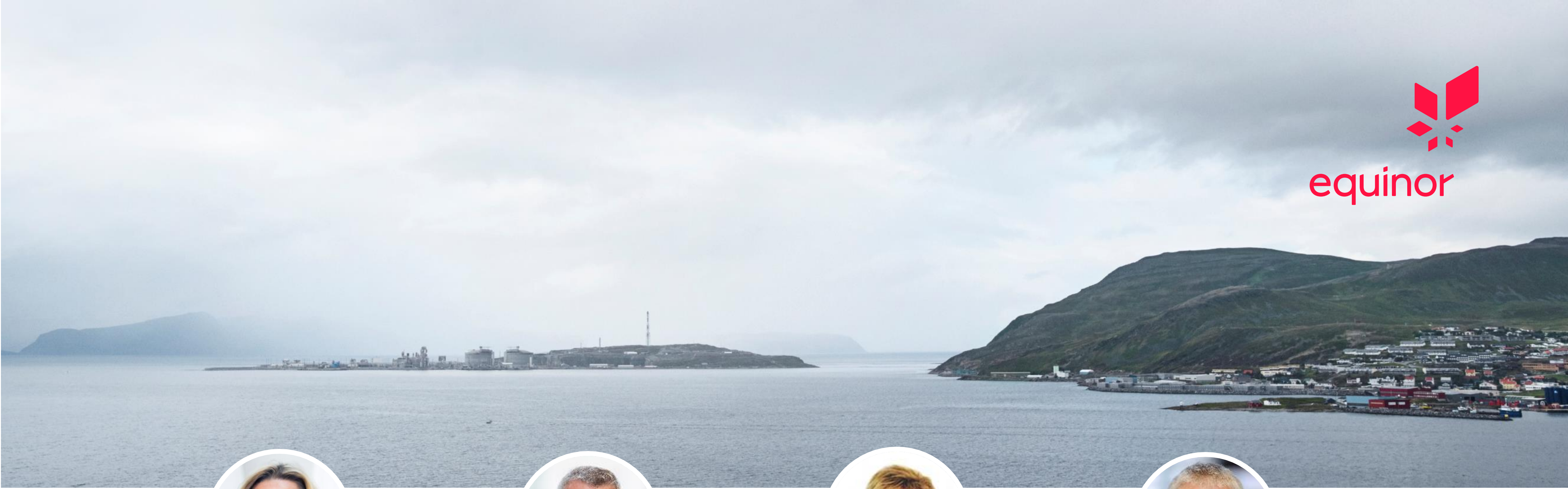
Equinor gas seminar

21 February, 2019

London, United Kingdom



Seizing opportunities in the energy transition

Irene Rummelhoff

Executive Vice President, Marketing, Midstream & Processing (MMP)

Global energy demand continues to increase

Eirik Wærness

Chief Economist & Senior Vice President, MMP Macro and Market Analysis (MMA)

Strong demand for natural gas

Elisabeth Aarrestad

Vice President, MMP MMA Market Analysis

Creating value from premium market access

Tor Martin Anfinnsen

Senior Vice President, MMP Marketing & Trading

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.

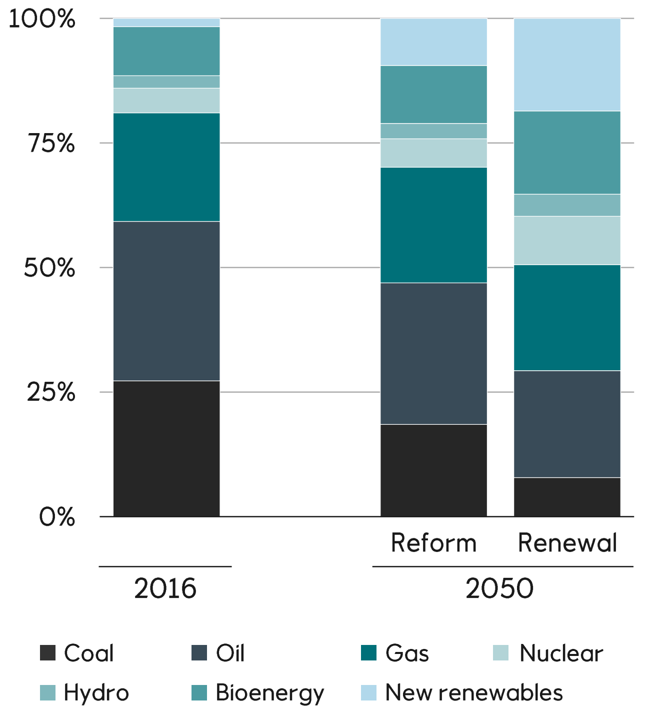
Seizing opportunities in the energy transition

Irene Rummelhoff

Executive Vice President, MMP

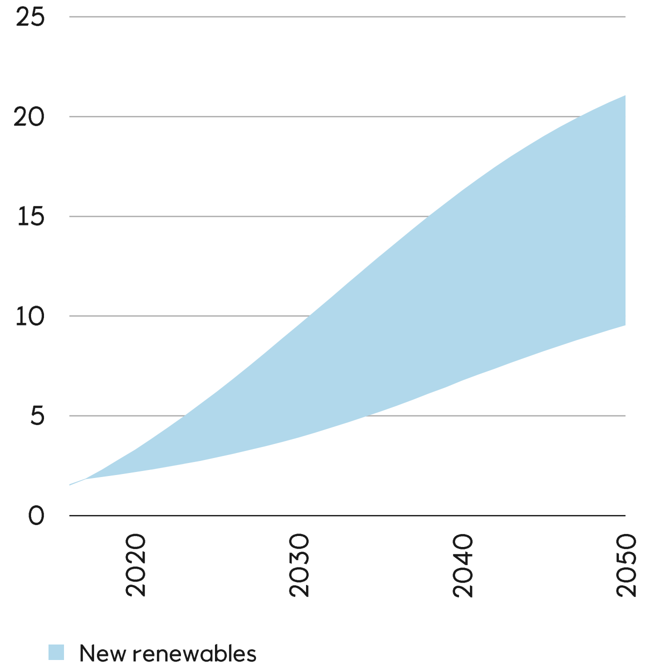
Need for significant new energy supply

Global energy mix [1]
Percent



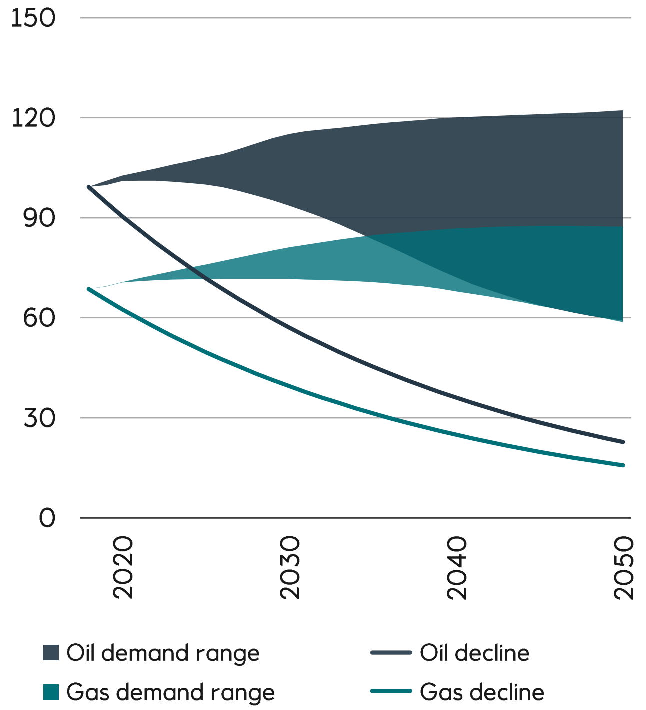
1. 2050 energy mix based on Reform and Renewal (2° scenario) scenarios in Equinor's 2018 Energy Perspectives report (Energy Perspectives).

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.

equinor

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.

MMP 2020 ambition

Passion to improve

ALWAYS SAFE	HIGH VALUE	LOW CARBON
0 is the goal	$250-500m adjusted earnings/qtr	4% reduction in emissions

Digitalisation

Connecting minds and technology

Trading desk in Danske Commodities

- Data-driven operations to see the big picture
- Automation and integrated operations center
- Robots and drones to make work safer, easier, cost efficient
- 3d-printing to repair or print new equipment faster, cheaper, better

Reliable, competitive & sustainable energy

USD 26 bn

in total 2018 gas sales

Largest producer of gas on NCS,
2nd largest gas supplier to Europe

Reserves and resources to supply for years, actively exploring for NCS gas

Preparing to capitalize on higher demand for shorter indices in our trading

Growing global positions

- US onshore
- Brazil
- Asia (LNG and asset-backed trading)

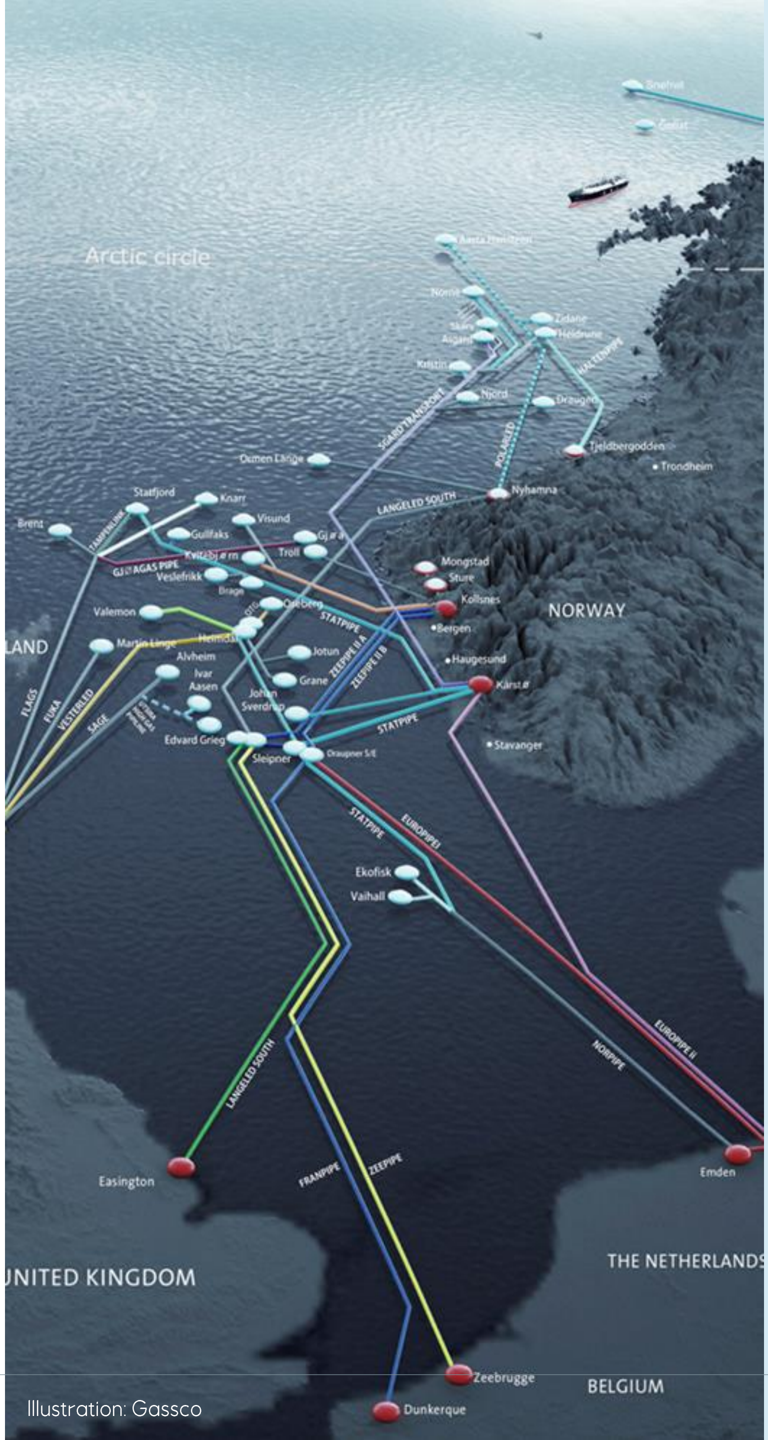


Illustration: Gassco

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Gas contributes to low carbon future

Gas can reduce CO_2 by more than 50% when replacing coal

Gas can provide needed back-up to enable more wind and solar

Gas can be decarbonised as hydrogen for long-term

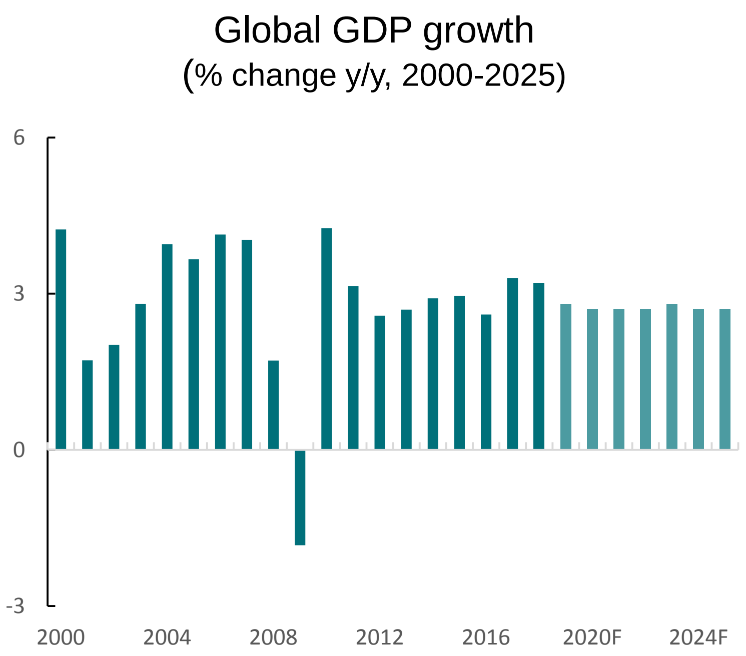
Global energy demand continues to increase

Eirik Wærness, Chief Economist and SVP MMP

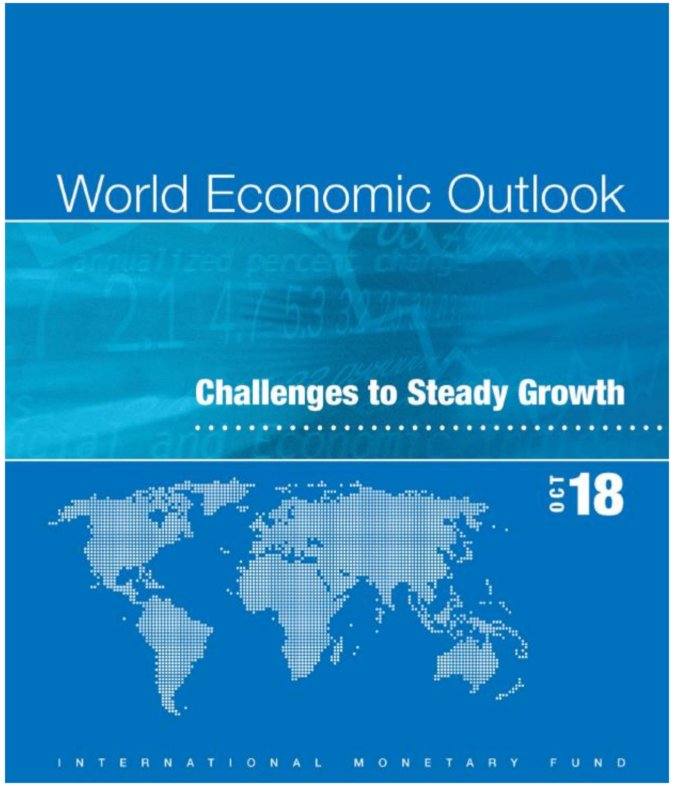
Macroeconomics and Market Analysis

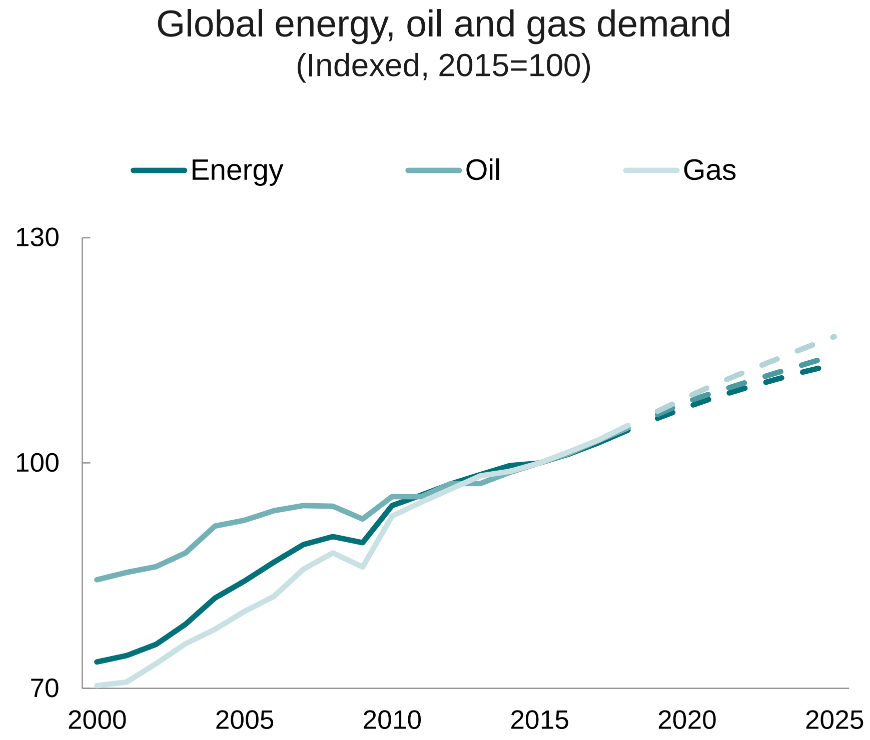
The peak of global economic growth is behind us

… but we project robust short- and medium-term gas demand growth



World Economic and Financial Surveys

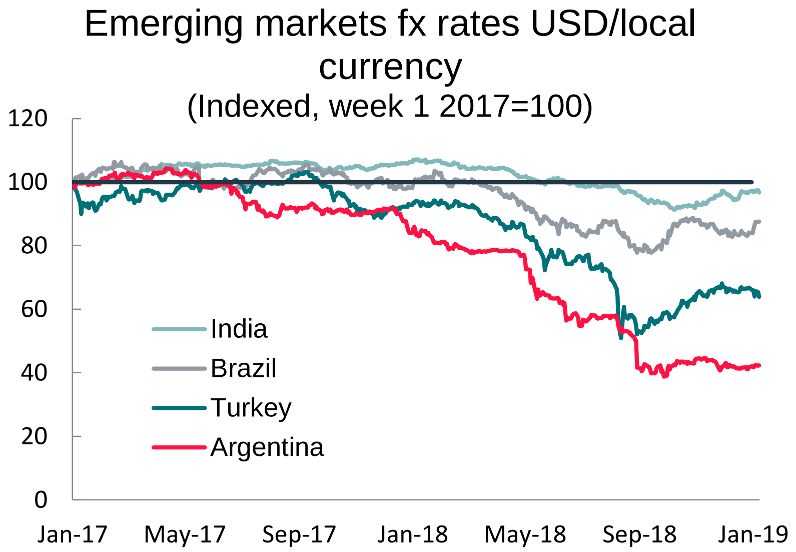


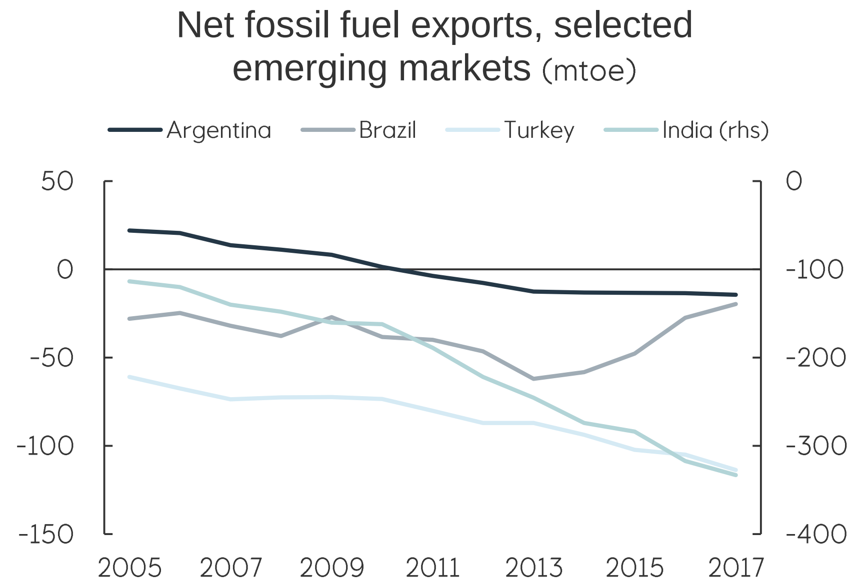


Source: IMF, IHS Markit, IEA (history) and Equinor (projections)

Emerging markets with double deficits are under pressure

… rising energy import bills are an important part of the picture

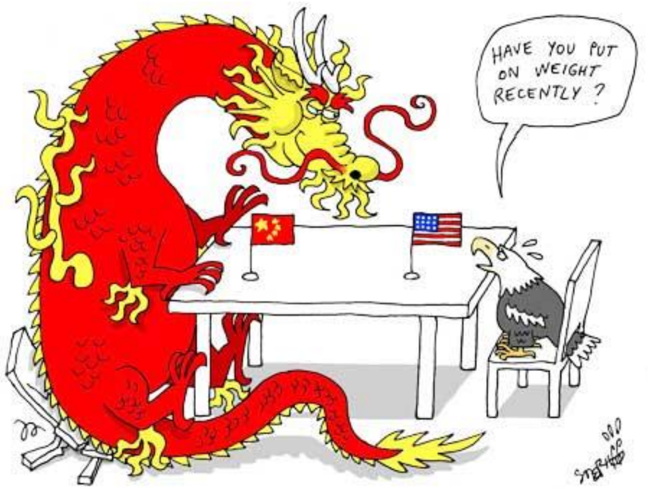


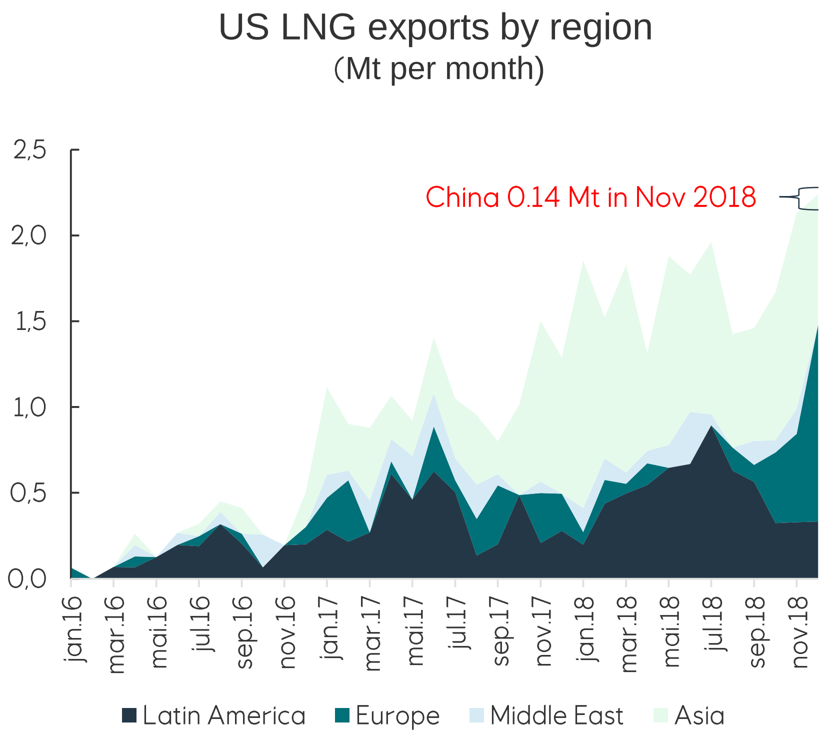


Source: Thomson Reuters Datastream, The Guardian, BP Statistical Review 2018

Escalation of trade tensions starts to bite and influence commodity flows

…but recent talks give reason for cautious optimism

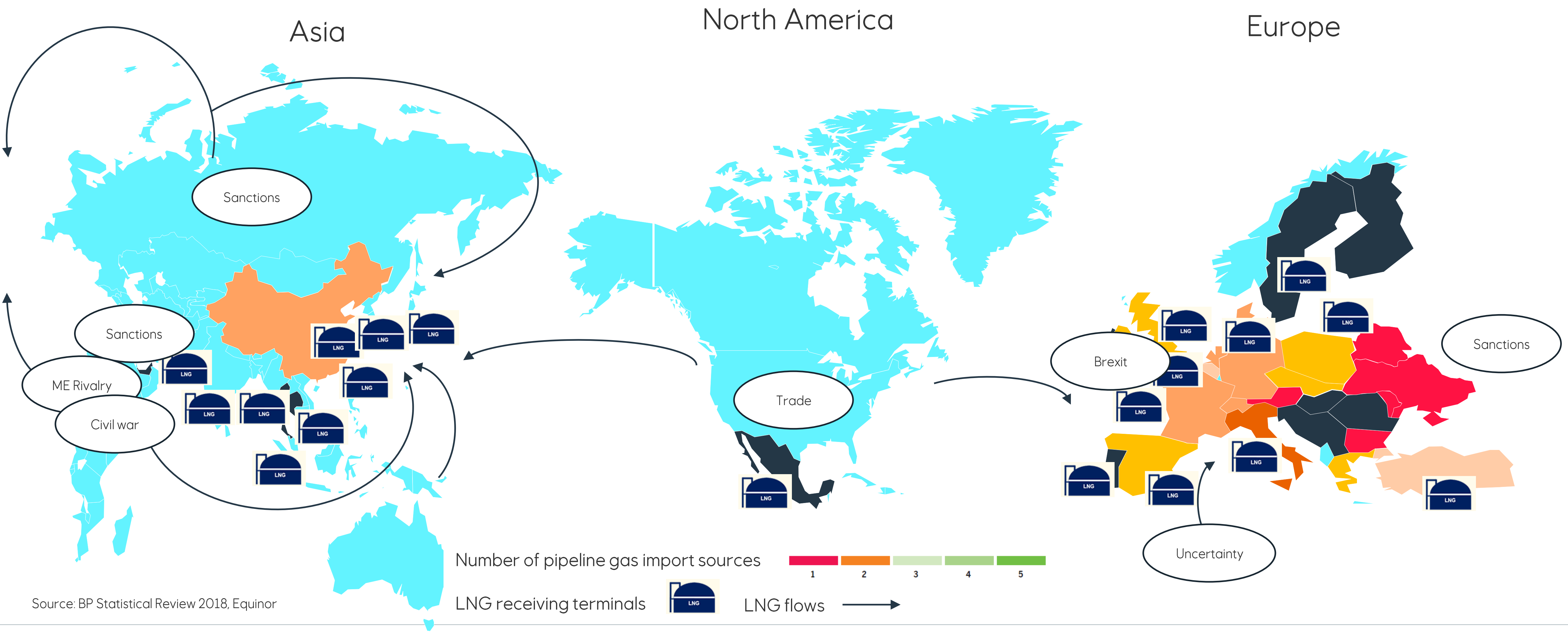




Source: Global Intentions, Thomson Reuters Datastream, IHS Waterborne

Gas market globalisation contributes to global price setting and security of supply

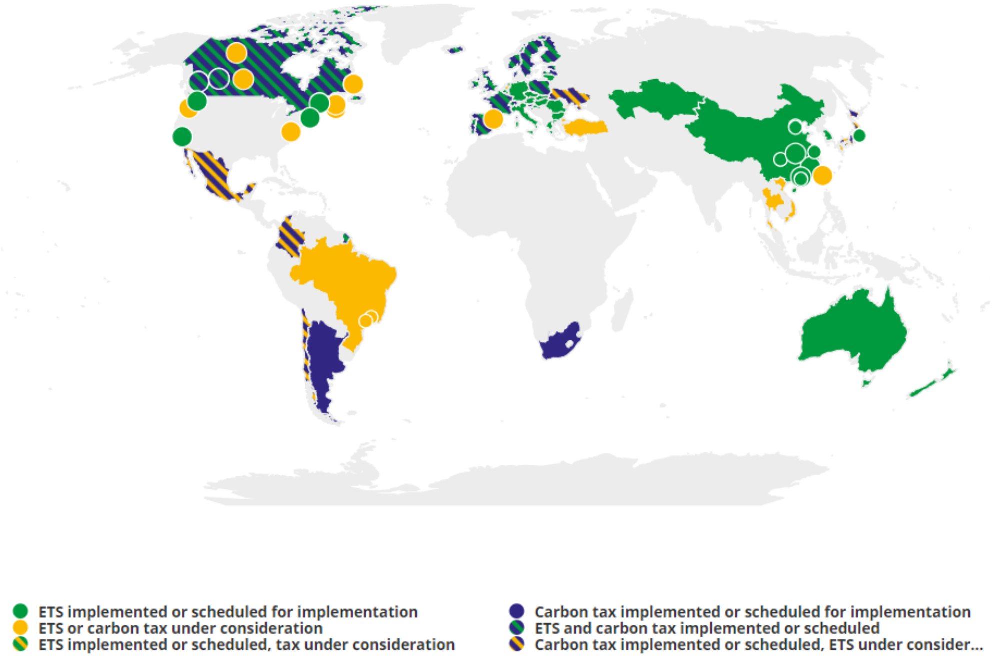
...but brings higher exposure to geopolitics

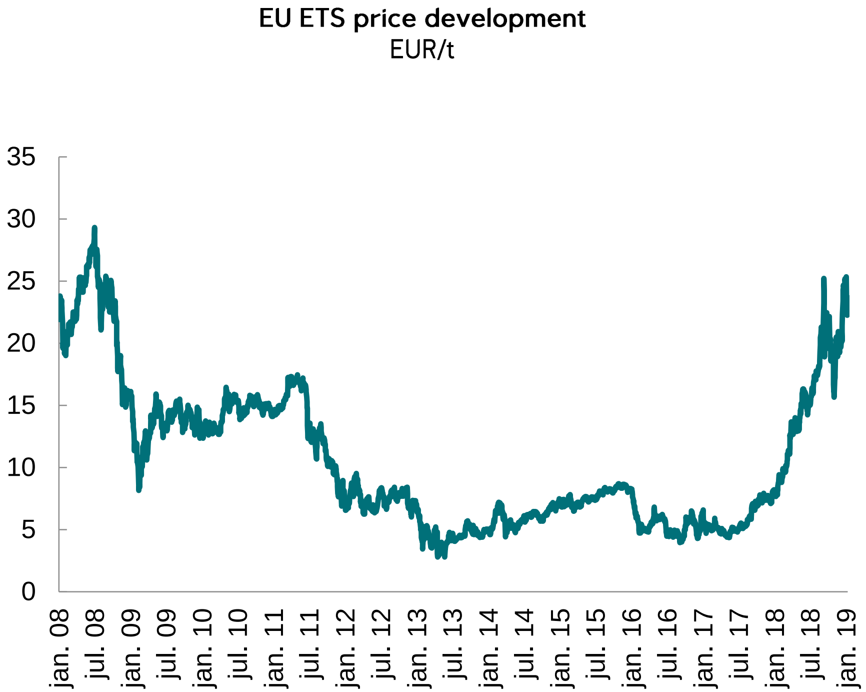


Source: BP Statistical Review 2018, Equinor

Climate policies reach more geographies and increase long-term ambitions

…but global collaboration is a challenge

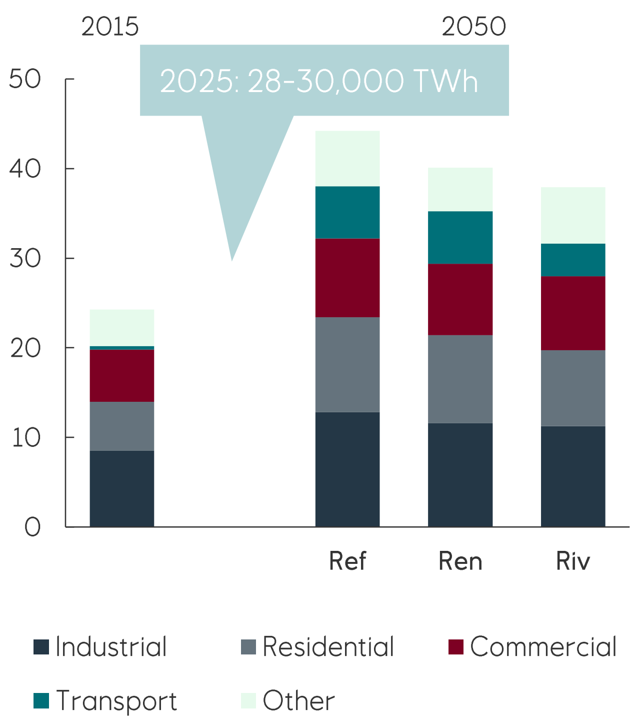


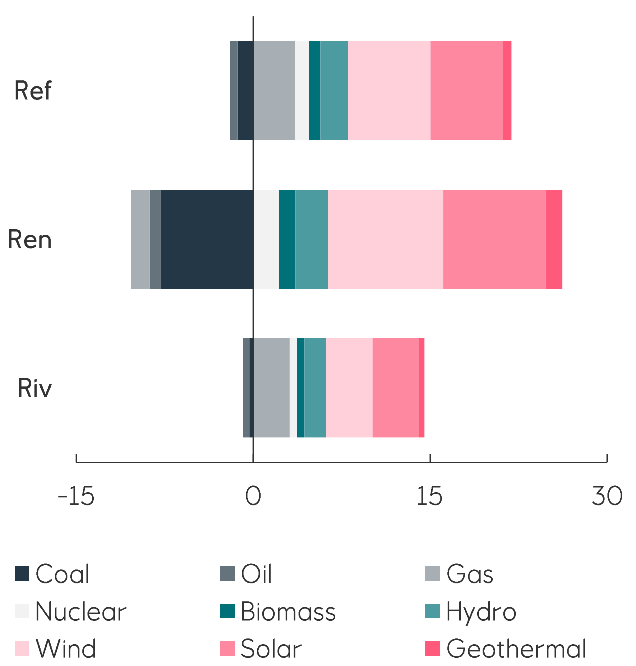


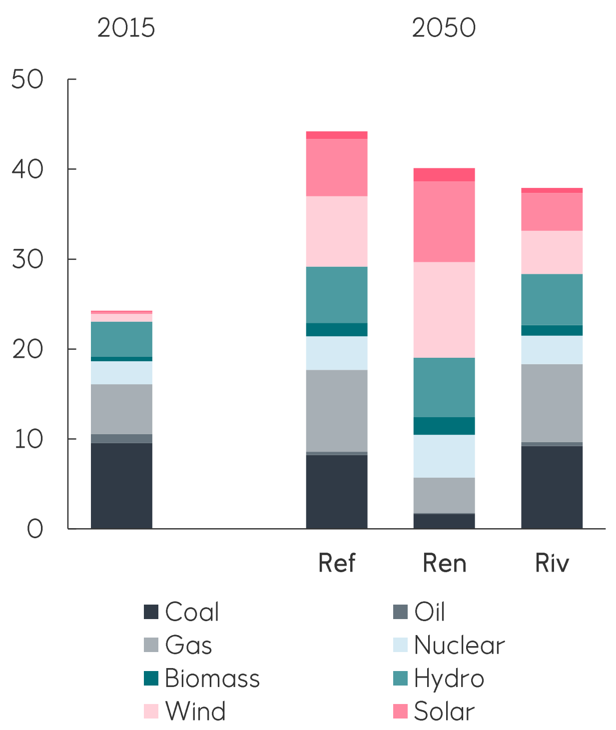
Source: World Bank, ICE

Long term: Strong global electricity demand growth in all scenarios

… with the generation mix developing differently in the long run, but only after 2025



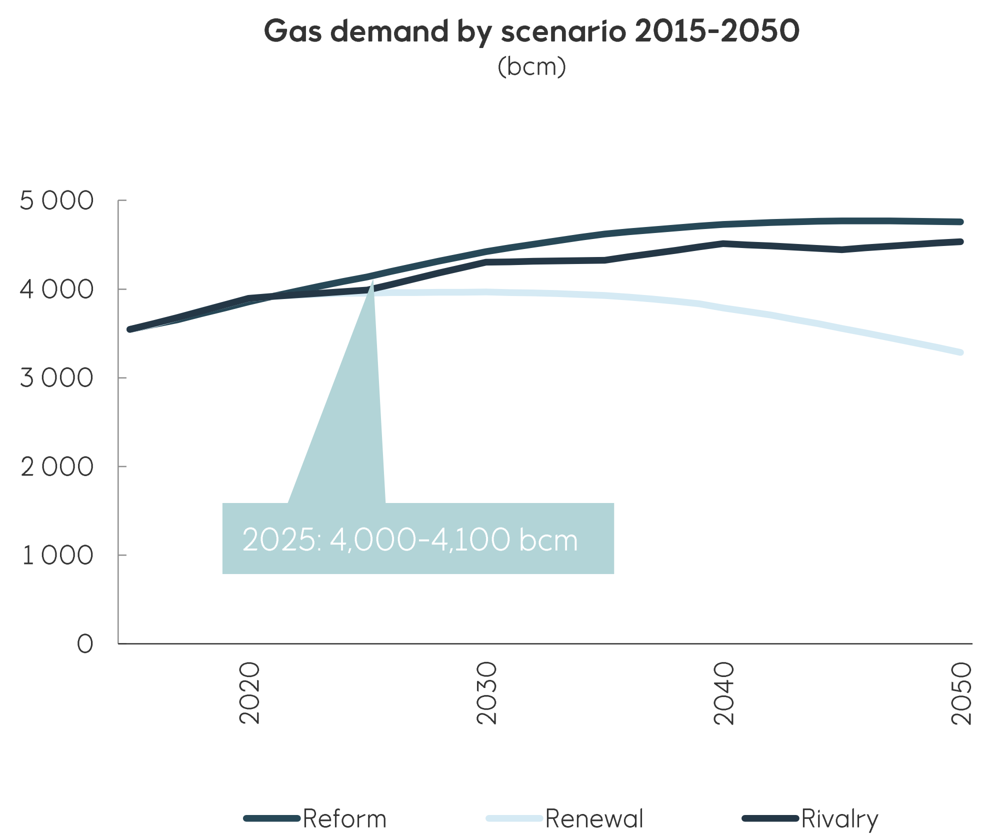


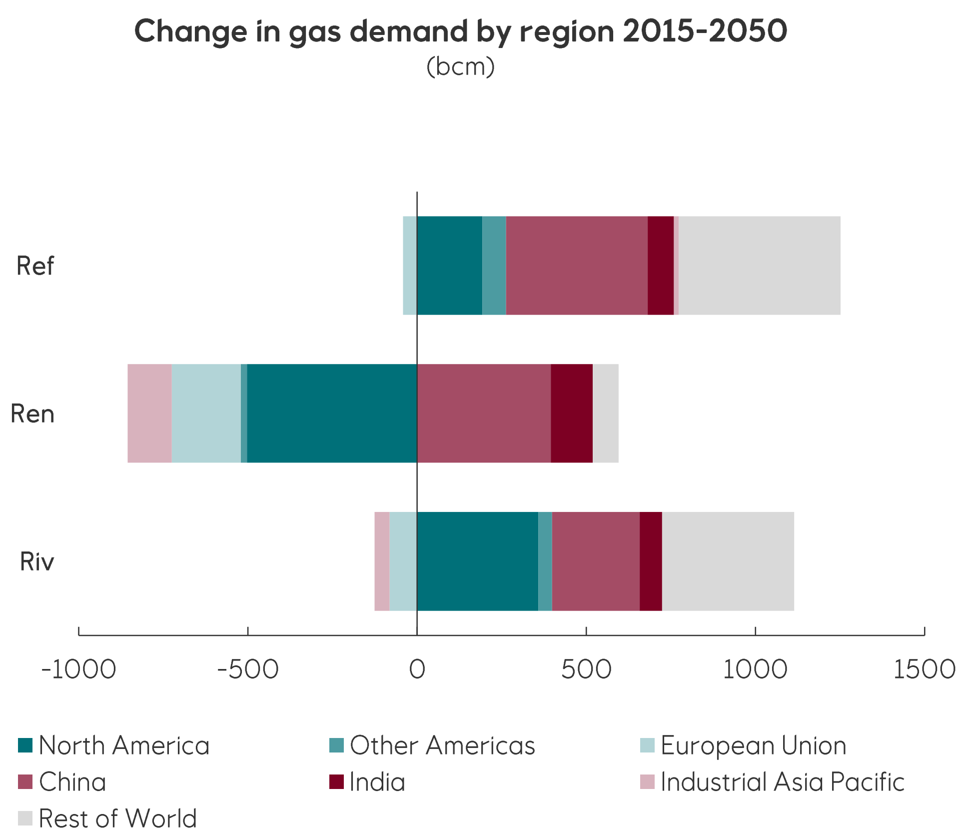


Source: : IEA (history), Equinor (projections) equinor

Global gas demand is set to increase in the short to medium term

...with Asia standing out





Source: IEA (history), Equinor (projections)

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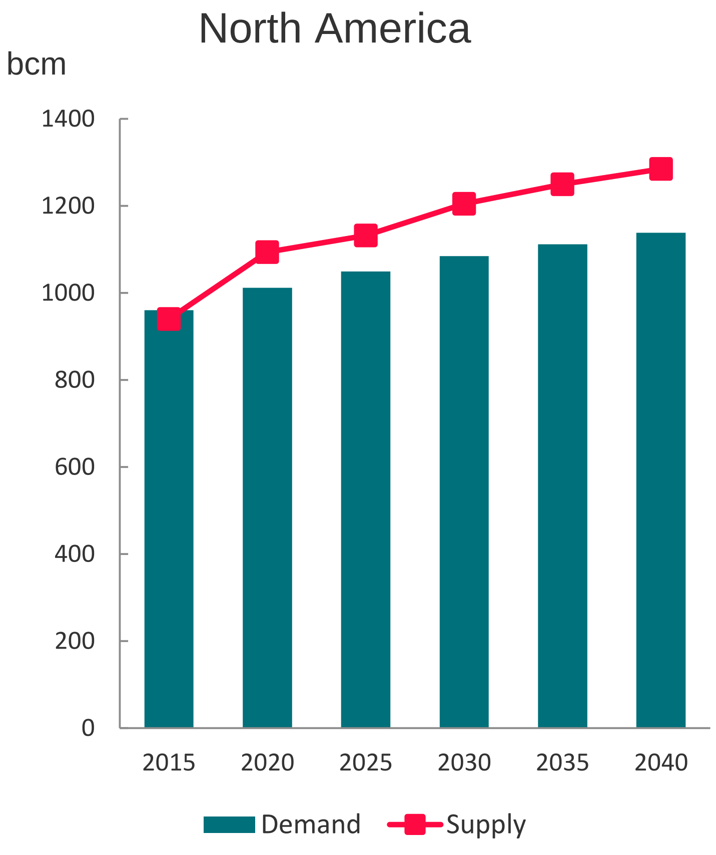
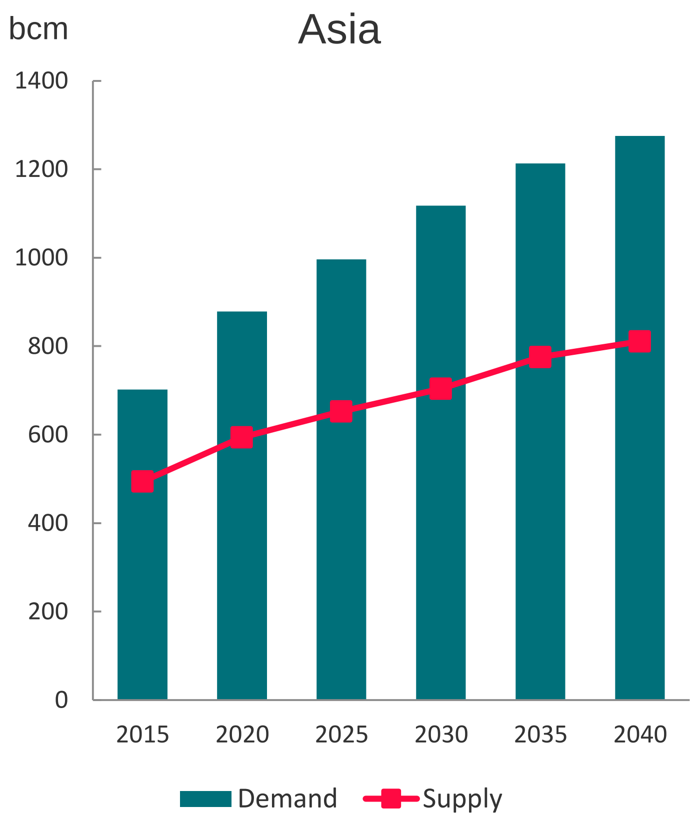
Regional gas balances reveal significant need for import in Europe and Asia

…with the US strengthening its export potential (and Russia/MENA being key for global balance)

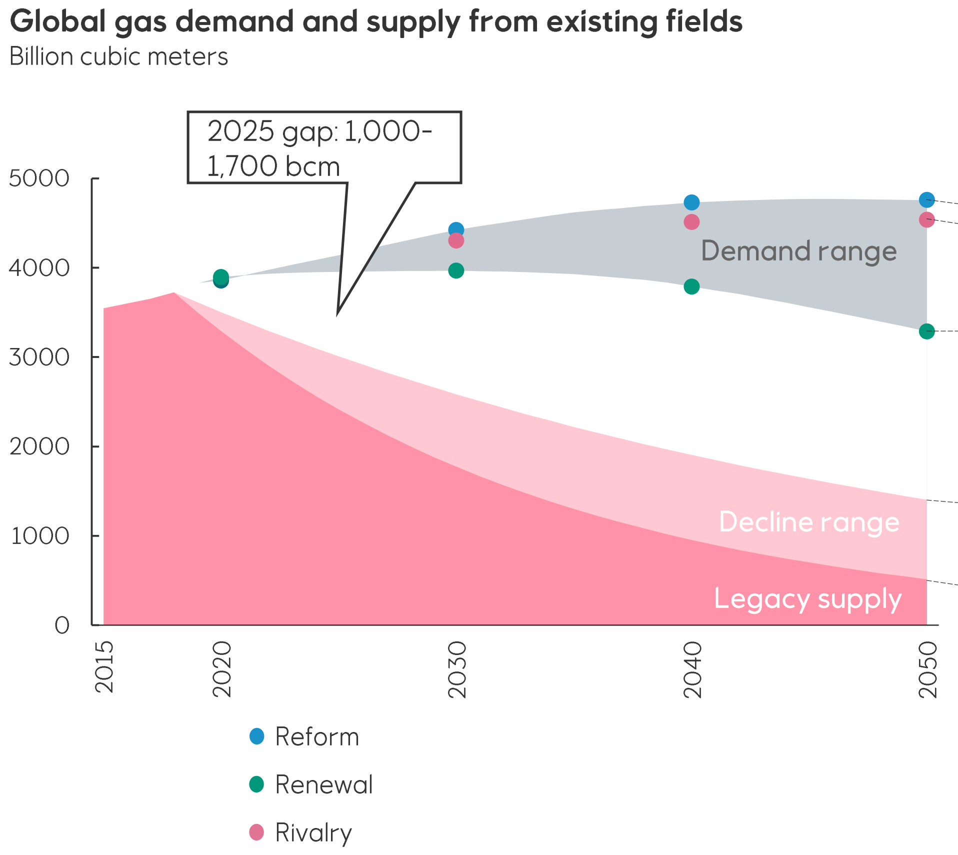


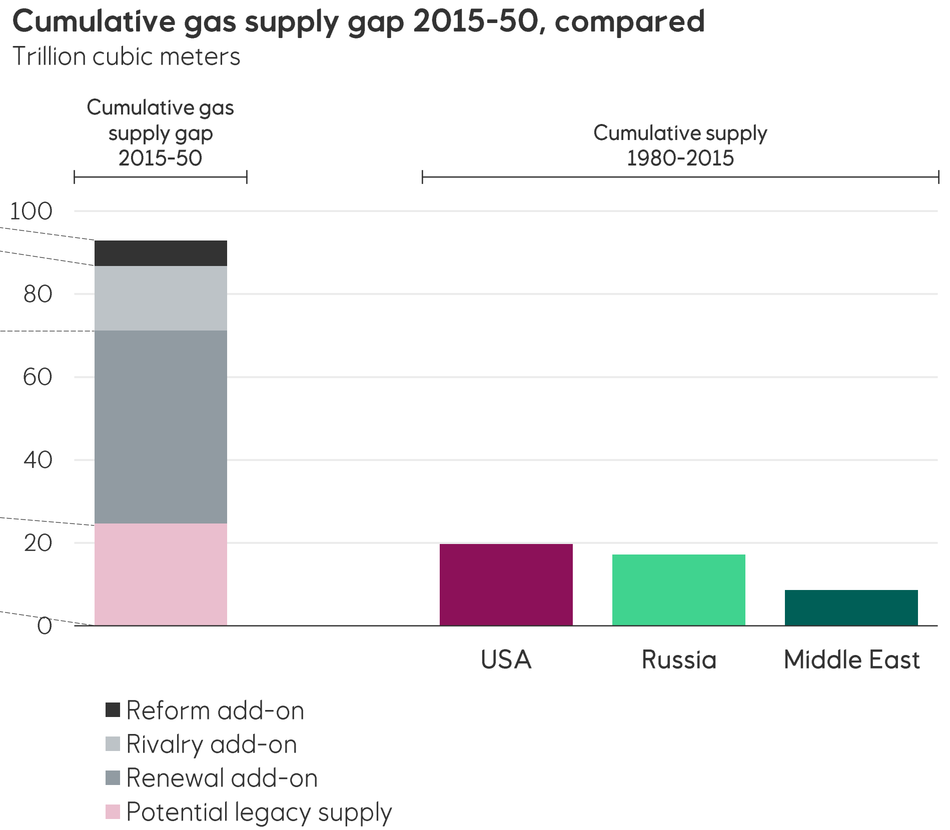


Source: Equinor, EP18 Reform

Large investments are needed in gas value chains

...which will require healthy prices going forward





Source: IEA and BP (history), Equinor (projections)

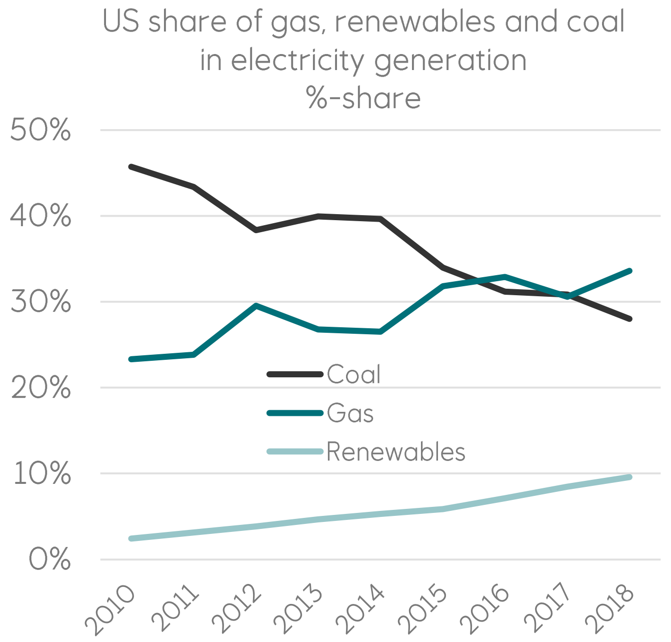
Strong demand for natural gas

Elisabeth Aarrestad, Vice President

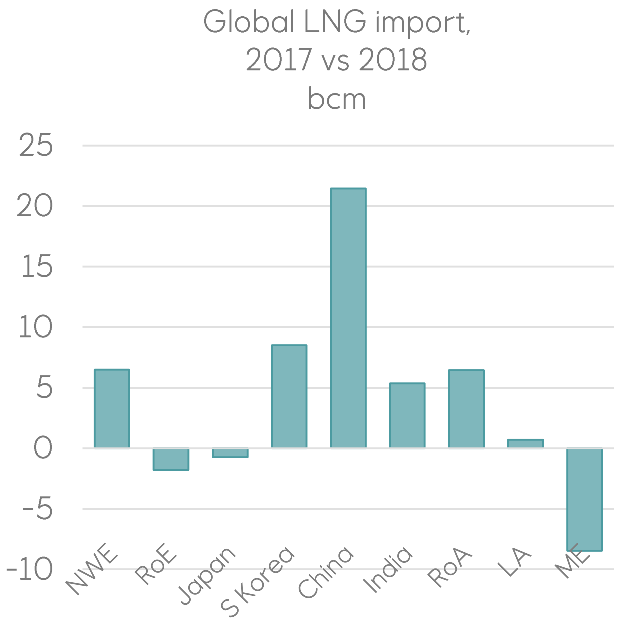
Market Analysis

What did we say last time around?

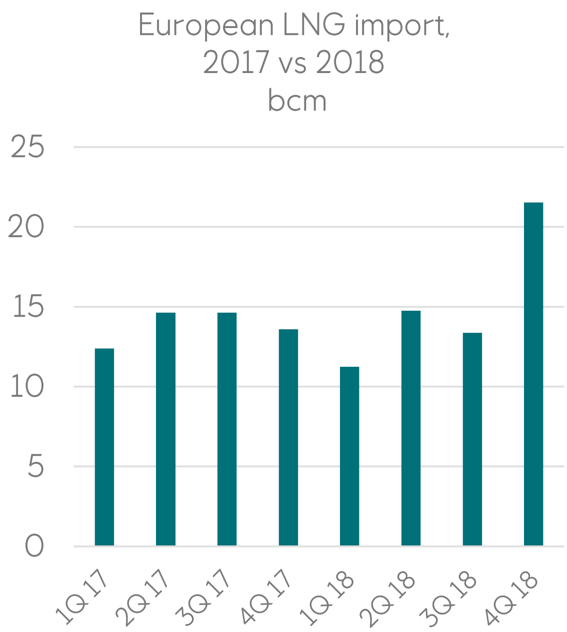
February 2018 ....



Gas important source for electricity generation both in the US and in Europe



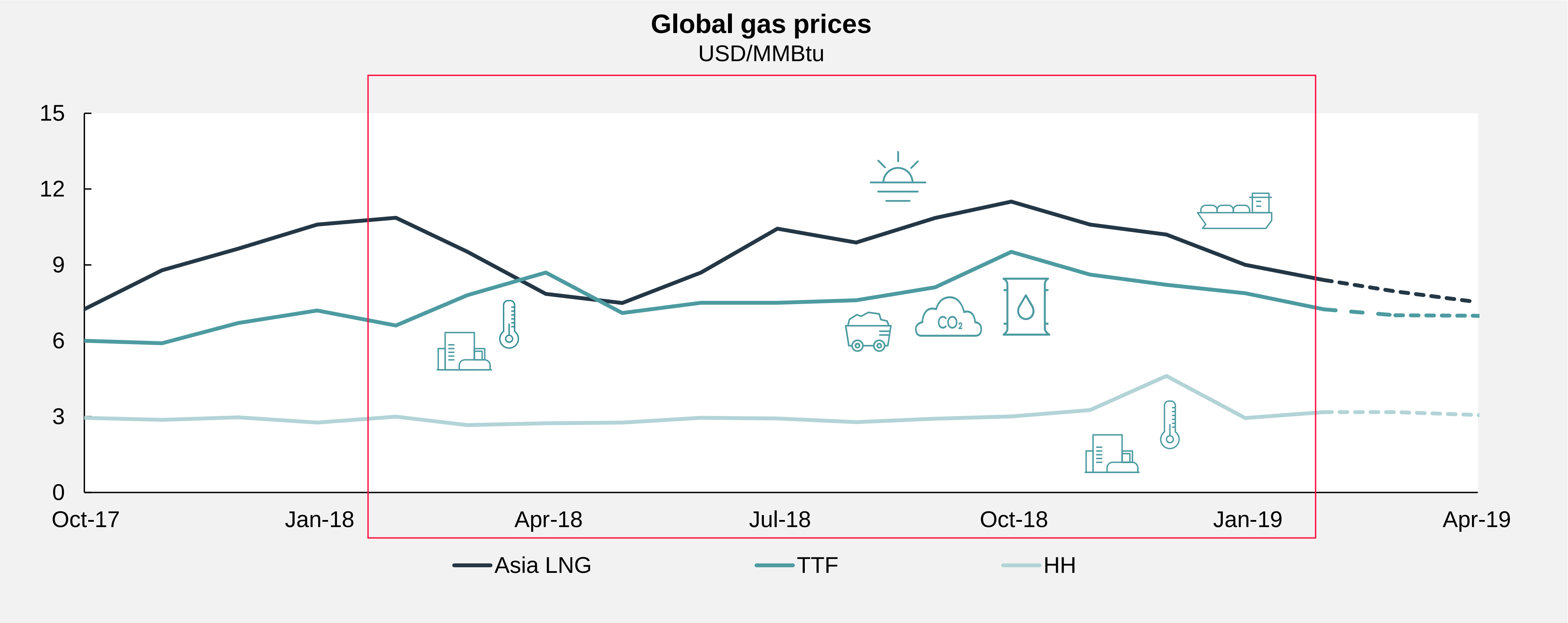
China and Asia engine for global gas demand growth



Europe increasingly reliant on gas imports and will face competition to attract the required LNG

Strong gas prices Asia and Europe

Fundamental drivers influencing price movements



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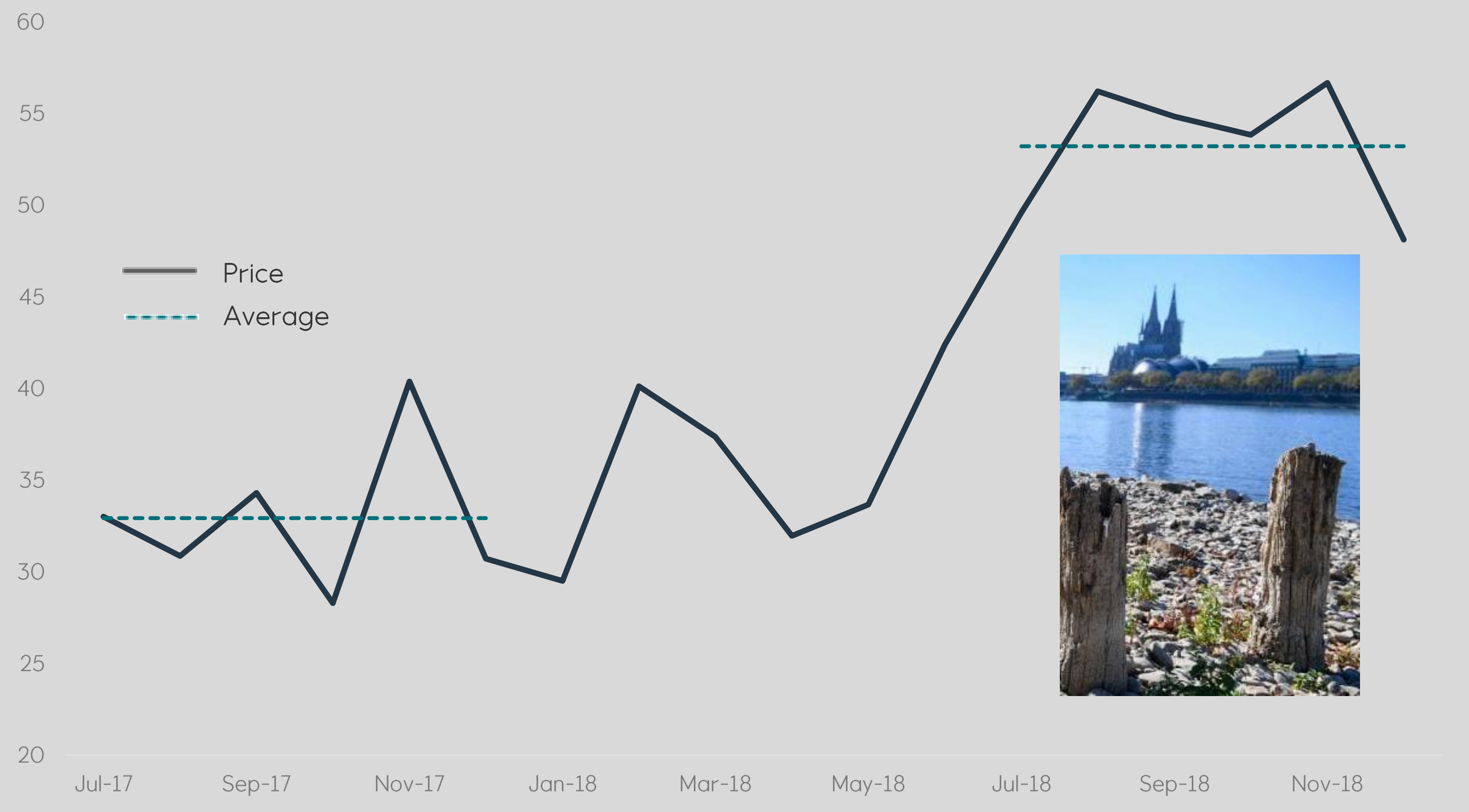
Fundamentals driving strong electricity prices

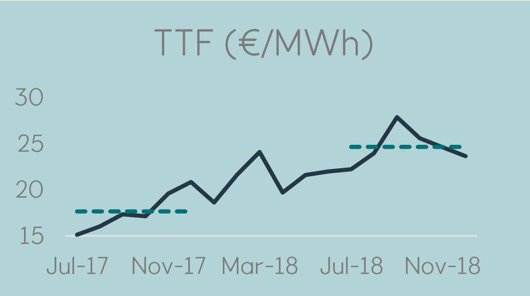
Gas, coal and carbon leading the way, helped by extraordinary summer temperatures

German electricity (€/MWh) ⬆ +62% y/y



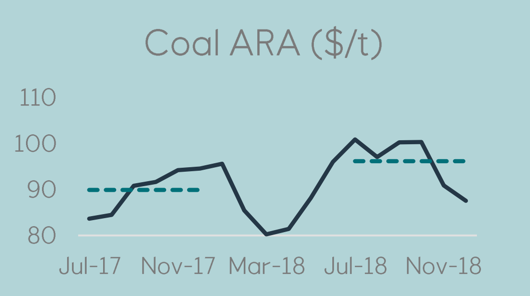
TTF (€/MWh)

⬆ +40% y/y



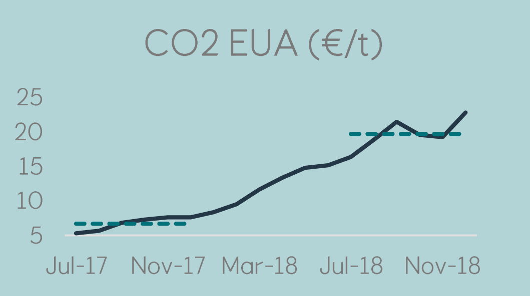
Coal ARA ($/t)

⬆ +7% y/y



CO2 EUA (€/t)

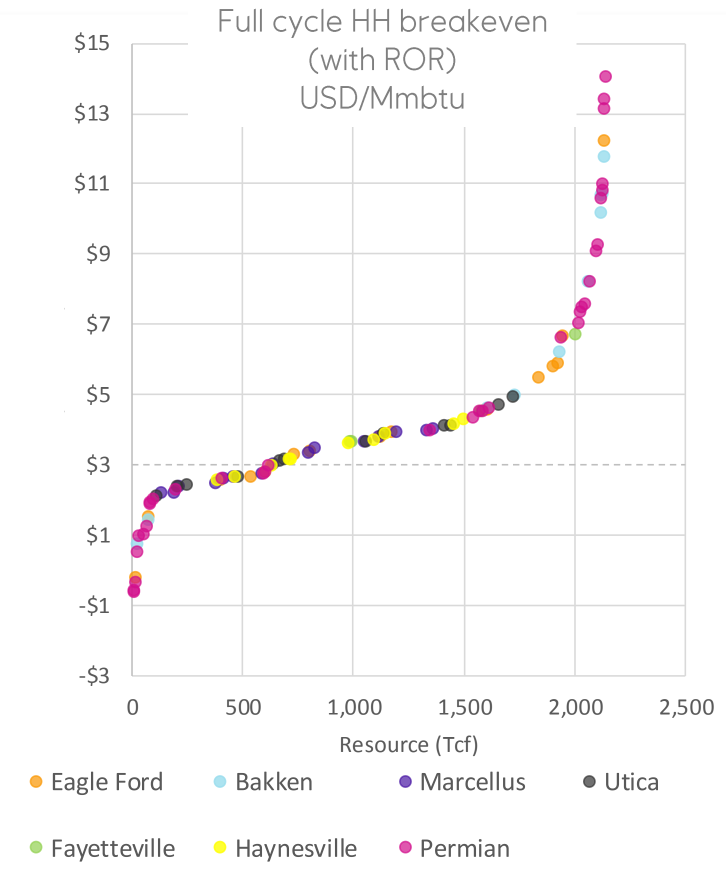
⬆ +194% y/y

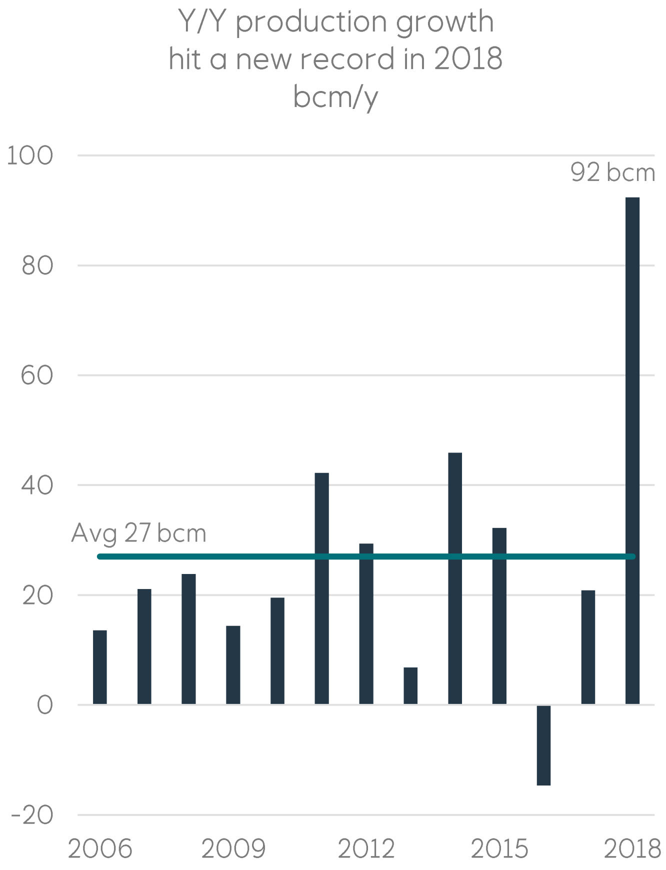


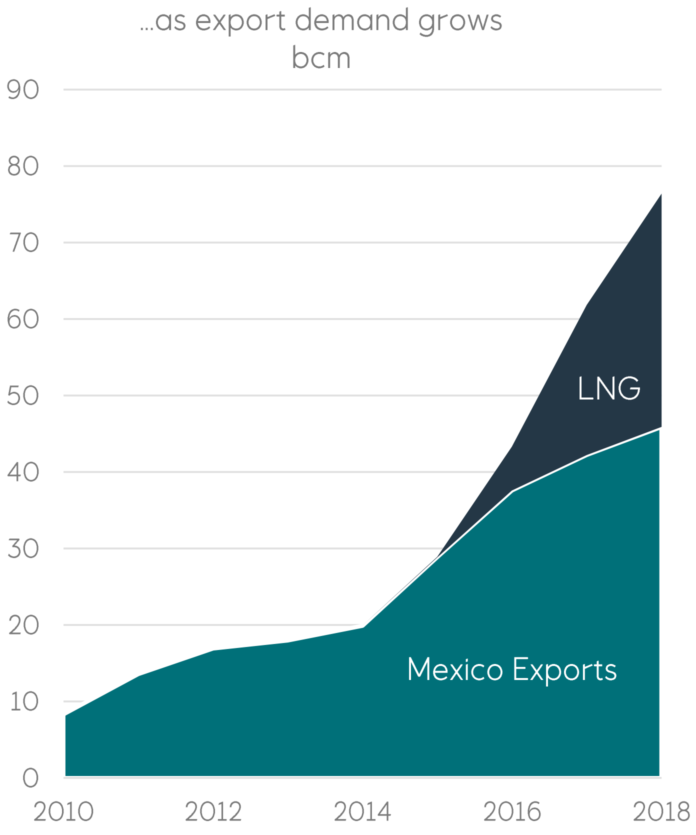
Sources: Entso-e, ICE, TFS, Argus

US record production growth is resulting in higher export levels…

…keeping market balances tighter than many had expected



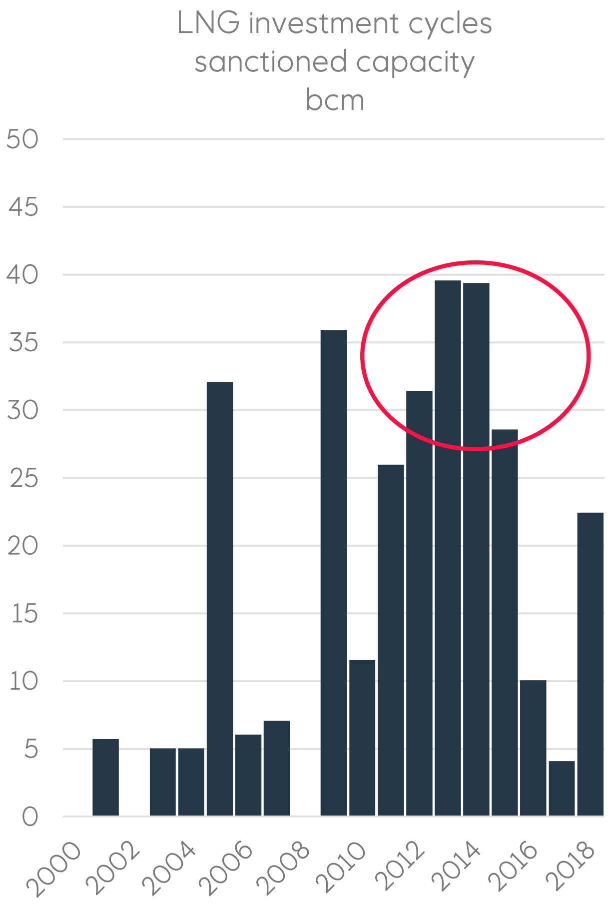


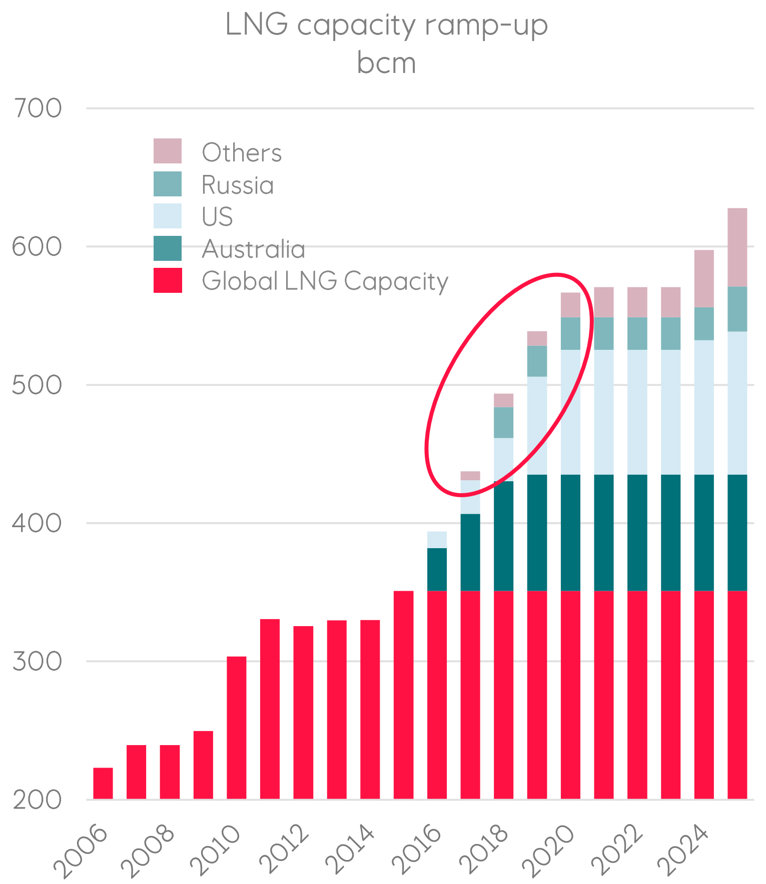


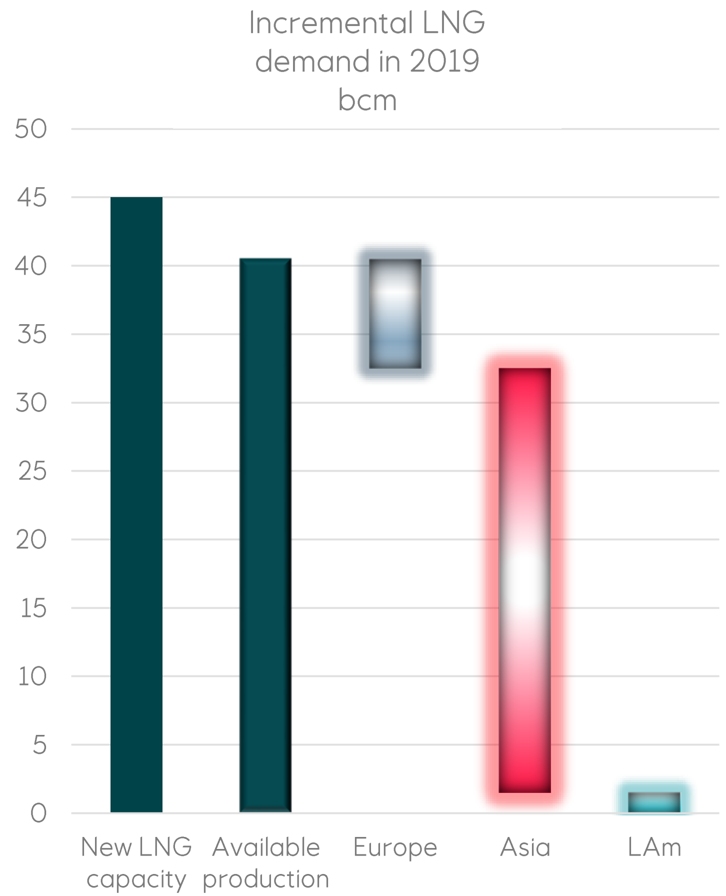
Sources : EIA (history), Equinor

The global LNG market is growing and cyclical…

…and it will tighten earlier than previously assumed

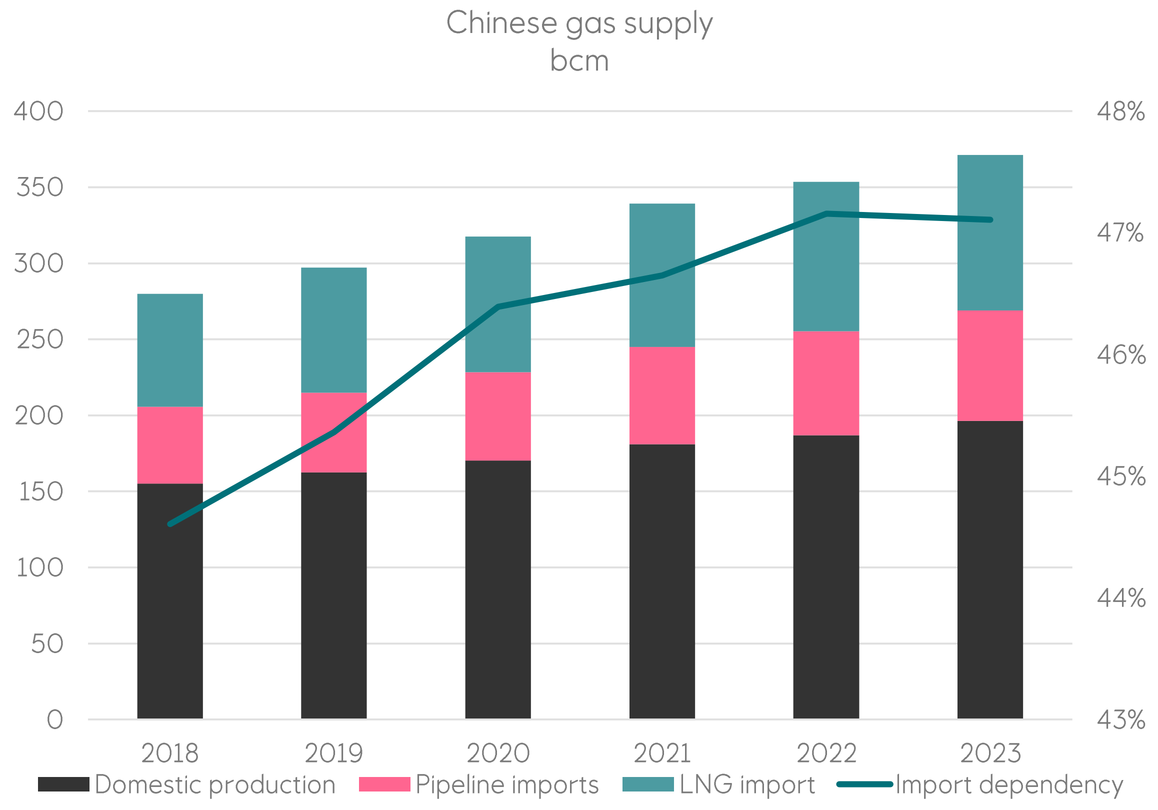


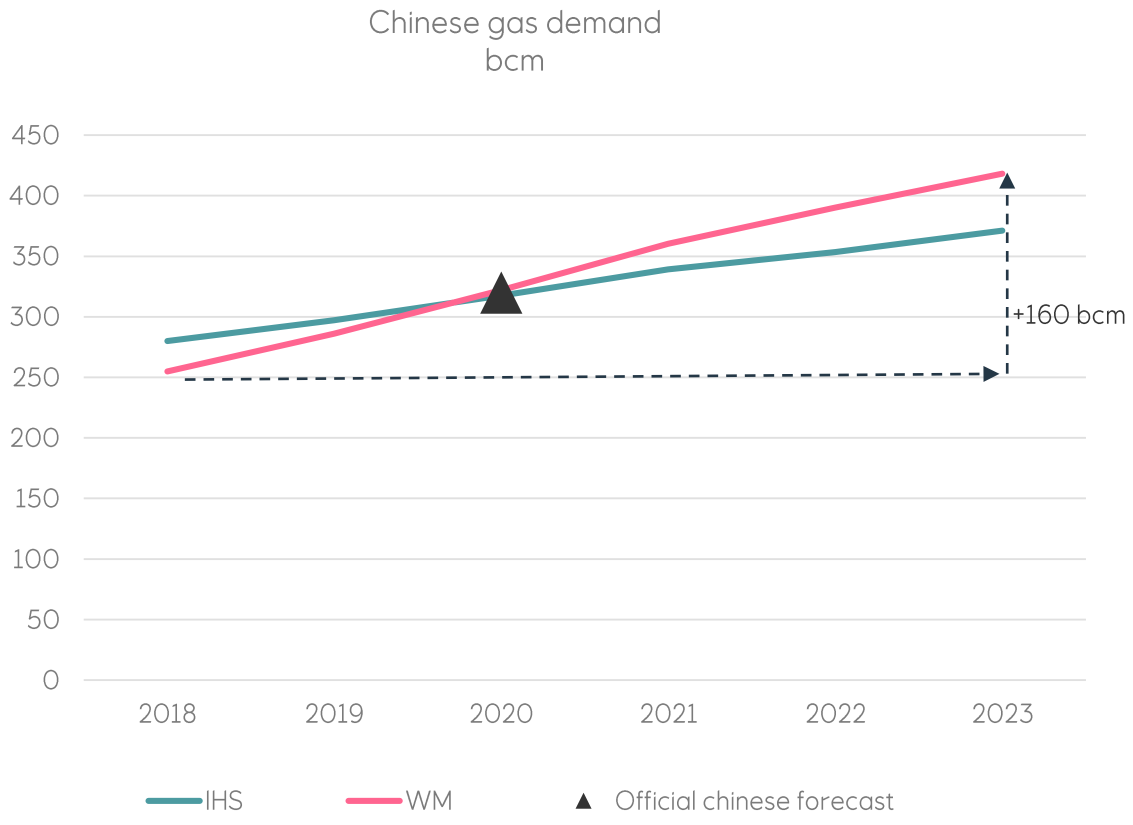




Sources: IHS, Equinor Analysis

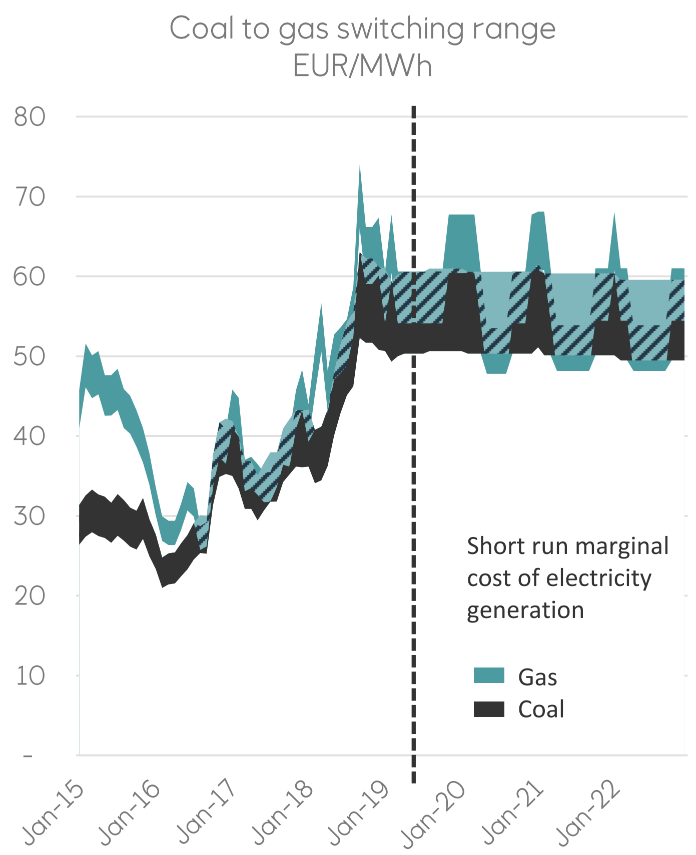
Chinese gas supply and demand projections
Large growth potential based on Chinese governmental targets

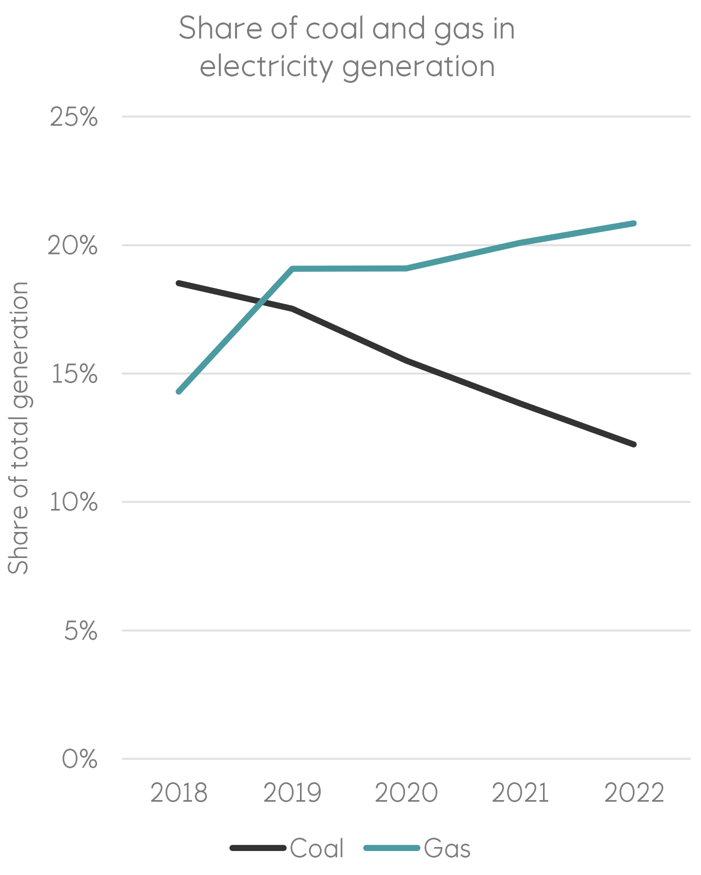


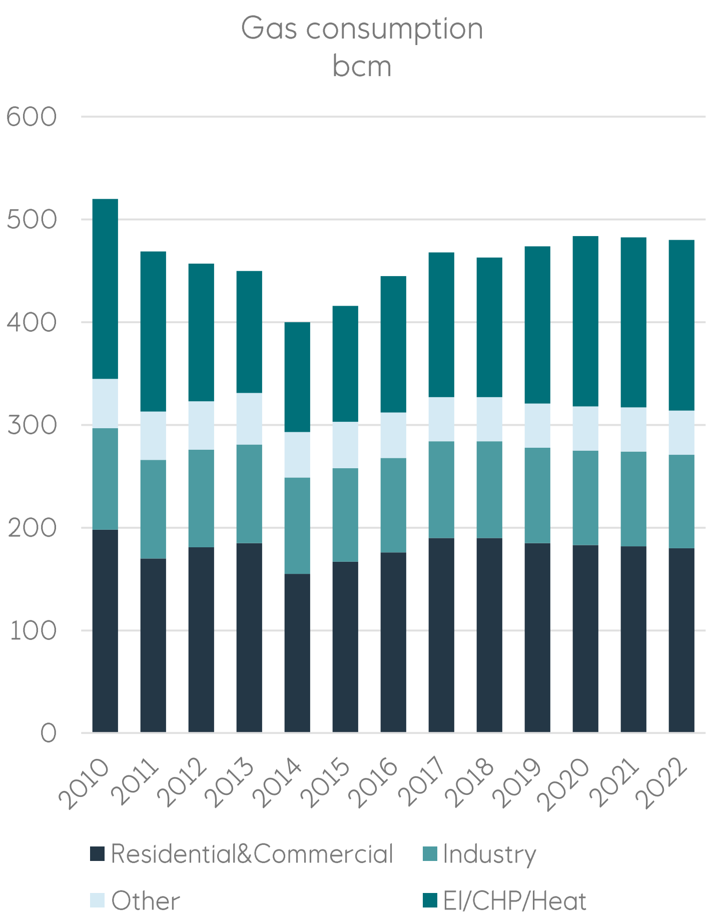


Source: IHS , Woodmac

Firm European demand
Increasing space for gas in the European generation mix



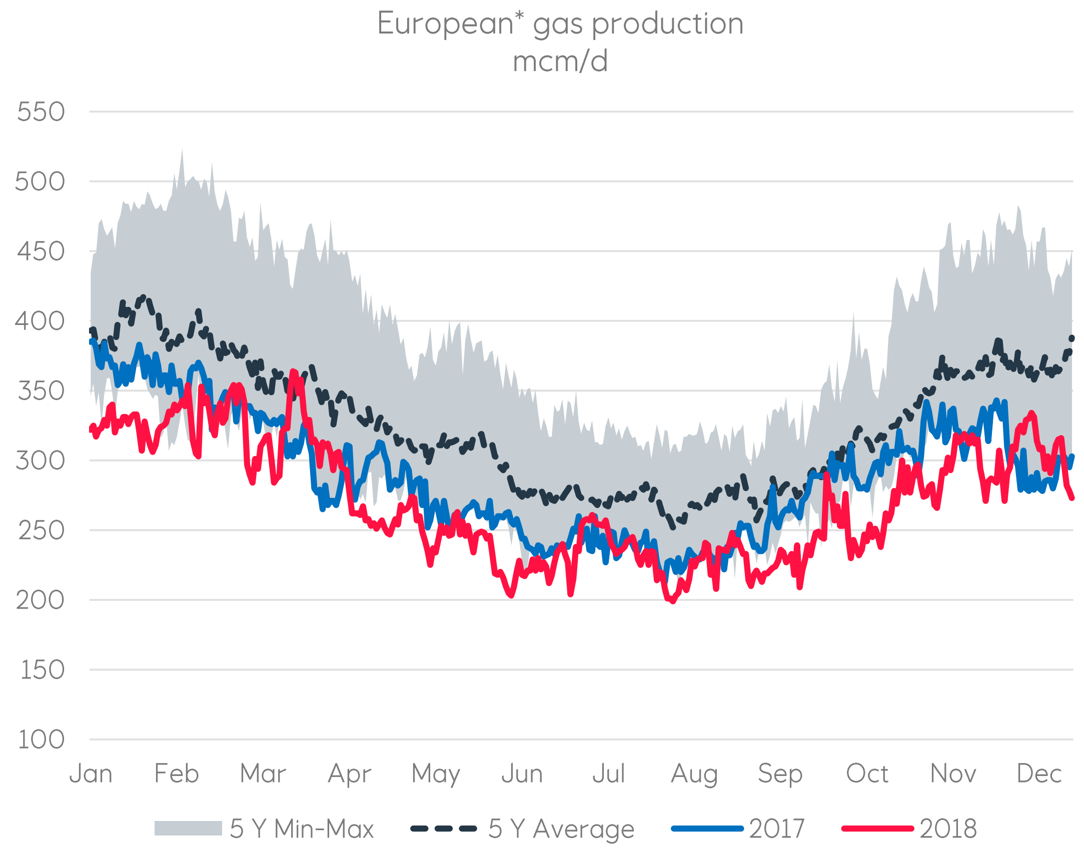


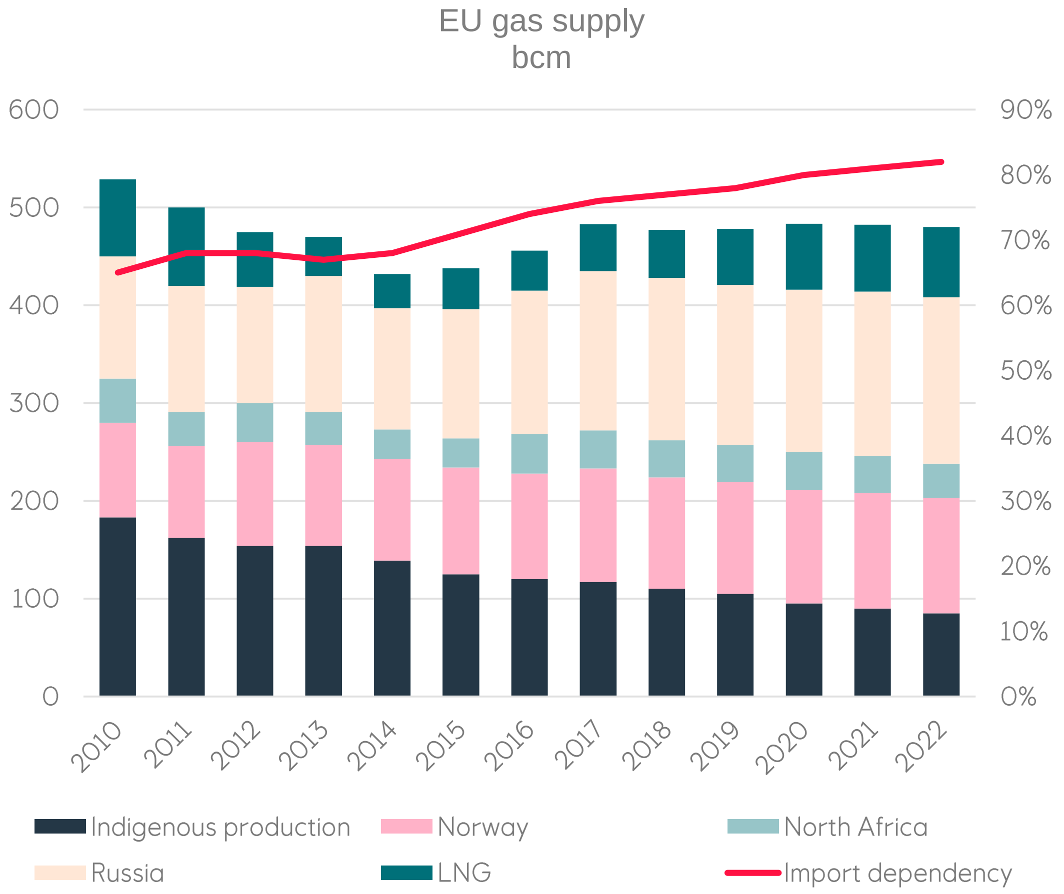


Sources: TSO's data, Equinor Analysis, Thema

European supply

European import dependency increases as a result of decline in indigenous production





Sources: TSO's data, Equinor Analysis

*Net production entering markets, Netherlands, UK, Denmark, Italy, Germany, Hungary, Croatia, Romania and Poland

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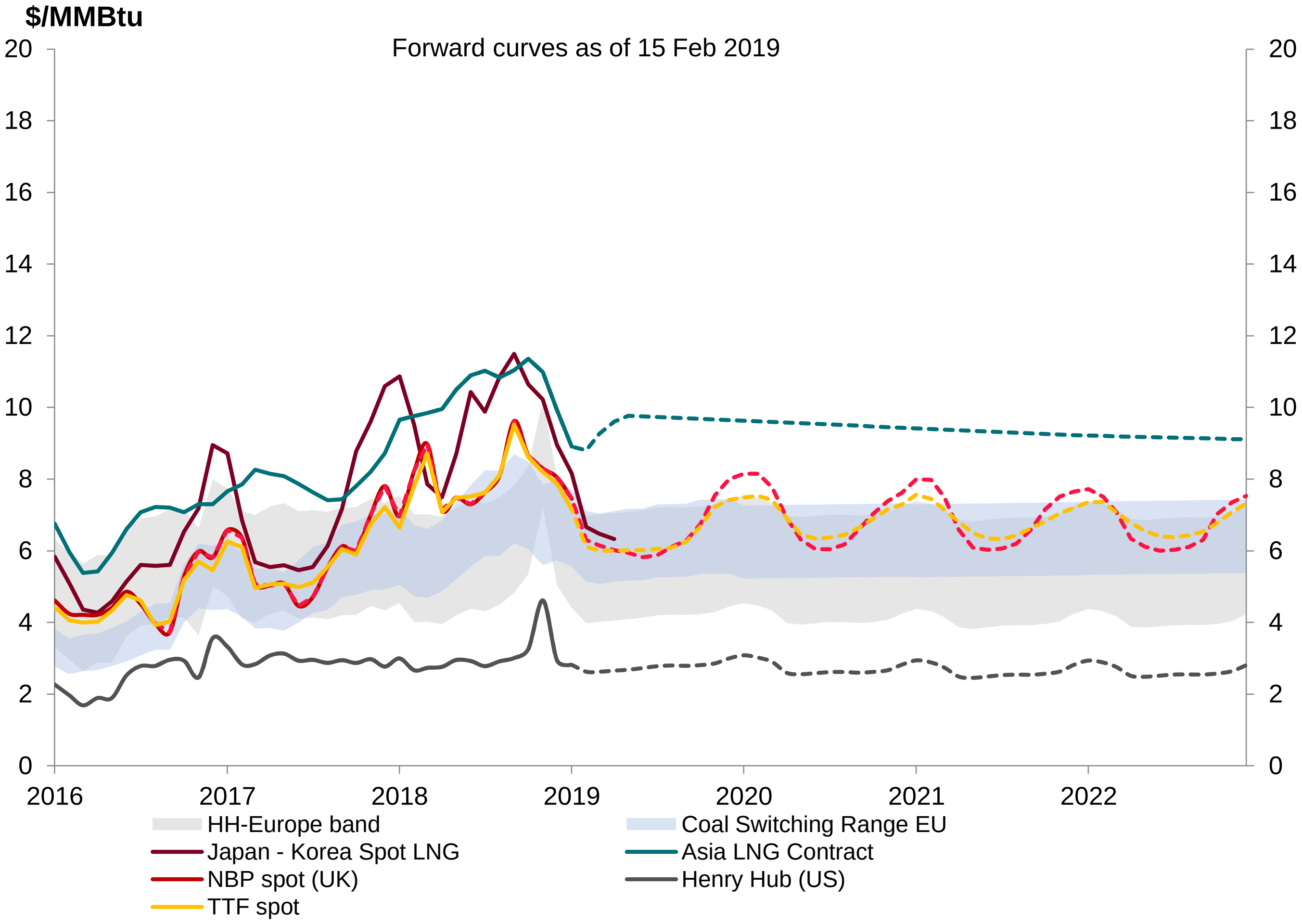
European gas price outlook

Key drivers Europe	Impact on price	
	2019	2022 ->
Domestic production		
Pipeline imports		
Storage inventories		
Demand factors		
Global LNG demand		
Global LNG supply		



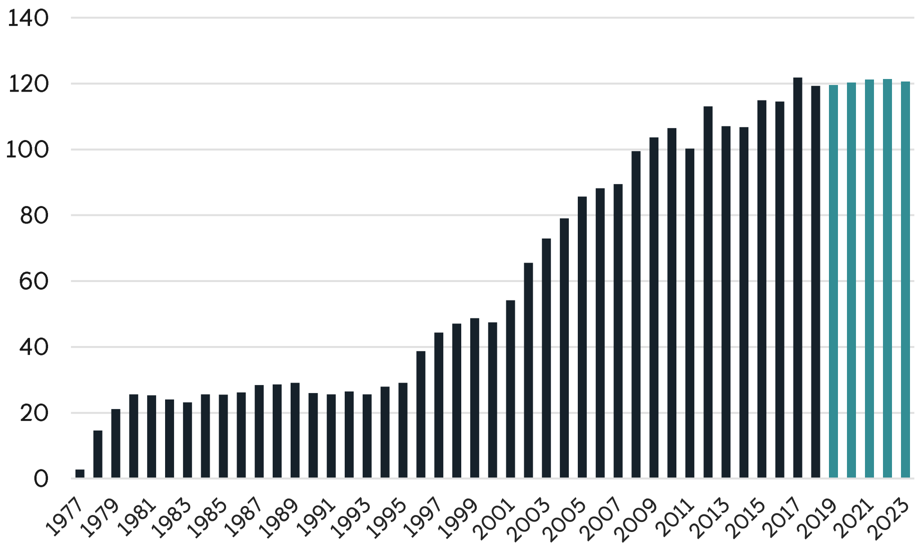
Sources: ICE, Platts, NYMEX, ARGUS, TFS, Equinor Analysis

Creating value from premium market access

Tor Martin Anfinnsen, Senior Vice President
Marketing and Trading

Supplying gas markets with record volumes

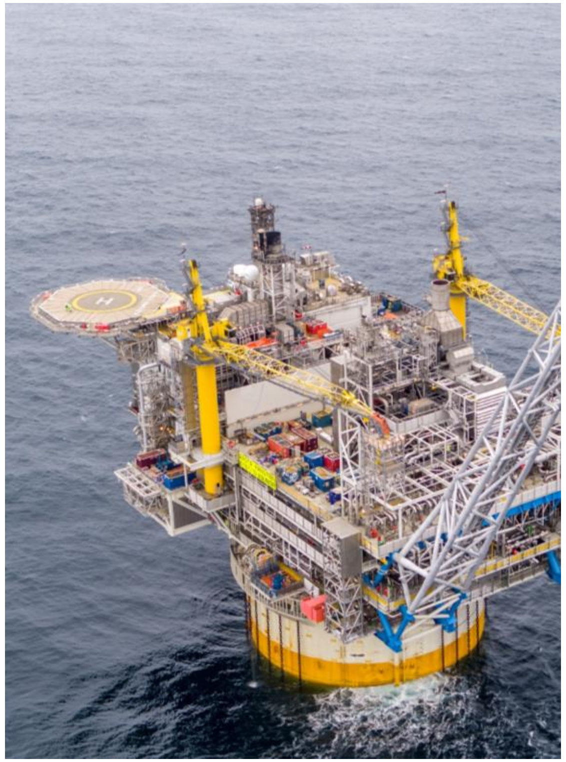
Historical and expected production in Norways gas in BCM, The Norwegian Petroleum Directorate



Maintaining a competitive NCS

Troll phase 3

Aasta Hansteen



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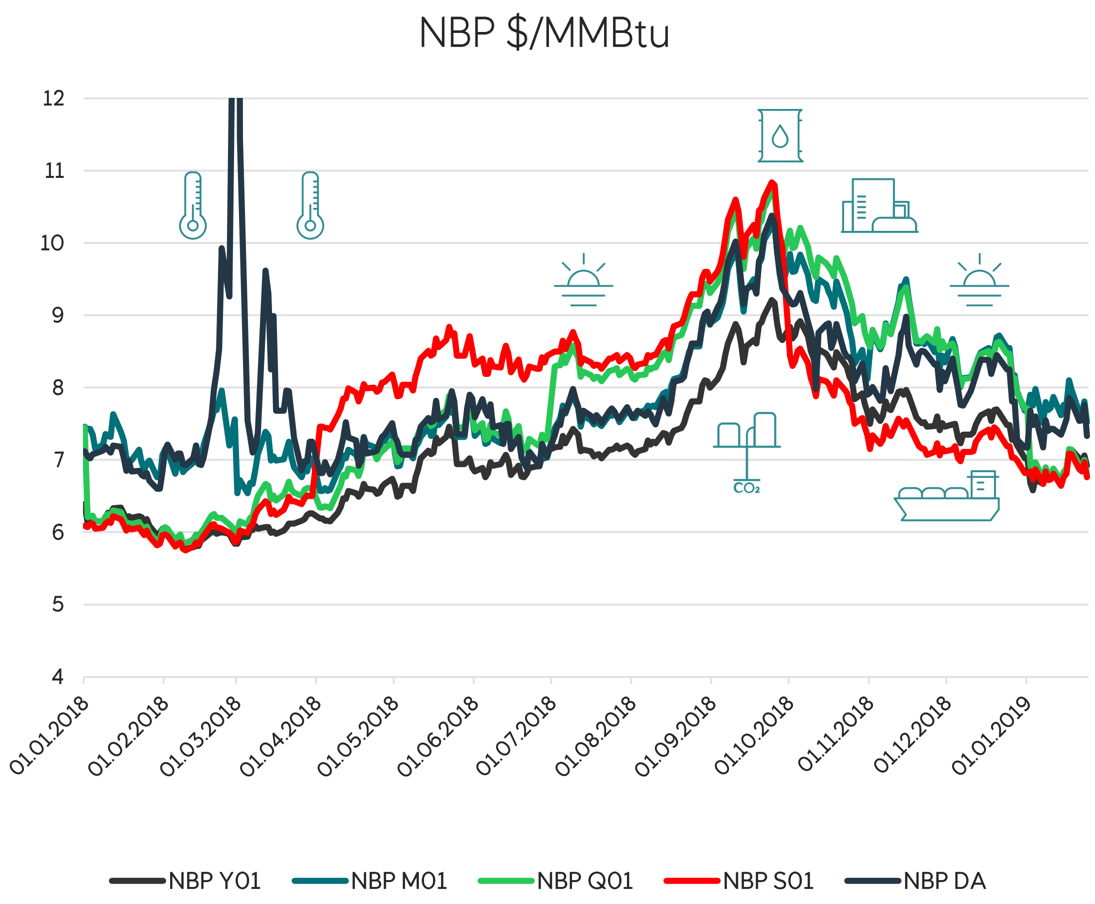
Export capacity to key markets

- Production of ~10 BCM/yr from Marcellus, Utica and Eagle Ford
- Export capacity to markets around New York, Toronto and eastern Canada
- Towards demand growth area in the Gulf Coast

Capture value in volatile markets



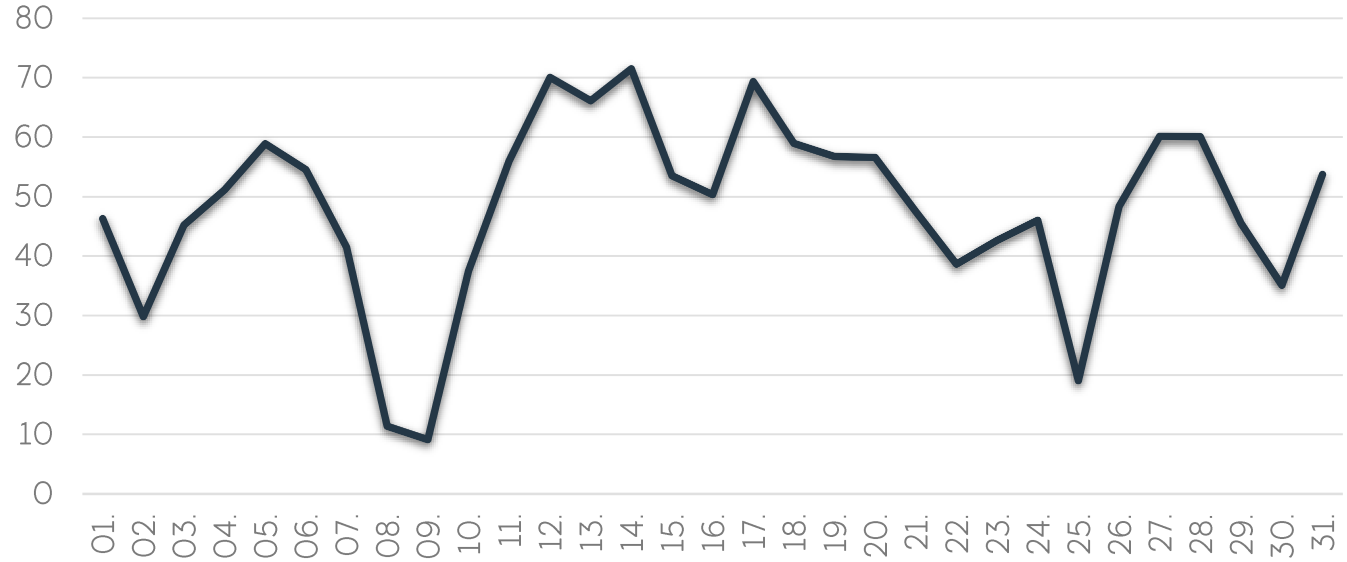
- Volatility is expected to stay high.
- Implying significant variations between markets.
- Demand for gas as a flexible backup will increase.
- Value creation in such markets requires quick adjustments and more active portfolio management.
- Towards 2020 a higher proportion of volumes will be sold on short term indices.

Capitalising on the acquisition of DC

- Extensive power trading opportunities brings additional dimension
- Reinforce trading capabilities - algorithm trading, risk management tools and processes
- 4000 trades a day
- Annual EBIT ~80 million USD 2018

Danske Commodities

EUR/Mwh Day ahead prices Germany December 2018



Key messages

Need for significant energy supply
- Changing global energy markets
- The world needs more energy…
- … but lower emissions

Gas contributes to low-carbon future
- Can reduce CO_2 >50% replacing coal
- Can enable more renewable energy
- Can be decarbonised as hydrogen

Equinor is well-positioned
- Second-largest gas supplier to Europe
- Significant global positions
- Reflecting market changes in our trading

Investor Relations in Equinor

E-mail: irpost@equinor.com

Investor Relations Europe			
Peter Hutton	Senior Vice President	phutt@equinor.com	+44 7881 918792
Lars Valdresbråten	IR Officer	lava@equinor.com	+47 40 28 17 89
Erik Gonder	IR Officer	ergon@equinor.com	+47 99 56 26 11
Ida Marie Fjellheim	IR Officer	idfj@equinor.com	+47 90 50 92 91
Marc Jacouris	IR Officer	mnjac@equinor.com	+44 7885 983904
Anne Sofie Dahle	Senior Consultant	asda@equinor.com	+47 90 88 75 54

Investor Relations USA & Canada			
Helge Hove Haldorsen	Vice President	hehh@equinor.com	+1 281 224 0140
Ieva Ozola	IR Officer	ioz@equinor.com	+1 713 485 2682