Publication of the **Equinor 1Q results on 3 May.**

Consensus will be established around the following items:

- Adjusted earnings per reporting segment and tax on adjusted earnings per segment
- Adjusted exploration expense for EPN and EPI
- Equity production (split between liquids and gas, NCS and from international fields)
- Impact from PSA and US royalty barrels (to reach your estimated entitlement production)
- Liquids price in the quarter (separate lines for EPN and EPI)

We invite you to provide tax on adjusted earnings per reporting segment, so that total tax on adjusted earnings will just be a formula adding the individual tax amounts from EPN, EPI, MMP and Other. We also remind you that the result for Financials is not included in the adjusted numbers and we will therefore ask you **NOT** to consider this in the input above.

For your convenience, we hereby remind you of some factors relevant for our Q1 results as well as other information that might be useful. Some of these items are preliminary and could change as we get more information before the release of results:

E&P Norway

- Typically, NCS production in Q1 (like Q4) is seasonally above Q2 and Q3 numbers due to more gas production in the heating months and regular maintenance during the summer months. There has been no indication that this seasonal trend has been altered this year.
- The Norwegian Petroleum Directorate publishes monthly production figures, normally issued 10-15 days into a month, giving preliminary figures for the previous month and more detailed information for earlier months. Data from NPD per field can be found here (download possible; for English language click top corner on the right). Equinor is not responsible for any NPD data, but you may find the data convenient. Historically, monthly production data for NCS has correlated well with Equinor production.
- Some (minor) operational challenges impacted production negatively in the quarter. Media has reported minor issues at Snorre and Åsgard. Aasta Hansteen was ramping up in the first part of the quarter and reached plateau production during the quarter and is performing as expected.
- The NGL-share of liquids production is expected to be in the upper end of a normal range (about 18-24%).
- Note that in 4Q18, Equinor realised liquid prices were negatively impacted by the way we sell cargos (0-0-5) last quarter as price were declining through the quarter. During 1Q19, prices have been increasing and there will be an opposite impact this quarter, but not to the same degree as seen in 4Q18.
- We remind you that the assets on NCS Norway have NOK as functional currency, i.e. the accounts are recorded in NOK. Currency movements will hence impact depreciation (assets to be depreciated are recorded in NOK) as this is translated into USD as the reporting currency.

- We expect depreciation in underlying currency per barrel in 2019, on average, to be below the level in 2018.

E&P International:

- Production in Brazil this quarter is impacted by planned turnarounds.
- Note that the Brent-WTI (and other US onshore) differential has improved somewhat compared to last quarter, though remain higher than historic averages.
- The transaction to acquire Chevron's 40% operated interest in the Rosebank project west of Shetland on the UKCS was closed this quarter

MMP

- The preliminary internal gas transfer price for Q1 was USD 5.57 mmbtu (see our web page for historical prices). The conversion applied is 1 mmBtu equalling 26.28 Scm3. NOK/USD is calculated using average currency rates for the quarter.
- We remind you that the observed day-ahead spot prices for gas do not necessarily reflect realised gas prices for Equinor as Equinor will also sell gas related to other reference prices with longer time horizons.
- In the future, Equinor is moving towards more spot based gas sales. However as this is a gradual transition the portfolio will continue to have sales with longer dated indices for the remainder of 2019
- The acquisition of Danske Commodities was closed in Q1 with effective date 1 February 2019.
- Given normal volume and trading conditions the adjusted result for MMP has been in the range USD 250-500 million/quarter, traditionally higher end during winter and lower end during summer.
- 1Q19 adjusted earnings will include a one-off negative impact of around $80-100m reflecting a third party claim relating to prior period pricing.

Exploration

- We have had activity in 23 wells in 1Q19, 9 on NCS and 14 outside Norway (DPI). 10 wells were completed, 7 in Norway and 3 in DPI. Two wells in DPI, plus two subsequent wells, will be expensed as part of the 1q-results. Three of the nine wells in Norway were discoveries.
- Results of exploration wells in Norway are always announced by NPD and you will also find information on our web-pages.
- We estimate that over time, roughly 3/4 of exploration expenditure is expensed. The results for each individual quarter will however depend upon the outcome of the wells finalised as well as our share of the cost. In addition, expensed exploration depends upon results from wells from previous quarter(s). Well costs are activated (capitalised) as they are being drilled. In the event of a negative result, the entire cost will be expensed in the quarter when the well is completed. Note that our capex guiding includes an estimate for capitalised exploration.
- In addition, there are other costs like seismic acquisition, early phase development etc. that will hit the exploration expense cost line.

- Equinor was awarded 3 blocks in the US GoM lease sale 252.

Effective tax rate

- Effective tax rates in INT and MMP are expected to be closer to the upper end of the indicative range provided for effective tax rate due to earnings composition (indicative range was 30-45% for INT and 40-60% for MMP)
- Tax rate for DPN expected in the range 72-74%.

Cash flow movements

Cash Flow is not part of Equinor consensus. For your convenience we will nevertheless remind you of some movements (not a comprehensive list):

- One tax instalments of around NOK 10.5 billion was paid in Norway
- Full dividend was paid in February, around USD 770 million
- Previously announced acquisitions of assets and leases resulted in payments of about USD 750 million

Next quarter (conditional):

- Two tax instalment each of about NOK 10.5 billion
- CO2 taxes in Norway of about USD 100 million to be paid
- Dividend payment, pending AGM approval, of USD 865 million for 4Q18 will be paid in 2Q19
- Various asset transactions/payments is expected to result in net payments of about USD 200 million

Changes to Accounting Policies

1. Implementation of IFRS 16 Leases.

Equinor implemented the accounting standard IFRS 16 Leases as of 1 January 2019 that increased the consolidated balance sheet by including lease liabilities of approximately USD 4.2 billion and a corresponding right of use asset on the asset side. In the Consolidated statements of income, operating costs will be replaced by depreciation and interest expenses. For leases allocated to activities which are capitalized, the cost will continue to be expensed as before, through depreciation of the asset involved or through the subsequent expensing of capitalized exploration. IFRS 16 will also lead to changes in the classification of lease-related payments in the statement of cash flows, where the portion of lease payments representing down payments of lease liabilities will be classified as cash flows used in financing activities.
Equinor does not plan changes to how management will monitor and follow up lease contracts used in its business operations. All lease contracts will therefore be presented within Equinor's "Other"-segment, and the E&P segments as well as the MMP segment will continue to be presented without reflecting IFRS 16 lease accounting. In these segments,

the costs of operating leases will be presented as operating costs rather than depreciation and interests. A corresponding credit will be recognised in the "Other"-segment to offset the lease costs recognised in the E&P and MMP segments.
The standard implies a significant change in lessees' accounting for leases currently defined as operating leases under IAS 17. Equinor is for the most part a lessee in applying lease accounting, and the new leases to be recognised relates to leases of rigs, vessels, storage facilities and office buildings. Reference is made to note 23 Implementation of IFRS 16 to the 2018 Annual Consolidated Financial Statements for further description of the expected impact of the new standard, including impact on balance sheet, income statement, cash flow statement and segment presentation.

Some additional key figures will be presented excluding IFRS16 impact for the sake of comparison.

For the quarter, the implementation of IFRS16 is expected to have a positive impact on adjusted earnings within a range of USD 15-30 million.

2. Change on accounting policy for recognition of revenue from the production of oil and gas properties in which Equinor shares an interest with other companies (transition to the Sales Method) – No impact on Adjusted earnings.

Equinor will as of 1 January 2019 transition back to the Sales Method for recognizing revenue from the production of oil and gas properties in which Equinor shares an interest with other companies. The change will not impact adjusted earnings were the effect on income for the period is adjusted, to show estimated revenues and associated costs based upon the production for the period (not sales) which management believes reflects operational performance.

Other information:

- Follow this link for reports, web-cast, presentations, and transcripts from previous quarters.
- The annual report and 20-F for 2018 was published 15 March. The reports do contain relevant information in order to understand our business, reporting and numbers and can be found here: Annual reports.
- There was one dividend payment in 1Q19. This had a payment of USD 0.23 cents/share.

Guiding:

- Production for 2019 is estimated to be around the 2018 level
- Organic capital expenditures for 2019 (i.e. excluding acquisitions, capital leases and other investments with significant different cashflow pattern) are estimated at around USD 11 billion
- Guidance of a total exploration activity level of around USD 1.7 billion for 2019, excluding signature bonuses.

- For the period 2019 – 2025, production growth is expected to come from new projects resulting in around 3% CAGR.
- Scheduled maintenance activity is estimated to reduce quarterly production by approximately 15 mboe per day in the first quarter of 2019. In total, maintenance is estimated to reduce equity production by around 40 mboe per day for the full year of 2019.
- The guiding of the financial result, excluding FX and derivatives, is around minus USD 150-200 million (assuming an approximately normal result for the financial investments). As stated above, "Financials" is not part of consensus and not part of the «adjusted numbers» Equinor presents

The Q1 results will be reported 03 May at 07:00 CET.

For more information please visit our web-page. You may find useful historic information under the heading "Information for analysts"