Gas Market Update

Monday 14 November 1500-1600 CET

Gas Market Update 14 November 2022

1500 - 1600 CET

Intro by SVP Mads Holm, Head of IR

1500 SVP Helge Haugane , Head of Gas & Power

- The role of gas and power in the energy transition
- Outlook and consequences for Equinor gas and power trading.
- How do we sell our gas – opportunities and challenges

1515 SVP Eirik Wærness, Head of Global External Analysis, and Chief Economist

- Macro outlook
- Short term/medium term gas market outlook
- Energy Perspectives 2022-main takeaways

1530 Q&A – moderated by SVP Mads Holm

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", "intend", "expect", "believe", "likely", "may", "outlook", "plan", "strategy", "will", "guidance", "targets", 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,; the decision to stop new investments into Russia and trading in Russian oil; estimates regarding tax payments; the commitment to develop as a broad energy company, the ambition to be a leader in the energy transition and reduce net group-wide greenhouse gas emissions; future financial performance, including cash flow and liquidity, accounting policies; the ambition to grow cash flow and returns; expectations regarding returns from Equinor's oil and gas portfolio; plans to develop fields and increase gas exports; plans for renewables production capacity and investments in renewables; expectations and plans regarding development of renewables projects, CCUS and hydrogen businesses; market outlook and future economic projections and assumptions, including commodity price and refinery assumptions; organic capital expenditures through 2025; expectations and estimates regarding production and execution of projects; the ambition to keep unit of production cost in the top quartile of our peer group; scheduled maintenance activity and the effects thereof on equity production; completion and results of acquisitions and disposals; expected amount and timing of dividend payments and the implementation of our share buy-back programme; and provisions and contingent liabilities. 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, in particular in light of significant oil price volatility and the uncertainty created by Russia's invasion of Ukraine; our subsequent decision to stop new investments into Russia and exiting our Russian joint ventures; levels and calculations of reserves and material differences from reserves estimates; natural disasters, adverse weather conditions, climate change, and other changes to business conditions; regulatory stability and access to attractive renewable opportunities; unsuccessful drilling; operational problems, in particular in light of supply chain disruptions; health, safety and environmental risks; the effects of climate change; regulations on hydraulic fracturing; security breaches, including breaches of our digital infrastructure (cybersecurity); ineffectiveness of crisis management systems; the actions of competitors; the development and use of new technology, particularly in the renewable energy sector; inability to meet strategic objectives; the difficulties involving transportation infrastructure; political and social stability and economic growth in relevant areas of the world; reputational damage; an inability to attract and retain personnel; risks related to implementing a new corporate structure; inadequate insurance coverage; changes or uncertainty in or non-compliance with laws and governmental regulations; the actions of the Norwegian state as majority shareholder; failure to meet our ethical and social standards; the political and economic policies of Norway and other oil-producing countries; non-compliance with international trade sanctions; the actions of field partners; adverse changes in tax regimes; exchange rate and interest rate fluctuations; factors relating to trading, supply and financial risk; general economic conditions; and other factors discussed elsewhere in this report and in Equinor's Annual Report on Form 20-F for the year ended December 31, 2021, filed with the U.S. Securities and Exchange Commission (including section 2.13 Risk review - Risk factors thereof). Equinor's 2021 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 the 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, either to make them conform to actual results or changes in our expectations.

We use certain terms in this document, 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.

Capturing value from volatile markets

Helge Haugane

SVP Gas & Power, 14 November 2022

equinor

The energy crunch was a long time coming

…resulting in volatile prices and changing priorities

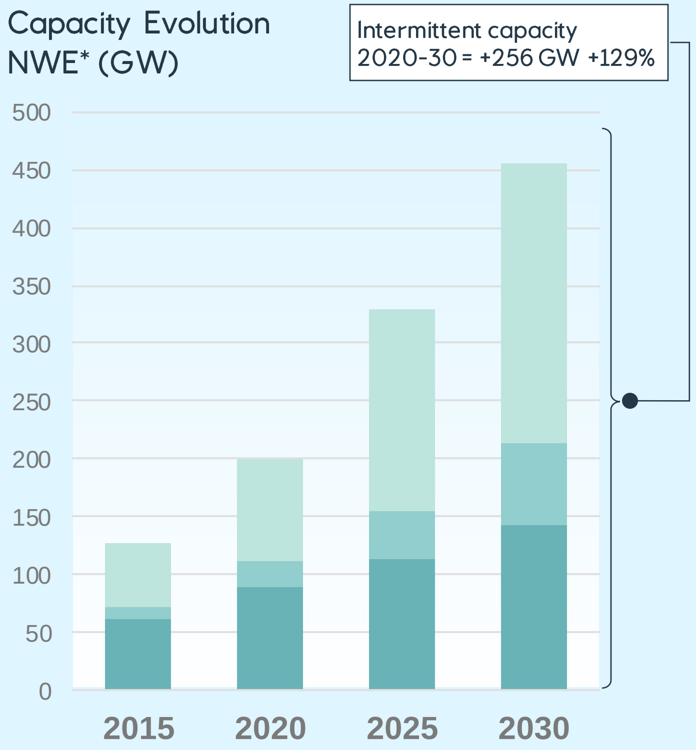
Source:
Trayport Joule

CLIMATE ACTION/ ENERGY TRANSITION

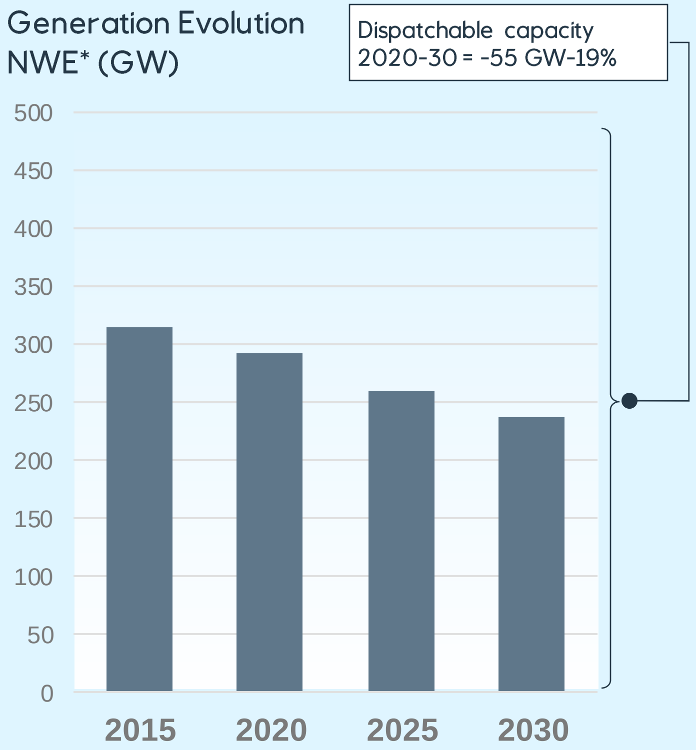
ENERGY AFFORDABILITY

ENERGY SECURITY

Structural changes in power generation will have consequences



*NWE includes FR, DE, BE, NL, GB



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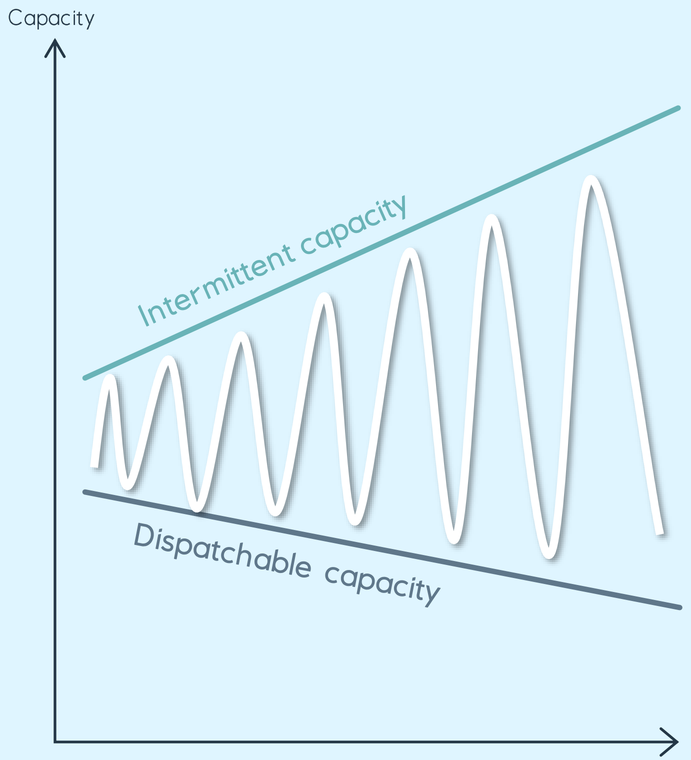
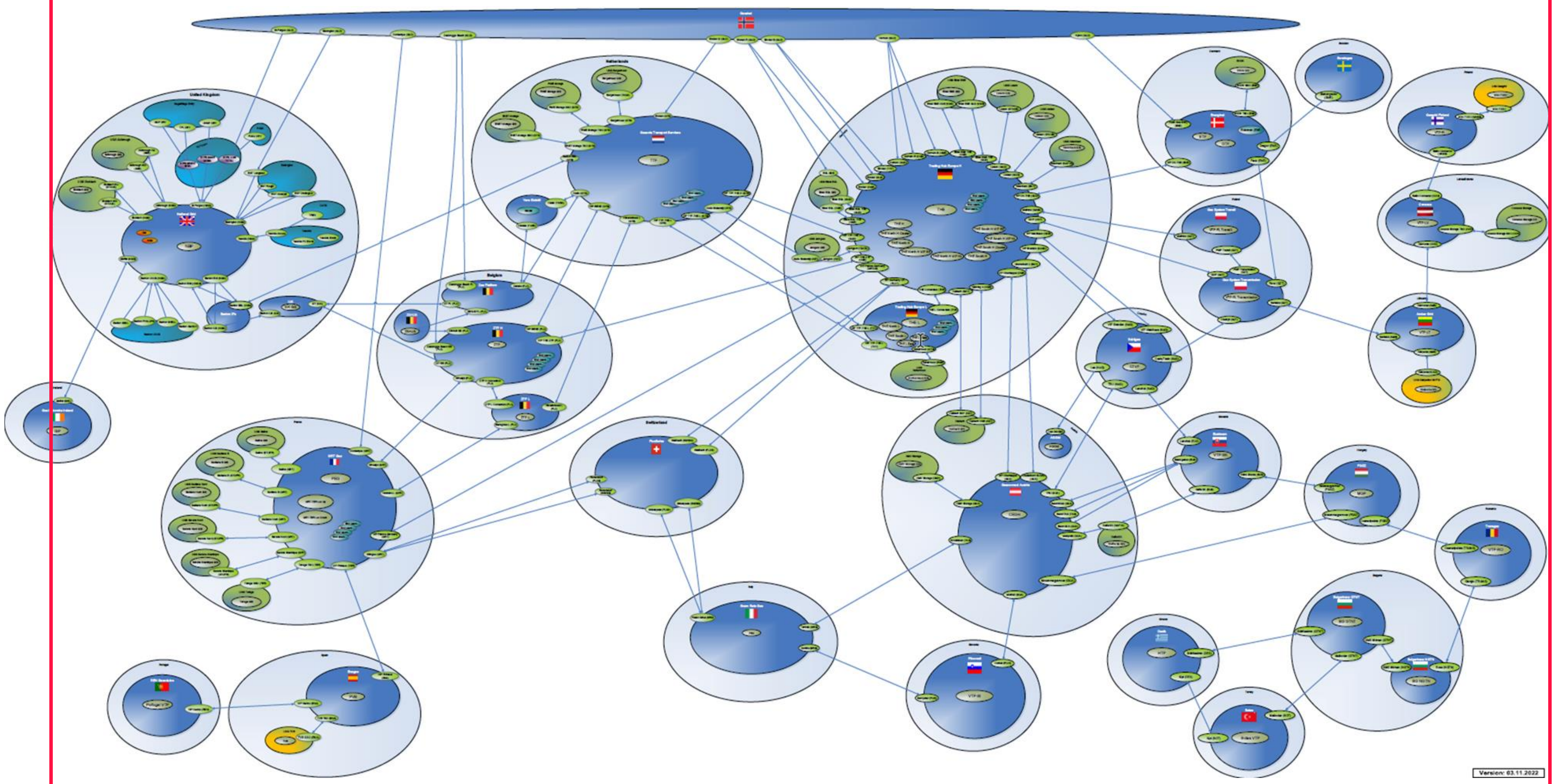


Source: IHS

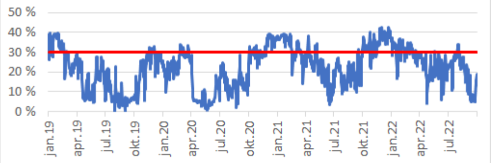
Open

The flow of gas to Europe

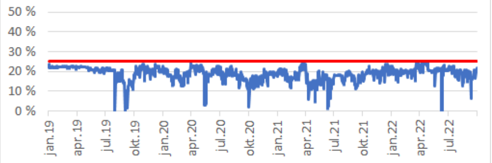
DC and Equinor downstream gas infrastructure



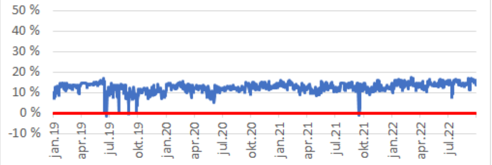
UK – NBP 30%



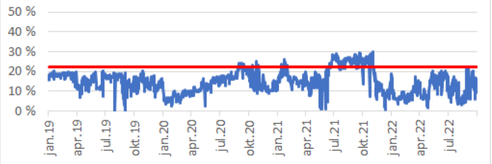
FR – PEG 25%



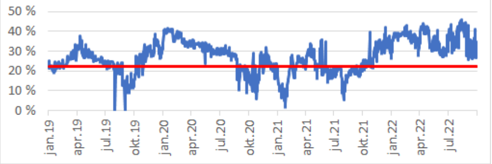
BE – ZTPH



NL - TTF 22.5%



DE – THE 22.5%



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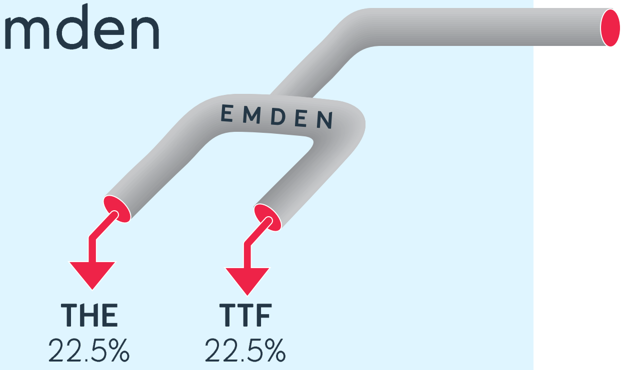
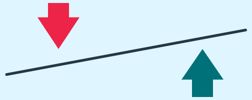
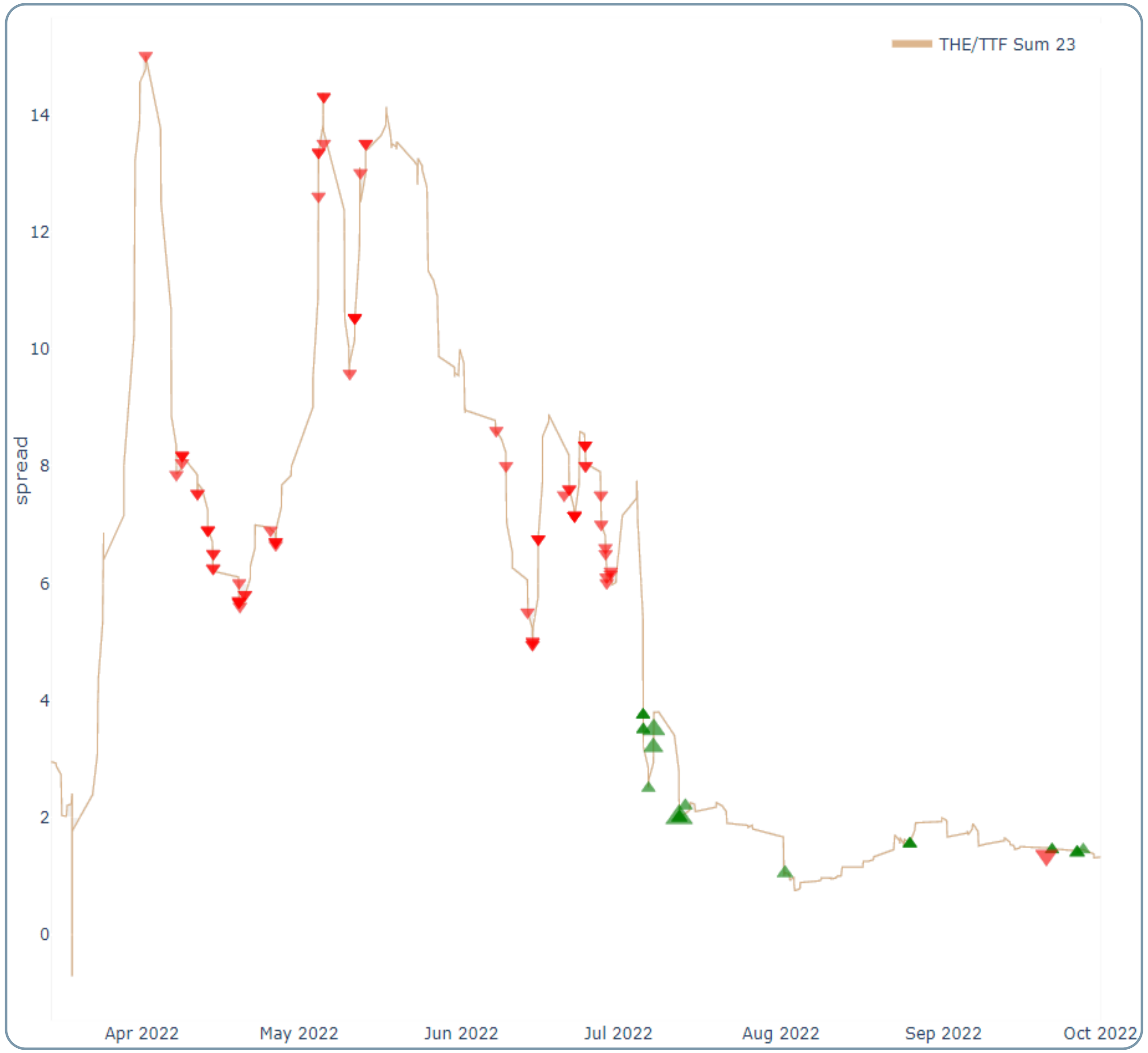


Benchmark



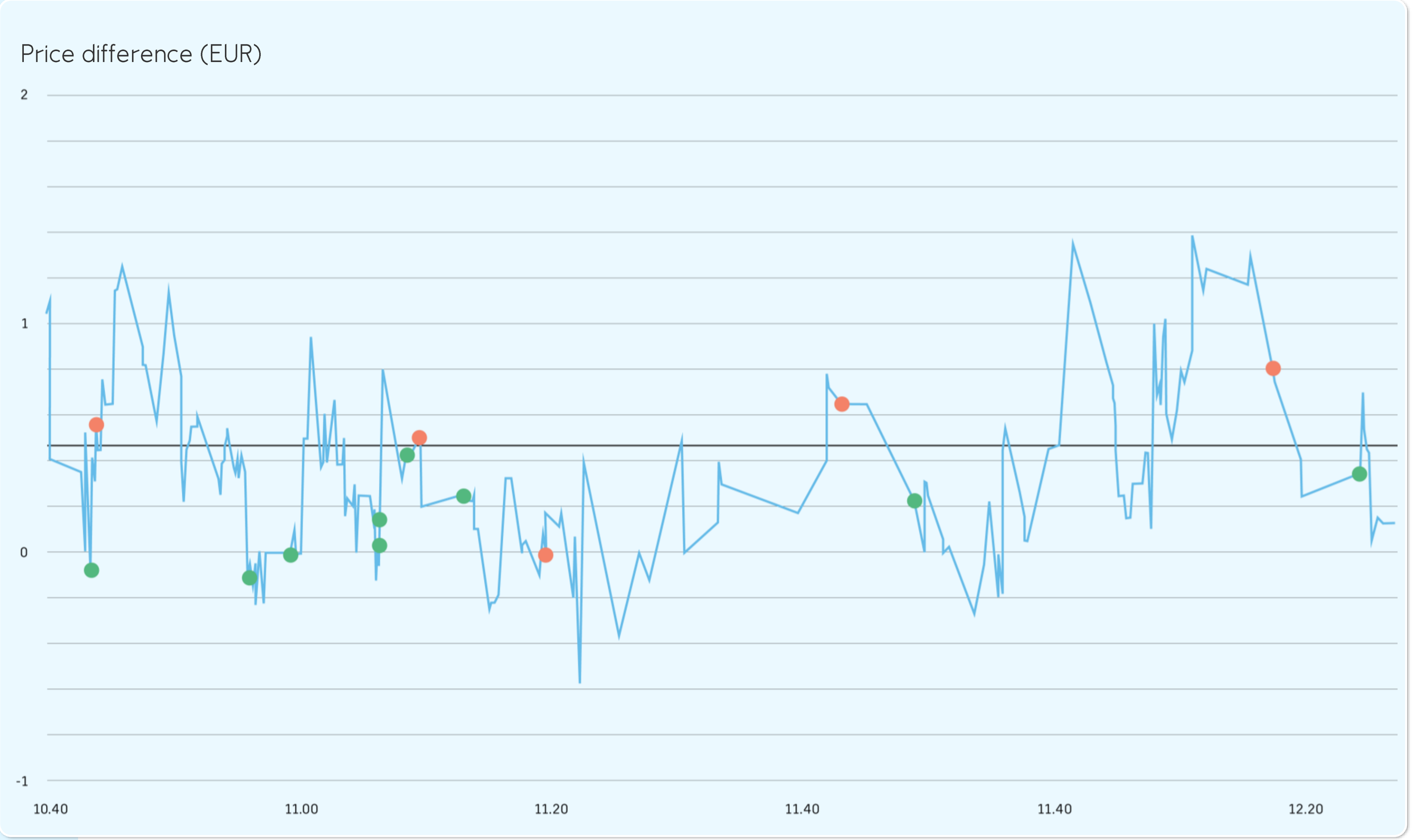
Active management

Example:
Optionality
between THE and TTF
out in time



Gas storage optimisation

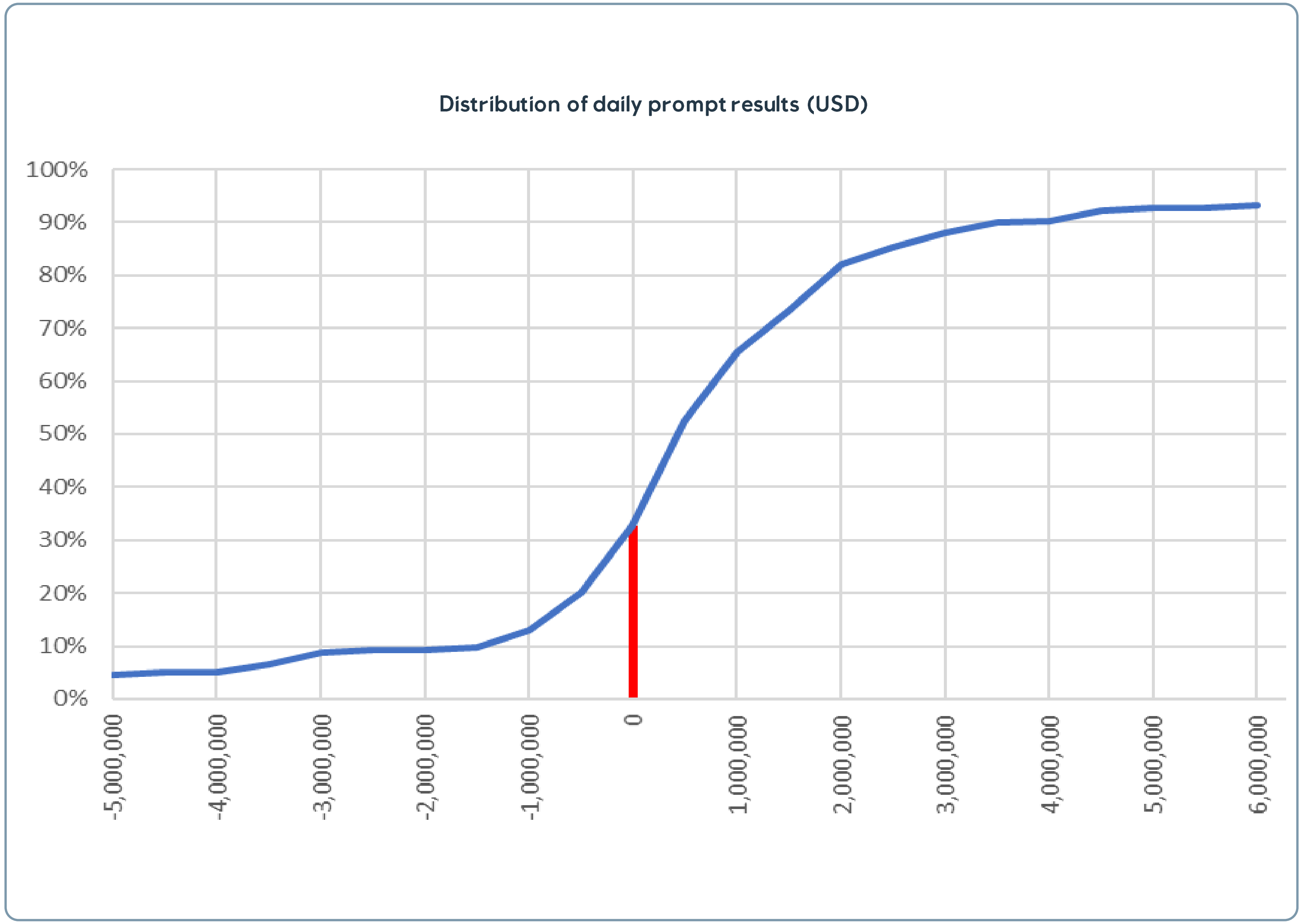
Example:
TTF DA/FM spread
on 12 July between
10:30-12:40



Spread price
Churn cost
DC buy
Dc sell

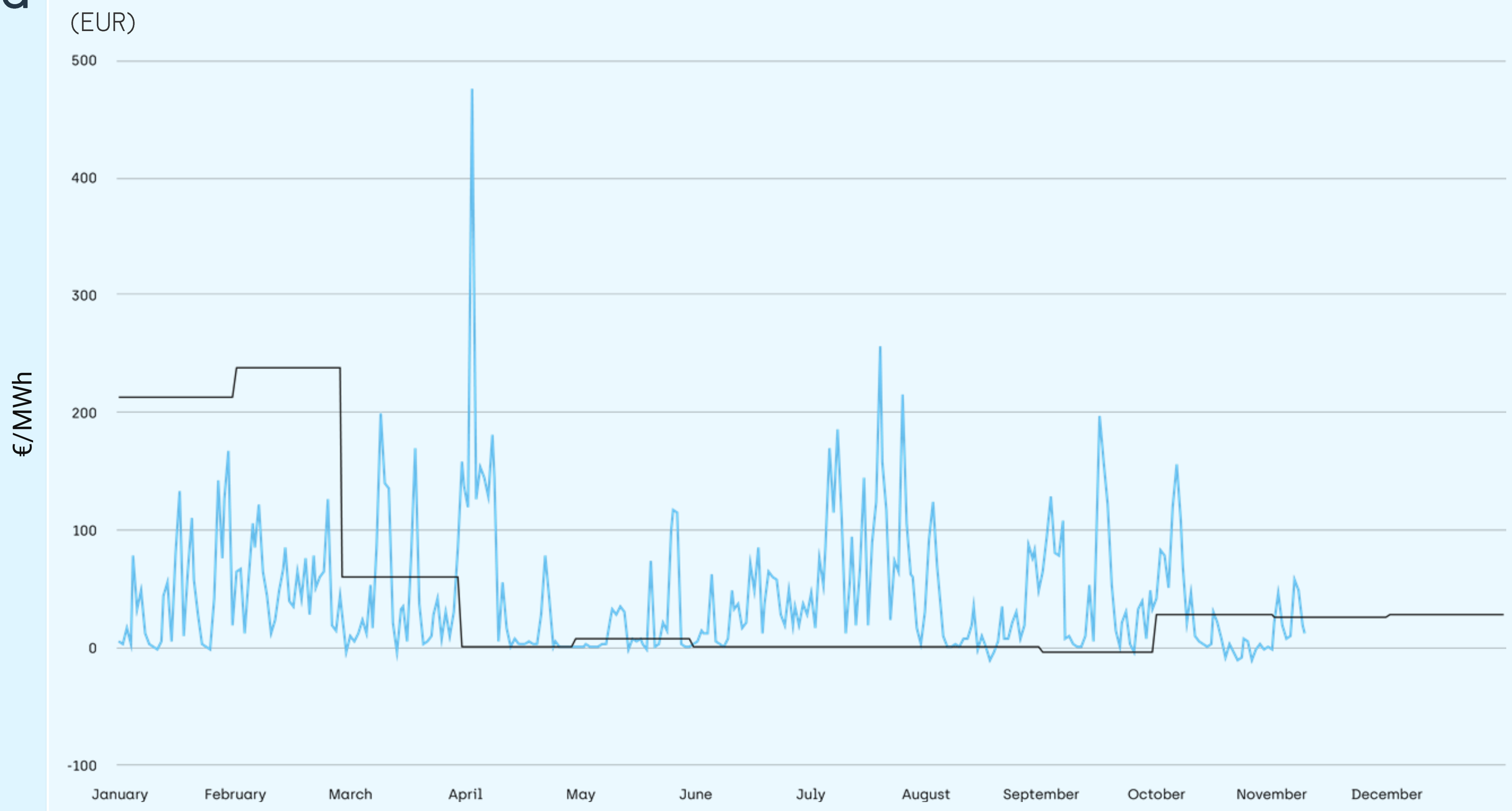
Execution value on the spot market

Example:
Timing and profiling daily sales through 24 hours operations



Trading around cross-border capacities

Example:
DE → FR 2022 spread – forward vs. spot

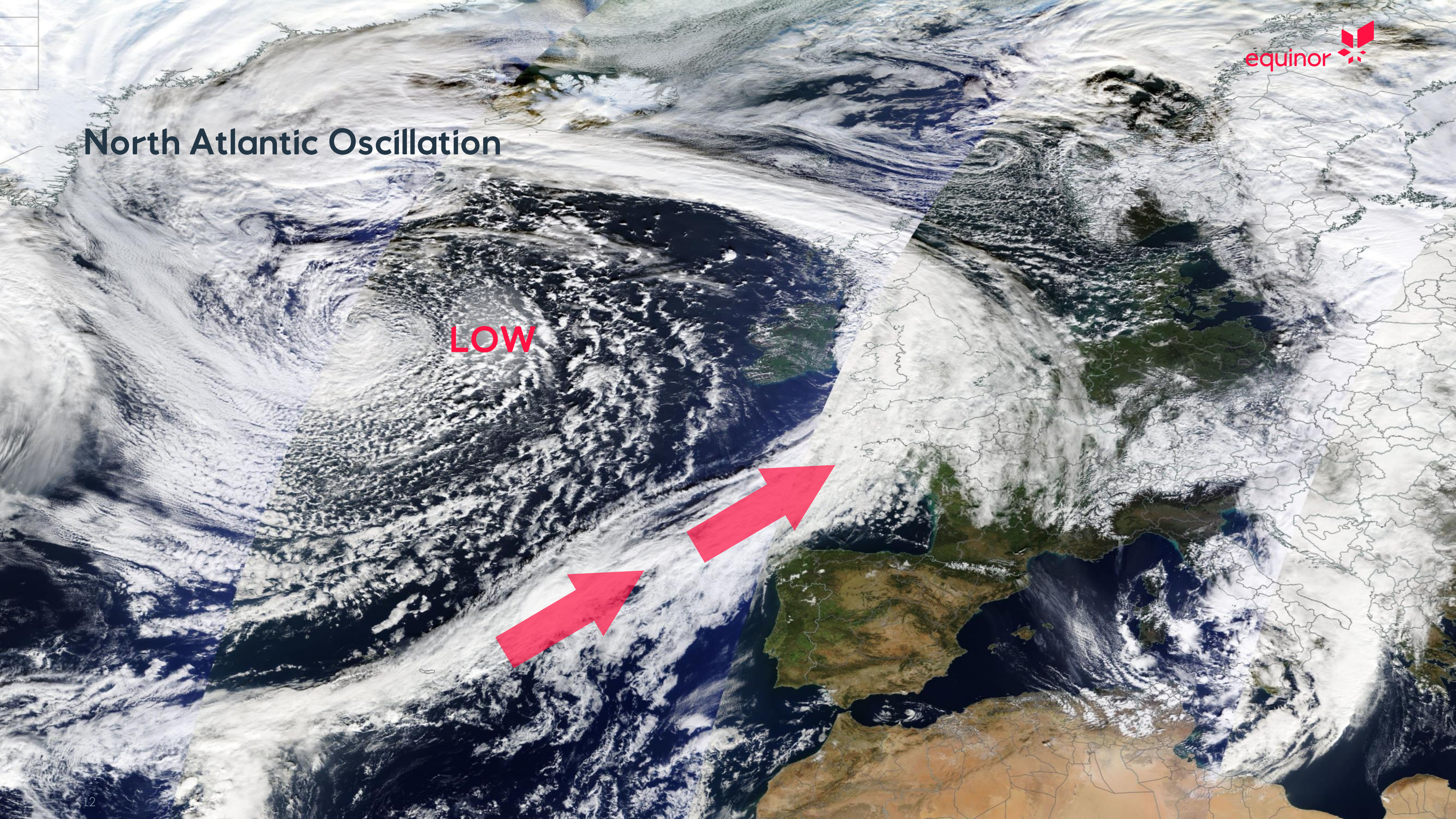


Spot spread

FWD spread

(as of December 2021)

North Atlantic Oscillation



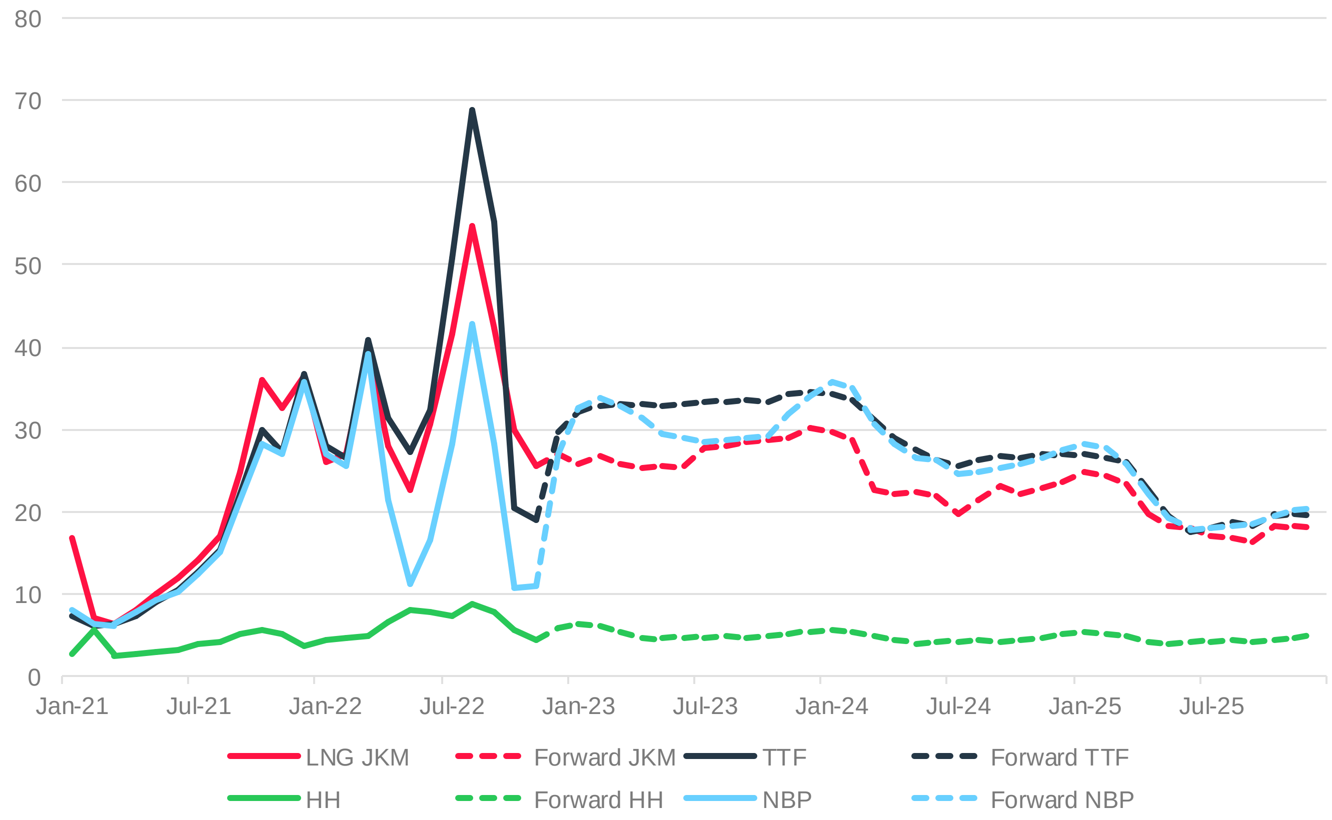
Macro and gas market outlook
Long-term uncertainty and volatility here to stay

SVP Eirik Wærness

Senior Vice President, Global External Analysis, and Chief Economist

Prices expected to remain high in 2023 – but uncertainty and volatility to prevail

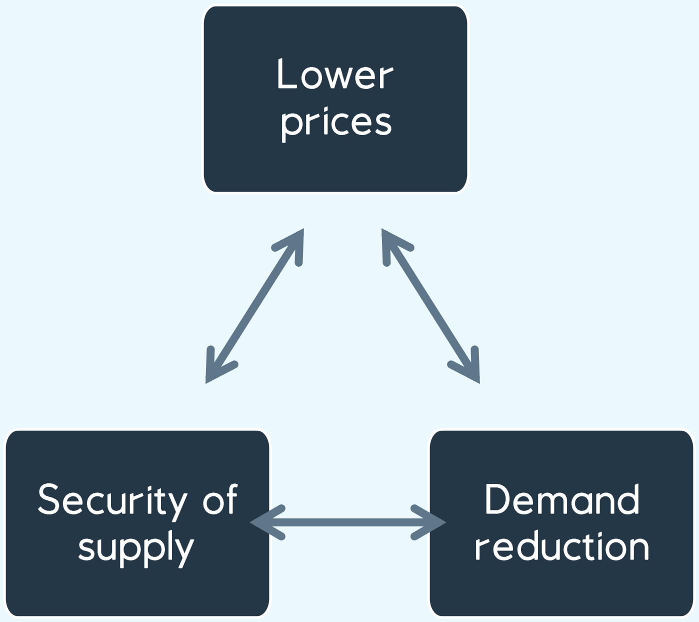
Global gas prices (USD/MMBtu)



Forward curve as of 11.11.2022

Source: ICIS; Platts; European Commission

EU's energy emergency regulation

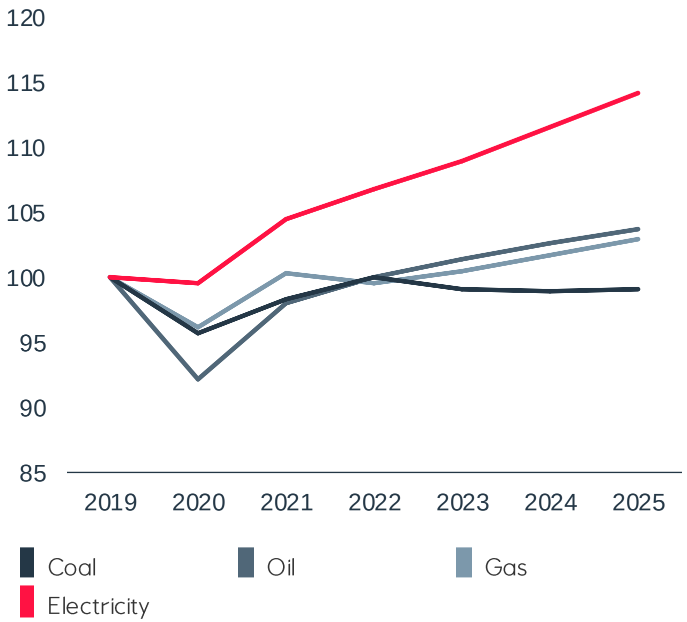


Our short-/medium-term global outlook to 2025

Out of Covid, handling the energy crisis and supply bottlenecks, food inflation and re-globalisation

Coal, oil, gas and electricity demand

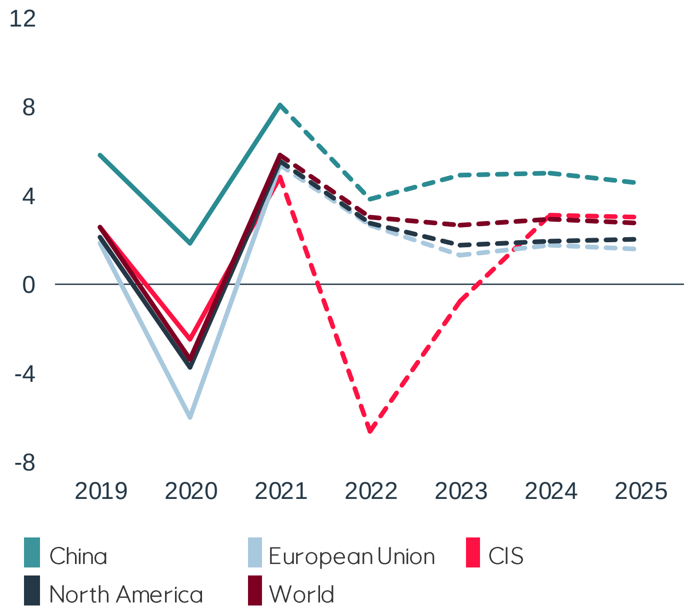
Indexed, 2019 = 100



Source: IEA (history), Equinor (projections)

GDP growth

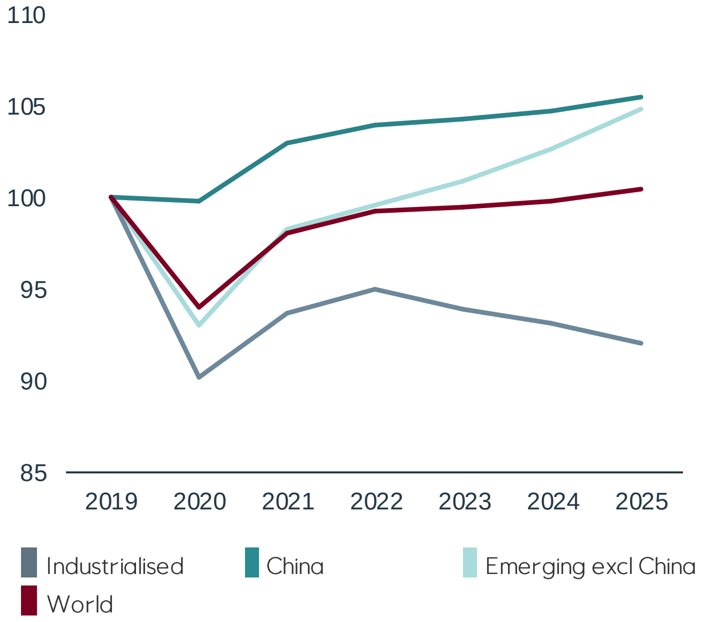
% change y/y



Source: © Oxford Economics Limited 2022 (history), Equinor (forecast from June 2022)

Energy-related CO_2 emissions

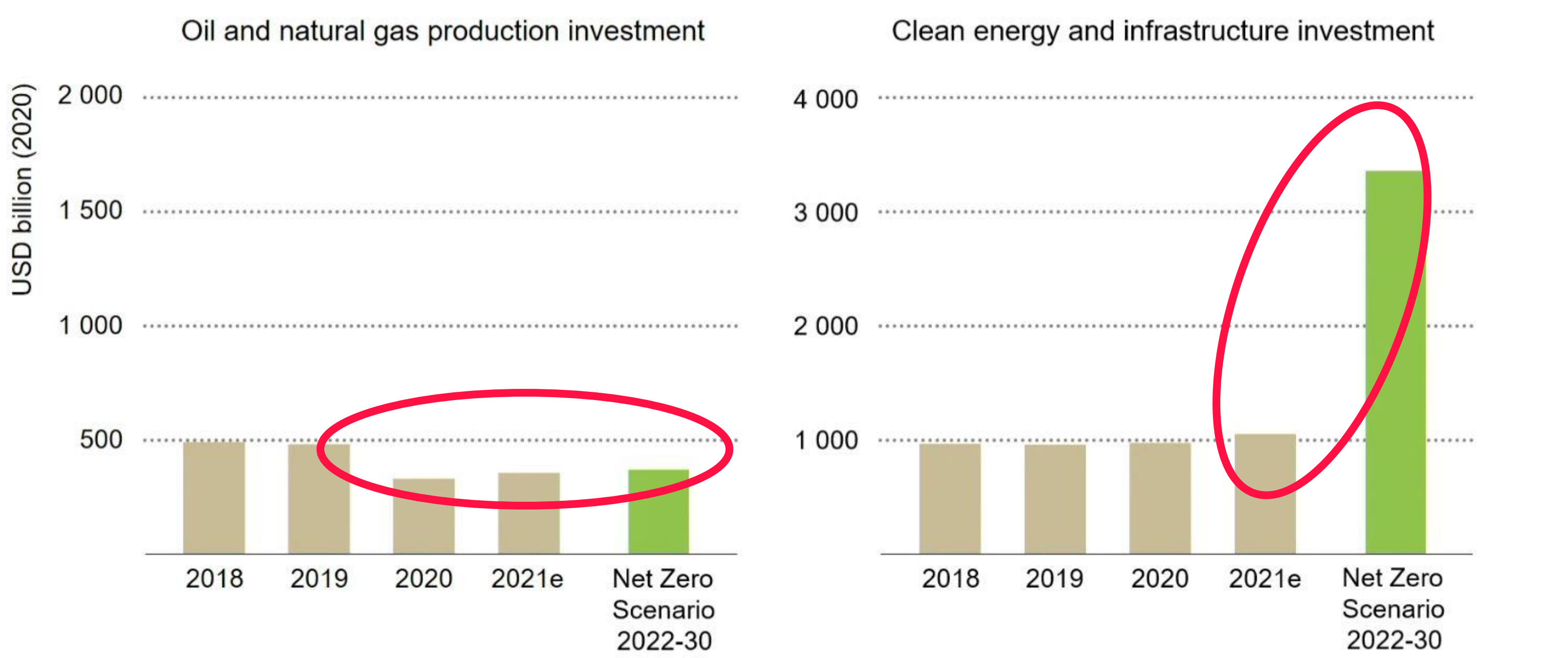
Indexed, 2019 = 100



Source: IEA (history), Equinor (projections)

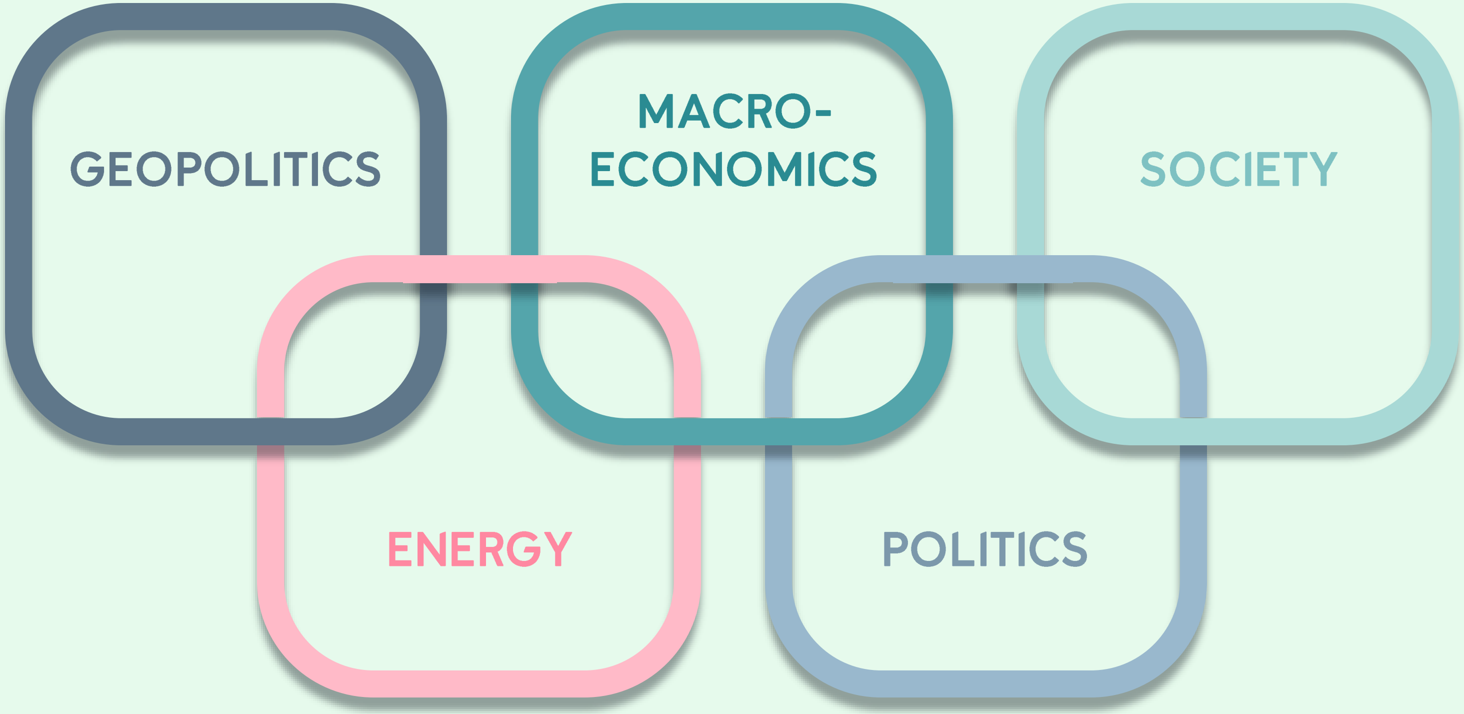
Energy transition done in the wrong sequence – contributing to an energy crisis

Looming risk of more turbulence ahead for energy markets



The world is not investing enough to meet its future energy needs; oil and gas investment is geared to a world of stagnant or falling demand, while transition-related spending is not rising nearly fast enough

Russia's invasion of Ukraine drives change in many dimensions

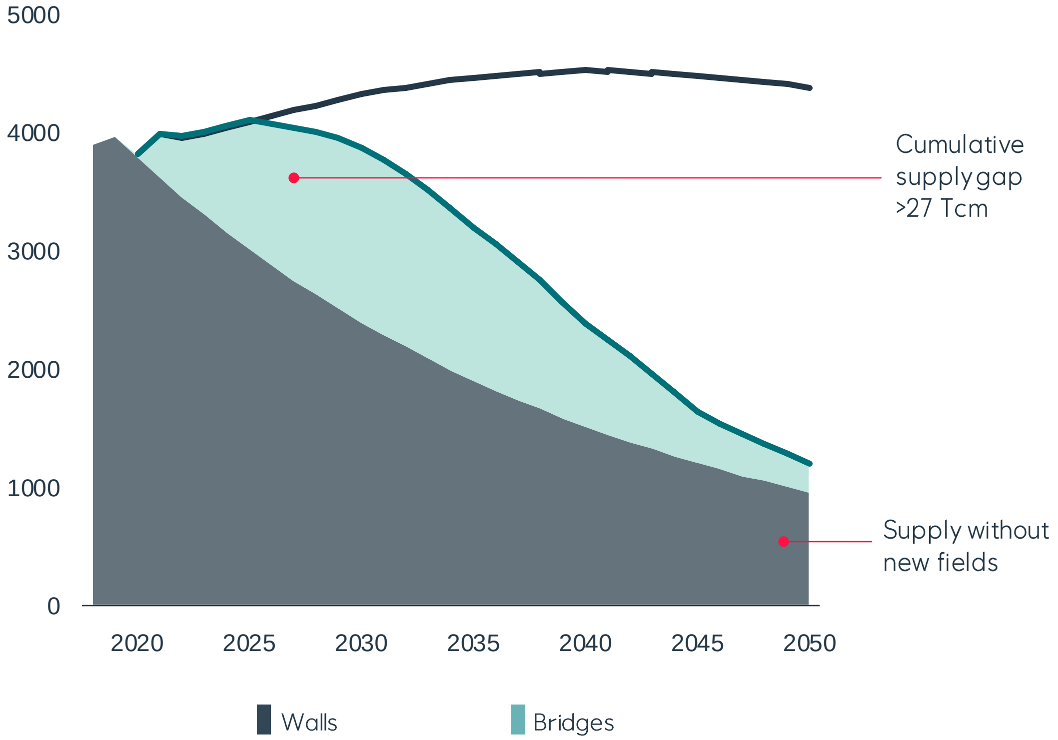


Wide long-term outcome space for global gas demand

Large gas investments in both scenarios, although much less in Bridges. Don't be fooled by the smooth lines – this will be volatile

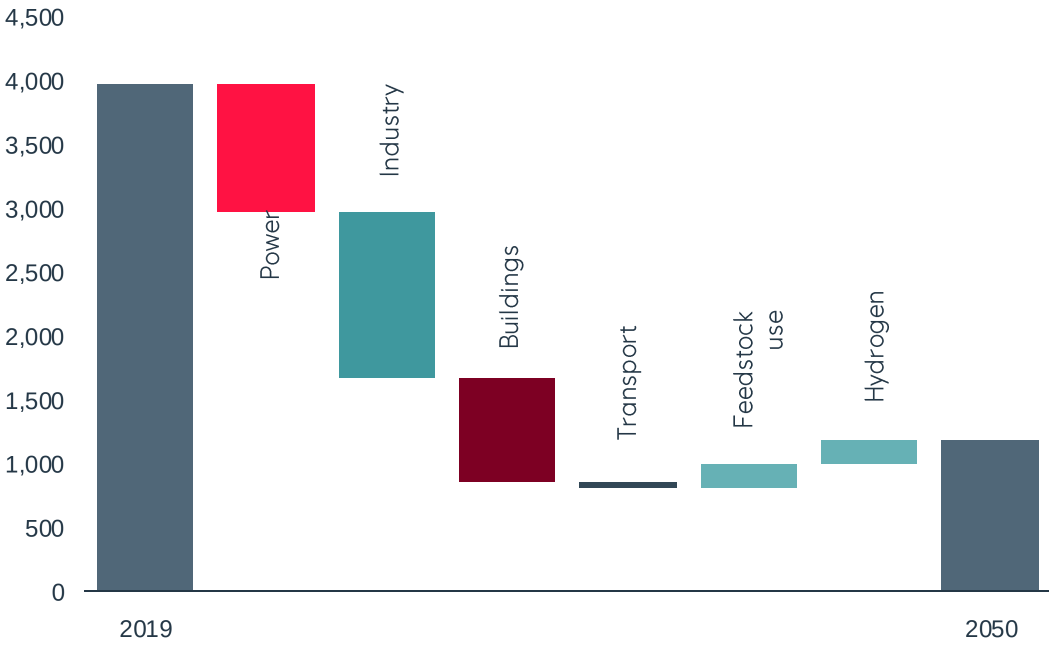
Gas demand and supply from existing fields

Bcm



Change in gas demand by sector in Bridges, 2019-2050

Bcm



Source: IEA, Equinor

Large regional imbalances – Asia drives LNG demand growth in Walls

Bridges challenges the willingness to invest in long-term LNG capacity

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