Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act (File # NR-31-2019)

On March 5, 2019, the Department of Natural Resources received your request for access to the following records/information:

Meeting note from January 2019 re Equinor.

I am pleased to inform you that a decision has been made by the Department of Natural Resources, confirmed by the Deputy Minister, to provide access to the requested records. The records are attached.

We are providing access to the most information possible but have made redactions in accordance with Sections 29(1)(a), 35(1)(d), 35(1)(f), 35(1)(g) and 39(2) of ATIPPA, 2015 as follows:

29. (1)(a) The head of a public body may refuse to disclose to an applicant information that would reveal advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

35. (1)(d) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

35. (1) (f) The head of a public body may refuse to disclose to an applicant information which could be reasonably be expected to disclose positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on
behalf of the government of the province or a public body, or considerations which relate to those negotiations;

35. (1)(g) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body;

39. (2) The head of a public body shall refuse to disclose to an applicant information that was obtained on a tax return, gathered for the purpose of determining tax liability or collecting a tax, or royalty information submitted on royalty returns, except where that information is non-identifying aggregate royalty information.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the Access to Information and Protection of Privacy Act (the Act). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL. A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that this letter will be published following a 72 hour period after it is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the letter posted to the Office of Public Engagement’s website within one business day following the applicable period of time.
If you have any questions, please feel free to contact me at 709-729-0463 or rhynes@gov.nl.ca.

Sincerely,

Rod Hynes

Rod Hynes
ATIPP Coordinator
Meeting Note
Department of Natural Resources
Equinor
Tuesday, January 15, 2019
11:30 am
Minister's Boardroom

Attendees: Equinor:
Nina Birgitte Koch, Country President, Equinor Canada Ltd.
Unni Fjæer, VP, Offshore Newfoundland, Equinor Canada Ltd.
Halfdan Knudsen, BdN Project Director
Alex Collins, Communications Lead, Equinor Canada Ltd.
(See Attachment 1 for Biographies)

Government of Newfoundland and Labrador
Minister Siobhan Coady
Doug Trask

Purpose of Meeting:
• No formal agenda has been provided. The meeting is an opportunity to discuss Equinor’s plans and the Province’s plans and priorities. In this context, potential agenda items include: 1) Bay du Nord Project; 2) Equinor’s exploration program for the Newfoundland and Labrador Offshore; and 3) Advance 2030.

Background:
• Founded in 1972 as the Norwegian State Oil Company, Equinor (formally Statoil up to May 2018) is an international integrated energy company that is headquartered in Stavanger, Norway. In 2007 Statoil merged with the oil and gas division of Norsk Hydro. Equinor is a publicly traded company with the Norwegian state as the largest shareholder at 67%, managed by the Ministry of Petroleum and Energy.

• On May 15, 2018 Statoil was officially renamed to Equinor to reflect transitioning energy systems globally and support the company’s strategy and development as a broad energy company, moving from an oil and gas company to an energy major developing oil, gas, wind and solar power. The name is derived by combining “equi”, the starting point for words like equal, equality, and equilibrium, and “nor” for their Norwegian origin.

• Equinor’s business operations include upstream exploration and production, natural gas, procurement, pipelines, production facilities, renewable energy (including offshore wind development; carbon capture and storage), trading, and retail. Equinor has approximately 20,000 employees worldwide with interests and activities in more than 30 countries.

• Equinor is the largest operator on the Norwegian Continental Shelf (NCS) which includes the North, Norwegian and Barents Seas. With 42 assets, including fixed and floating installations, Equinor is responsible for approximately 70% of NCS oil and gas production, the second-largest gas exporter to Europe and the world’s largest offshore operator.
In Canada, Equinor has offices in Calgary and St. John's. Equinor reorganized in 2018 with Equinor Canada now part of the North American Offshore Business. It was previously in the International Business based in Oslo. Its Canadian interests include:
- **Newfoundland and Labrador Offshore:** Partner in the Hibernia, Hibernia Southern Extension, Terra Nova, and Hebron projects. Equinor has been active in Newfoundland and Labrador offshore since 1996, when predecessor Norsk Hydro acquired shares in a land swap with Petro Canada in 1996-97. Equinor also has interests in various significant discovery and exploration licences, including in the Flemish Pass Basin.

See Attachment 2 for further information on Equinor's interests in this Province.
- **Nova Scotia Offshore:** Equinor has two licences in the Nova Scotia offshore (180 km south of Yarmouth) that were awarded in the Canada-Nova Scotia Offshore Petroleum Board's 2015 call for bids. Equinor's total work commitment is $82 million with plans to conduct a seismic survey in the summer of 2018 or 2019 to gain further insight.

In January 2017, Equinor completed the sale of its Alberta oil sands operations to Athabasca Oil Corporation, receiving C$431 million in cash, plus 100 million common shares in Athabasca. This fit with its strategy of portfolio optimization, financial flexibility, and focus on core activities globally, including offshore Newfoundland and Labrador.

Attachment 3 includes an overview of Equinor's recent financial and operational results.

**Agenda Item #1 – Bay du Nord Project and Framework Agreement**

- On July 26, 2018 the Government of Newfoundland and Labrador, Equinor, and Husky Energy announced a Framework Agreement for the development of the Bay du Nord Project, which will also includes the Baccalieu prospect.

**Analysis:**
- The project owners are Equinor (65%) and Husky Energy (35%). As part of the Framework Agreement, Nalcor Oil and Gas will acquire 10% of the project, paying $89.4 million for project costs incurred to December 31, 2017 plus go forward costs.

- The total project capital and operating costs are currently estimated by Equinor at $10.9 billion over the next 20 years.
  - Pre-development and development expenditures are estimated at $6.8 billion, with $3.4 billion to be spent in the Province.
  - Operations expenditures are estimated at $4.1 billion, substantially all of which to be spent in the Province.

- Total combined crude oil reserves of the Bay du Nord and Baccalieu prospects are currently estimated by Equinor at approximately 351.35. barrels of oil. Bay du Nord was discovered in 2013 and Baccalieu in 2016.

- The project is expected to be sanctioned in 2020, with first oil in 2025. The project field life is expected to be between 12-20 years, although potential future subsea tie-back developments may extend the life to 30 years. Discoveries at Harpoon and Mizzen may
represent further resource development opportunities.

- The project will be the first remote, deepwater development in the Province’s offshore (500 kilometres offshore; approximately 1,200 metres water depth). It opens a new basin, the Flemish Pass, to development and is the first project to be negotiated under 2017 generic oil royalty regulations. The current estimate of provincial government life-of-field take is 29.1%, or $3.5 billion.

- The project will use a new build Floating Production, Storage and Offloading vessel (FPSO), using a lean design similar to others that Equinor has constructed in recent years. The Terra Nova FPSO (110,000 MT) and White Rose FPSO (96,000 MT). Storage capacity is expected to be 0.9 million to 1.2 million barrels.

- Bay du Nord involves a comprehensive approach to Newfoundland and Labrador benefits commitments, but ensures a minimum level of work in the Province.

- Estimated in-province project employment is 22.3 million person hours over life-of-field (11,000 person years/ 84% of total project employment).
  - 4 million person hours in pre-development and development phases, including 1.7 million person hours of engineering, project management and procurement work.
  - 5.2 million person hours for drilling and completions.
  - 1.1 million person hours for Baccalieu subsea tieback.
  - 12 million person hours for operations phase, including engineering, maintenance, logistics, R&D and support functions.

- Other project benefits for the Province include:
  - A life-of-field Gender Equity and Diversity Program.
  - A project Integrated Operations Centre in the Province (up to 50 positions).
  - Supply and Service Opportunities Forum to identify business opportunities and foster operator-supplier collaboration and global competitiveness.
  - Proponents to invest a minimum $75 million over 10 years in R&D and E&T to position Newfoundland and Labrador as a deepwater centre of excellence with a focus on subsea technology, digitalization, renewable energy solutions and ocean innovation.

Potential Speaking Points:
- May wish to inquire about the status of the environmental review with CEAA and the filing of the Development Plan Application with the Canada-Newfoundland Offshore Petroleum Board (C-NLOPB).
• Indicate that the Department of Natural Resources (NR) resources will continue to be available to progress drafting and completion of the Acquisition and Benefits Agreements.

**Proposed Action:**

- [Redacted]

**Agenda Item #2 – Equinor Exploration Program for Newfoundland and Labrador Offshore**

- Along with the Flemish Pass discoveries noted above (Mizzen, Bay du Nord, Harpoon, Bay de Verde, and Baccalieu), Equinor and its partners hold 11 exploration licences in the Flemish Pass region, in addition to three pending licences that were successfully bid on in the 2018 Call for Bids. These are expected to be issued in January 2019. One is in the Jeanne d'Arc region and two are in the Flemish Pass Basin, just east of the Jeanne d'Arc.

- Total work commitments for Equinor (and partners) on exploration licences in the Flemish Pass and Jeanne d'Arc basins is approximately $2.4 billion, of which Equinor’s total working interest share is approximately $1.1 billion. This total work commitment includes one licence, EL 1135, with a work commitment of $559 million (Equinor share is $168 million) and a pending 2018 Call for Bids licence with a work commitment of $480 million (Equinor share is $288 million).

- Attachment 2 includes a summary of Equinor’s land holdings in the Province’s offshore as well as maps of Flemish Pass licence locations.

- On December 13, 2018, the C-NLNPB announced changes to the Jeanne d’Arc land tenure region boundaries (Attachment 2), extended the Call for Nominations (Parcels) for the region, and clarified cross boundary parcel configurations.
  - The Jeanne d’Arc boundary was expanded to the north and south to better align with subsurface geology and basin architecture.
  - Regarding the submission of cross boundary parcel nominations, parcels must be designed so that at least 51% is within the nomination region and cross boundary prospectivity must be partially contained in the nomination region.
  - As a result of these changes, the deadline for Call for Nominations for parcels in the Jeanne d’Arc region (NL18-CFN03) has been extended from November 14, 2018 to a closing date of January 23, 2019. These nominations will assist the C-NLNPB in selecting parcels to be included in the subsequent 2019 Jeanne d’Arc Call for Bids, which will close in November 2019.

- In addition to the 2019 Jeanne d’Arc Call for Bids, there is a South Eastern Newfoundland region Call for Bids that is expected to be announced early in 2019 and scheduled to close in November 2019.

**Analysis:**

- In August 2016, Equinor registered a Flemish Pass Exploration Drilling Project pursuant to the Canadian Environmental Assessment Act 2012 (CEAA 2012) and its regulations, as well as requirements under the Accord Acts. Equinor proposed a 10-year exploration drilling program within its offshore exploration licenses (ELs 1125, 1138, 1139, 1140, 1141, and 1142) located in the Flemish Pass Basin. As of November 26, 2018, CEAA continues their technical review.
• On June 22, 2018, Equinor submitted the Bay du Nord Development Project description to CEAA. The proposal is to develop the Bay du Nord field and the Baccalieu discovery, defined as the Core Bay Du Nord Development area (see Map 2 in Attachment 2). This Core area may involve drilling 10 to 30 wells. On January 4, 2019, CEAA announced the allocation of federal funds to 19 recipients to participate in the environmental assessment.

Potential Speaking Points:
• Inquire about Equinor’s future plans for exploration in the Newfoundland and Labrador offshore including schedule, rig availability, and interest in the 2019 Call for Bids in the South Eastern Newfoundland region.

• Ask for Equinor’s perspective on the Province’s offshore including the global competitiveness of the offshore and any challenges for exploration and development.

• Ask if Equinor has any concerns regarding the recent land tenure boundary changes.

Proposed Action:
• No proposed actions at this time.

Agenda Item #3 – Advance 2030
• As part of The Way Forward, the Provincial Government committed to work with industry to position the Province globally as a preferred location for oil and gas development.

• As part of that commitment, an Oil and Gas Industry Development Council was established to create a long-term vision for the Province’s oil and gas industry, with a focus on promoting development, competitiveness and sustainability.

• On February 19, 2018 the Honourable Dwight Ball, Premier of Newfoundland and Labrador, and the Honourable Siobhan Coady, Minister of Natural Resources, launched Advance 2030. This is a plan for growth in the oil and gas industry and the outcome of the collaborative work of the Council and the Government of Newfoundland and Labrador.

Analysis:
• Government has accepted the 17 recommended focus areas, which includes immediate, mid-term and long-term actions:

<table>
<thead>
<tr>
<th>Immediate (&lt; 24 months)</th>
<th>Mid-Term (2022)</th>
<th>Long Term (2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive Exploration</td>
<td>Develop Basin-Specific Plans</td>
<td>Commercial Natural Gas Production</td>
</tr>
<tr>
<td>Modernize Governance</td>
<td>Expand Integrated Operations</td>
<td>Sustained Energy Production</td>
</tr>
<tr>
<td>Structure</td>
<td>Develop a Natural Gas</td>
<td>Exploitation of Value Added Opportunities</td>
</tr>
<tr>
<td>Ensure Global Competitiveness</td>
<td>Development Plan</td>
<td>Supply and Service Industry Growth</td>
</tr>
<tr>
<td>Enhance Local Supply Chain</td>
<td>Supply and Service</td>
<td>World-Class Energy Cluster</td>
</tr>
<tr>
<td>Accelerate Development</td>
<td>Diversification</td>
<td></td>
</tr>
<tr>
<td>Support Innovation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase Industry Promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce of Tomorrow</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• By 2030, the Plan envisions:
  o Over 100 new exploration wells drilled
  o Multiple basins producing over 650,000 boe/day from new and existing projects/tiebacks
  o Shortened time from prospectivity to production
  o Sustainable operations phase direct employment of more than 7,500 people
  o A robust, innovative global supply and service sector
  o Commercial natural gas production
  o Renewables and oil and gas integrated in a world-class energy cluster

• To advance this vision, Newfoundland and Labrador needs:
  o A competitive, global position built on a modern and efficient governance structure, including an efficient regulatory process, attractive fiscal policy, optimal infrastructure planning, and a collaborative approach where stakeholders work together to maximize value;
  o Increased supply and service sector capabilities that align with, and capitalize on, our energy future;
  o A highly competent, technical, agile, and professional workforce that leverages our resource developments and forms a foundation for broader economic prosperity;
  o An industry that recognizes the value of gender equity and diversity, and the innovation and strength that comes with inclusivity and increasing the participation of under-represented groups; and
  o An innovation ecosystem that supports technology development, industry growth, diversification and exports.

Potential Speaking Points:
• The continued growth and development of Newfoundland and Labrador’s oil and gas industry is critical to the provincial economy and requires action through 2030.

• Inquire about how Equinor views the Advance 2030 plan and the challenges and growth opportunities for the Newfoundland and Labrador oil and gas sector.

• The collaboration and collective actions of all stakeholders (governments, industry, labour, education, training and research institutions and others) will be required for implementation and success.

• Ask for Equinor’s support in implementation of Advance 2030, particularly support of digital and subsea innovation – key areas in positioning the Province as global centre of excellence for deep water oil and gas development.

Proposed Action:
• The Oil and Gas Council (facilitated by NR) is leading development of an implementation plan and will engage relevant stakeholders on specific actions to define the lead, timelines and resources required.

Prepared / Approved by: P. Parsons, A. Krakowka /
Ministerial Approval:
January 10, 2019
Attachment 1 – Biographies

Nina Birgitte Koch
Country President, Equinor Canada Ltd.

Nina Birgitte Koch was appointed as Country President of Equinor Canada in January 2018. In this capacity, she is responsible for the company’s Canadian-based activities.

Nina has over 20 years of relevant leadership experience within the energy sector. Nina draws from a diverse skillset, awarded to her through her diligent work within finance and control, economic analysis, strategy and business development, operations, HSE/risk management and change management.

In 2007, Nina took on the role as VP Finance and Control for Business Area Projects, a title which she held until 2009, until assuming her role as SVP Performance management in CFO corporate staff. In 2011, Nina led Development and Production in Norway, overseeing economic analyses, performance management, controlling, accounting, and financial reporting. Nina was appointed VP Operations in 2014, responsible for overseeing five producing oil fields with more than 200 kboe/d equity production in 2017.

Nina holds a Master’s degree in Economics and Business Administration, after receiving a Bachelors at the Copenhagen Business School. Nina sits on the Board of Directors for Equinor Pension Fund, Equinor Canada and the Canadian Association of Petroleum Producers (CAPP).

Unni Merethe Skorstad Fjaer
VP, Offshore Newfoundland, Equinor Canada Ltd.

Unni began her role St. John’s in early March 2018. Prior to joining Statoil in St. John’s, Unni held the position as Statoil’s location manager in Hammerfest, Norway, responsible for the company’s LNG production. Previously, Unni held several positions within the Statoil, including as a platform manager offshore Norway and HR manager for operations Mid-Norway.

Unni has been employed with Statoil for 25 years, and holds a master of mechanical engineering. Unni’s appointment supports Statoil’s continued interest in maturing our position offshore Newfoundland, both in ensuring a strong connection to Statoil’s corporate network, and continuing our strong collaboration with the local community.

Alex Collins, M.PR
Communications Lead, Equinor Canada Ltd.

Alex Collins has been a part of Equinor’s corporate communications team since 2013. In her role as Head of Communications for Equinor Canada, she leads strategic communications related to Equinor’s exploration, project, and operational activities, as well as government and stakeholder relations.

Prior to joining Equinor, Alex worked in a variety of oil and gas and government-related capacities in communications. Alex started her career as a journalist, focused on energy and business, and holds a bachelor’s degree from Royal Roads University, a master’s degree in Public Relations from Mount Saint Vincent University, and a diploma from Lethbridge College. She lives in St. John’s with her spouse and daughter.
Attachment 2 – Equinor Interests in NL Offshore

**Equinor Land Holdings and Working Interests in NL Offshore:**

<table>
<thead>
<tr>
<th>Project/Prospect</th>
<th>Working Interest</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hibernia - PL 1001</td>
<td>5.0%</td>
<td>Jeanne d’Arc Basin</td>
</tr>
<tr>
<td>Hibernia South – Unitized (PL 1001, PL 1005, EL 1093)</td>
<td>9.2608%</td>
<td>Jeanne d’Arc Basin</td>
</tr>
<tr>
<td>Terra Nova (PL 1002, PL 1003, PL 1004)</td>
<td>15.0%</td>
<td>Jeanne d’Arc Basin</td>
</tr>
<tr>
<td>Hebron – PL 1012 and various SDLs</td>
<td>9.015%</td>
<td>Jeanne d’Arc Basin</td>
</tr>
<tr>
<td>Flemish Pass Basin Discoveries: (Mizzen; Bay du Nord; Harpoon; Bay de Verde; Baccalieu)</td>
<td>65.0% (Equinor is the Operator)</td>
<td>Flemish Pass Basin</td>
</tr>
<tr>
<td>Various interests in other ELs and SDLs in the Eastern Offshore Region</td>
<td></td>
<td>Jeanne d’Arc Basin (1 pending EL, 32 SDLs)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flemish Pass Basin [11 ELs/pending ELs; 3 SDLs]</td>
</tr>
<tr>
<td></td>
<td></td>
<td>See map next page</td>
</tr>
</tbody>
</table>

1. PL - production licence; SDL - significant discovery licence; EL - exploration licence.
Potential copyright material

If you wish to obtain a copy please contact the ATIPP Office at (709) 729-7072 or atippoffice@gov.nl.ca.
Map 2 – Bay du Nord Core Development Project Area
Attachment 3 – Equinor Recent Financial & Operational Indicators

<table>
<thead>
<tr>
<th>Financial:</th>
<th>Q3 2018</th>
<th>Q3 2017</th>
<th>2018 YTD$</th>
<th>2017 YTD$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue$1</td>
<td>Million US$</td>
<td>$19,136</td>
<td>$13,609</td>
<td>$57,155</td>
</tr>
<tr>
<td>Net Earnings/Income</td>
<td>Million US$</td>
<td>$1,666</td>
<td>$(478)</td>
<td>$4,171</td>
</tr>
<tr>
<td>Basic Earnings per Share</td>
<td>US$</td>
<td>$0.50</td>
<td>$(0.15)</td>
<td>$1.25</td>
</tr>
<tr>
<td>Cash flow from Operations</td>
<td>Million US$</td>
<td>$5,417</td>
<td>$3,313</td>
<td>$15,494</td>
</tr>
<tr>
<td>Total Assets$2</td>
<td>Million US$</td>
<td>$116,043</td>
<td>$111,116</td>
<td>Same as</td>
</tr>
<tr>
<td>Total Liabilities$2</td>
<td>Million US$</td>
<td>$74,113</td>
<td>$72,884</td>
<td>Q3 2018</td>
</tr>
<tr>
<td>Total Shareholders’ Equity$2</td>
<td>Million US$</td>
<td>$41,930</td>
<td>$38,233</td>
<td></td>
</tr>
<tr>
<td>Capital Expenditure &amp; Investment$3</td>
<td>Million US$</td>
<td>$3,073</td>
<td>$2,634</td>
<td>$8,377</td>
</tr>
<tr>
<td>Exploration Expenditure</td>
<td>Million US$</td>
<td>$239</td>
<td>$416</td>
<td>$712</td>
</tr>
</tbody>
</table>

| Operations:               |          |          |           |           |
| Upstream Production$4     | Mboe$5/day | 2,066    | 2,045     | 2,091     | 2,062     |

1. Total revenues and other income.
2. As at end of the quarter.
3. Capital expenditures and investments include currency effects.
4. Total equity liquids and gas production.
5. mboe represents thousand barrels of oil equivalent.
6. Reporting period includes the months from January 1 to September 30 inclusive.
7. Numbers may not sum due to rounding.

NL Discussion:
- On November 7, 2018, Equinor announced it was the successful bidder (with its partners) for new exploration parcels in offshore Newfoundland.
  - Equinor will operate two exploration parcels, NL18-CFB01-14 (Equinor Canada 70%, Husky Energy 30%) and NL18-CFB01-15 (Equinor Canada 60%, Suncor Energy 40%), totaling 412,644 hectares.
  - Equinor will participate in the Suncor Energy-operated parcel NL18-CFB02-01 (Suncor Energy 40%, Equinor Canada 30%, Husky Energy 30%), totaling 142,500 hectares.

Financial/Operations Discussion:
- Equinor reported higher net earnings in Q3 2018 compared to Q3 2017.
  - Earnings were positively affected by higher prices, increased gas volumes, reduced depreciation and exploration expenses and a net reversal of impairments compared to a net impairment charge in the same period in 2017.
  - Earnings were negatively affected by changes in unrealized fair value of derivatives and inventory hedge contracts as well as increased operating and administrative expenses. Equinor reported higher net earnings for YTD 2018 compared to 2017 YTD largely due to the same factors that affected Q3 2018.

- Production in Q3 2018 was higher compared to Q3 2017 mainly due to new fields in Brazil and offshore North America and new wells in the US onshore and on the Norwegian Continental Shelf (NCS). This was partially offset by higher turnaround activity on the NCS and expected natural declines. Production for 2018 is estimated to be 1%-2% above 2017.

- Equity production breakdown:
  - In Q3 2018, gas accounted for 933 mboe/day and liquids accounted for 1,133 mboe/day.
  - In Q3 2017, gas accounted for 913 mboe/day and liquids accounted for 1,132 mboe/day.
  - In Q3 2018, the NCS was 1,235 mboe/day; International was 831 mboe/day.
  - In Q3 2017, the NCS was 1,315 mboe/day; International was 729 mboe/day.
• Organic capital expenditure (excludes acquisitions, capital leases and other investments with significant different cash flow pattern) was US$7.2 billion for YTD 2018. Organic capital expenditures for 2018 was revised lower to US$10 billion from approximately US$11 billion reflecting capital discipline and efficient project execution. Equinor expects average capital expenditures to be US$11 billion per year to 2020.

• Equinor estimates its exploration expenditures at approximately US$1.5 billion (excluding signature bonuses) in 2018.

**Other Discussion:**

**Oil and Gas:**

• As of Q3 2018, Equinor completed 15 exploration wells with seven commercial discoveries.

• In Q3 2018, Equinor delivered development plans for Johan Sverdrup Phase 2 and Troll Phase 3 located in the NCS. Phase 1 of Johan Sverdrup is more than 80% complete and expected to start producing in November 2019. On December 7, 2018, the Ministry of Petroleum and Energy approved the plan for development and operation of the Troll Phase 3 development (expected to help extend the productive life of the Troll field beyond 2050).

• On December 19, 2018, Equinor reported that the topsides for the Johan Sverdrup processing platform were leaving the Samsung Heavy Industries yard on time, below budget and with no serious incidents.

• The appraisal of the Cape Vulture discovery confirmed the doubling of the remaining reserves at Norne field located on the NCS, extending the life and value of the field.

• On October 14, 2018, Equinor started producing oil from Oseberg Vestflanken 2, the first unmanned wellhead platform on the NCS. The breakeven for the field has been reduced from US$34/bbl at FID to less than US$20/bbl currently.

• On November 21, 2018, construction began on the vessel for the Johan Castberg project located on the NCS. Planned production is expected in 2022.

• On December 5, 2018, Equinor and its partners decided to invest in a boosting station (online for Q1 2021) to increase oil recovery for the Vigdis field located in the North Sea.

• On December 16, 2018, Equinor and its partners started production from the Aasta Hansteen gas field in the Norwegian Sea. Gas will be transported by pipeline to the Nyhamna terminal (both operated by Gassco) for export to the UK. Produced condensate will be transported to market by tanker.

• The Mariner field in the UK is progressing with hookup and commissioning ongoing offshore. Due to challenging weather conditions and other factors, first oil is delayed to first half 2019.

• On November 22, 2018, Equinor and Global Petro Storage (GPS) entered into a long-term agreement for a terminal and storage of LPG (Liquefied Petroleum Gas) in Port Klang, Malaysia. GPS will build a new facility with startup planned for mid-2021. Equinor will bring LPG to the terminal and sell into the domestic market as well as sell to markets like Bangladesh, the Philippines, India, Indonesia and Vietnam.
Acquisitions and Divestitures:

- In Q3 2018, Equinor and Barra Energia signed an agreement to acquire Barra’s 10% interest in the BM-S-8 licence in Brazil’s Santos basin. Upon closing, Equinor intends to sell down 3.5% to ExxonMobil and 3% to Galp. Closing is expected within a year.

- On October 1, 2018, Equinor signed an agreement to acquire Chevron’s 40% operated interest in the Rosebank project. The transaction is subject to customary conditions, including partner and authority approval, with completion targeted as soon as possible.

- On October 15, 2018, Equinor signed an agreement with Aker BP to sell its 77.8% operated interest in the King Lear discovery on the NCS. The sale completed on December 28, 2018.

- On October 18, 2018 Equinor signed an agreement with PGNiG to sell its non-operated interests in the Tommeliten discovery on the NCS. The sale completed on December 28, 2018.

- On December 5, 2018, Equinor and Faroe Petroleum agreed to a number of transactions in the NCS. These are calibrated as a balanced swap with no cash consideration. The effective date is January 1, 2019 with closing subject to government approval.

- On December 10, 2018, Equinor completed sale of its 17% non-operated interest in the Alba oil field located on the UK Continental Shelf to Verus Petroleum.

Other Energy:

- On November 15, 2018, Equinor acquires minority shareholding in Scatec Solar ASA (a Norwegian renewable energy producer). Equinor previously partnered with Scatec on large-scale PV projects in Brazil and Argentina.

- On December 14, 2018, Equinor submitted a winning bid of USD$135 million for lease OCS-A 0520 (located offshore Massachusetts), during the online offshore wind auction by the US Department of the Interior’s Bureau of Ocean Energy Management (BOEM).

- On December 20, 2018, Equinor exercised an option to acquire a 50% interest in the offshore wind development project Baltýk I in Poland from Polenergia. This transaction is a follow-up of the agreement between the two companies which came into force in May 2018, by which Equinor acquired a 50% interest in Baltýk II and Baltýk III.

- In Q3 2018, Equinor has entered into an agreement to buy 100% of the shares in a Danish energy trading company, Danske Commodities. Closing is expected in Q4 2018.

- In Germany, Equinor delivered first electricity from the Arkona offshore wind project.

- On November 28, 2018, the Apodi solar project in Brazil began commercial operations.