



equinor



IR Autumn Seminar 2019

26 November 2019

Oslo

Forward-looking statements

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. Forward-looking statements include all statements other than statements of historical fact, including, among others, statements regarding Equinor's plans, intentions, aims and expectations with respect to Equinor's start-up of projects through 2025; intentions regarding the wind business and development as a broad energy company; market outlook and future economic projections and assumptions; production growth in 2020 and towards 2025 and production guidance for 2019, including plans and expectations to deliver 200,000 barrels per day from Trestakk, Utgard, Snefrid Nord, Mariner and Johan Sverdrup in 2020; CAGR for the period 2019 - 2025; organic capital expenditures for 2019; 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; 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, and the redemption of the Norwegian State's shares; clean-up costs relating to the damage caused to the South Riding Point oil terminal by Hurricane Dorian; expected lease commitments through 2024; planned and announced acquisitions and divestments, including the timing and impact thereof, including the acquisition of 100% of the shares of Danske Commodities and the share-sale transaction with Lundin.

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 (and 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 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.



Macro and market update

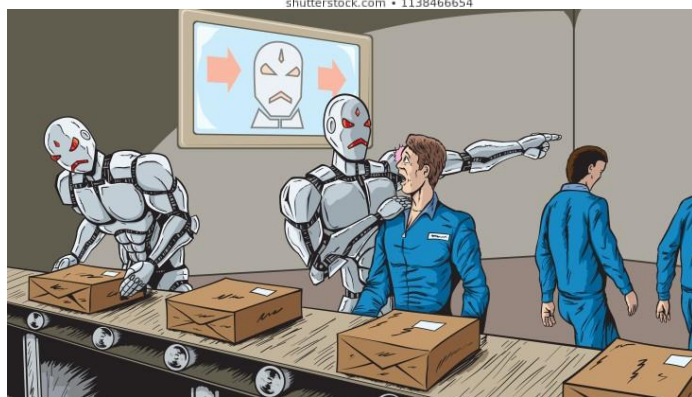
Eirik Wærness, SVP Macro and Market Analysis and Chief Economist

Oslo | 26 November 2019

Enormous uncertainty, in many dimensions – we need scenarios!



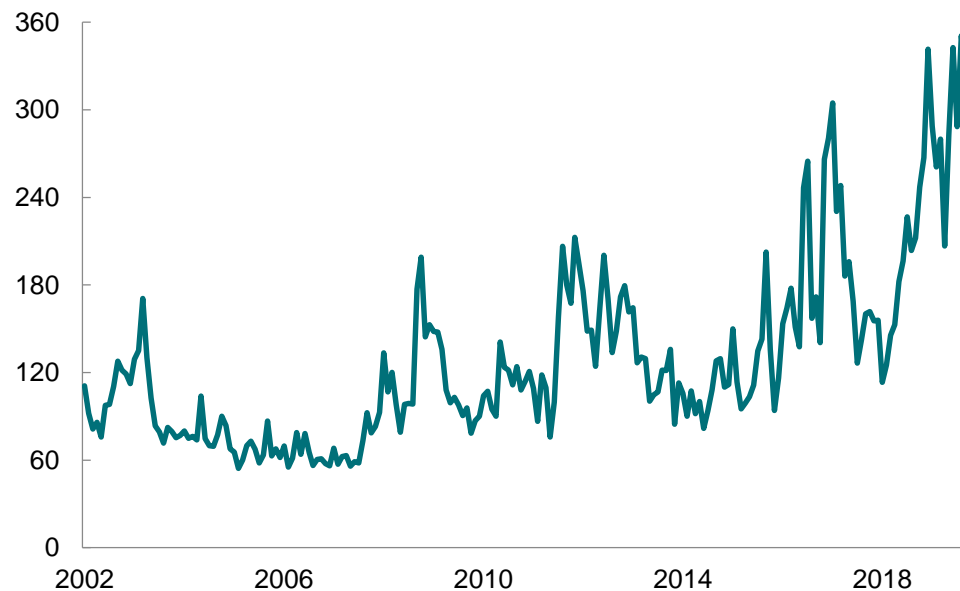
COMPETENCE



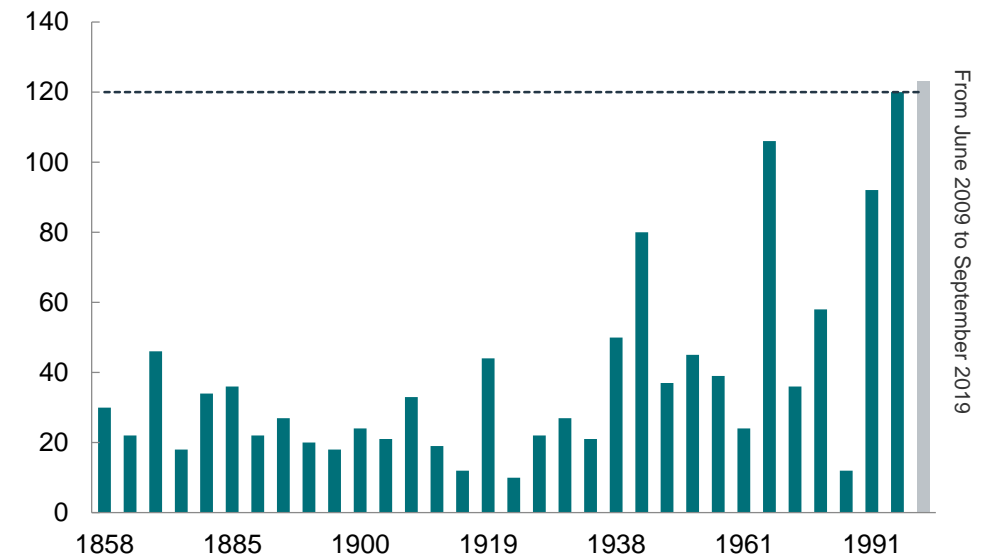
Elevated economic uncertainty

... and the US economy expanding into new territory

Global economic policy uncertainty index

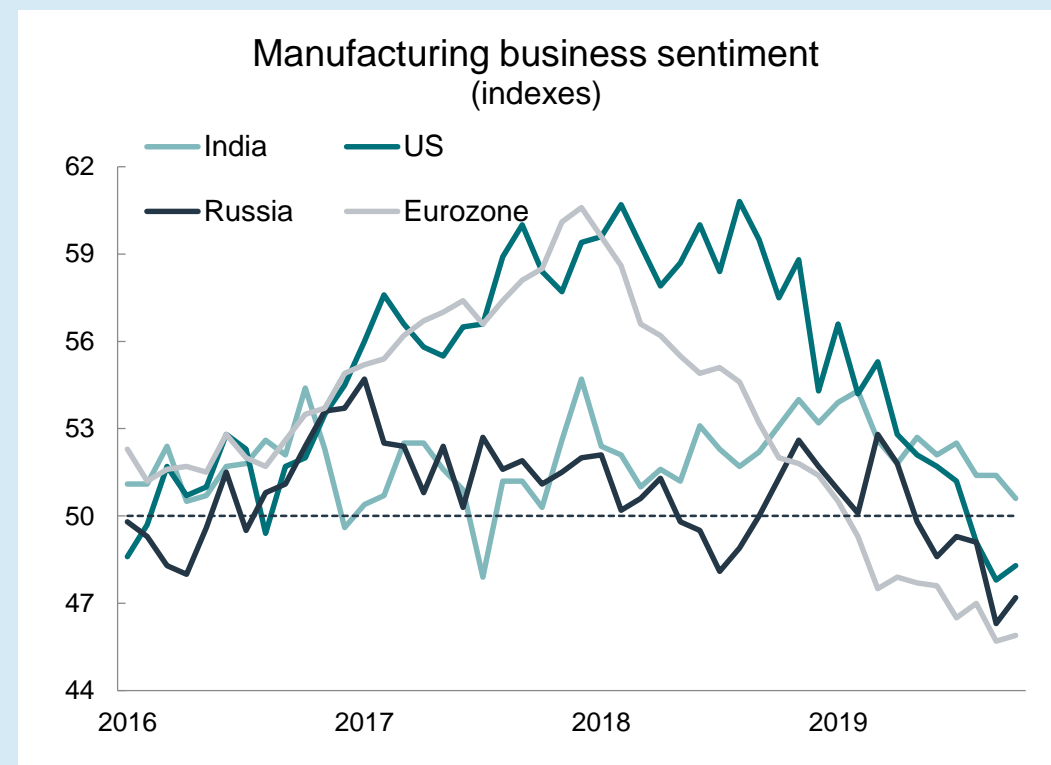
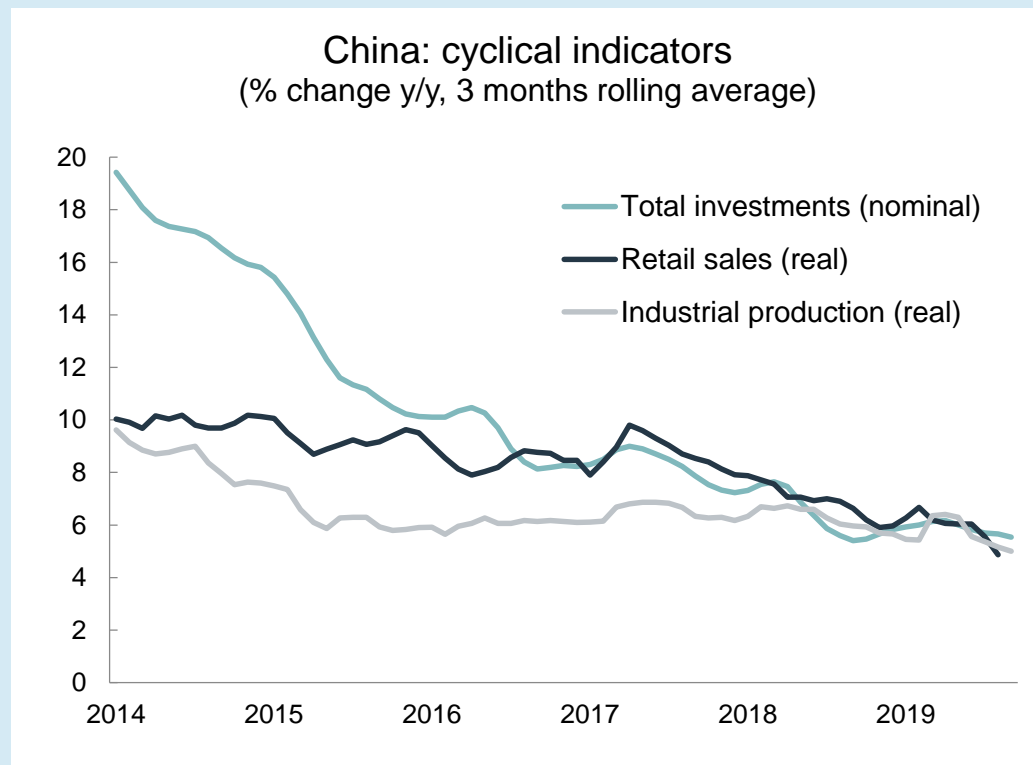


US economic expansion
(number of months, trough to peak)



China's slowdown filters through

... and hampers sentiment



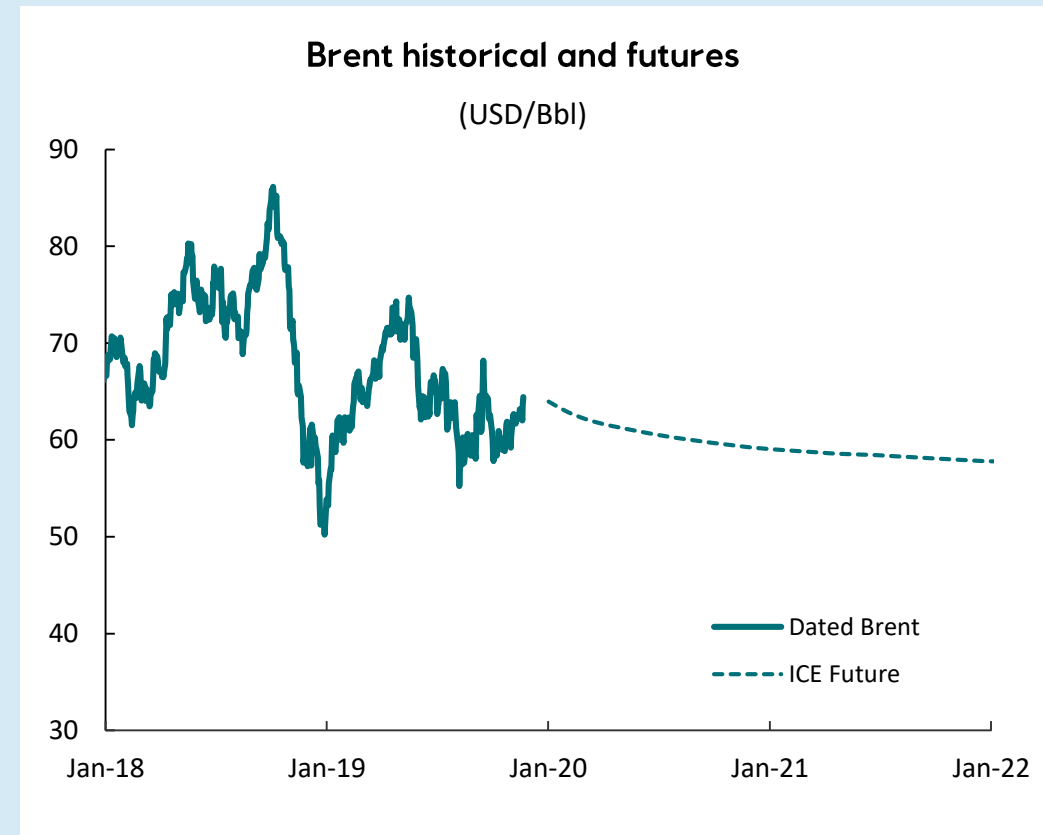
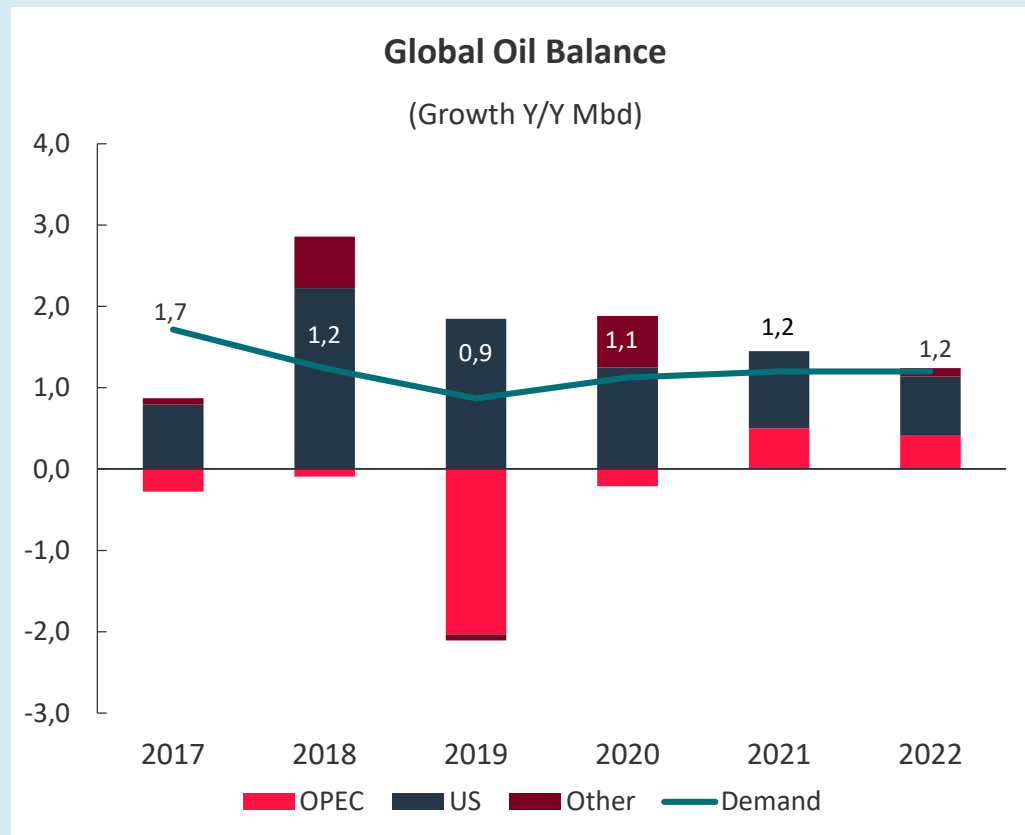
Oil market highlights for 2019

Weak economic indicators weigh on oil demand and offset a risky supply picture
















Risk of significant oversupply of oil into 2020

... but uncertainties are plentiful and hard to predict



Oil fundamentals will improve in the medium to long term

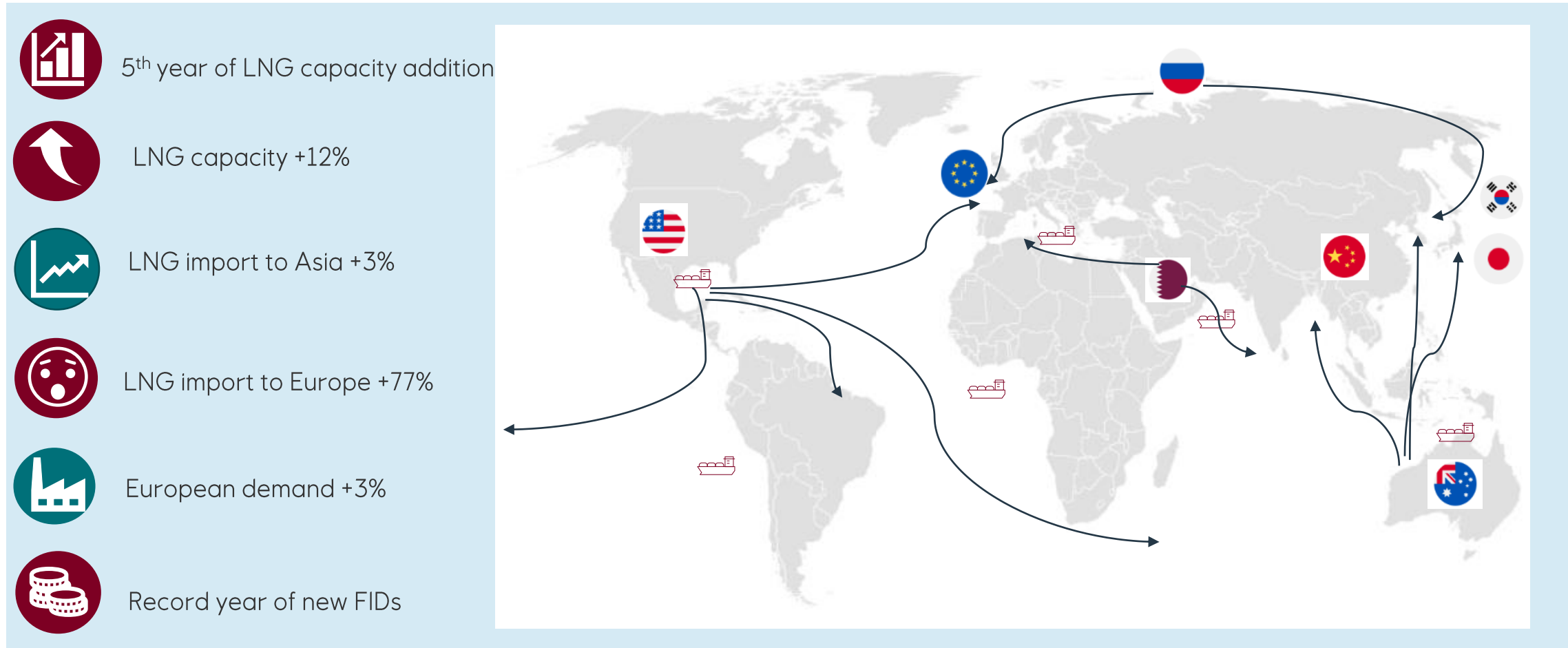
... as shale growth rates ease off and demand growth improves

Key drivers	Impact on price		
	2019	2022	2025-2030
US shale oil			
Demand			
OPEC			
Geopolitics			
Supply cost			



Gas market highlights for 2019

Global gas fundamentals are weak due to increased supply

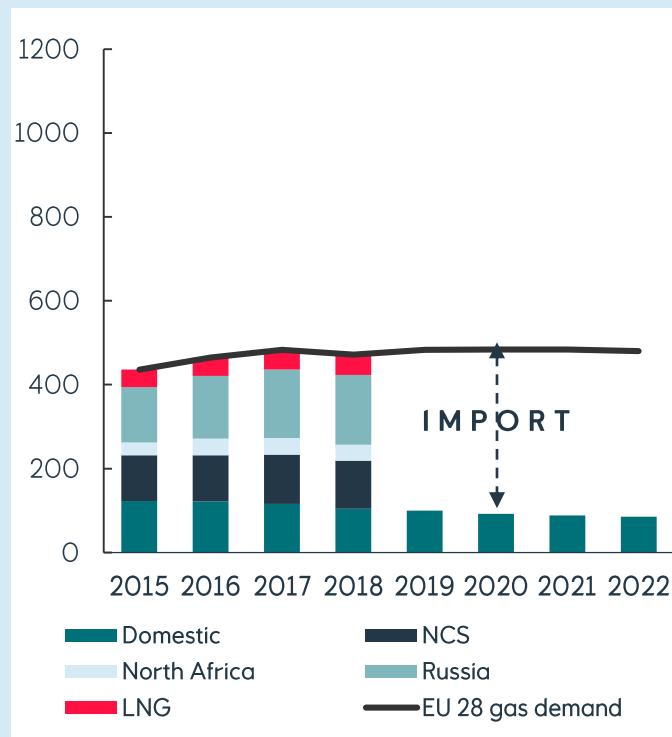


Regional imbalances

Import needs are growing in Europe and Asia

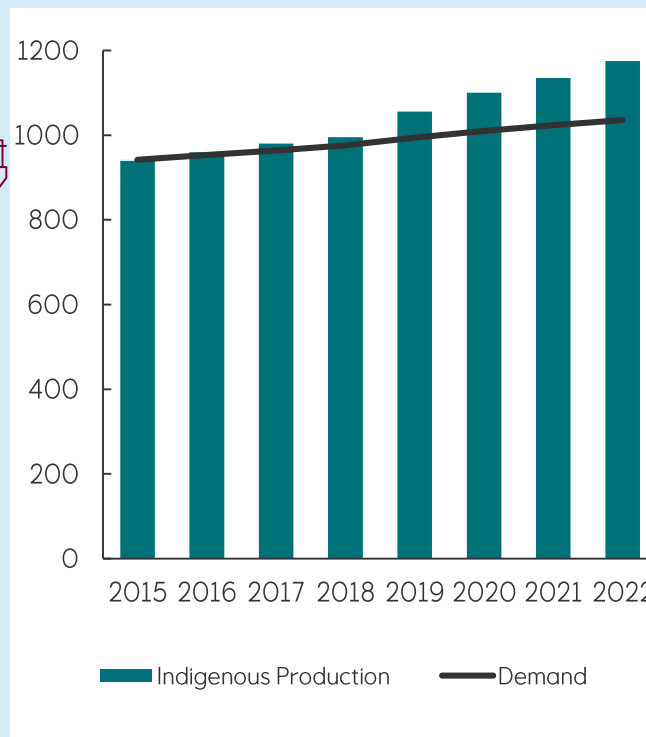
EU28 growing import needs

bcm



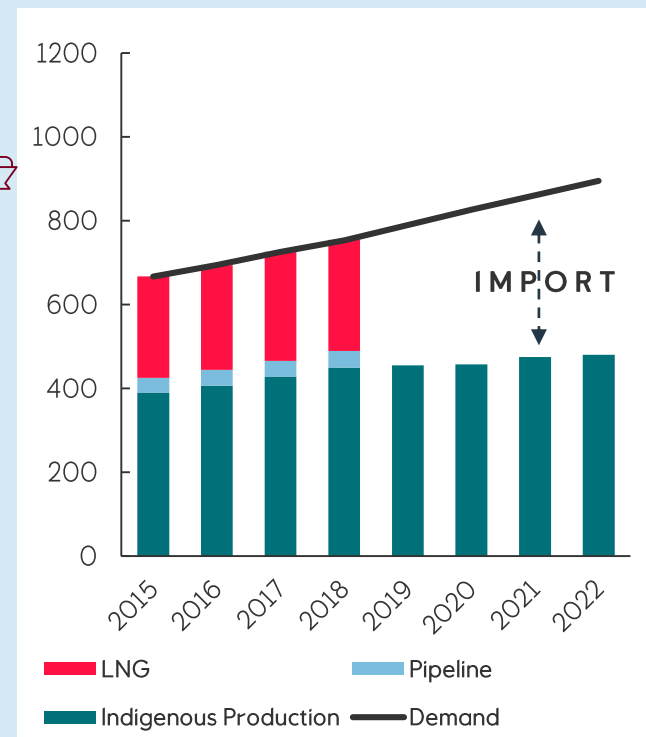
North American growing export needs

bcm



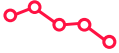

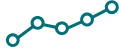

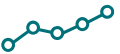
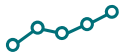



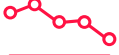
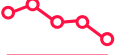
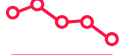
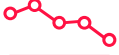





Asia growing supply gap

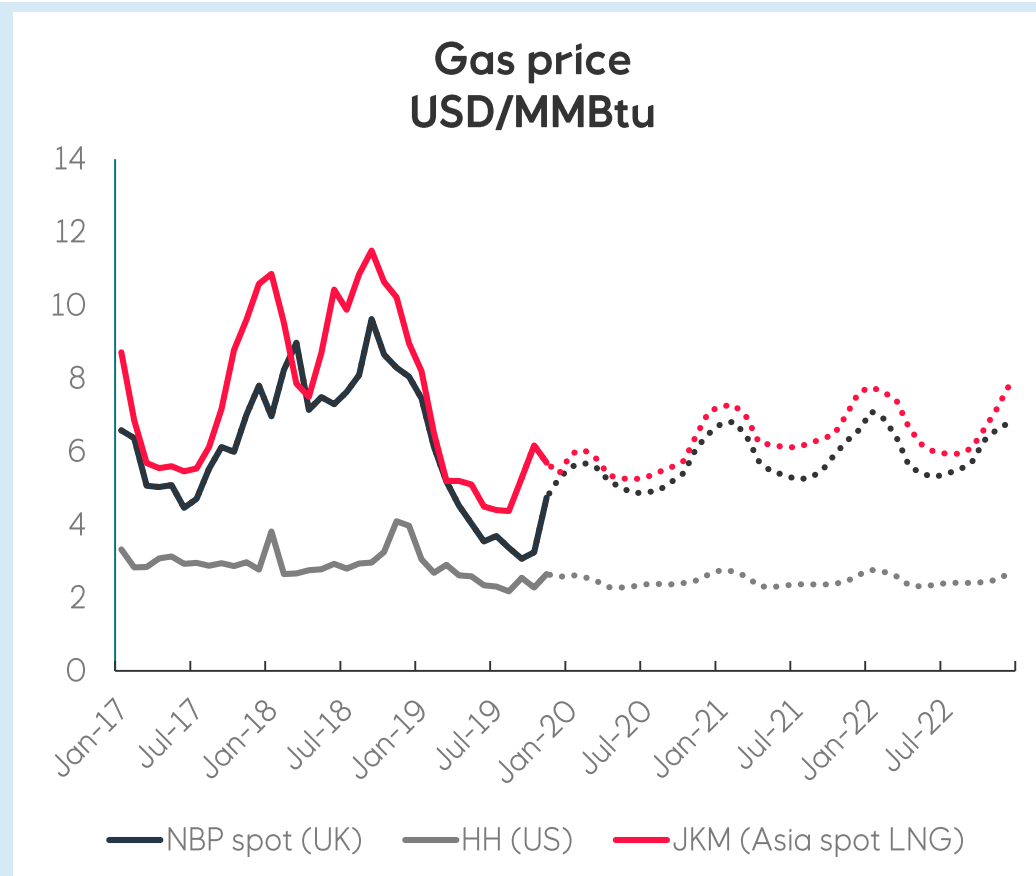
bcm



Weak market conditions in 2019 lead to low gas prices globally

... anticipated market rebalancing from 2022

Key drivers Europe	Impact on price		
	2019	2022	2025-2030
Global LNG supply			
Global LNG demand			
Domestic production			
Pipeline imports			
Storage inventories			
Demand			





NGL Markets

Luis Alfredo Ruiz, Manager Market Analysis Liquids

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NGL Overview

NGL	Applications	End use products	Primary Sectors
Ethane	Ethylene for plastics production, petrochemical feedstock	Plastic bags, plastics: anti-freeze, detergent	Industrial
Propane	Residential and commercial heating, cooking fuel, petrochemical feedstock	Home Heating, small stoves and barbeques, LPG	Industrial, Residential, Commercial
Butane	Petrochemical & refinery feedstock, blending with propane or gasoline	Synthetic rubber for tyres, lighter fuel, alkylate for gasoline, refrigerant, LPG	Industrial, Transportation
Natural Gasoline	Blowing agent for polystyrene foam, blending with vehicle fuel, bitumen production in oil sands	Gasoline, polystyrene, ethanol blends, oil sands productions	Transportation

Source: EIA

Equinor's profile

2.11

MMboe/d
Oil, NGL and gas equity production 2018
(total equity volumes)

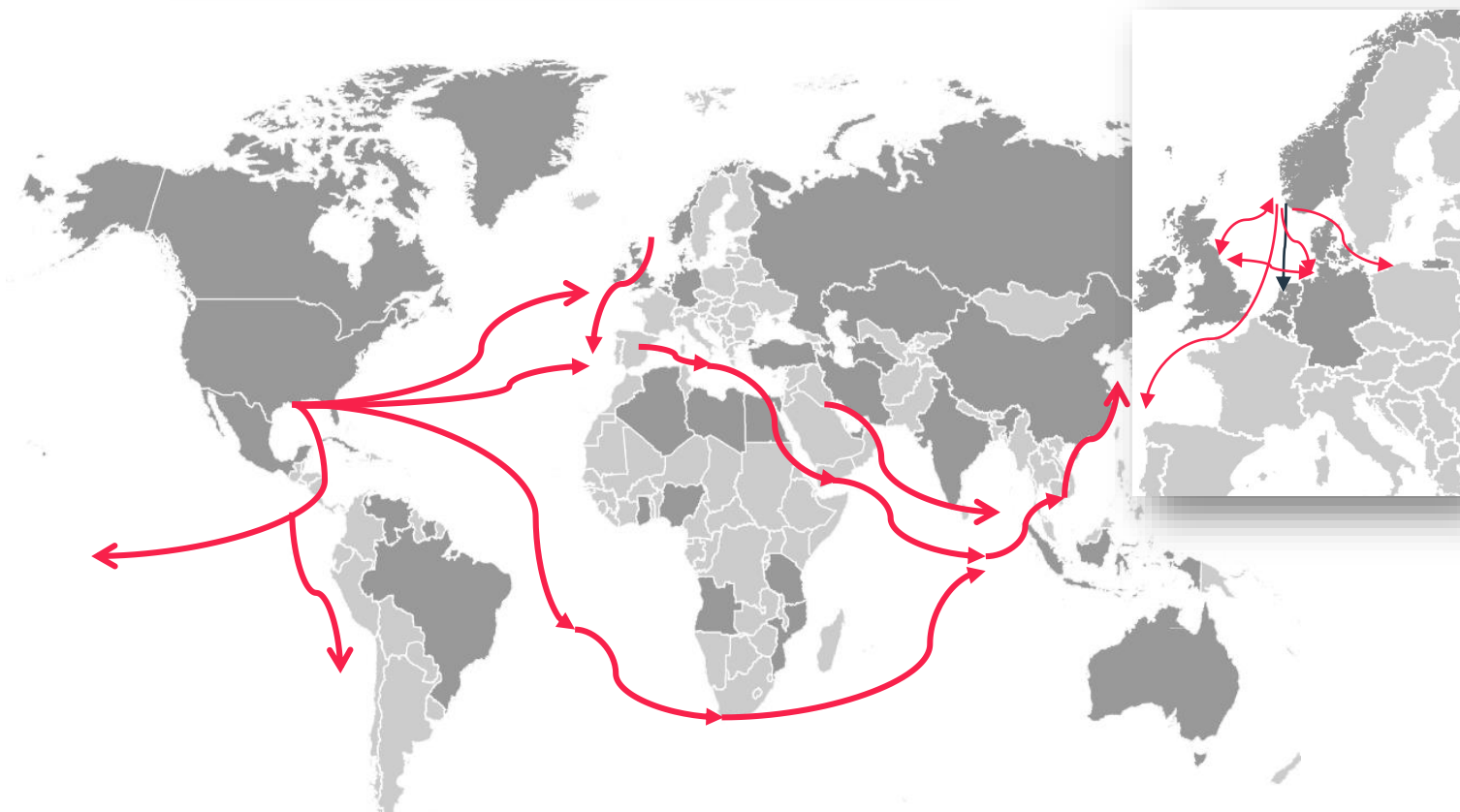
51%

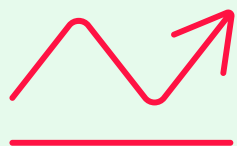
Share of Oil and NGL 2018
(vs total production)

17%

Share of NGL 2018
(vs Oil and NGL production, exclude natural gas)

~800 voyages per year

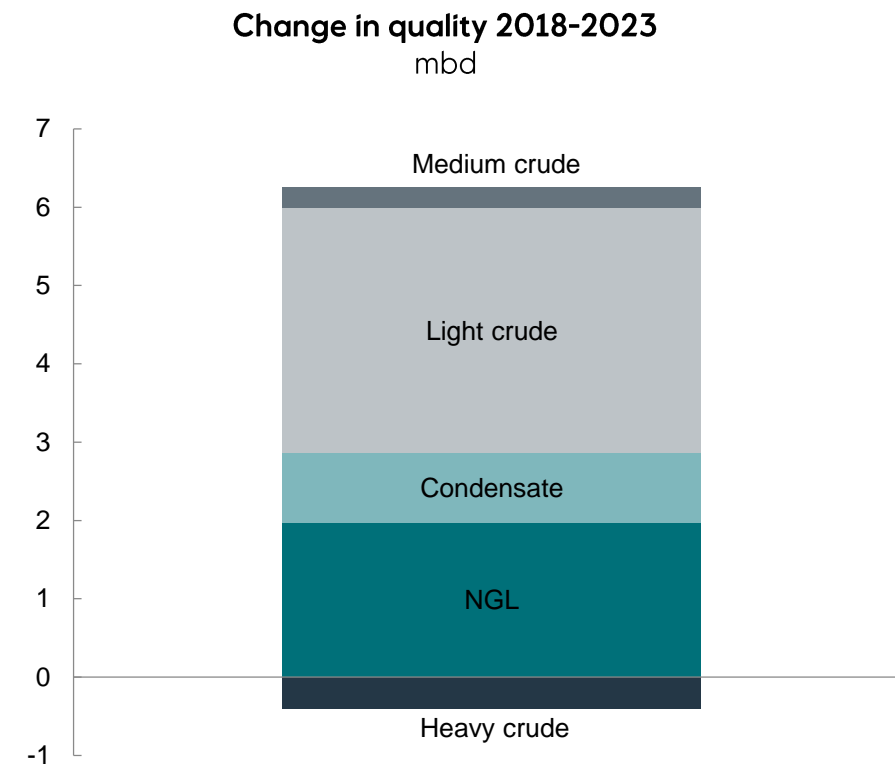
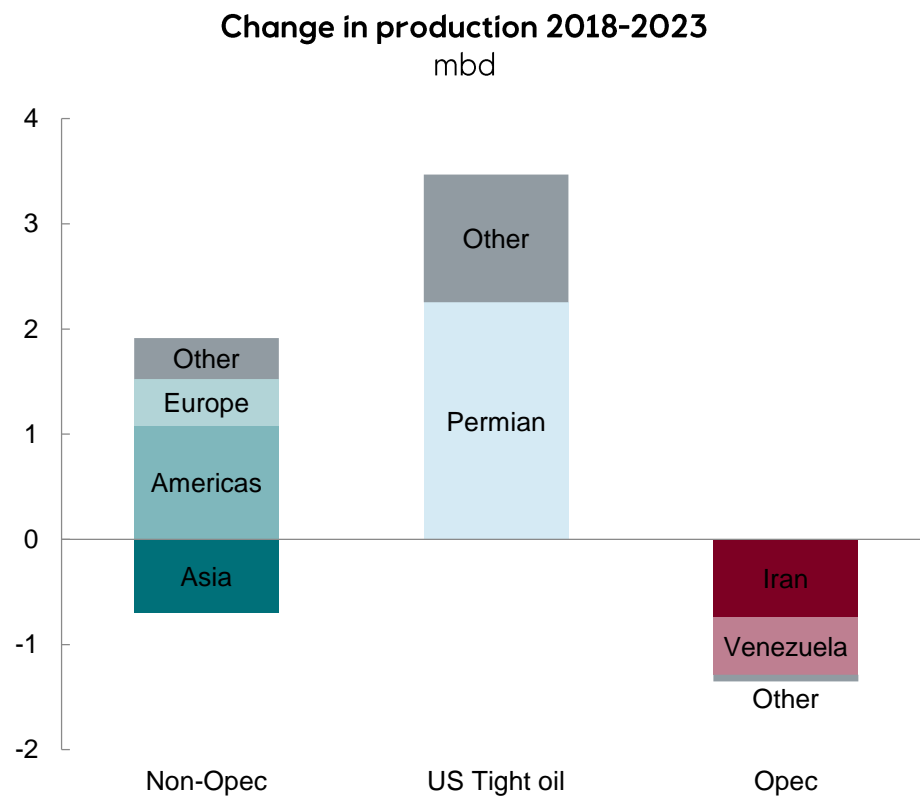




Markets Overview

Majority of supply growth the next years will be in light crudes

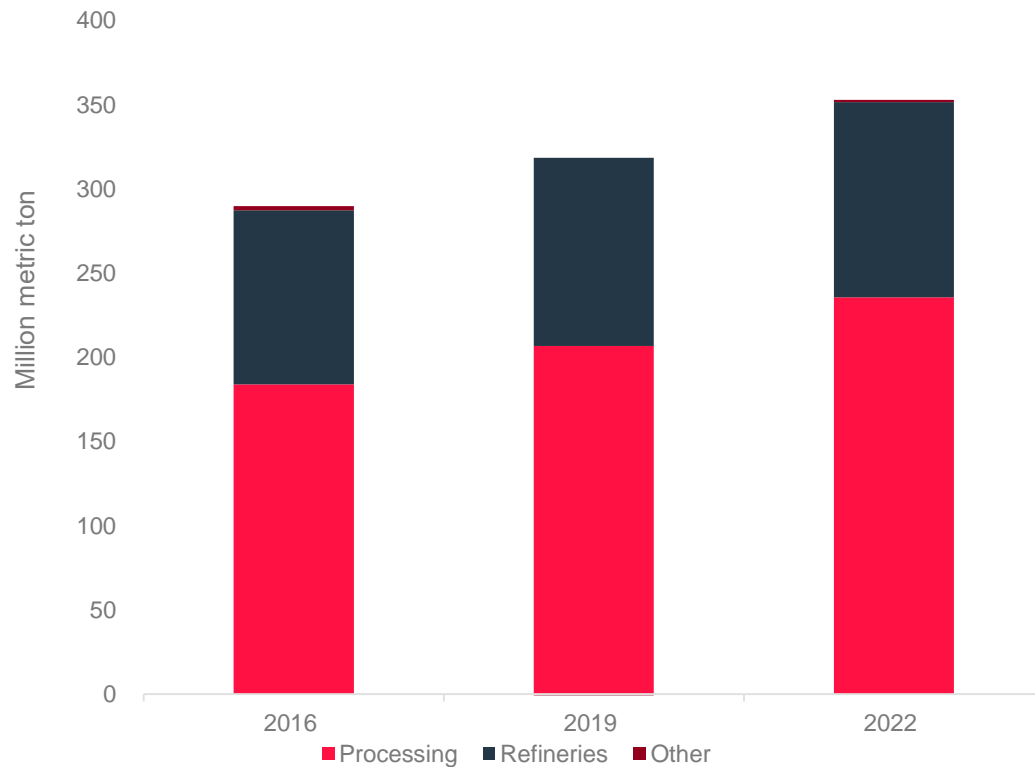
Current tightness in the heavy grades impacts product prices, overall balances and refinery margins



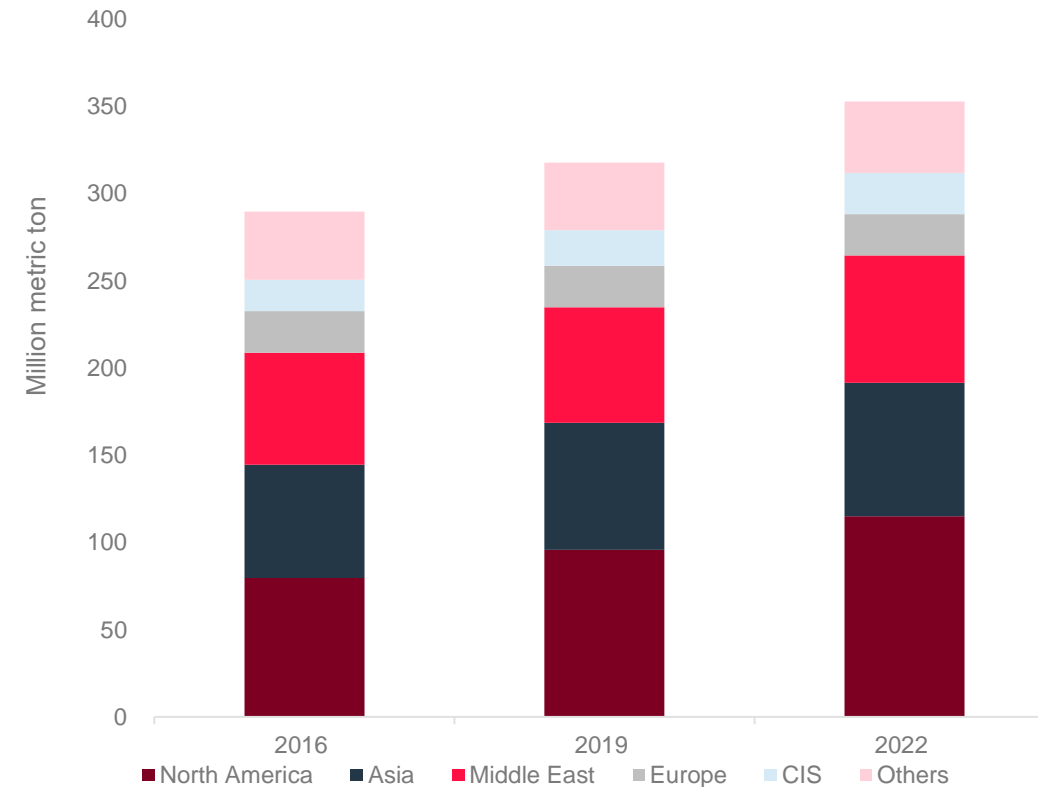
LPG Supply Growth

Driven by O&G production in the US & refining capacity addition in Asia

LPG supply by source



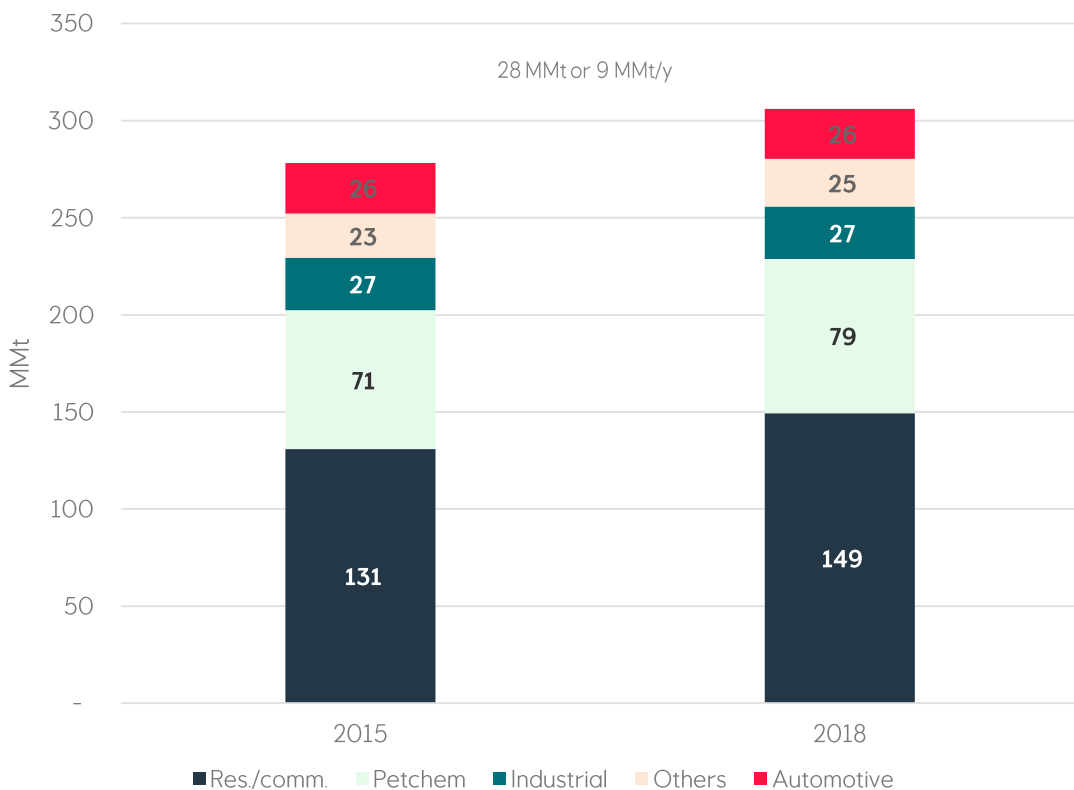
LPG supply by region



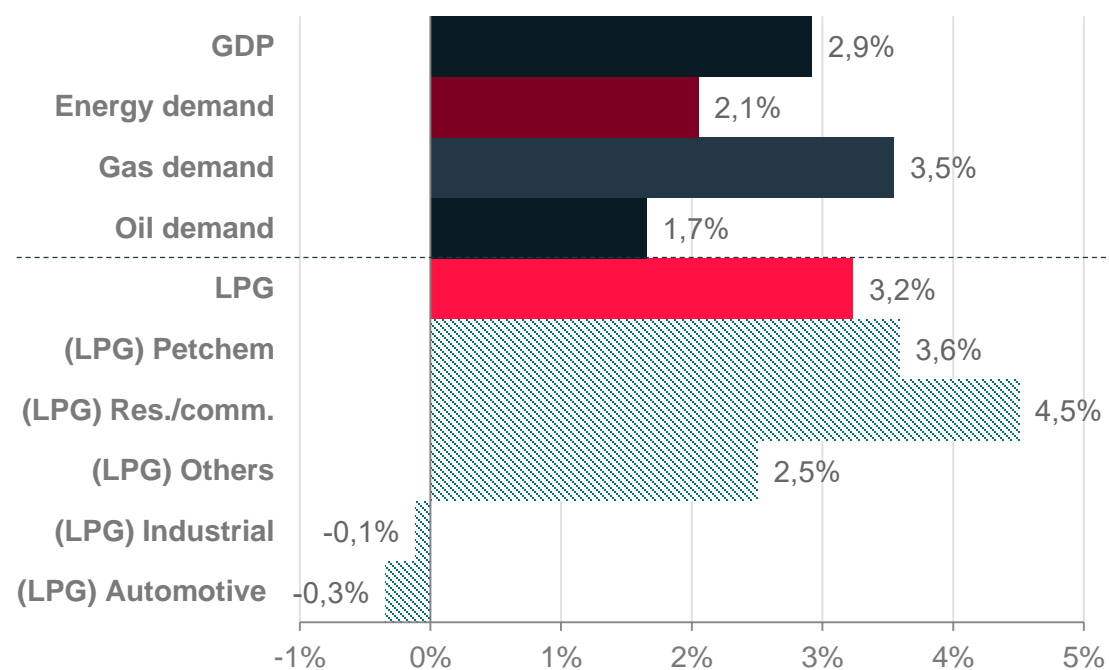
Global LPG demand outpaces overall energy demand growth rate

Growth driven by biomass displacement in emerging markets and petchem demand

Global LPG demand



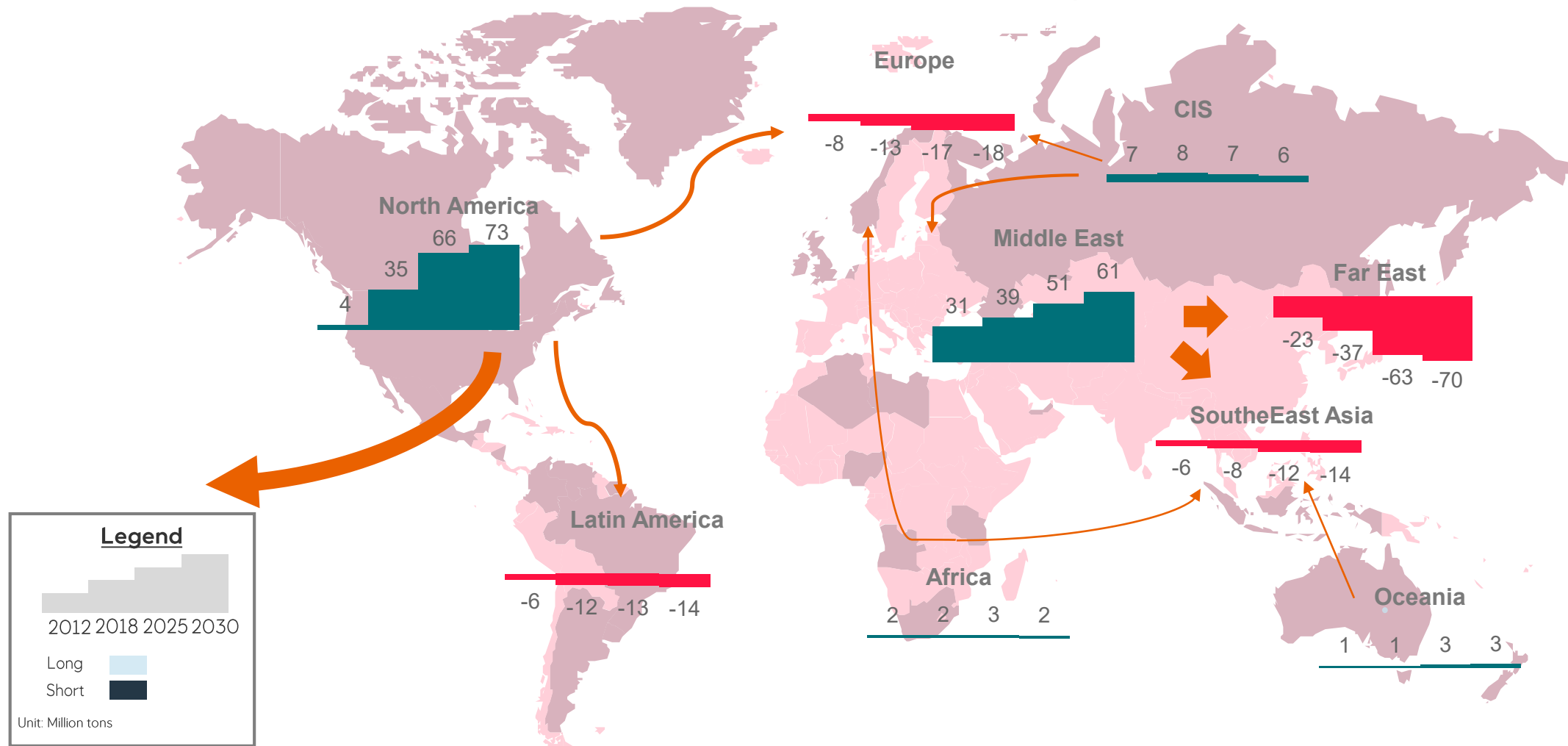
Global CAGR* Indicators (2015-2018)



*Cumulative Average Growth Rate

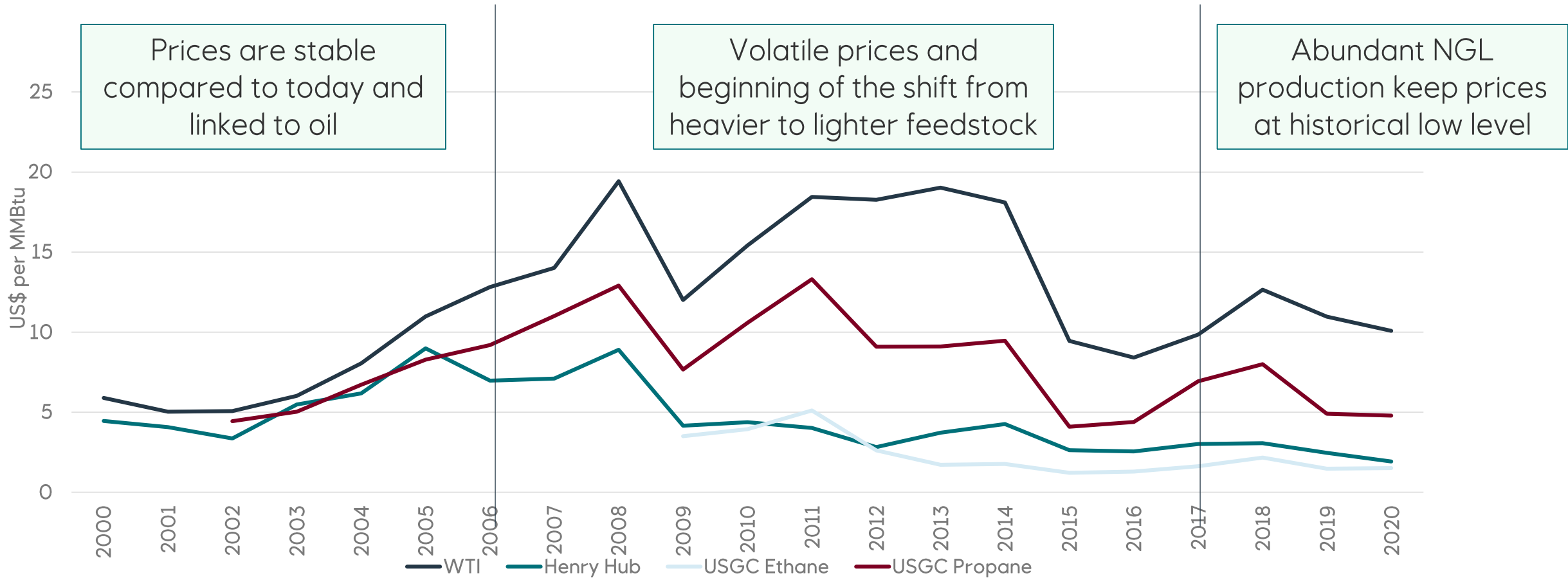
Global LPG flows shifts with the emergence of US LPG exports

Supply constrains in the Middle East and the Trade War further stirs the global trade



Crude and NGL/Gas prices start to decouple in the US

Abundant NGL from light crude production



Source: Equinor, Argus, Platts

The future of LPG market is a tale of bridging Asia demand while finding new markets for incremental US exports

Key points to watch

- US-China Trade War
- Risk of supply disruption in the Middle East
- Global economy slowdown and impact over LPG consumption by petrochemical plants
- The pace of biomass displacement by LPG in developing markets in Asia and Africa

Equinor's response

- Build flexible supply - Length in all global pricing hubs
- Develop flexible outlets - Latin America, MED, Southeast Asia
- Maintain competitive advantage in NWE on LPG. Protect market share on Ethane

Sample price quotes relevant for NGL pricing

- Propane CIF ARA (Large Cargoes)
- Butane CIF ARA (Large Cargoes)
- Naphtha CIF ARA
- Argus Far East Index (Propane)
- Argus Far East Index (Butane)
- Propane CP Middle East
- Butane CP Middle East
- VLGCC Ras Tanura-Chiba
- Other quotes by S&P Platts, OPIS, and CME are also relevant





Digital@Equinor. Creating value from data

Torbjørn F. Folgerø, Chief digital officer

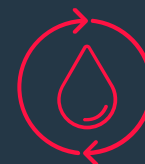
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Use data to
improve safety



Reduce development
& operating cost



Increase
recovery & discovery



Reduce greenhouse
gas emissions



Digitalisation drives the next wave of improvements

Safety and sustainability in Equinor is strengthened through leveraging digital technologies.

Value creation
producing fields

> 2

Billion USD

3% increase in production – 2020 to 2025.
Equinor share pre-tax

Field of the future
– Capex reduction

> 30

Percent

New facility concept compared to conventional

Automated drilling –
Costs reduction

~ 15

Percent

Automated drilling compared to conventional

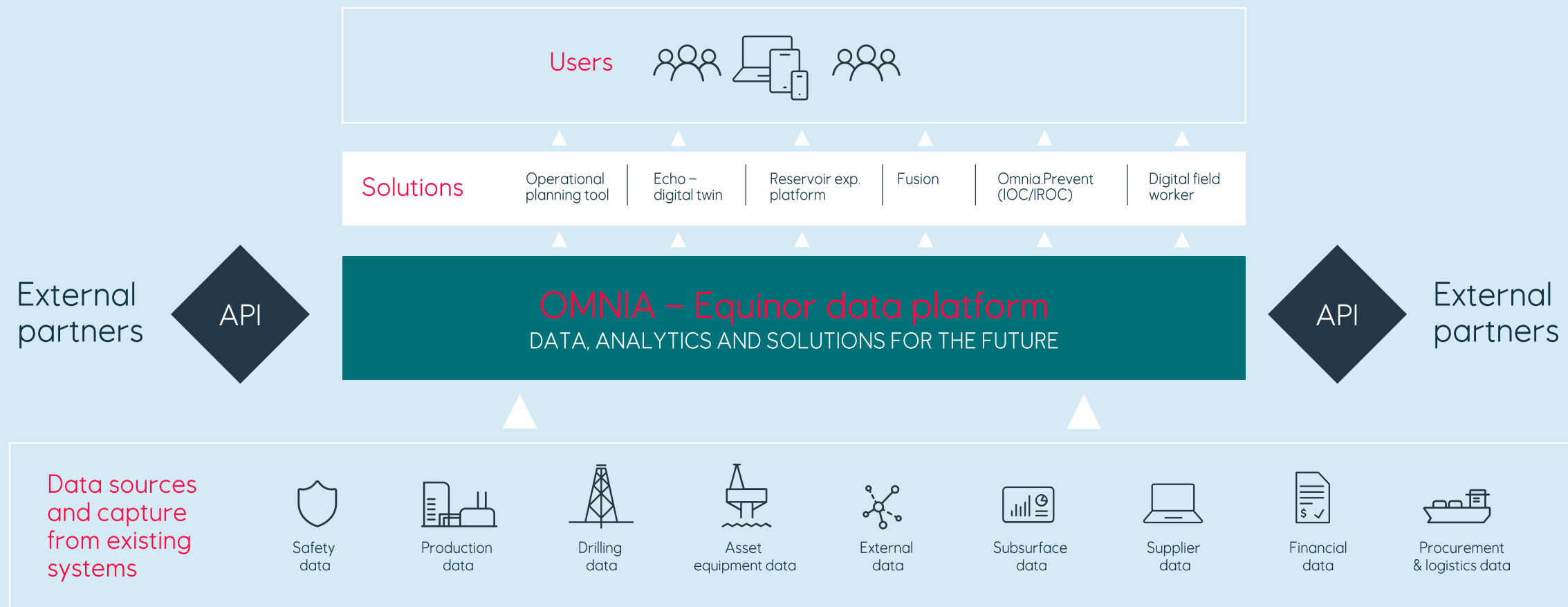
Field of the future
– Opex reduction

> 50

Percent

New facility concept compared to conventional

OMNIA - Equinor's cloud based data platform



Scaling the first wave of digital initiatives

Operation centres



Integrated operation centre Norway



Integrated operation centre – US onshore



Geo operations centre

Operations, maintenance & project development



Digital field worker

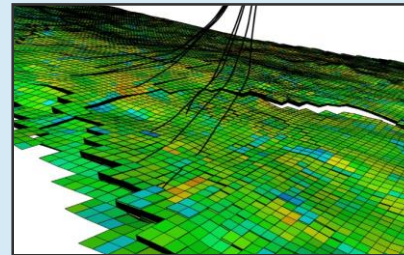


Echo – Digital twin

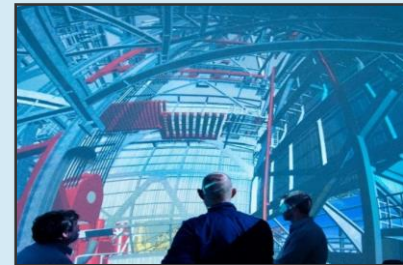


Operational planning tool

Subsurface, drilling & well



Reservoir experience platform

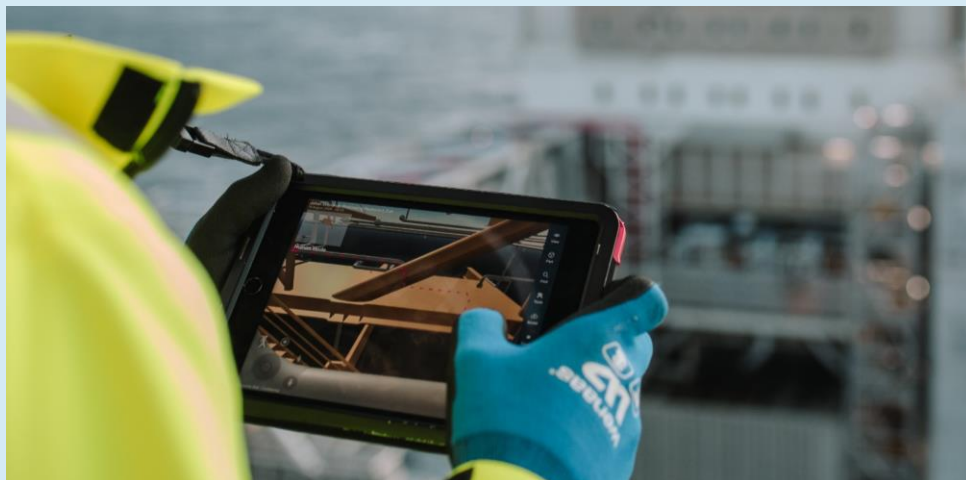


Automatic drilling control



Digital well planning

Johan Sverdrup and Mariner – Digital frontrunners



Johan Sverdrup

New digital way of working contributed to

1 month

Earlier start-up of production



Mariner

Applying

30

First-use technologies

1

End user
involvement right
from the start

2

Embracing the digital
learning journey

3

Innovation together
with our ecosystems



Equinor's Integrated Operations Centre

Bernt E. Tysseland VP Integrated Operations Centre

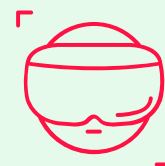
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The use of Industrial Internet of Things to deliver





Digitalisation drives the next wave of improvements



Safety and sustainability

Strengthened through leveraging digital technologies



Digitalisation & innovation

Potential connected to the Integrated Operations Centre

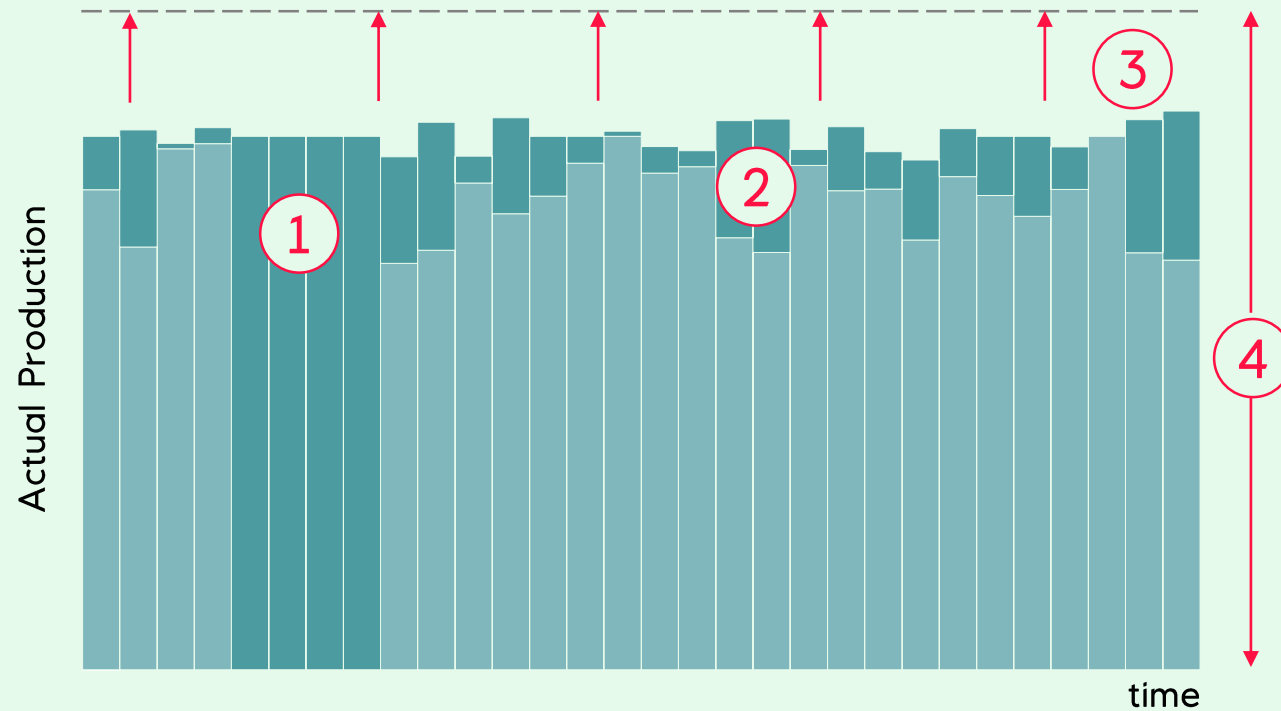
Above **2**
bn USD

Value creation producing fields

Integrated Operations Centre – What and how

What

Production potential (barrels of oil equivalent per day)



- 1 Avoid unplanned losses
- 2 Produce to the limit
- 3 Increase maximum production potential
- 4 Energy efficient production

How



Stream and visualize live data to gain new insight

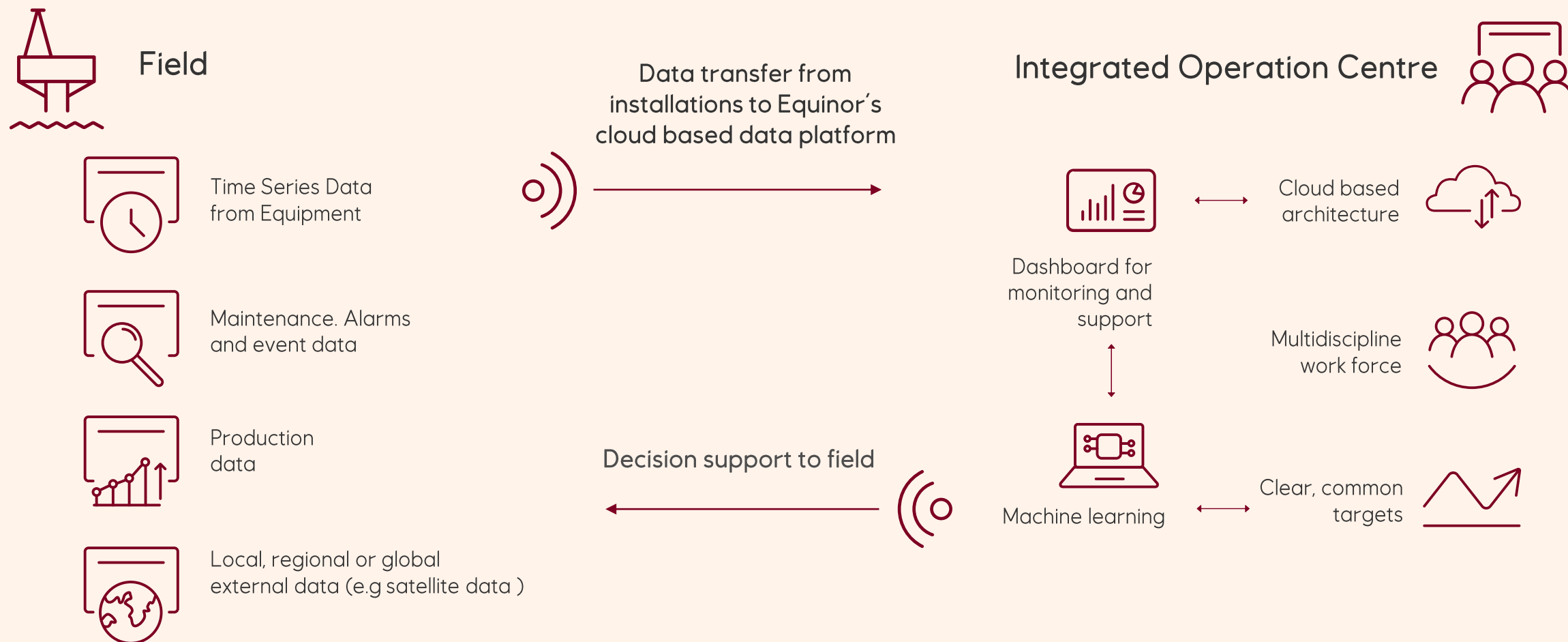


Work in multidisciplinary teams

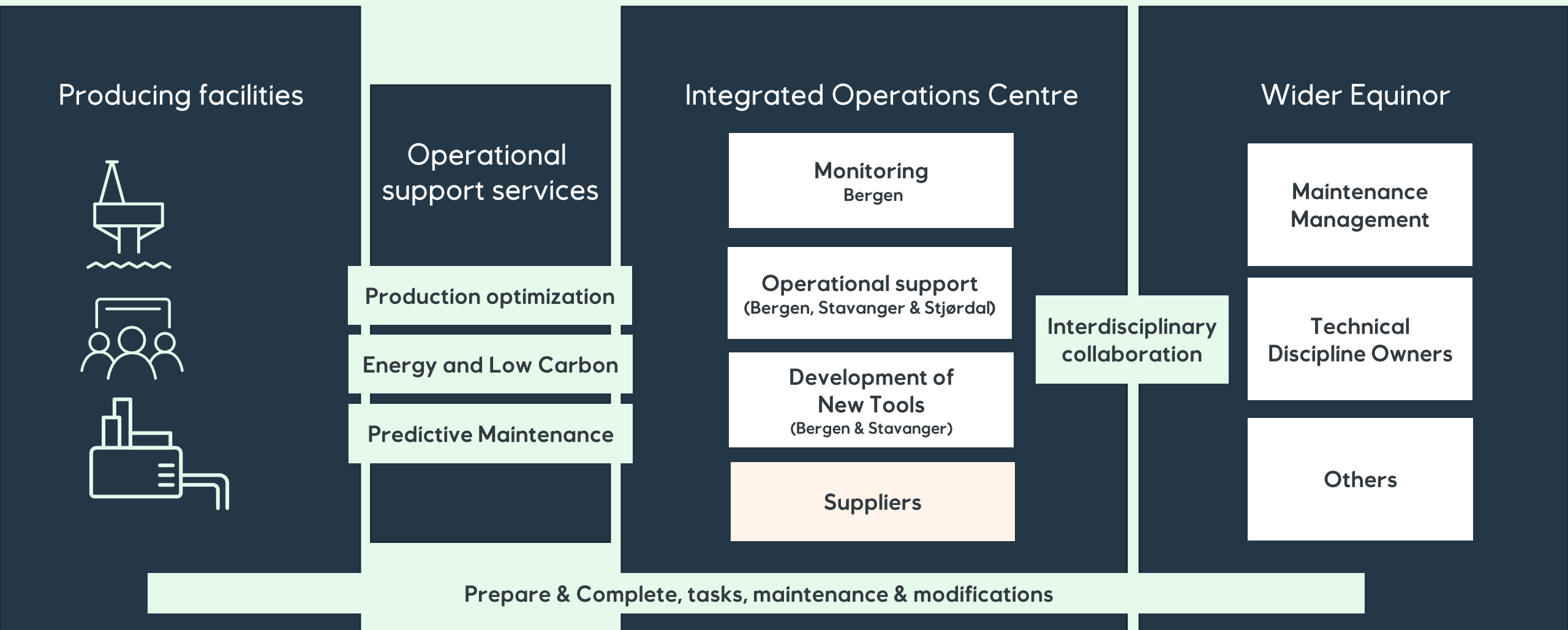


Using advanced analytics and accelerate technology implementation

Integrated Operation Centre – How does it work?



Operating model Integrated Operations Centre



Integrated Operations Centre

Delivering on safety, security, sustainability and cash flow targets



Roll out according to plan

16 Assets supported by new Production Optimization tools – creating value

Energy & Low Carbon unit established

Most Norwegian offshore and onshore assets, supported with Condition Monitoring of selected equipment

Further roll out to international assets

Digital transformation

Think big – Start small – Scale fast

Working to onboard more data sources, equipment types, disciplines and suppliers

Developing Common functionality across delivery areas

First Machine Learning solutions implemented and continuous improvement

New ways of working

Personnel allocated from resource owners across Equinor

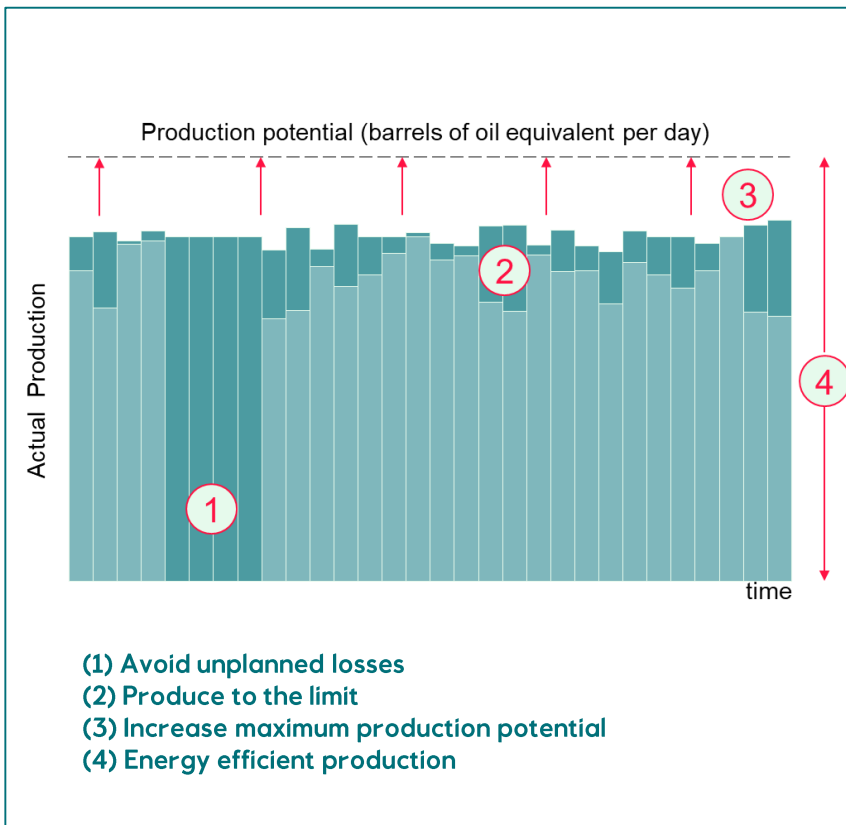
Agile development of new tools

Locations in Stavanger, Stjørdal and Bergen

Multidisciplinary teams, with easy access to data, generate bottom line results

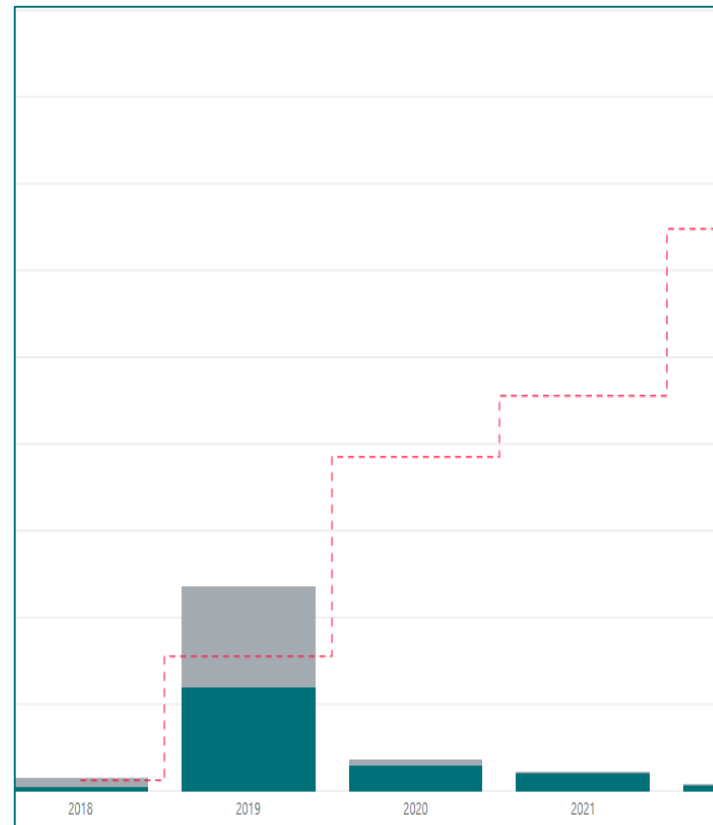
Targets, Delivery and Examples

Value Creation Areas



Yearly build up to deliver on target

In 2019 IOC together with partners have delivered above internal target



Examples

Loss prevention:

Asset X Data analysis used to identify reduced effect of turbine avoiding unplanned loss.

Increase maximum production potential:

Asset Y Gas production restricted to 23 MSm³/d. Safely lifted capacity to 25,8 MSm³/d without modifications.

Produce energy efficiently to the limit:

Value Chain A-B Increasing production without increased energy use improving CO₂ intensity.



Leveraging our strengths to become an offshore wind major

Pål Eitrheim | Executive vice president for New Energy Solutions

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New Energy Solutions – 2019 highlights



Empire wind –
816 MW award



Dogger Bank –
3 600 MW award



Hywind Tampen
FID



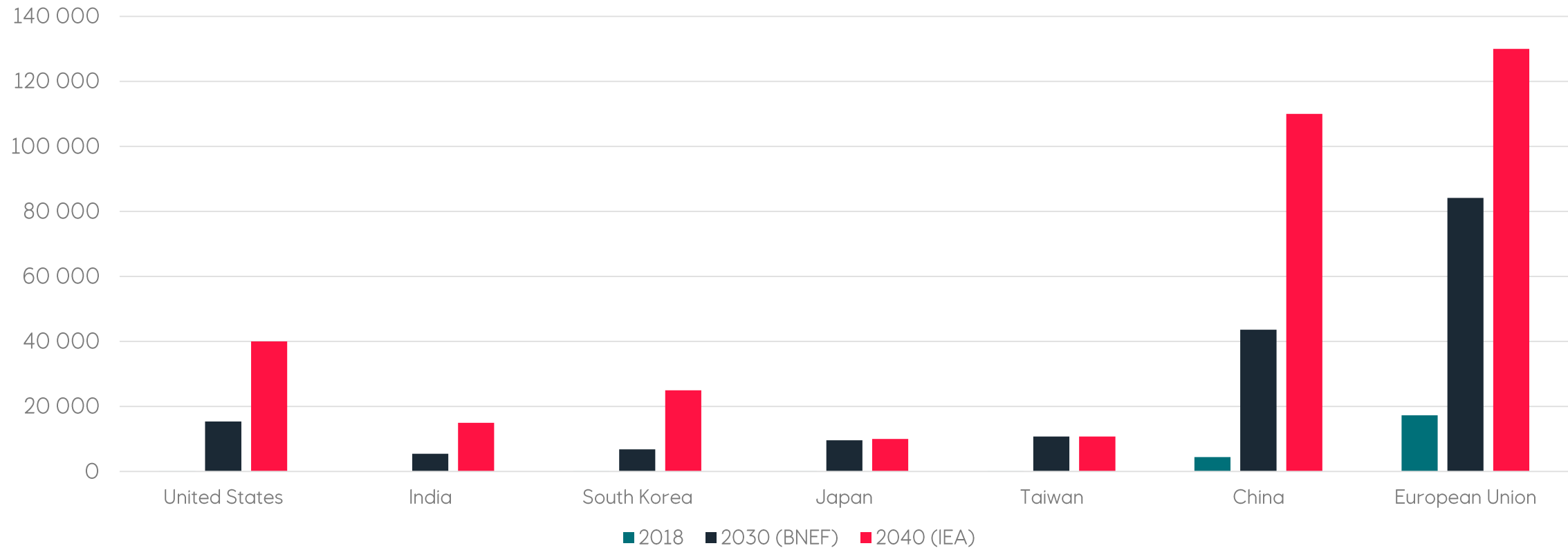
Arkona farm-down
€500 mill.



MoUs in China and
South Korea

Offshore wind outlook – decades of growth ahead

Offshore Wind installed capacity, MW



BNEF Global OW Outlook (2030 projections)
 IEA OW Global Outlook 2019 (2040 projections), stated policies scenario

Why renewables and low carbon?

Capturing new opportunities in the energy transition

Business drivers



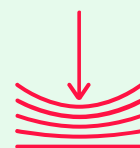
Transition



Growth

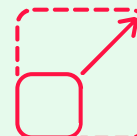


Capabilities



Resilience

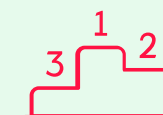
Challenges



Scale



Returns



Competition



Culture

Leveraging our core competence

- Safety culture
- Project management and Supplier relations
- O&M excellence
- Financial and risk management
- Local presence in key markets
- Technology innovation



Ambition to be a world-class operator

- High availability
- Ca. 2GWh production
- Top quartile performance
- Profit-based operations in future

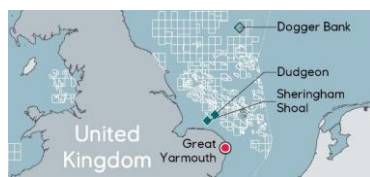

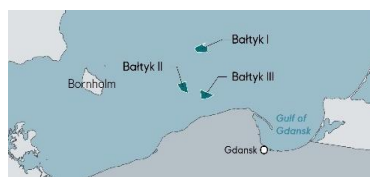


1. Average portfolio in operation, Equinor and partner-operated

A strong portfolio of offshore wind projects

In production

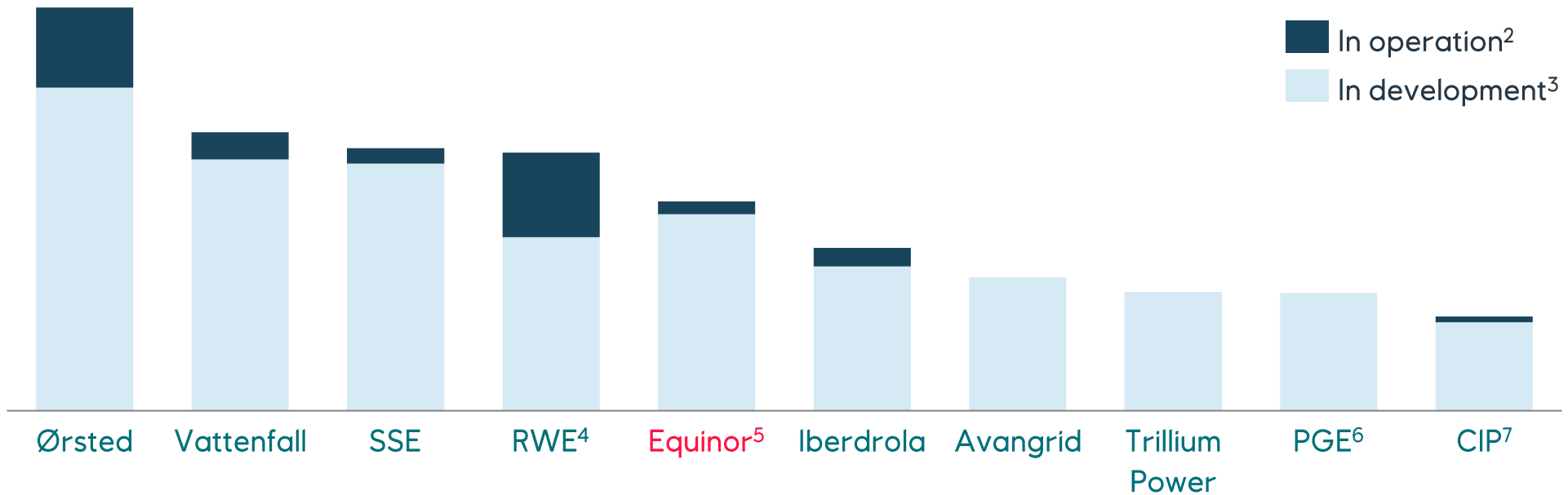
Bottom fixed			Floating
Sheringham Shoal 317 _{MW}	Dudgeon 402 _{MW}	Arkona 385 _{MW}	Hywind Scotland 30 _{MW}

Project pipeline

Bottom fixed			Floating	
 Dogger Bank, UK 3.6 _{GW}	 US East Coast ~ 3.5 _{GW}	 Bałtyk I, II & III, Poland ~ 2.5 _{GW}	 Hywind Tampen, Norway 88 _{MW}	 Positioning for growth 12 GW potential by 2030

A top five player in key clusters – the North Sea, Baltics and U.S.

Participation¹ in North Sea, Baltics and North America offshore wind capacity



1. Ownership shares considered 2. 'In operation' also includes experience acquired from decommissioned parks 3. Includes projects under construction 4. Includes portfolio of Innogy and E.ON
 5. Equinor including Massachusetts (800 MW) and Boardwalk (1000 MW) 6. Polska Grupa Energetyczna 7. Copenhagen Infrastructure Partners
 Source: 4COffshore, BCG analysis, 2019

Dogger Bank – strategic asset at the heart of the North Sea



3 projects - Combined capacity of 3.6 GW (3x1.2GW)

Planning for 12 MW Wind Turbine Generators

Expected to cover 5% of UK's energy generation

Located +130 km east of the Yorkshire Coast in the UK North Sea

50/50 joint venture between Equinor and SSE

Empire Wind - Offshore wind farm off the coast of New York



60-80 wind turbines

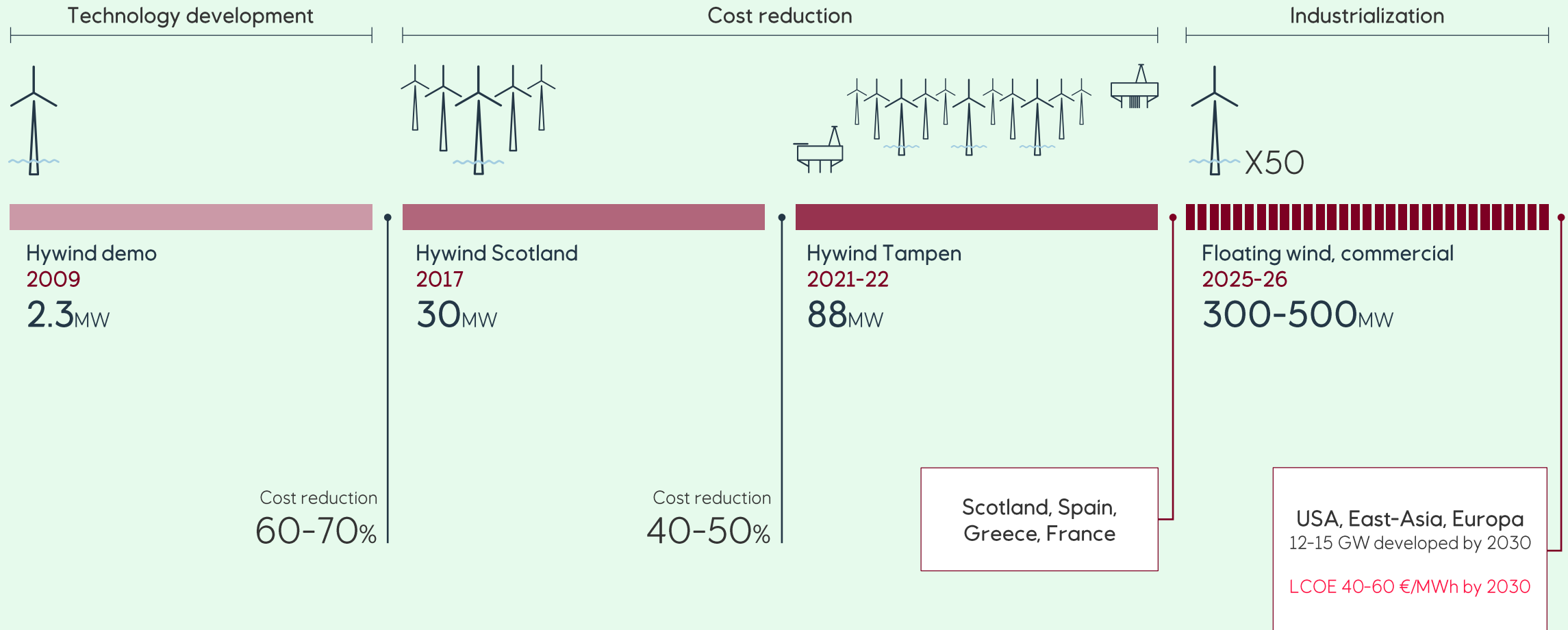
Combined capacity of 816MW

Project development starting in 2021

Production equivalent to
1 million US households

24-50km southeast of Long Island,
spans 323km², and covers water
depths between 20-40m

Floating offshore wind – leverage our position and deploy at scale





equinor

Q & A

IR Autumn Seminar 2019

26 November 2019

Oslo

Investor Relations in Equinor

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