Driving high value in the energy transition

Lars Christian Bacher

Chief Financial Officer

2019

Solid adjusted earnings in 4Q

Adjusted earnings	Group[1] • Johan Sverdrup on stream • Lower commodity prices		E&P Norway • Higher liquids share of production • Improved unit production cost		E&P International • US gas prices down by 38% • Higher expensed capitalised exploration costs		MMP • Strong trading results • High obtained prices in a challenging market	
Million USD	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax
4Q'19	3,550	1,186	2,738	759	247	134	524	291
4Q'18	4,387	1,537	3,232	821	774	491	319	144

1. Includes E&P Norway, E&P International, MMP and other.

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2019

Financial results and deliveries

13.5
Billion USD
Adjusted earnings

9.3
Billion USD
Net operating income (IFRS)

1.9
Billion USD
Net income (IFRS)

10
Billion USD
Organic capex

1.6
Billion USD
Exploration activity

11
USD per bbl
Break-even production wells

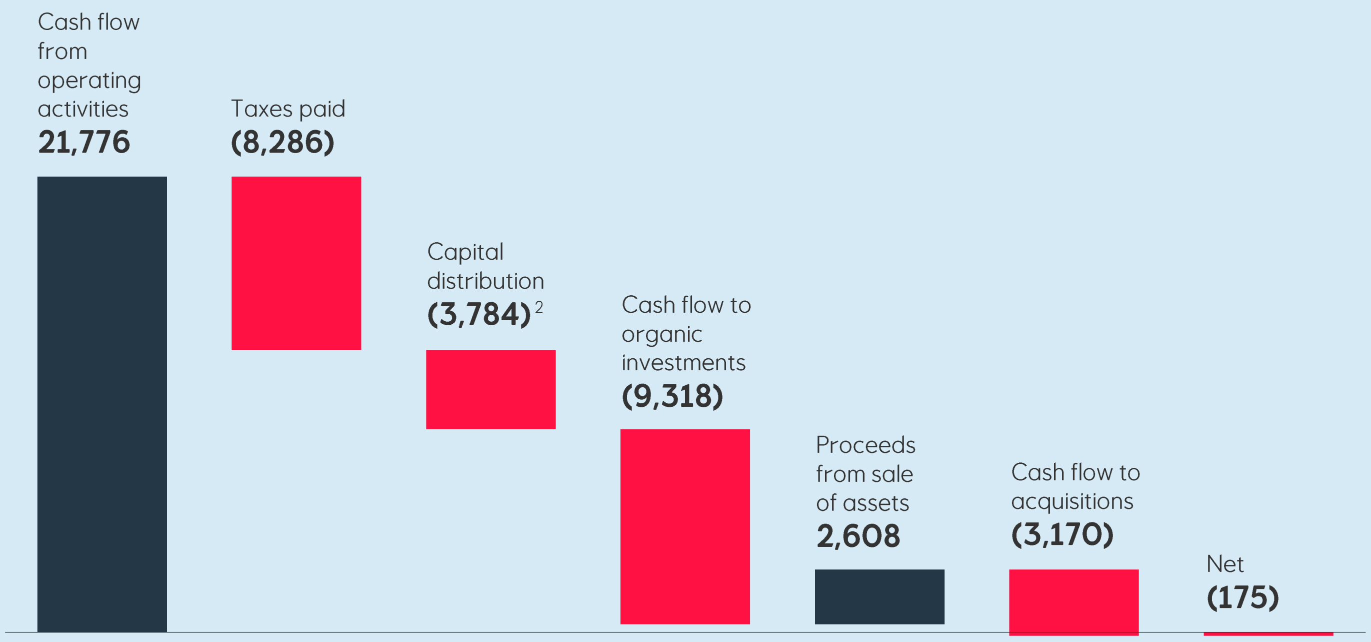
2019

Cash generation

- Solid operational performance
- USD 400 million cash impact from digital improvements
- 42% increase in capital distribution
- Value enhancing transactions
- Accelerated tax payments on NCS of USD 0.7 billon
- Adjusted net debt ratio 23.8% [1]

2019 YTD Cash flow

Million USD



1. Excluding IFRS16 impact.

2. Dividend (3,342) + share buy-backs in the market (442).

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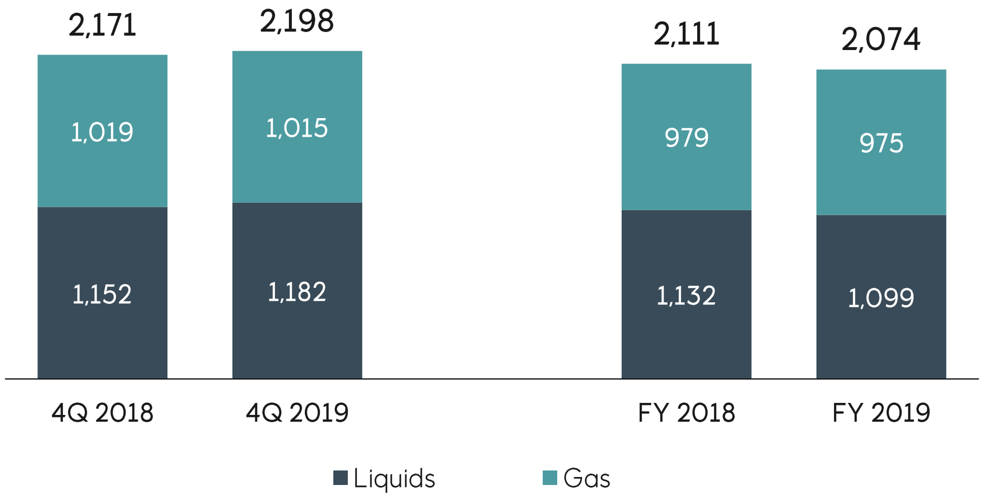
2019

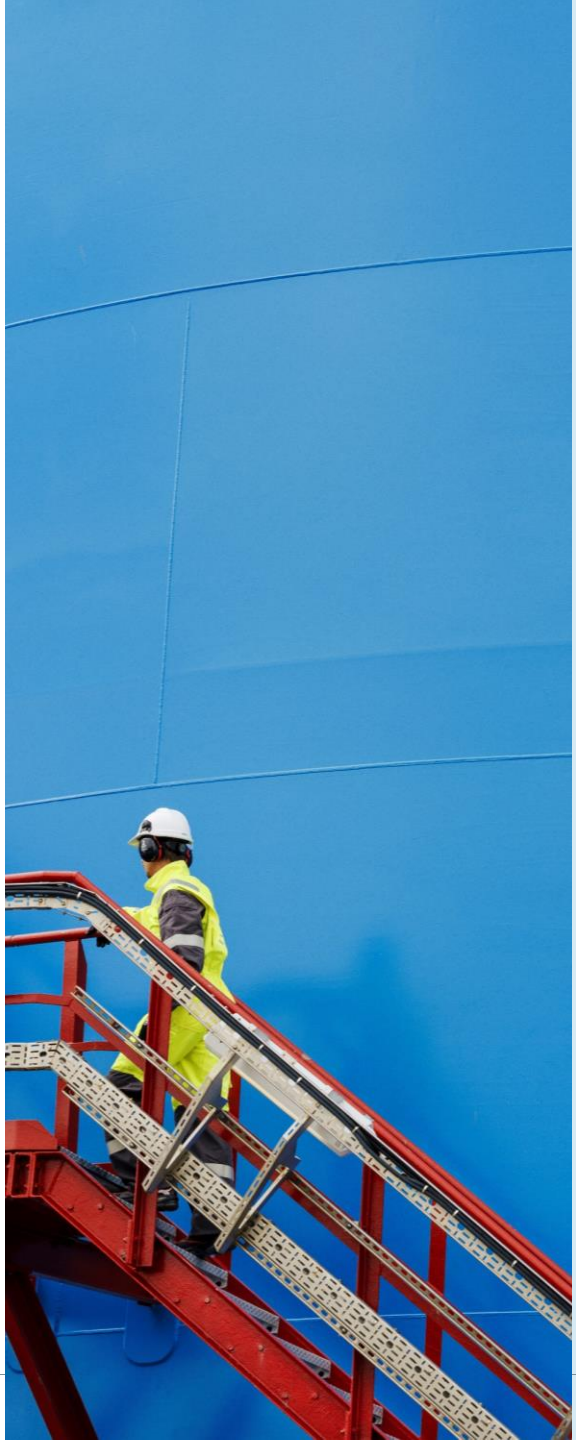
Production and reserves

- Record high production in the fourth quarter
- 6 new fields on stream in 2019
- Successful ramp-up of Johan Sverdrup
- Gas production deferred to capture higher value

Equity volume

kboe per day





83

Percent

Organic reserve replacement ratio (RRR)

Proved SEC reserves

140

Percent

Three year average organic RRR

Proved SEC reserves

8.6

Years

R/P SEC reserves

Proved SEC reserves divided by entitlement production

A strong company positioned for the future

Digital at scale and stepping up our improvement ambition

50% increase

\> 3

Billion USD

Cash flow improvement 2020-2025

Equinor share pre-tax

Improvement measures

- Digitalisation & new ways of working
- Simplification & standardisation
- Continuous improvement & Lean
- Strengthened supplier collaboration

5.3

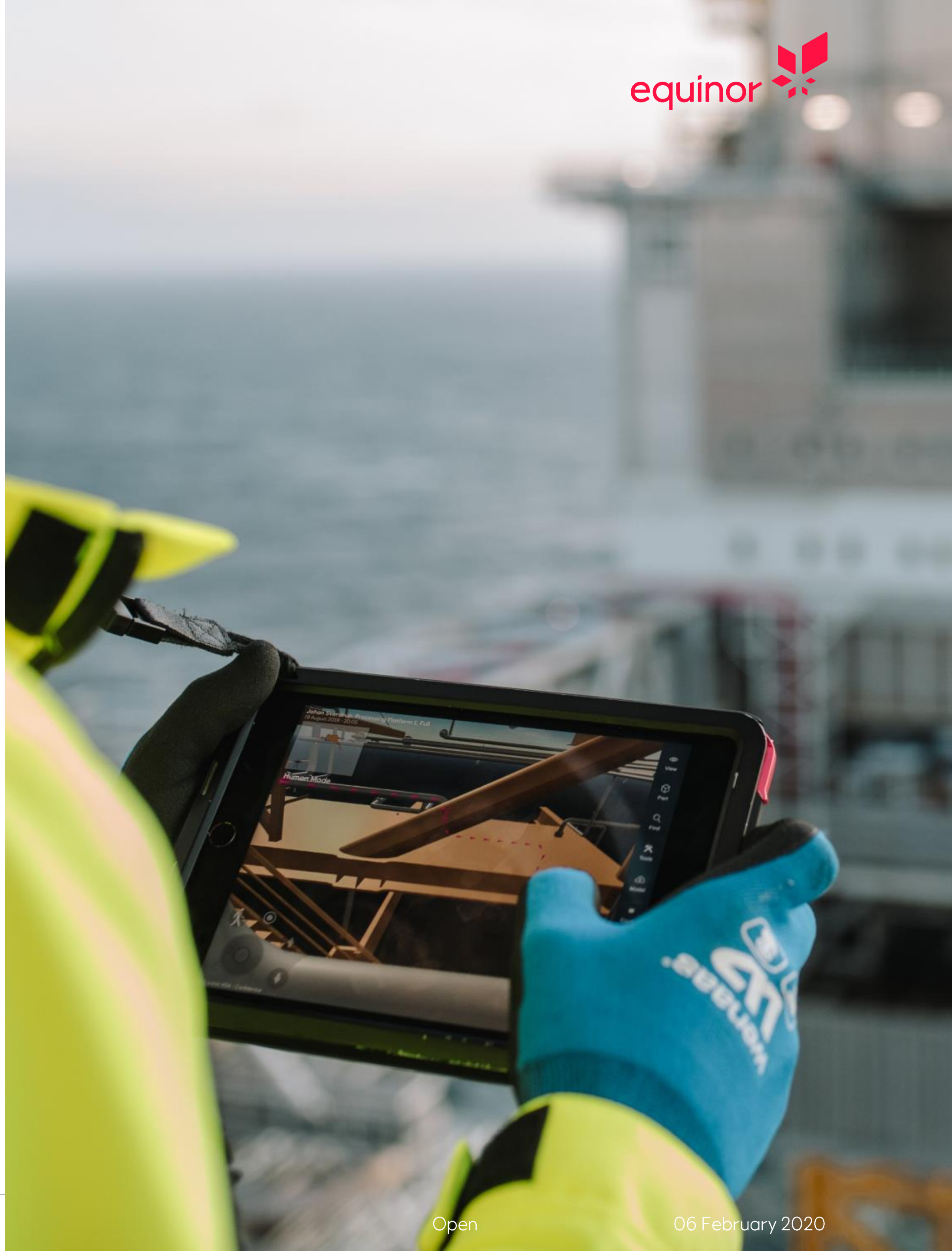
USD per boe

Unit production cost (UPC)

~ 5

Percent

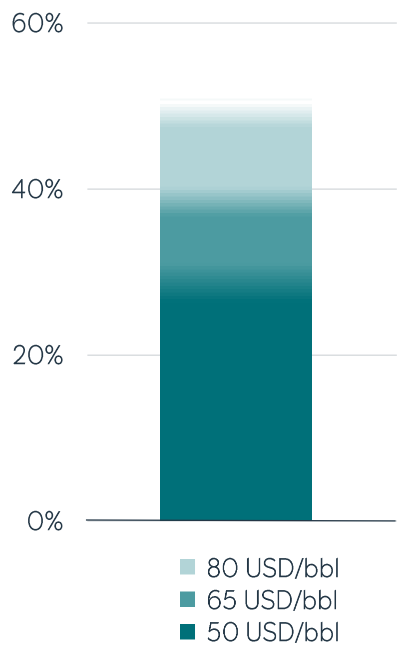
Improvement in UPC from 2019 to 2021



World class project portfolio [1]

Portfolio return (IRR)

Volume weighted



~5

Kg per boe

CO_2 intensity

Equinor operated upstream 100%

<35

USD per bbl

Break-even

Volume weighted

2026

Year

Payback

Based on 65 USD per bbl

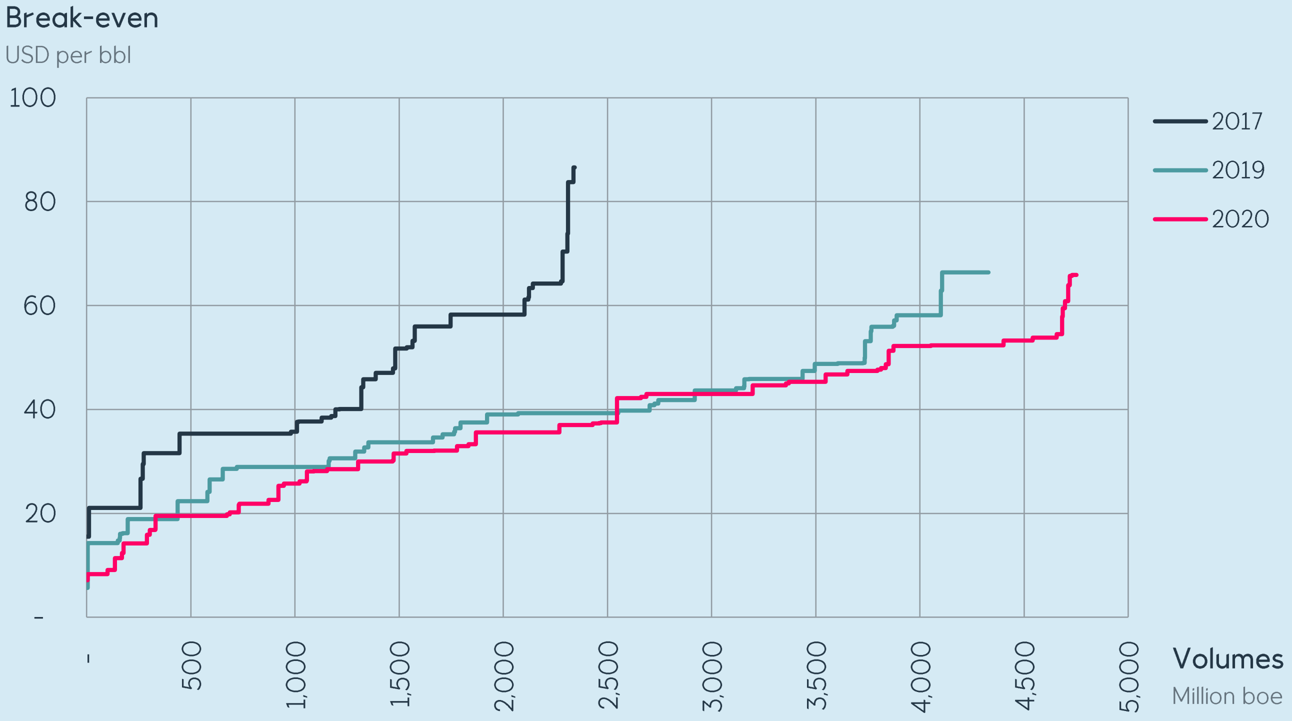
Major start-ups planned for 2020-2026 [2]

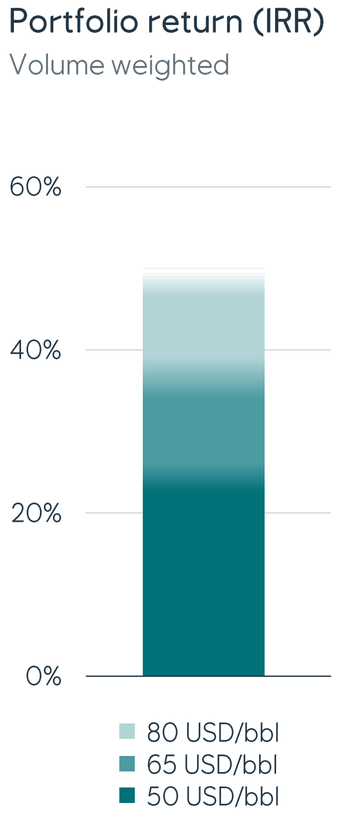
Sanctioned			Non-sanctioned	
2020	**2021**	**2022-23**	**2022-24**	**2025-26**
E&P Norway				
- Njord - Bauge - Snøhvit Askeladd - Martin Linge - Ærfugl Phase 1 [3]	- Troll Phase 3 - Snorre Expansion - Ærfugl Phase 2 [3]	- Johan Castberg - Johan Sverdrup Phase 2	- Grand - Oseberg GCU - Snøhvit Future Phase 2	- Peon - Krafla - Halten Øst Sør - Ormen Lange Phase 3 [3]
E&P International				
- Peregrino Phase 2	- Vito [3]	- St Malo Phase 2 [3] - North Komsomolskoye Stage 1 [3]	- Bacalhau Phase 1 - Karabagh [3] - Austin Chalk - Roncador IOR [3] - Bajo del Toro [3] - North Platte [3]	- Bay du Nord - BM-C-33 - Rosebank
Capacity (Equity, kboe per day)				
~220	~140	~250	~320	~330

1. Upstream portfolio coming on stream 2020-2026
2. Major projects (list not exhaustive), indicative plateau production, not applicable for sum of production per year
3. Equinor as partner/joint operator

Competitive non-sanctioned portfolio[1]

Offsetting cost pressure - maintaining high profitability





<40

USD per bbl

Break-even

Volume weighted

~7

Kg per boe

CO_2 intensity

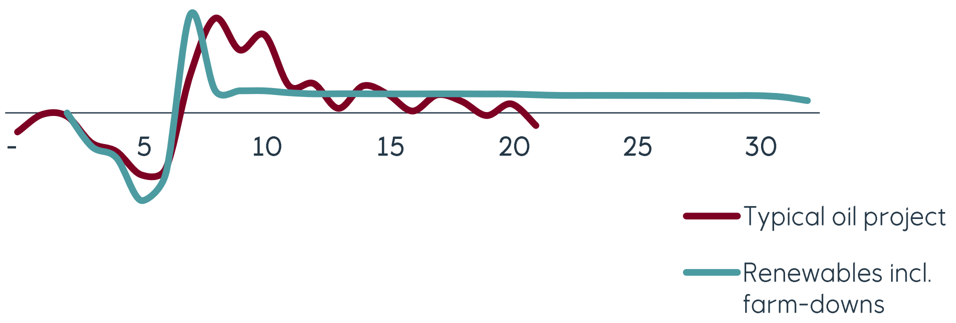
Equinor operated upstream 100%

1. Non-sanctioned upstream portfolio coming on stream next 10 years

Profitable growth in renewables

- Creating value with attractive risk reward
- Leveraging technical and commercial capabilities
- Diversifying the portfolio
- Cash flow longevity increasing resilience

Cash flow after tax (real)

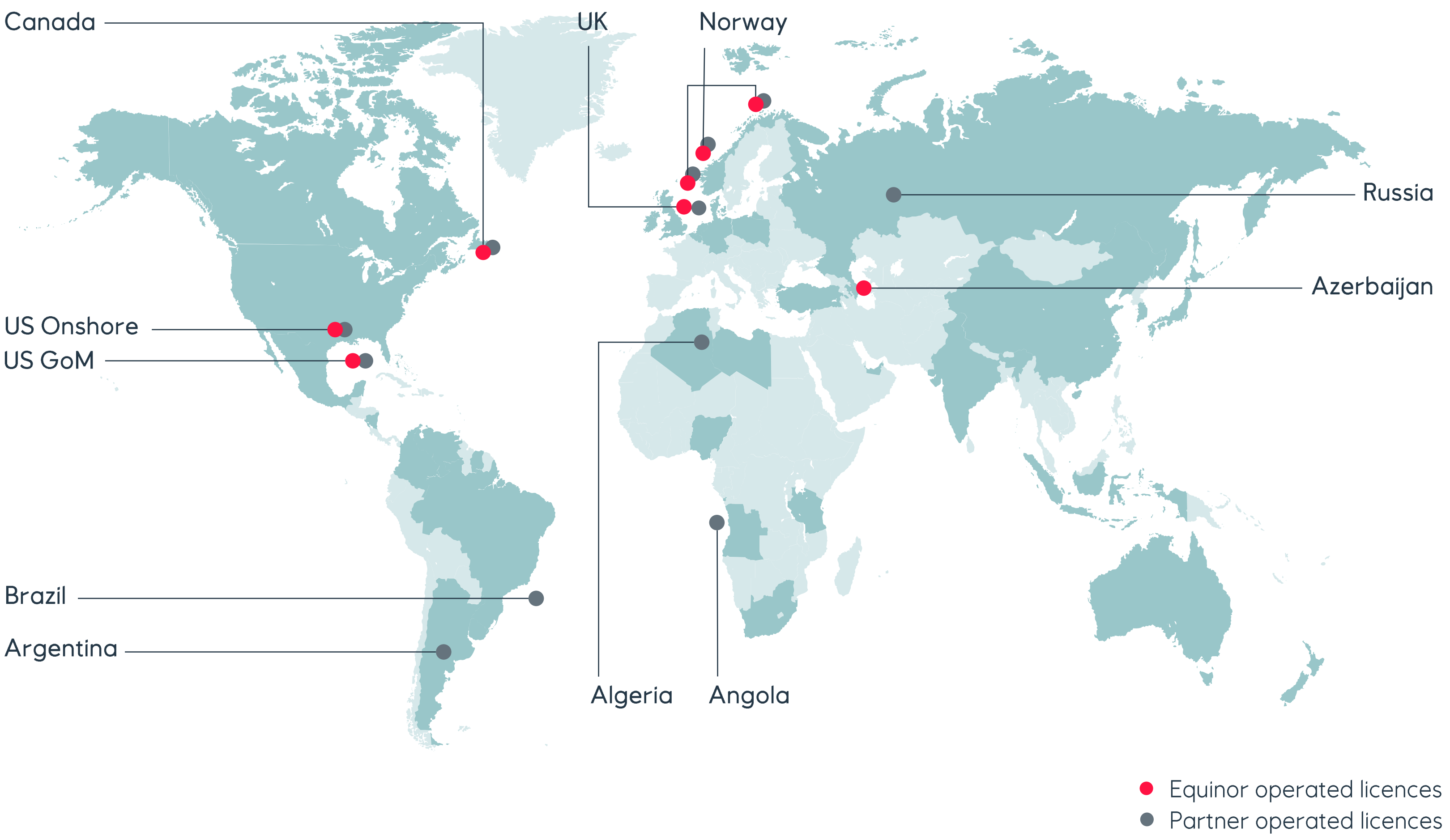


Renewable start-ups planned for 2020-2026

2019	2020	2022	2023-26
In operation	Project pipeline		
- Sheringham Shoal - Dudgeon - Hywind Scotland - Arkona - Apodi	- Cañadón León - Guanizul 2A	- Hywind Tampen	- Dogger Bank Creyke Beck A - Dogger Bank Creyke Beck B - Dogger Bank Teesside A - Empire Wind - Baltyk
Installed capacity (Equity, GW)			
~ 0.5	~0.1	~ 0.03	~ 3.3

2020

High value exploration in high graded prolific basins



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10-20
Exploration wells
Internationally

20-30
Exploration wells
Norwegian continental shelf

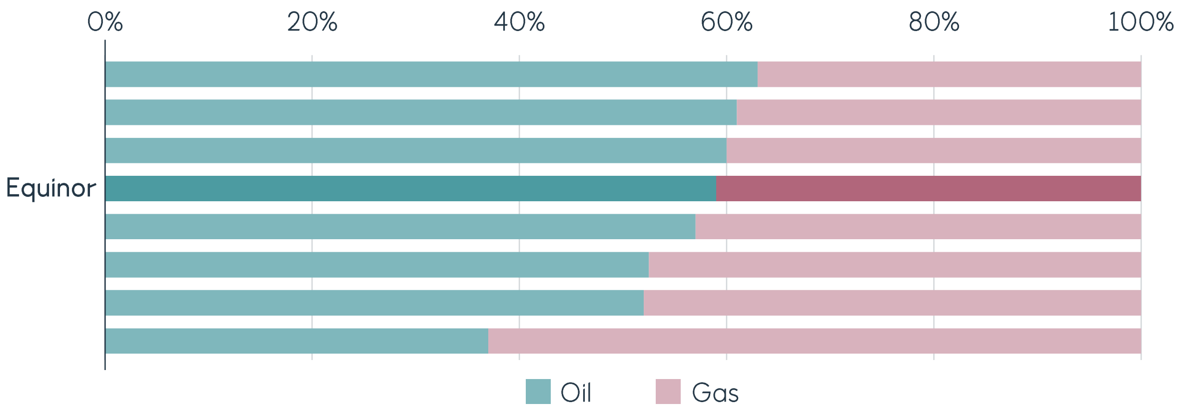
~1.4
Billion USD
Exploration expenditure

Excluding field development costs

Low cost gas supply to Europe

- Total supply cost well below 2 USD per MMBtu
- Flexibility in gas production and delivery points
- Low emissions in production and transportation

2019 gas share of total production compared to peers

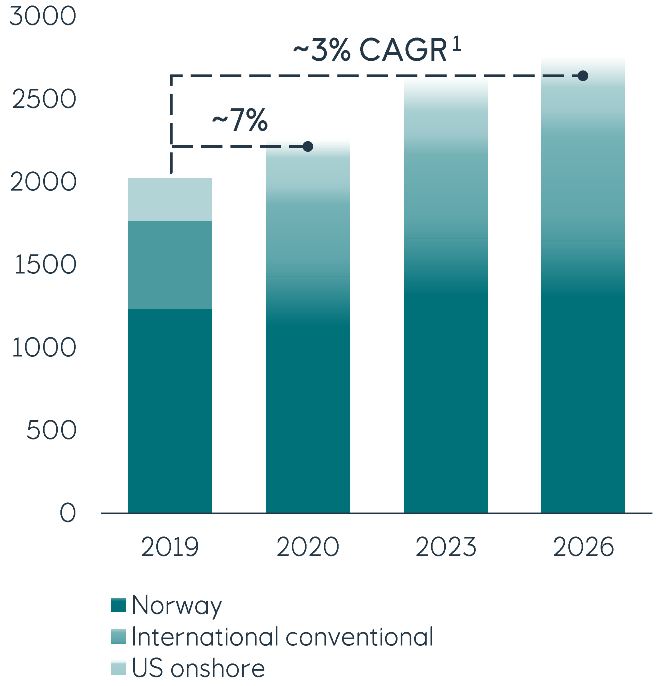


Source: RBC Capital Markets, November 2019. Peers include; BP, Chevron, Eni, ExxonMobil, Repsol, Shell, Total.

High value growth

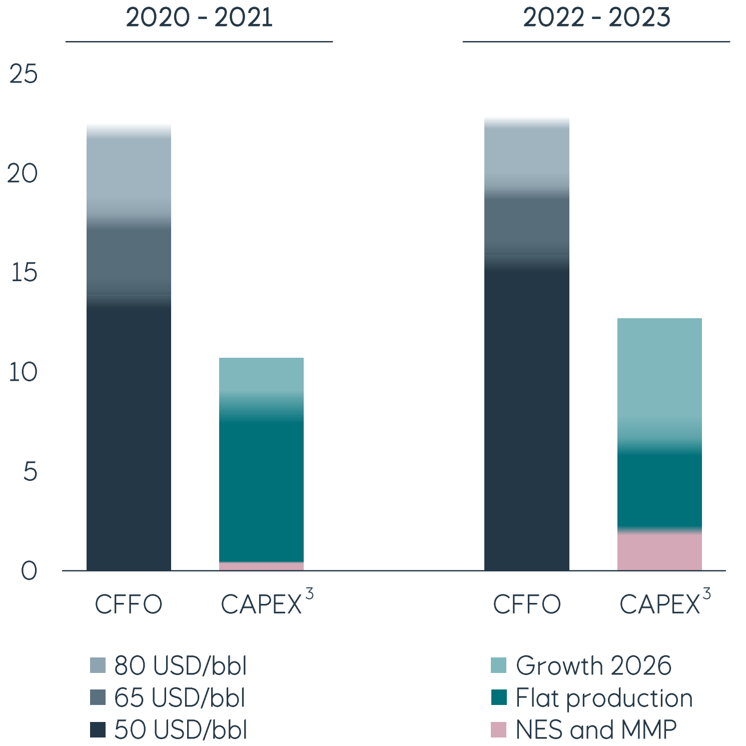
Equity production

Kboe per day



Strong cash flow and robustness [2]

Billion USD



1. Adjusted for portfolio measures.

2. Annual average. Scenario assumptions are based on real prices (Brent Blend USD per barrel / NBP USD per MMBtu): 50/5, 65/6. and 80/7.5
3. Organic capex

10-11

Billion USD
Annual capex 2020-2021

Average organic capex based on USD/NOK 8.75

~12

Billion USD
Annual capex 2022-2023

Average organic capex based on USD/NOK 8.75

~30

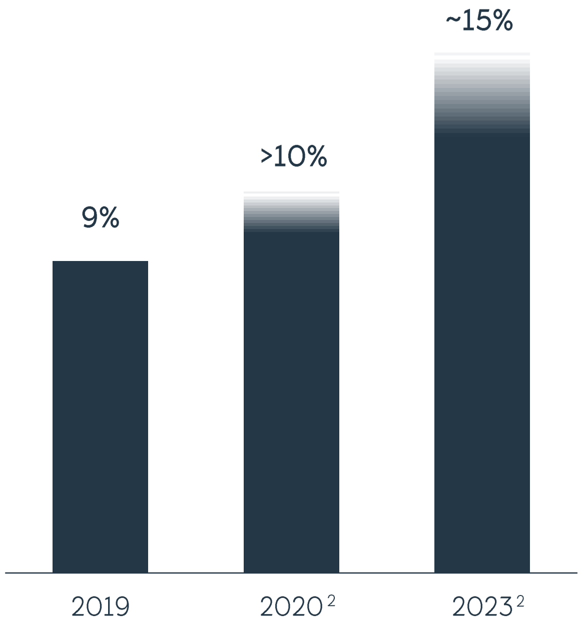
Billion USD
Organic cash flow 2020-23

CFFO before working capital and after organic investments. Based on 65 USD per bbl

Growing cash flow and returns

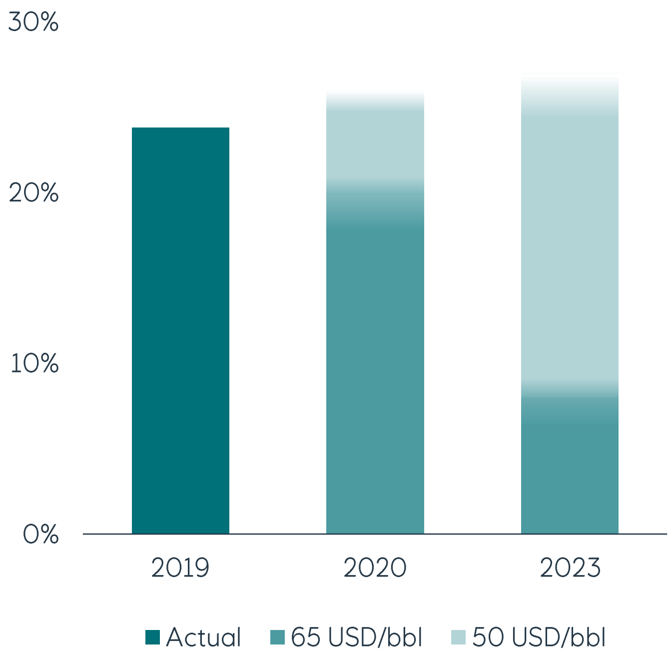
Improving RoACE[1]

World class portfolio enhances returns



Strengthening balance sheet[3]

Long term net debt ambition 15-30%



1. Excluding changes in future tax assets and IFRS16 impact
2. Based on 65 USD per bbl

3. Adjusted net debt ratio

Delivering competitive capital distribution

27

Cents per share

Quarterly cash dividend

Subject to approval at the Annual General Meeting (AGM)

~675

Million USD

Share buy-back second tranche

Including Norwegian State. Subject to approval at the AGM, commodity prices and balance sheet strength.
Second tranche from around 18 May to 28 October 2020

2020

Guidance and outlook

		Outlook 2020	
Production growth[1]	2019-2020	~7	Percent
	2019-2026	~3	Percent, CAGR
Capex[2]	2020-2021	10-11	Billion USD
	2022-2023	~12	Billion USD
Exploration[3]		~1.4	Billion USD

1. 2019 production rebased for portfolio measures
2. Annual average capex based on USD/NOK 8.75
3. Excluding field development costs

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Key messages

Growing production, cash flow and returns

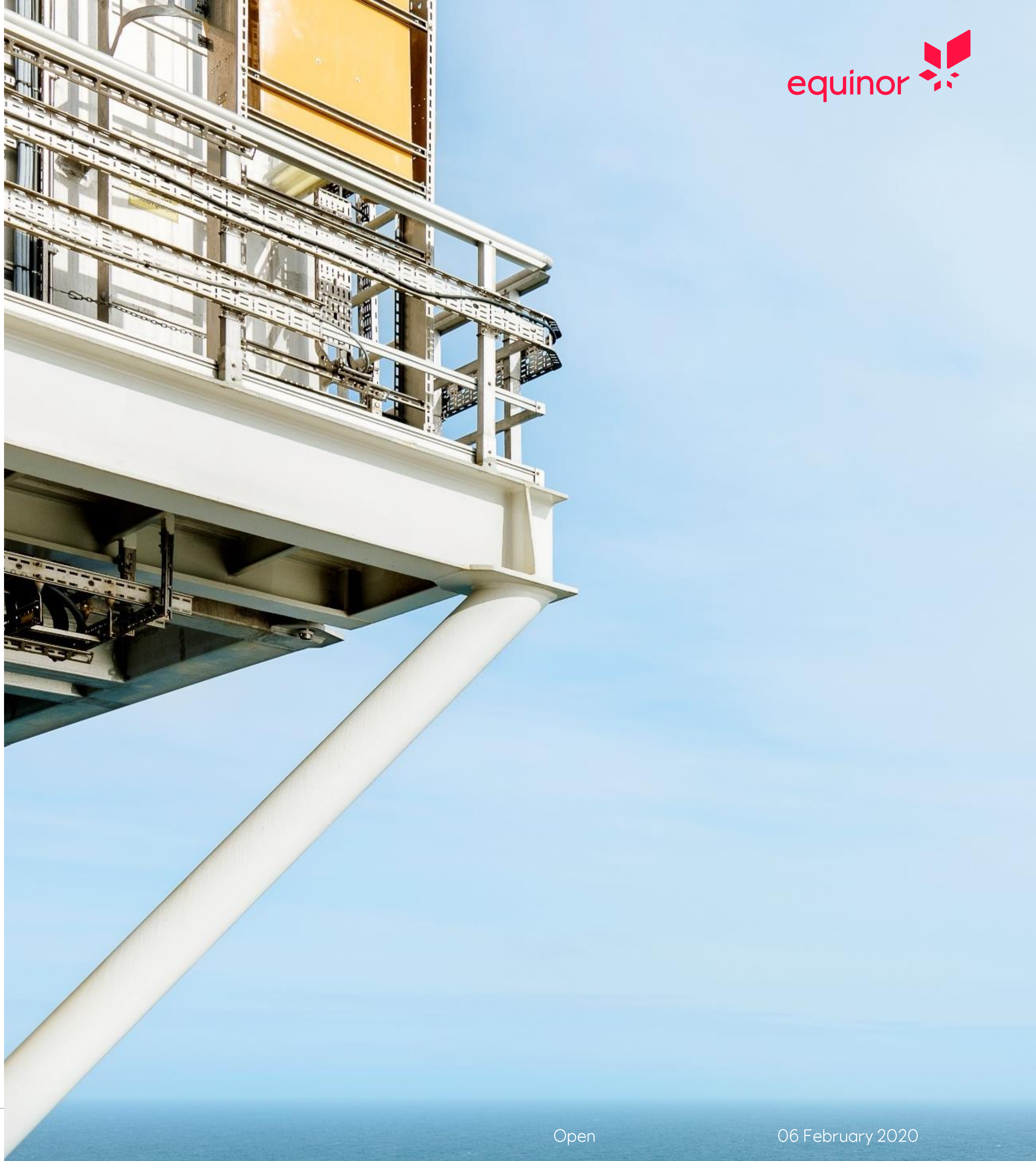
- Around 3% annual production growth 2019-2026
- Organic cash flow around USD 30 billion 2020-2023
- RoACE around 15% in 2023

Driving long term value creation, in line with the Paris Agreement

- Industry leading carbon efficiency
- Value driven growth in renewables
- Reducing net carbon intensity by at least 50%

Delivering competitive capital distribution

- Quarterly dividend of 27 cents per share
- Second tranche of share buyback around USD 675 million



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", "targets", "in line with", "consistent" and similar expressions to identify forward-looking statements. Forward-looking statements include all statements other than statements of historical fact, including, among others, statements regarding Equinor's plans, intentions, aims, ambitions and expectations with respect to Equinor's start-up of projects through 2029; organic cash flow from 2020 to 2023 and ROACE in 2020 and 2023; plans to achieve improvements with a cash flow effect of more than USD 3 billion from 2020 to 2025 through digital solutions and new ways of working; ,aims and ambitions with respect to the energy transition, including strengthen Equinor's position on carbon efficiency operation, to reach carbon neutral global operations by 2030, to develop as a global offshore wind major and to reduce the net carbon intensity of energy produced by 2050; expectations to achieve a production capacity of 4 to 6 GW from renewable projects and to increase capacity further to 12 to 16 GW towards 2035; Johan Sverdrup field, including the repayment of phase 1 investment by the end of 2020 and the field reaching plateau during summer 2020; aims and ambitions with respect to renewable energy, including adding 2.7 GW of renewable electricity capacity; market outlook and future economic projections and assumptions; production growth in 2020 and through 2026; CAGR for the period 2019 - 2026; organic capital expenditures through 2023; intention to mature its portfolio; estimates regarding exploration activity levels; ambition to keep unit of production cost in the top quartile of its peer group and to target a 5% improvement towards 2021; scheduled maintenance activity and the effects on equity production thereof; expected dividend payments and dividend subscription price; share buy-back programme, including expectations regarding the timing and amount to be purchased using the remaining part of the first tranche of the programme, the launch of the second tranche and the redemption of the Norwegian State's shares; provisions and contingent liabilities, including with respect to future cash outflows relating to the Agbami field redetermination in Nigeria, Equinor's response to Norwegian tax authorities regarding internal pricing on certain transactions and Equinor's constitutional challenge of the ICMS in Brazil; and planned and announced acquisitions and divestments, including the timing and impact thereof, including the acquisition of a 50% interest in SPM Argentina S.A. from Schlumberger Production Management Holding Argentina B.V.

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, 2018, filed with the U.S. Securities and Exchange Commission (including section 2.11 Risk review - Risk factors thereof). Equinor's 2018 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 assume 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.

The achievement of Equinor's net carbon intensity ambition depends, in part, on broader societal shifts in consumer demands and technological advancements, each of which are beyond Equinor's control. Should society's demands and technological innovation not shift in parallel with Equinor's pursuit of significant greenhouse gas emission reductions, Equinor's ability to meet its climate ambitions will be impaired.

Equinor is including the emissions from a customer's product use in its calculation of its net carbon intensity solely as a means to (i) more accurately evaluate the emission lifecycle of what we produce and (ii) to respond to the potential business opportunities arising from shifting consumer demands. Including these emissions in the calculation should in no way be construed as an acceptance by Equinor of responsibility for the emissions caused by such use.

Prices used in the presentation material are given in real 2019 value, unless otherwise stated.. Forward looking cash-flows are in nominal terms. Break-evens and NPVs are in real 2020 terms and are based on life cycle cash-flows from Final Investment Decision dates. We also confirm that we have obtained approval from Barclays, Independent project Analysis (IPA), Rushmore Reviews, IOGP, RBC Capital Markets and Thunder Said Energy to publish data referred to on slides in this presentation.

We use certain terms in this presentation, such as "resource" and "resources" that the SEC's rules prohibit us from including in our filings with the SEC. U.S. investors are urged to closely consider the disclosures in our Form 20-F, SEC File No. 1-15200. This form is available on our website or by calling 1-800-SEC-0330 or logging on to www.sec.gov.