

Before the publication of **Equinor's Q3 results on 25 October**, we invite you to provide your input to the analyst consensus estimates by filling in the attached spreadsheet and resend to Equinor IR. 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 Q3 results as well as other information that might be useful:

#### **E&P Norway**

- Typically, NCS production in Q3 (like Q2) is seasonally below Q1 and Q4 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.
- 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.

#### **E&P International:**

- In line with previous guidance, increased planned maintenance was observed in Q3
- A somewhat lower PSA effect relative to Q2 is expected this quarter
- Payments were made relating to Brazil signature bonuses – see Cash Flow Movements section below
- The [BM-S-8 transaction](#) to acquire Barra Energia's 10% interest remains under subject to regulatory approval, consequently no payments have been made

#### **MMP**

- The preliminary internal gas transfer price for Q3 was USD 5.48.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 recent increase in 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. These contracts will have a negative mark to market effect impacting reported cash flow within this quarter.
- The basket of reference prices is typically comprised of day, month, season and year ahead contracts. That is, some deliveries in the period are linked to year ahead prices from one year ago, while the year ahead prices currently observed should be reflected one year out.
- A weaker development in the NGL market compared to Brent influence the achieved liquids price for the quarter.
- We remind you that the acquisition of Danske Commodities is not finalized and as such transaction payment does not impact Q3.
- 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.

### Exploration

- 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.
- We have had activity in 13 wells in 3Q18, 7 on NCS and 6 outside Norway (DPI). 5 wells were completed, 3 of them in Norway.
- Results of exploration wells in Norway are always announced by NPD and you will also find information on our web-pages.

### 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 14 billion was paid in Norway
- Full dividend was paid in August, USD 750 million
- New bond issuance of USD 1 billion (3.625%) due 2028
- Divestments of various mid-stream assets in UK led to a USD 140 million cash inflow
- Brazil 4th and 15th round signature bonuses totalling around USD 450 million were paid
- Acquisition of acreage in the US Austin Chalk resulted in a cash outflow of around USD 75 million

Next quarter (conditional):

- Two tax instalments of about NOK 14 billion each
- CO2 taxes of around NOK 2 billion will be paid in Norway
- Full dividend payment of USD 750 million for 2Q18 will be paid in 4Q18
- Bond redemption of USD 750 million

- Consideration of around USD 450 million is expected to be paid for the acquisition of Danske Commodities (pending regulatory approval)
- Refinancing of the Dudgeon windfarm is expected to result in approximately USD 450 million cash inflow

### Changes to Accounting Policies

None that we are aware of as of now.

### Other information:

- Follow [this link](#) for reports, web-cast, presentations, and transcripts from previous quarters.
- All presentations from our CMU 7 February [can be found here](#). It is also possible to replay the webcast.
- The annual report and 20-F for 2017 was published 23 March. The reports do contain relevant information in order to understand our business, reporting and numbers and can be found here: [Annual reports](#).
- Information from the annual general meeting can be [found here](#). Note that the AGM decided to change the name of the company from “Statoil” to “Equinor” and this has taken effect. Equinor asks you to reflect this (new name, logo, tickers) when you are referring to our company.
- There was [one dividend payment](#) in 3Q18. This had a payment of USD 0.23 cents/share and no scrip.

### Guiding:

- Scheduled maintenance activity is estimated to reduce quarterly production by approximately 80 mboe/d in 3Q18. In total, maintenance is estimated to reduce equity production by around 35 mboe/d for the full fiscal year 2018.
- Organic capital expenditures for 2018 (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 1.5 billion for 2018, excluding signature bonuses.
- The equity production for 2018 is estimated to be 1-2% above the 2017 level (rebased 2017 of 2,073 mboe/d, adjusted for the KKD/oil sands-transaction and Petrocedeno reclassification).
- For the period 2017 – 2020 organic production growth is expected at 3-4% CAGR
- 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 Q3 results will be reported 25 October at 07:00 CET.

For more information please visit our [web-page](#). You may find useful historic information under the heading “[Information for analysts](#)”

Please respond to **Lars and Marc before Monday 15 October**. Note that we have a “quiet period” last two weeks before reporting with no/minimum interaction with analysts and investors.

We will make the aggregated, average consensus numbers available through [our web-page](#) and notify by e-mail once they are out.