



## 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](http://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.





## Valuable growth on the NCS

Arne Sigve Nylund

Executive Vice President, Development & Production Norway



# Valuable growth

Realising sustainable improvements

Operational excellence

World class recovery

Leading project delivery

Premium market access

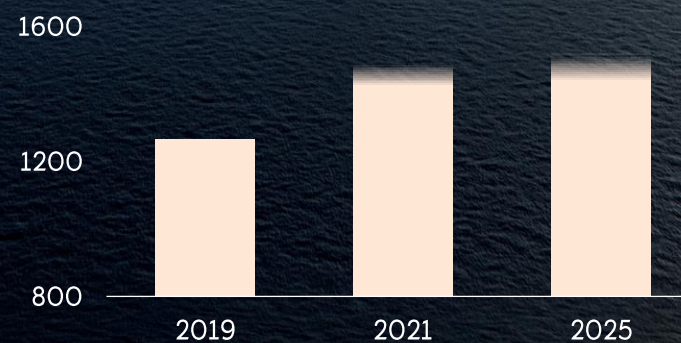
Digital leader

Johan Sverdrup  
coming on stream in

# 2019

Historical high production on the NCS in 2025

kboe per day <sup>1</sup>



1. Total production including projects under development, non-sanctioned projects, risked exploration and IOR.

Unit production cost

# ~5

USD per boe

2018 actual.

Net cash flow

# ~15

bn USD

Organic cash flow 2019-2021 at USD 70 per bbl. After tax.

# High quality non-sanctioned portfolio<sup>1</sup>

Break-even

~30

USD per bbl

Volume weighted.

Number of  
major projects

5

Projects over 250 million boe  
100% basis.

Volume

1.8

bn boe

Resources Equinor equity.

1. Non-sanctioned upstream projects with defined business case coming on stream next 10 years.

Wisting

Snøhvit Future Phases

Ormen Lange Phase 3

Oseberg GCU<sup>2</sup>

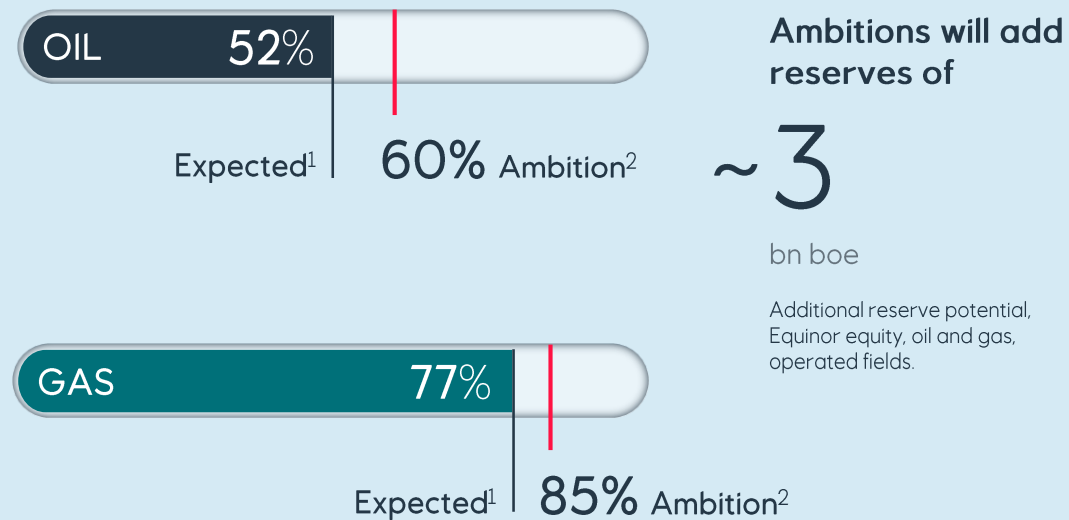
Krafla/Askja/Frigg

2. Gas Capacity Upgrade.

● Selection of non-sanctioned projects.

# Continuously adding value through increased recovery and exploration

## Recovery factors



1. Expected ultimate recovery at year end 2018 from Equinor-operated fields.  
2. Ambitions from Equinor-operated fields.



Production wells  
~100  
Per year

Equinor-operated.

Break-even  
<20  
USD per bbl

Current portfolio.

Exploration wells  
20-30  
Per year

On average, Equinor- and partner-operated.

- Exploring legacy plays & near infrastructure
- Actively exploring for gas
- Testing new concepts – game changing wells

# Low carbon emissions add value

Operating  
cost reductions

~1

bn NOK

2018 compared to 2008 level,  
100% basis. Equinor-operated upstream fields



## In operations

Continuous focus on efficiency

- **Troll A**  
Power from shore
- **More than 300** energy efficiency projects implemented

## Sanctioned

Strengthen competitiveness

- **Johan Sverdrup**  
Utsira High area power from shore
- **Martin Linge**  
Power from shore

## New opportunities

Long term advantage and resilience

- **Gullfaks and Snorre**  
Powered by floating wind
- **Sleipner, Krafla, Oseberg, Troll B & C**  
Power from shore



# Digital transformation - changing the way we work

Reduction in facility  
capex for Krafla

30

Percent

Based on Unmanned Production Platform –  
UPP™, compared to conventional concept.

Automated  
Drilling Control

>10

Rigs

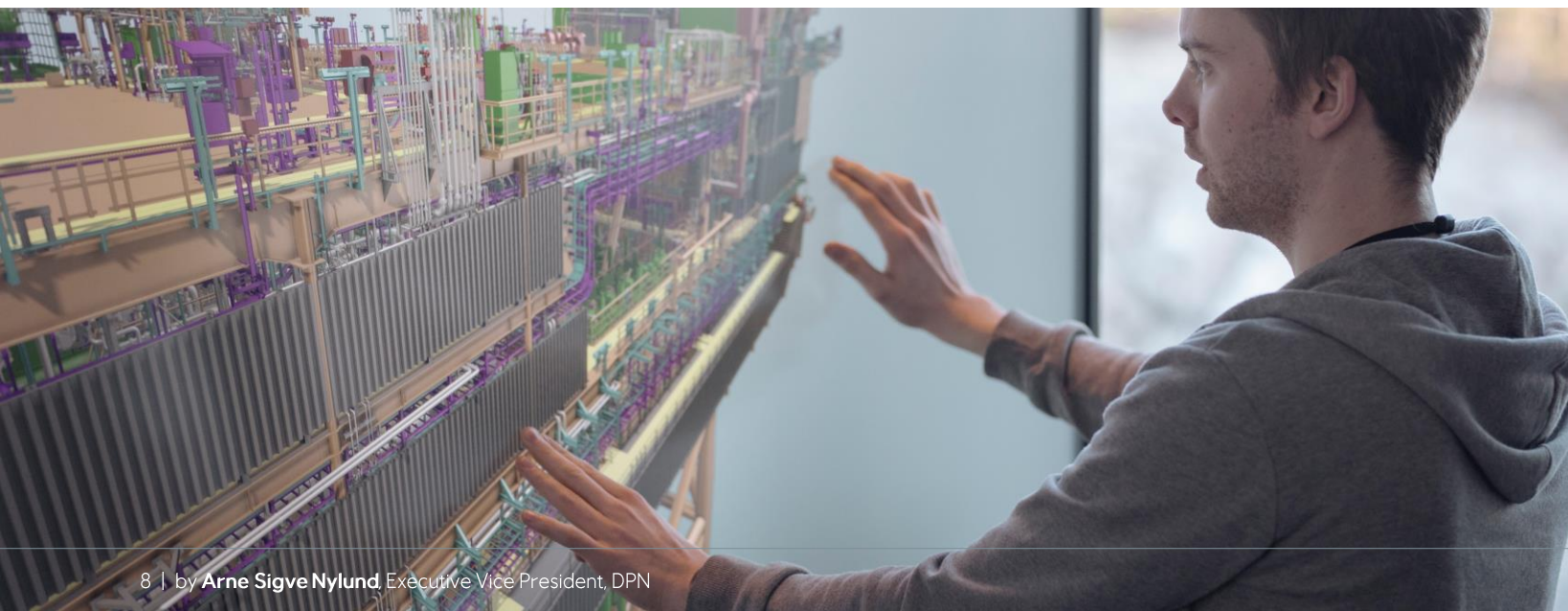
Implementation planned during 2019.

Value creation from  
digitalisation

>2

bn USD

3% increase in production 2020 to 2025,  
Equinor share, pre-tax.





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