Invitation to consensus Q2 2020:

Before the publication of the **Equinor 2Q results on 24 July 2020**, 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 2Q 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:

- Production cut by Norwegian government implemented from June 1. Fields in scope have received new production permits for June, for Q3 and for Q4. Estimated cut for fields in scope in June is ~40-45 kboe/d Equinor share, with the largest impact on Johan Sverdrup.
- Estimated 2Q realised liquids price for DPN in the range of 22 to 24 USD/bbl.
- We remind you that the assets on the NCS 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. Impact of FX also on OPEX, as a significant share of the OPEX base has NOK exposure
- We expect a slight reduction in depreciation in underlying currency per barrel in 2020 compared to 2019
- We remind you that Equinor has the option to use flexibility in gas production and move gas volumes out in time to capture higher value. We also mention that the seasonal trend first half 2020 will be less pronounced as we will postpone some turnaround in 2Q as a consequence of Covid19.
- Only one turnaround performed in Q2 at Snøhvit/ Hammerfest LNG.
- 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.
- New preliminary tax rules for NCS approved by parliament in June. Will contribute to increased profitability and robustness of future NCS projects and wells, improved liquidity and a more stable NCS activity level. Some specifics on the new temporary tax regime can be found below (under “Changes to accounting policies”)

E&P International:

- Estimated 2Q realised liquids price for EPI in the range of 22 to 24 USD/bbl. The differential to Brent Blend widened in 2Q compared to previous quarter due to lower demand for certain crudes as a result of a challenging market situation.
- Lower equity production level in 2Q compared to previous quarter, mainly due to lower nomination on In Salah, decrease in production from US onshore, and OPEC curtailment and natural decline on several assets
- Expect a decrease in depreciations compared with last quarter mainly driven by lower entitlement production combined with slightly lower average DD&A, primary caused by impairments booked last quarter. We remind you that depreciation at Mariner (UK) remains high.
- Note that two cargos lifted from Agbami in Q2, one lifted in April and one in June, compared to one cargo in 1Q.
- Production at Peregrino field was shut down (on 7th April) after a rupture of a riser at the Peregrino A platform during a leak test with water. The rupture was caused by corrosion, which also affects the other risers on the field. The repair and replacement of risers are expected to take at least until the end of 2020.
- Equinor halted operated Bakken drilling and completions in 1Q20 and stopped drilling in operated Appalachian in 2Q. In Bakken, 15% of the marginal wells were shut in and another 10% allowed to run to failure.

MMP:

- Average Brent for the quarter was 29.2 USD/bbl, price drop of 42% compared to last quarter.
- Equinor is selling mostly spot based gas sales. The preliminary internal gas transfer price for 2Q has been published on our web page and was 0.91 USD/MMBTU (also see our web page for historical prices)
- Our refineries are exposed to the negative development in refinery margins
- Maintenance at Hammerfest LNG (Melkøya/Snøhvit) in May/June, led to reduced number of LNG cargoes in the quarter
- In 2Q adjusted earnings will include a one-off positive impact of around USD 150 million reflecting a settlement for a third-party claim related to price review
- Given normal volume and trading conditions the adjusted result for MMP has been in the range USD 250-500 million/quarter. We want to remind you that MMP's activity in general is counter cyclical to our upstream activity and will benefit from a contango market and volatile market conditions

Exploration:

- Equinor had activity in 26 wells in 2Q20, 7 on NCS and 19 outside Norway (DPI). 10 wells were completed, 3 in Norway and 7 in DPI.
- Results of exploration wells in Norway are always announced by NPD and you will also find information on our web pages regarding discoveries.
- 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.

Effective tax rate:

- Under the new tax regime in Norway, the guiding on effective tax rate for DPN of 72-74% is no longer valid. The range going forward can be expected to be lower, and more volatile (due to the higher effect of the uplift of 24% in one year). As the new regime is backdated to 1. January 2020, there will be an effect of around USD 115mn reducing the tax expense for 2Q, relating to 1Q results.
- Indicative tax range for EPI: 30-45%
- Indicative tax range MMP: 40-60%

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):

- Two NCS tax installments totaling USD 1.74 bn
- Dividend payment of about USD 900 million (0.27 cents per share)
- CO2 tax of about USD 80 million (Equinor share)
- M&A net proceeds of around 270 million (Lundin share sale main contributor)

Next quarter (conditional):

- Norwegian state's share of share buyback programme USD 1 billion
- Dividend payment of USD 290 million (0.09 cents per share)
- Bond redemption of USD 300 million, and EUR 850 million
- M&A net payment of around 40 million

Changes to Accounting Policies and presentation of results:

We will provide additional information for our US business in the 2Q reporting.

Temporary changes to the Norwegian taxation system:
As a measure to maintain activity in the oil and gas related industry, the Norwegian Government on 19 June 2020 enacted temporary targeted changes to Norway's petroleum tax system for investments incurred in 2020 and 2021 and for new projects with final investment decisions submitted by end of 2022. The changes are effective from 1 January 2020. The 78% tax is (and always has been) split into two elements, currently 22% corporate tax and 56% Special Petroleum Tax. The decision in the Parliament means:

- No change to the treatment under the 22% corporate tax. Depreciation over 6 years.
- Two improvements under the 56% Special Petroleum tax for investments in 2020 and 2021:
    - 100% of the capex can be depreciated IN THE YEAR of spending, i.e get 100% relief at 56%
    - In addition, immediate relief of the "uplift", 24% of the capex allowed in year 1 (compared to what was 5.2% each year for 4 years i.e 20.8% overall)
- ALL upstream capex in Norway in 2020/2021 can be depreciated in this form – not just that on new or specified projects.

Example: If we spend 100, we get total tax value of 73.1 in year 1:

- Relief at 22% on 16.7 (one sixth) – as before
- Relief at 56% on 100 - instead of one sixth of it
- Relief at 56% on 24 – instead of 5.2
- Over six years, tax value is similar to the permanent regime (91.7 vs. 91.4 in temporary regime) before discounting

Note there is no change to the timing of cash taxes (6-month lag). Payable tax impact (in the accounts) will take effect as of 1 Jan 2020 and the corresponding cash tax impact will start in 2H 2020.

Additional rules of the temporary regime:

- All projects sanctioned by 2022 and approved by end 2023 will be able to take advantage of the temporary rules until production. Similar treatment as the tax rules for 2020/2021
- Tax value of losses will be refunded as negative instalment tax for the year incurred in 2020-2021

Other information:

- Follow this link for reports, web-cast, presentations, and transcripts from previous quarters.
- The annual report and 20-F for 2019 was published 20 March. The reports do contain relevant information in order to understand our business, reporting and numbers and can be found here: Annual reports.
- For more information please visit our web-page. You may find useful historic information under the heading "Information for analysts"

Guiding:

- Organic capital expenditures for 2020 (i.e. excluding acquisitions, capital leases and other investments with significant different cashflow pattern) are estimated at around USD 8.5 billion
- Guidance of a total exploration activity level of around USD 1 billion for 2020, excluding signature bonuses and early phase development.
- For the period 2019 – 2026, production growth is expected to come from new projects resulting in around 3% CAGR.
- Scheduled turnaround activity is estimated to equity production by around 25 mboe per day for the full year of 2020.
- 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 2Q results will be reported 24 July at 07:00 CET.

Please send the excel sheet with your consensus contribution to Lars Valdresbråten (lava@equinor.com) and Ida Marie Fjellheim (idfj@equinor.com) **by eob 14 July**.

Note that we have a "quiet period" last two weeks before release 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.