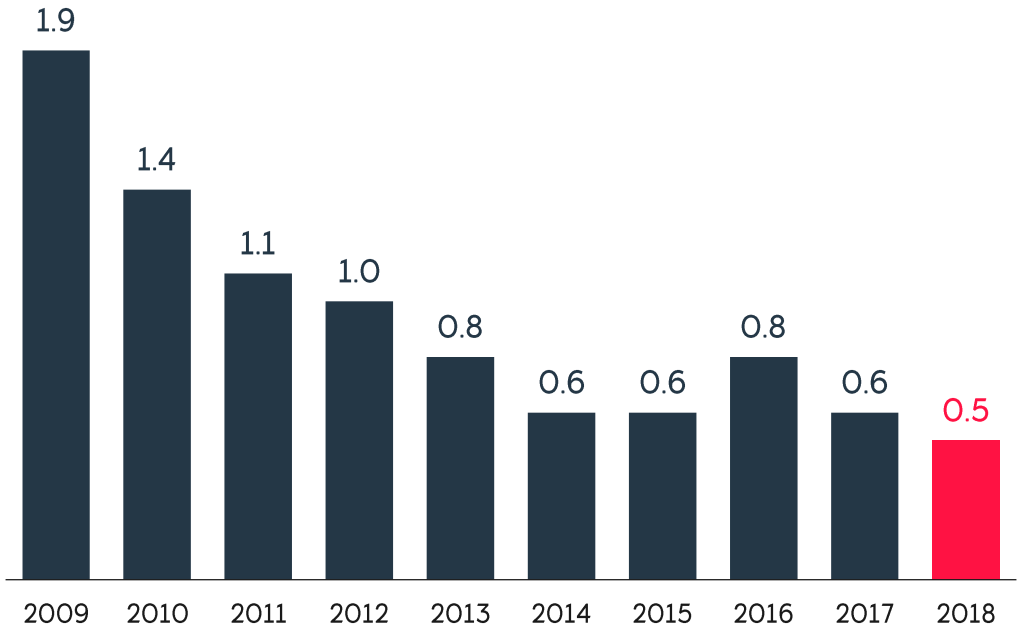
Eldar Sætre

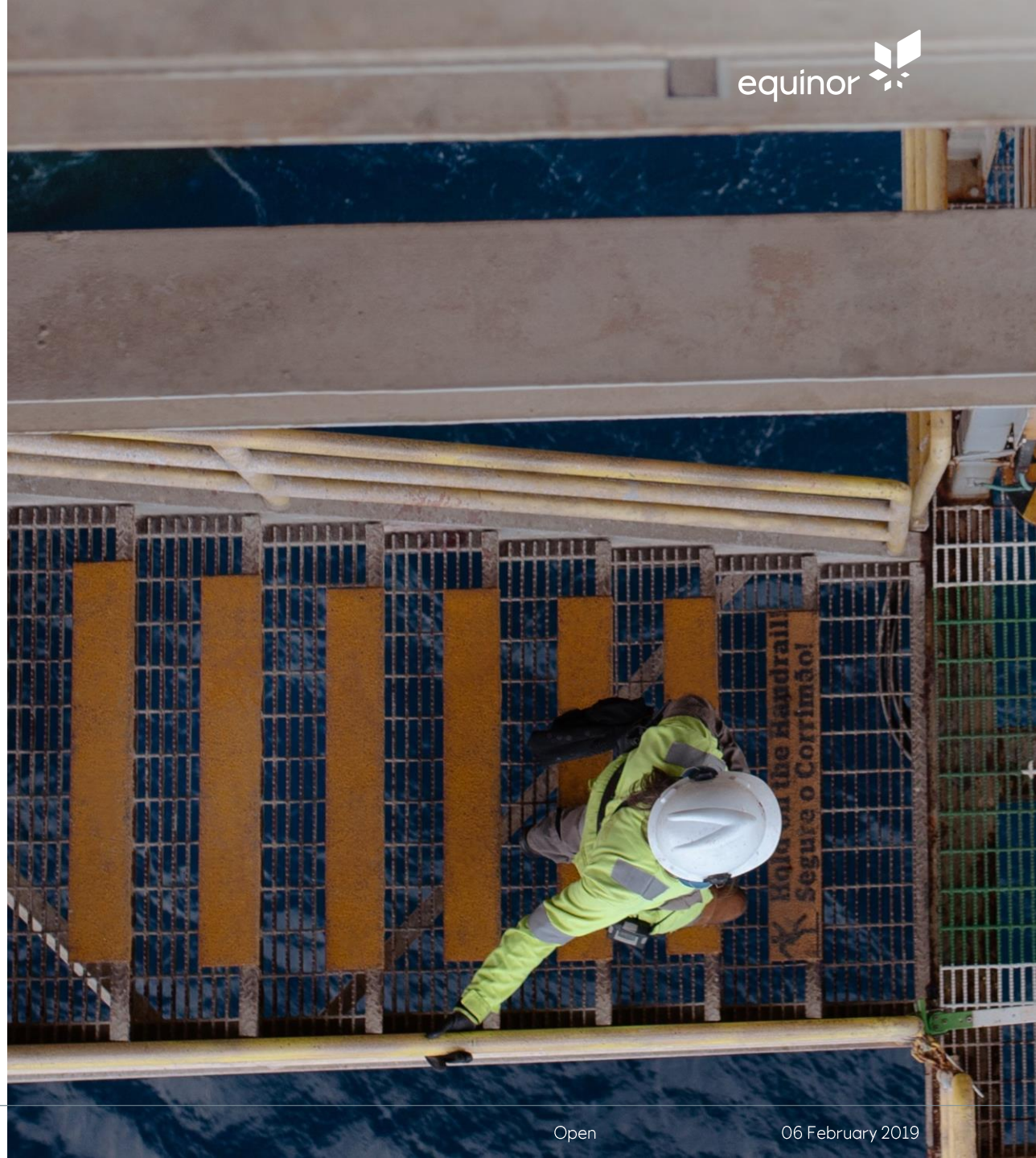
President and Chief Executive Officer

Always safe

Serious incident frequency (SIF)

Serious incidents per million work-hours





2018

Delivering on our strategy

High value

RoACE

12

Percent

Adjusted after tax.

Organic free cash flow

6.3

bn USD

After dividend, excluding considerations from closed transactions and signature bonuses.

Volumes, sanctioned projects

>1

bn boe

Equinor- and partner-operated projects, sanctioned in 2018. Equinor equity.

Break-even, sanctioned projects

14

USD per bbl

Equinor- and partner-operated projects, sanctioned in 2018. Volume weighted.

Low carbon

CO_2 intensity

9

kg per boe

Equinor-operated upstream producing projects, 100% basis.

CO_2 intensity, sanctioned projects

<1

kg per boe

Equinor-operated upstream projects, sanctioned in 2018. 100% basis.

Methane intensity

0.03

Percent

Includes Equinor's total operated emissions divided by gas volumes operated fields (100% basis, upstream and midstream).

New renewable capacity

1.3

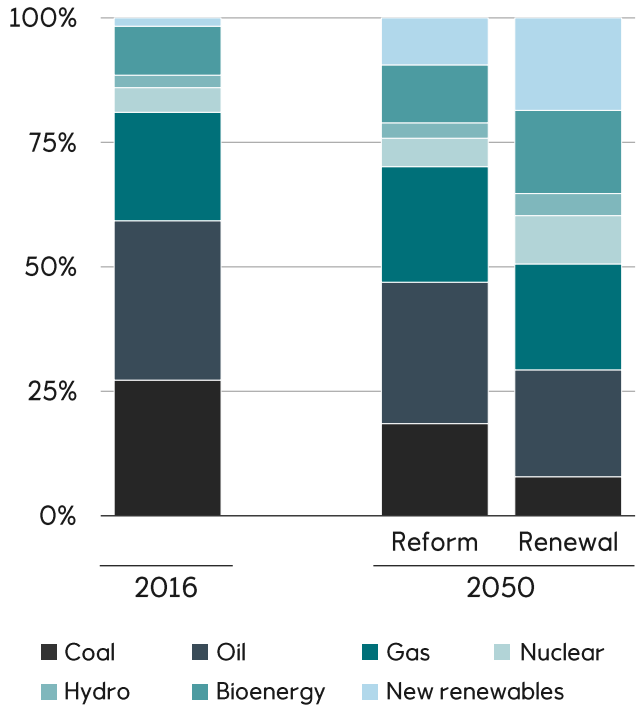
GW

Equinor- and partner-operated wind and solar projects, 100% basis.

Need for significant new energy supply

Global energy mix [1]

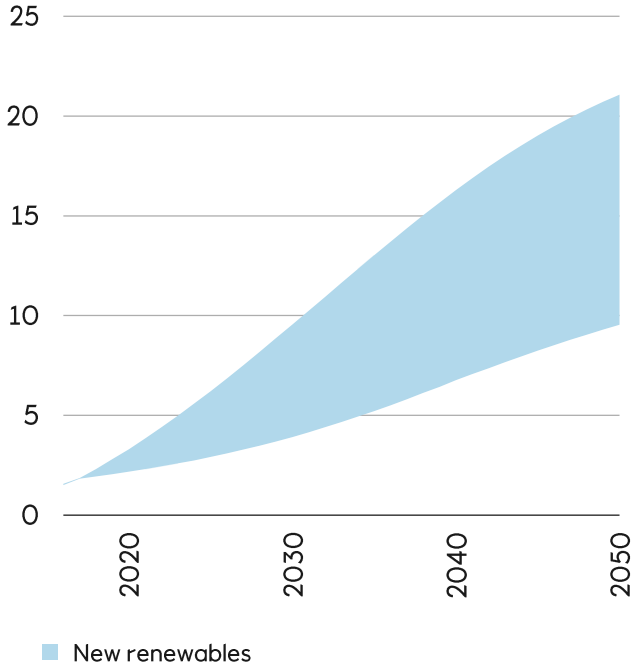
Percent



1. 2050 energy mix based on Reform and Renewal (2° scenario) scenarios in Equinor's 2018 Energy Perspectives report (Energy Perspectives).

Substantial growth in new renewables [2,3]

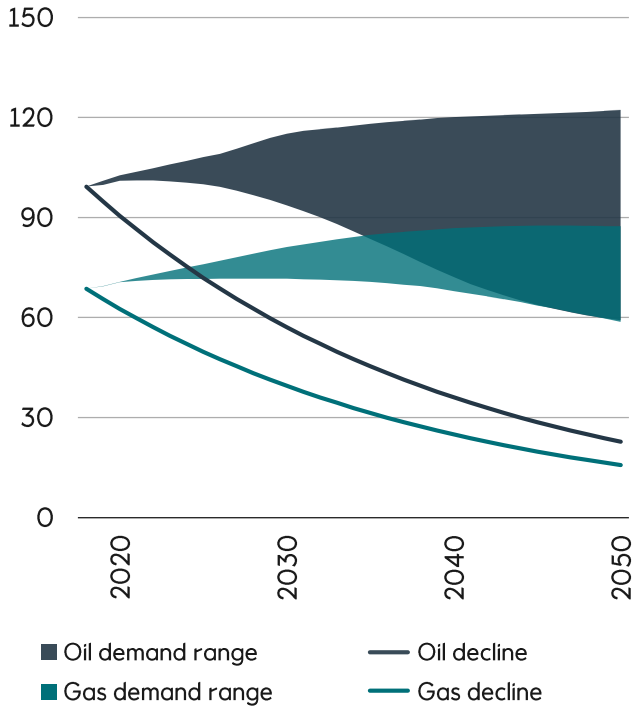
Thousand TWh



2. New renewables include solar, wind, geothermal and marine electricity.
3. Range is the outcome space of the three scenarios in Energy Perspectives: Reform, Renewal and Rivalry.

Need for new oil and gas [4,5]

Million boe per day



4. Range is the outcome space of the three scenarios in Energy Perspectives 2018: Reform, Renewal and Rivalry.
5. Oil and gas production assumed to decline by 4.5% per year.

Leveraging our industrial value drivers

- Operational excellence
- World class recovery
- Leading project delivery
- Premium market access
- Digital leader

Capturing value

Valuable growth on the **NCS**

Applying the best of Equinor **internationally**

Building a profitable core area in **Brazil**

Growing cash flow and returns

Free cash flow positive

<50

USD per bbl 2019-21

After dividend, organic free cash flow, excluding considerations for Danske Commodities, NCS swap, Rosebank, Carcara and Roncador.

Free cash flow

~14

bn USD 2019-21

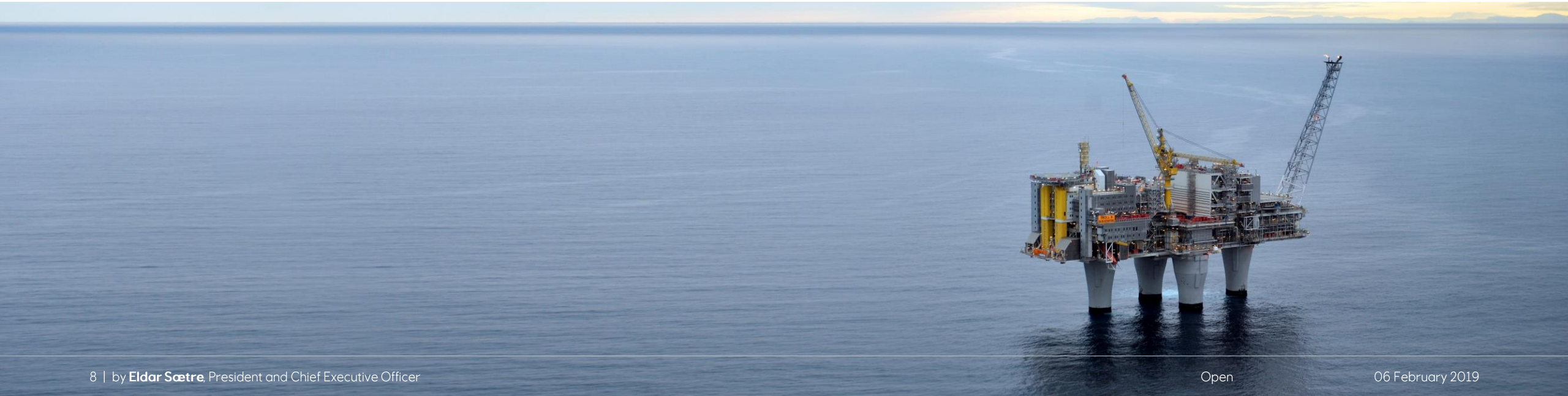
After dividend, based on USD 70 per bbl, including considerations for Danske Commodities, NCS swap, Rosebank, Carcara and Roncador.

RoACE

>14

Percent 2021

Based on USD 70 per bbl, excluding new accounting standards and changes in future tax assets.



Robust and resilient portfolio

Projects coming on stream[1]

Break-even

~30

USD per bbl

Volume weighted.

Internal rate of return

~30

Percent

Volume weighted, based on USD 70 per bbl.

Resources

~6

bn boe

Equinor equity.

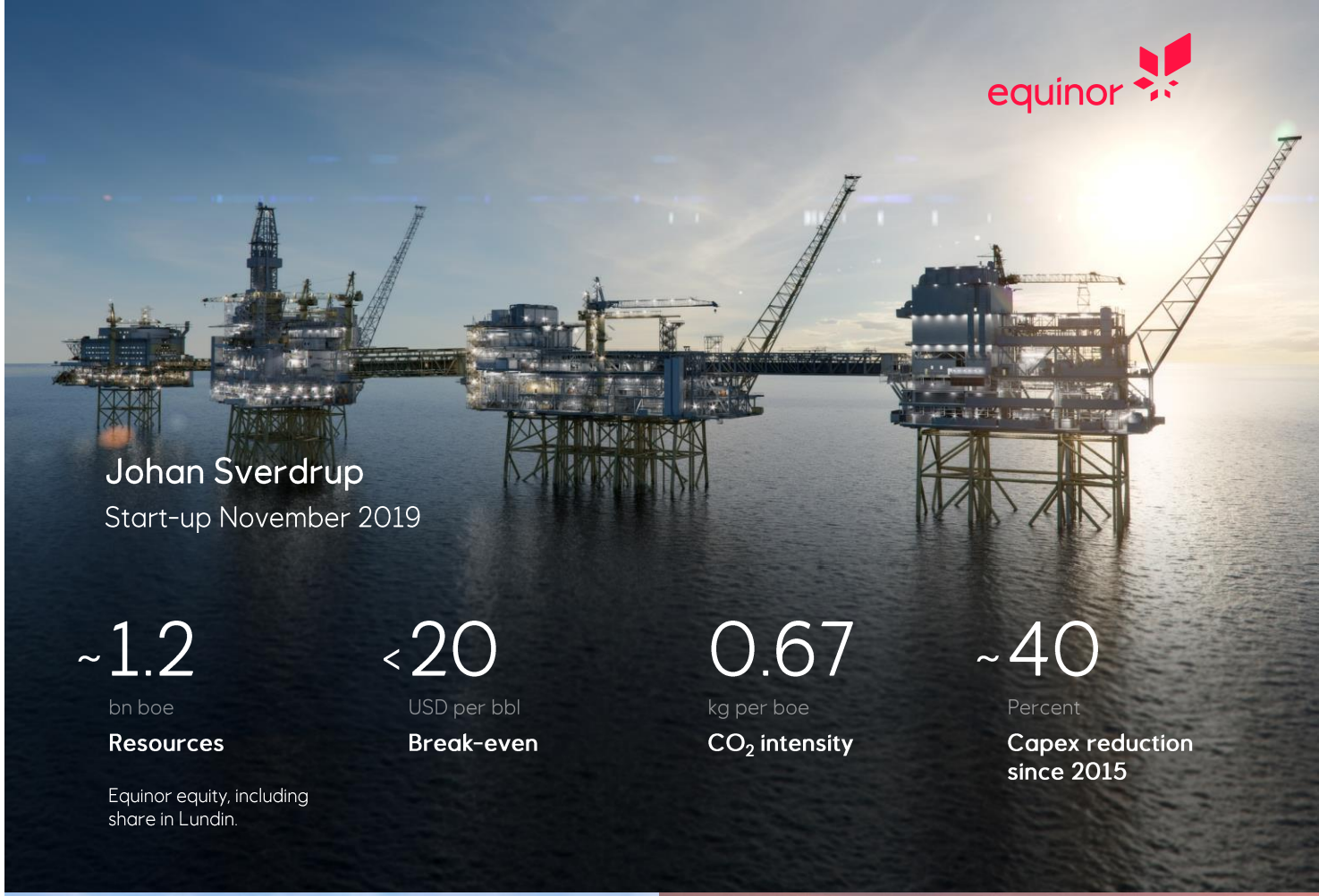
Production growth 2019-25

~3

Percent

Compound Annual Growth Rate, adjusted for portfolio measures.

1. Equinor- and partner-operated projects, with production start 2019 to by end 2025.



Strengthening our resource base

Reserve replacement ratio

213

Percent

Increasing R/P

8.7

Years

Proved reserves (SEC) divided by entitlement production.

Adding high value resources in 2018

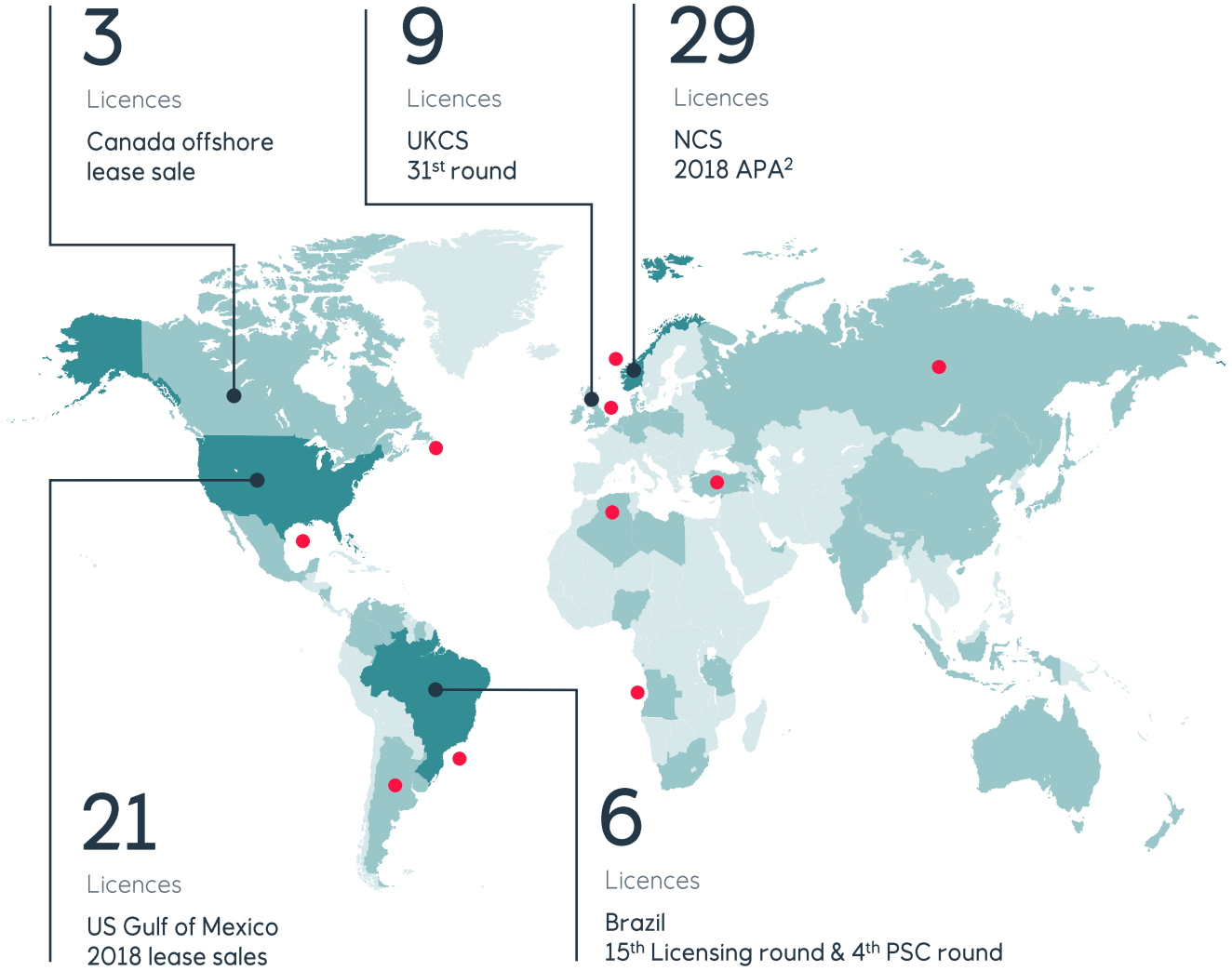
~1.6

bn boe

Exploration, revisions and transactions.

Accessed high value projects[1]:

- Martin Linge
- Rosebank
- North Platte
- US Onshore
- Roncador
- Carcará



1. Announced or closed transactions.

2. Awards in Pre-defined Areas.

● 2019 Exploration drilling activity.

Capturing value from cyclicality

Capital gains from transactions

~9

bn USD

2012 to 2018.

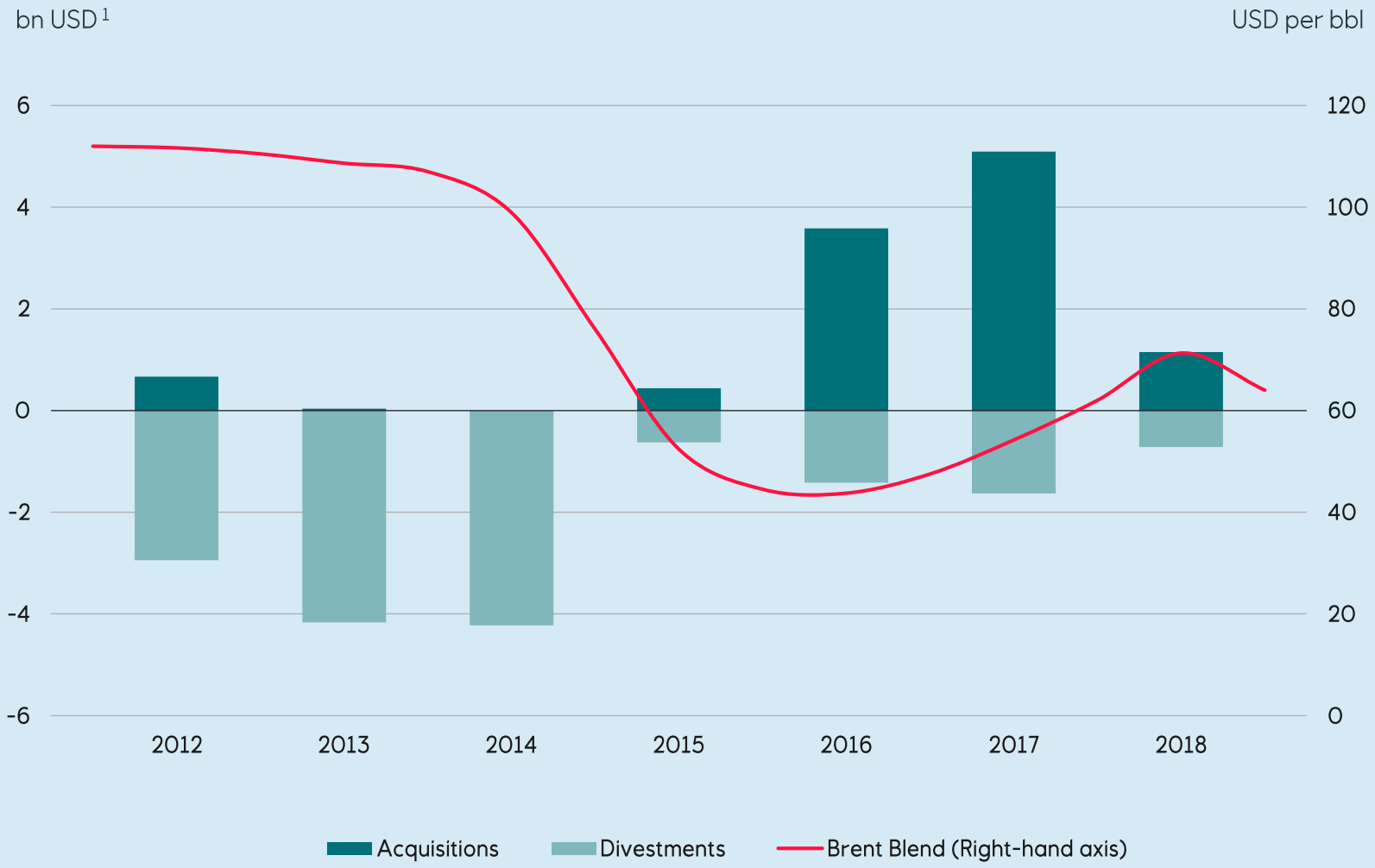
Contracts awarded in favourable markets

>100

bn USD

100% basis, 2015 to 2018.

High value transactions



1. Date of announcement.

Building a new energy portfolio

Leveraging our core competence

- Leading project delivery
- Operational excellence
- Capturing energy market value
- Realising value from transactions

Delivering from quality assets

Competitive returns ~10%[1]

- Sheringham Shoal
- Dudgeon
- Hywind Scotland
- Arkona
- Apodi

Attractive opportunities

- UK North Sea
- Baltic Sea
- US East coast

1. Average portfolio in operation, Equinor- and partner-operated.

Creating value from premium market access

- Cost-effective infrastructure
- Growing asset backed trading
- Increasing trades to Asia – capturing margins
- Expanding electricity marketing and trading

Global and flexible trading system

Liquids trading volume

>800

million bbl

2018 Equinor equity and 3rd party volumes.

Gas sales volume

>100

bcm

2018 Equinor equity and 3rd party volumes.

Electricity trading volume

~300

TWh

2018 volumes, including Danske Commodities.

Average annual MMP result

~1.7

bn USD

Adjusted earnings from 2015 to 2018.

EBIT Danske Commodities

~80

million USD

Estimated 2018 result, final audited result to be published 14 Mar 2019.

Committed to capital distribution

Quarterly cash dividend

26

Cents per share

Subject to approval at the Annual General Meeting (AGM)

Increased cash dividend

13

Percent

Subject to approval at the Annual General Meeting (AGM)

Step-up in 4Q cash dividend

- Reflects earnings growth from sustainable improvements in recent years

Unchanged dividend policy

- Share buy-backs remain part of the dividend policy

Highlights

Growing cash flow and returns

- RoACE >14% in 2021
- Free cash flow USD ~14 bn in 2019-21
- Organic free cash flow positive below USD 50 per bbl in 2019-21

Investing in high value projects

- Break-even of USD ~30 per bbl for projects coming on stream
- Average organic capex USD ~11 bn in 2019-21[1]
- Around 3% annual production growth in 2019-25

Committed to capital distribution

- Dividend growth of 13%
- Quarterly dividend of 26 cents per share[2]

1. Based on USD/NOK 8.25.
2. Subject to AGM approval.

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