The Future of Gas in Europe

Global macroeconomic and energy market outlook

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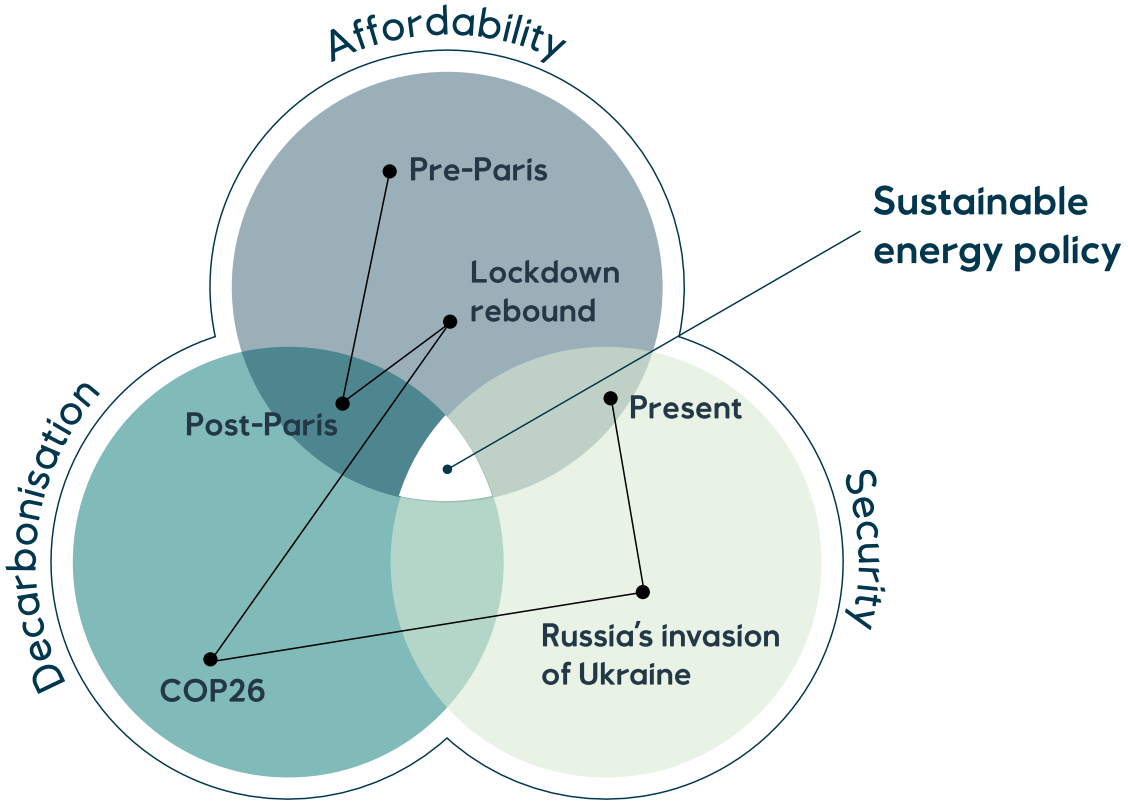
We see a vivid illustration of the energy trilemma

Sustainability requires a balanced approach

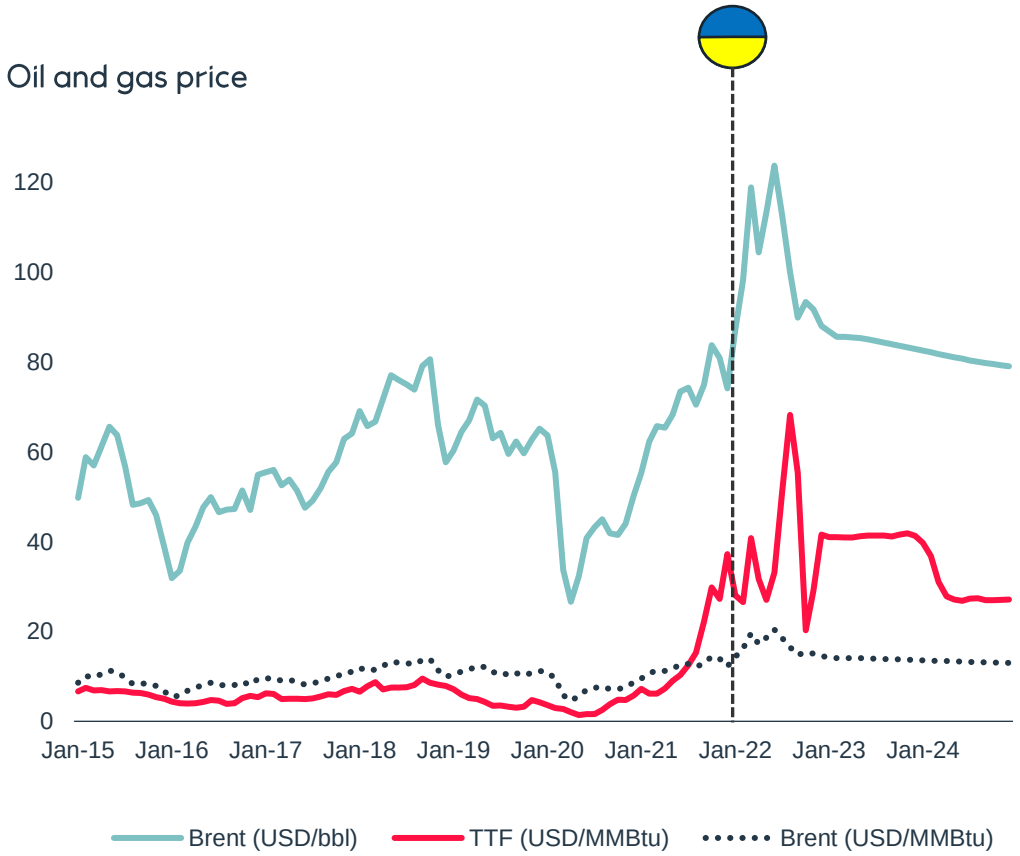


Source: Equinor

Source: United Nations

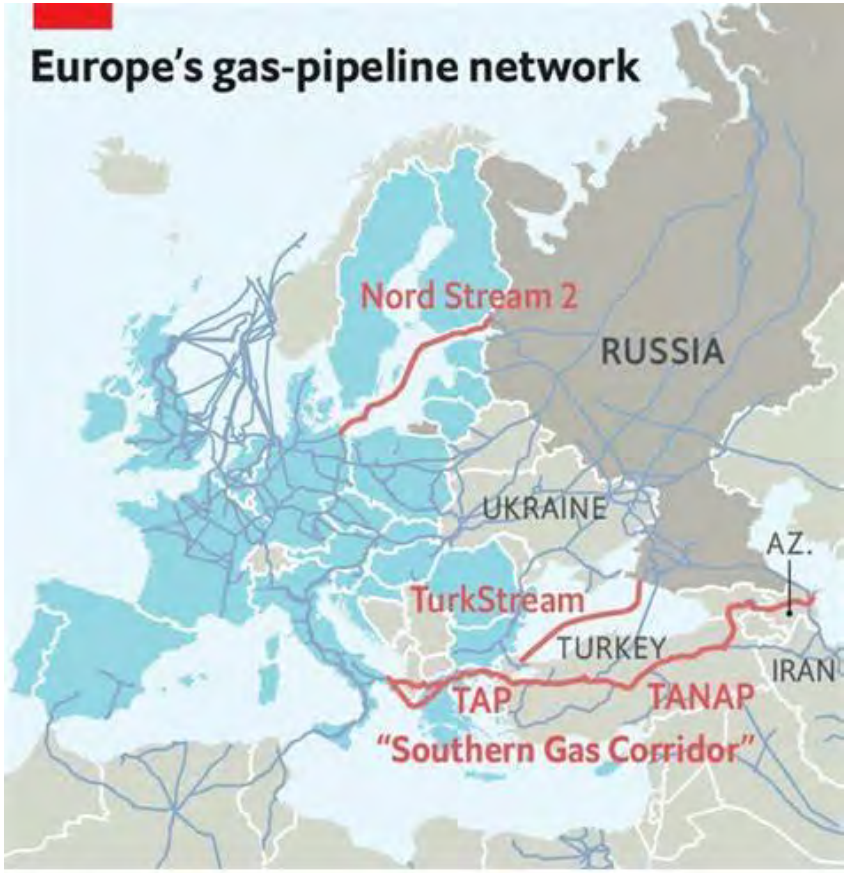
We are in a world of extremes

Conflicts and unrest, lack of trust, market imbalances, disastrous weather events



Source: Platts, Heren (history), ICE (projection)

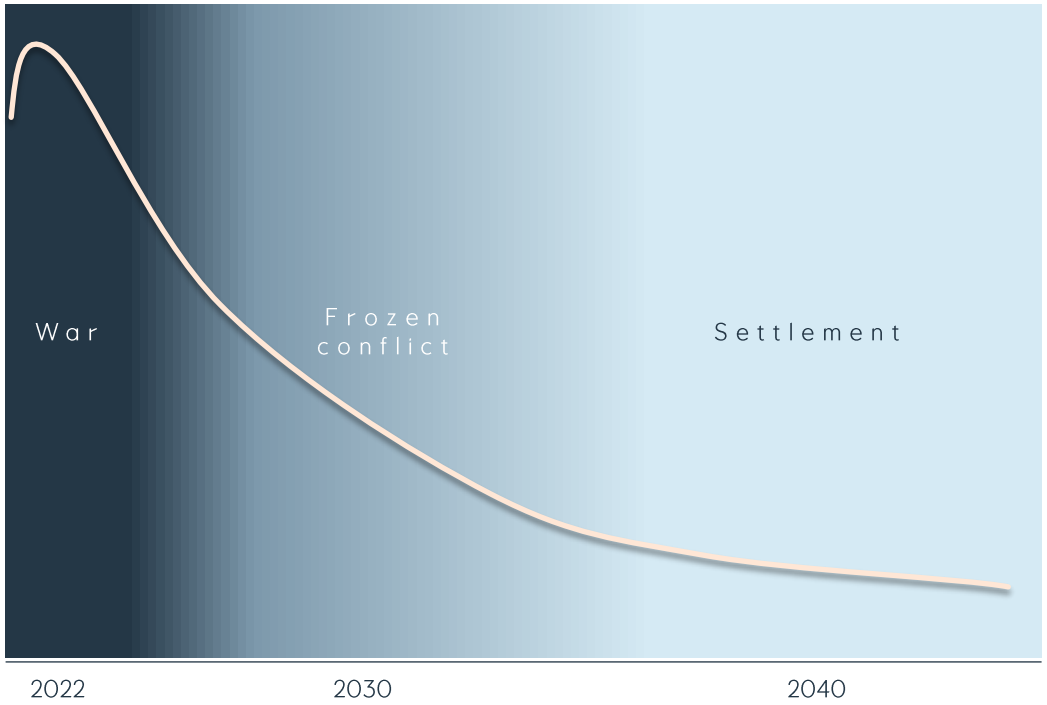
Russian gas supply to Europe: 2021: c.130-140bcm. 2022. c.55-65bcm est.



Our take on the global development over the next years

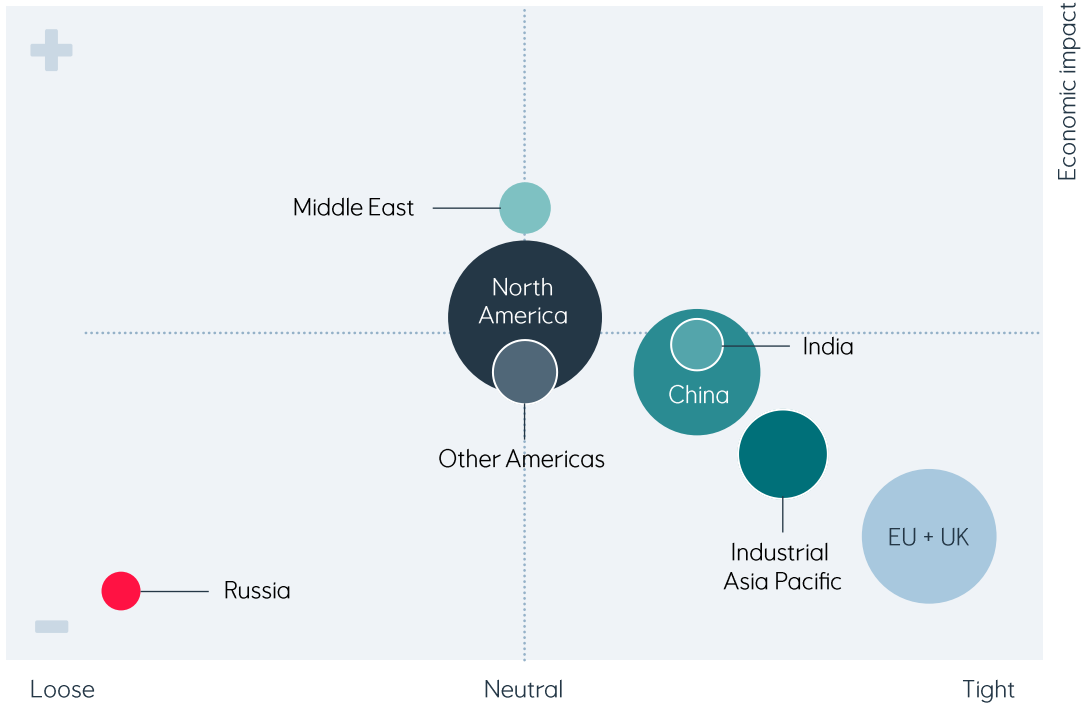
The Russian invasion will have long-lasting impact on the global energy system and economic growth

Negative economic and energy market impact



Regional impact towards 2030

Bubble size = pre-war GDP

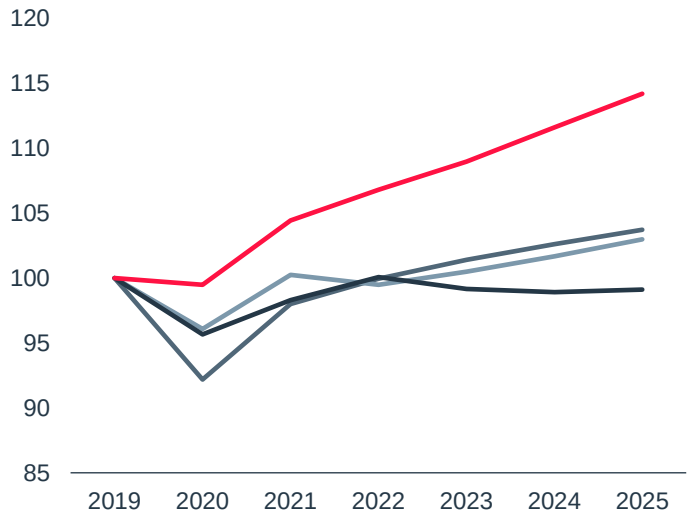


Our short-term outlook to 2025

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

Coal, oil, gas and electricity demand

Indexed, 2019 = 100

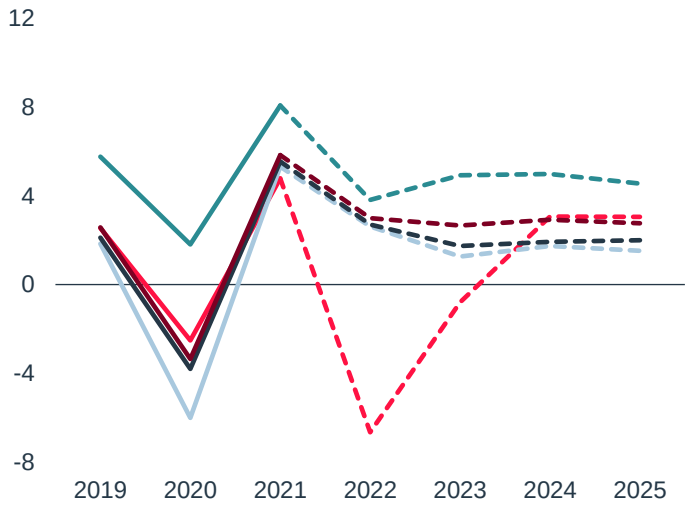


Coal
Oil
Gas
Electricity

Source: IEA (history), Equinor (projections)

GDP growth

% change y/y

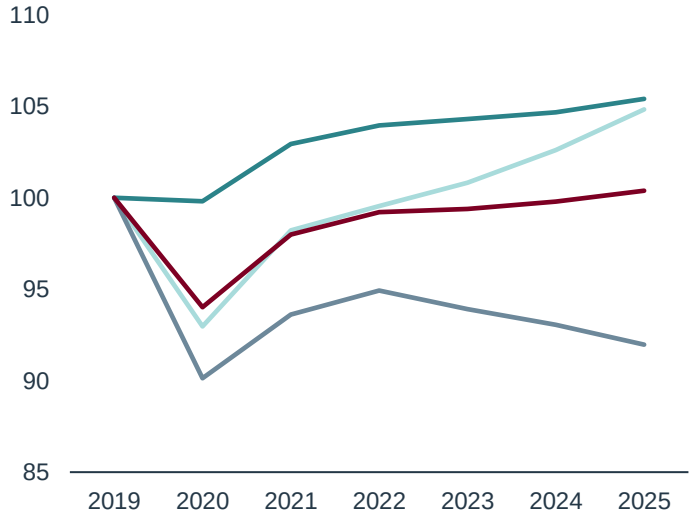


China
European Union
CIS
North America
World

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

Energy-related CO_2 emissions

Indexed, 2019 = 100

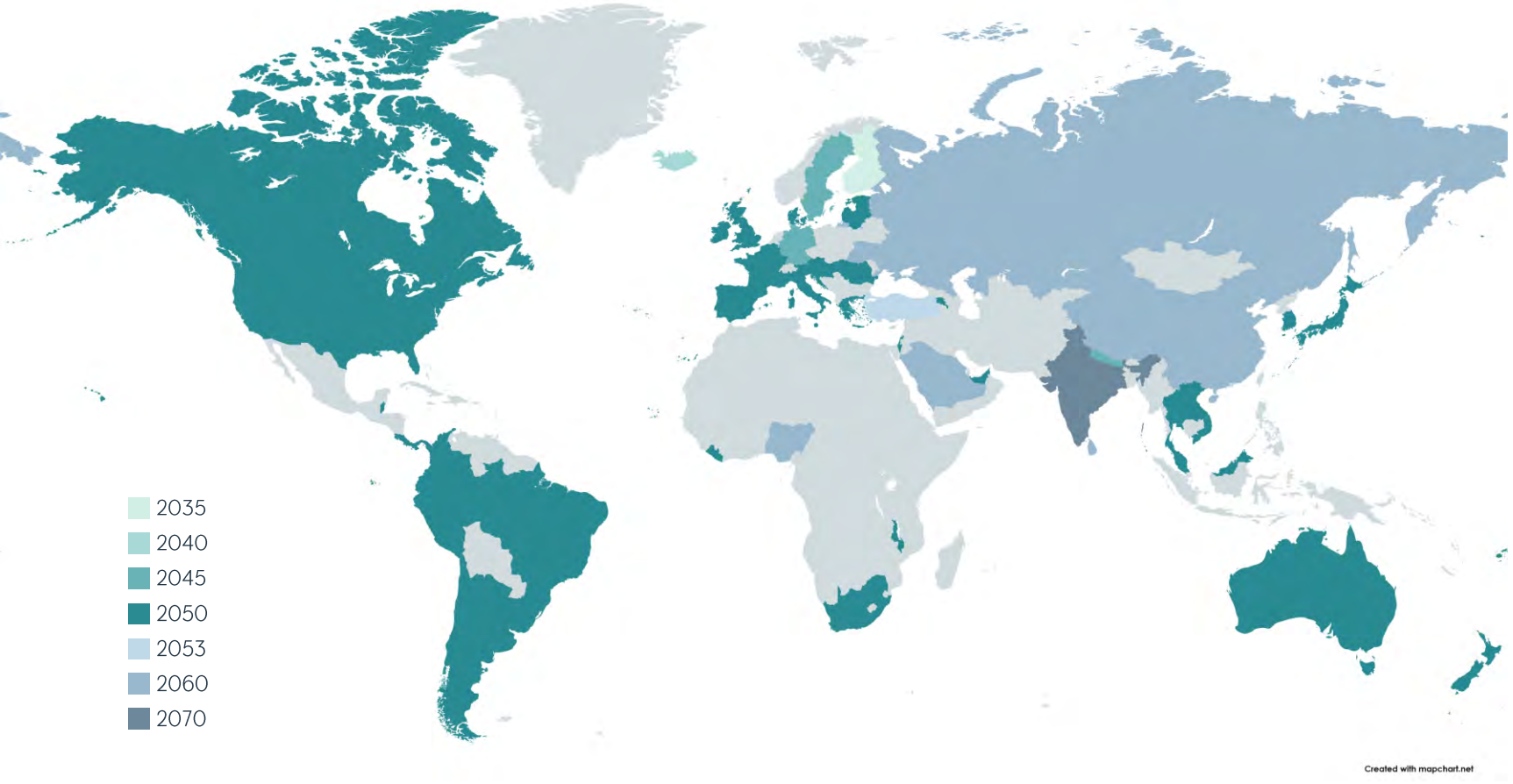


Industrialised
China
Emerging excl China
World

Source: IEA (history), Equinor (projections)

The net zero target is dominant

Countries with net zero targets set in law, policy documents or pledges



More than 70 countries committed to net zero

Representing more than 75% of global emissions

Walls protect but also divide

Walls

- Builds on historical and current market trends and policy signals
- Economic growth is a key driver
- Russia's invasion of Ukraine and geopolitical tensions have given rise to reappearance of obstacles
- Energy security increasingly important in the short-to-medium term

Bridges connect and enable

Bridges

- A normative back-cast scenario
- Consistent with a temperature rise of 1.5°C
- Immediate and coordinated international action needed
- Illustrates what it takes to get there

A change of pace and a revolution in transforming the energy system

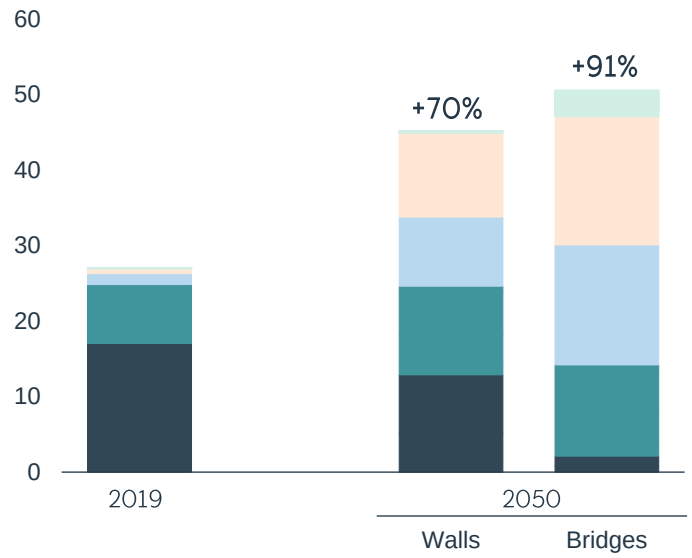
	History 1990 - 2019	Walls 2019 - 2050	Bridges 2019 - 2050
Total primary energy demand CAGR %	1.8%	0.1%	-1.0%
Energy intensity CAGR %	-1.2%	-2.0%	-3.1%
Fossil fuel demand (Change in period - Gtoe)	4.5	-2.3	-9.2
Solar and wind in power generation (Change in period - Thousand TWh)	2	18	31

Massive changes in different parts of the energy system

Electrification is the key element of the energy transition, and a major factor in efficiency improvements

Electricity generation

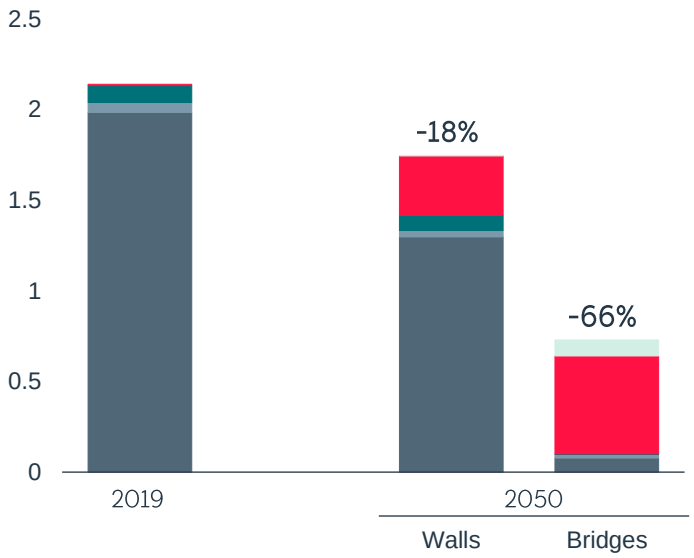
Thousand TWh



Fossil fuels | Other | Wind | Solar | Hydrogen

Road transport fuel demand

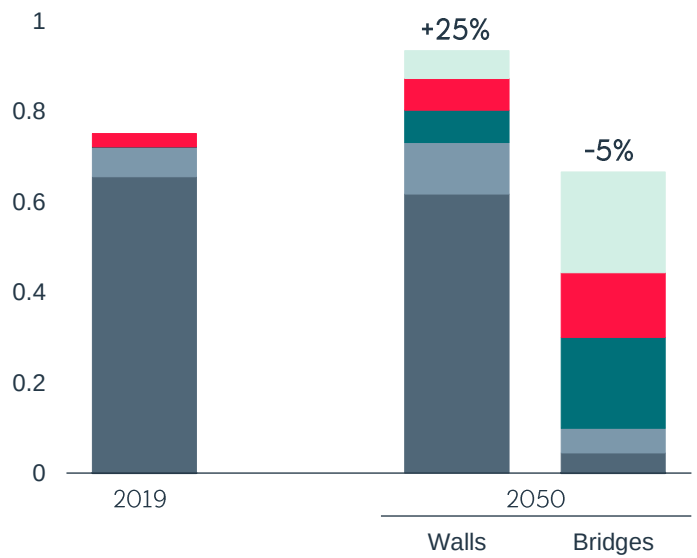
Billion toe



Oil | Gas | Biofuels | Electricity | Hydrogen

Non-road transport fuel demand

Billion toe

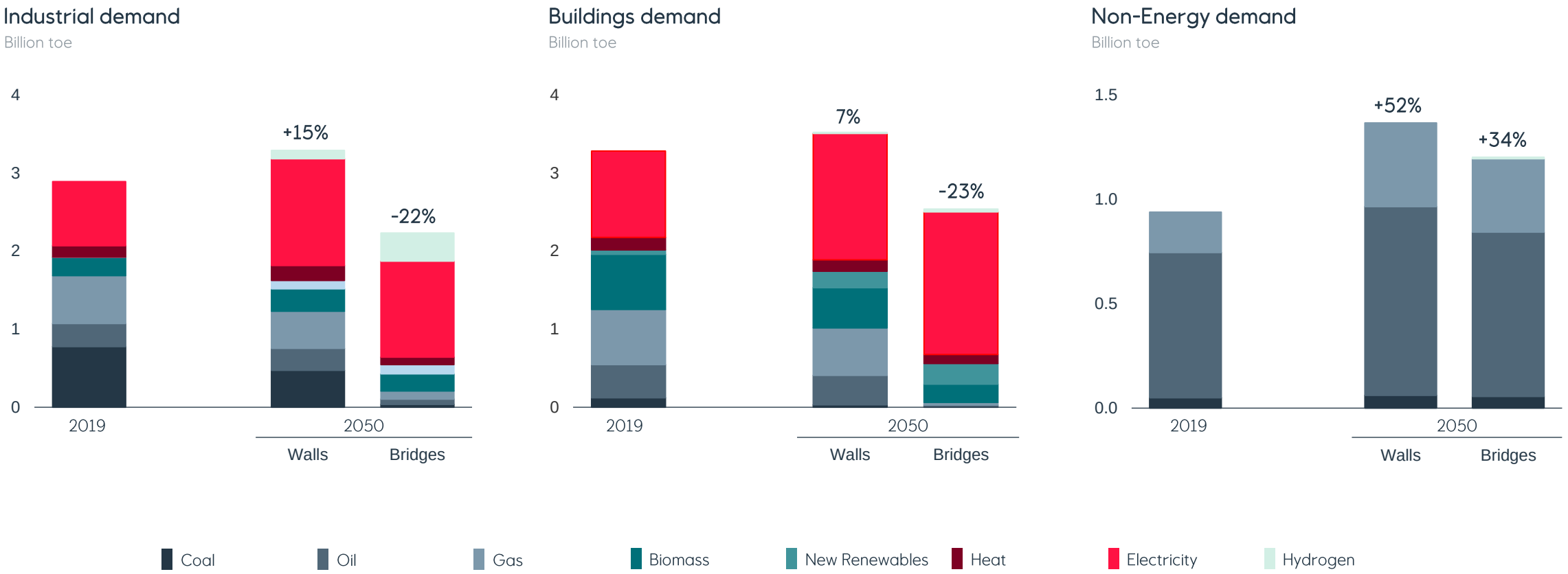


Oil | Gas | Biofuels | Electricity | Hydrogen

Source: IEA (history), Equinor (projections)

Electrification and efficiency improvements are keys in other sectors

Fossil fuels still needed as feedstock

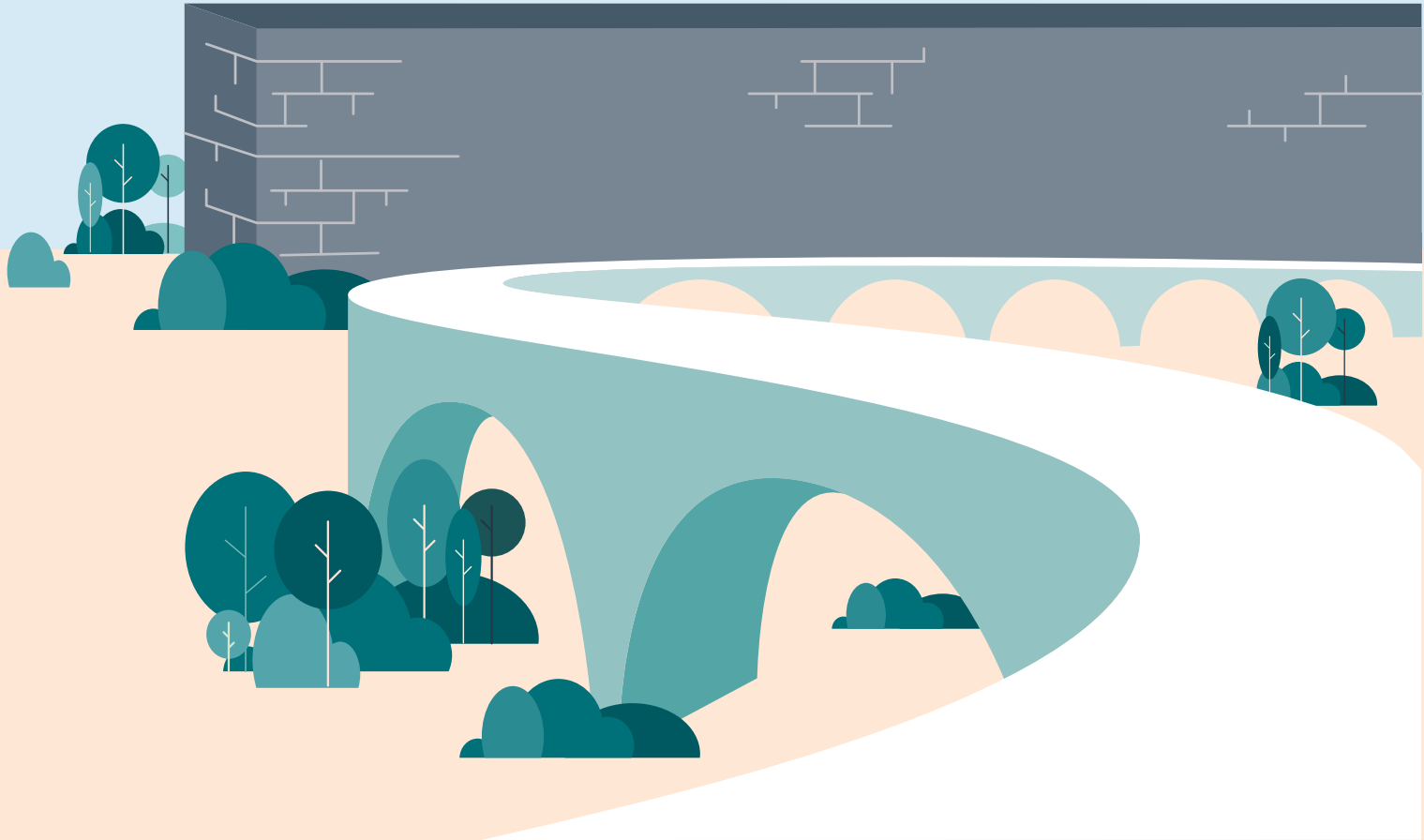


Source: IEA (history), Equinor (projections)

equinor

"We build too many walls and not enough bridges."

- Attributed to Sir Isaac Newton



Thank you