Marathon Oil Corporation

February 15, 2017

Marathon Oil Announces 2017 Capital Program; Accelerating Activity and Raising Long-term Growth Rates for U.S. Resource Plays

HOUSTON, Feb. 15, 2017 (GLOBE NEWSWIRE) --

Marathon Oil Corporation (NYSE: MRO) announced today a 2017 capital program of $2.2 billion with over 90 percent allocated to its high return U.S. resource plays.

2017 Capital Program Highlights:

- Accelerating activity and production growth in Oklahoma and the Bakken
- Returning to sequential growth in U.S. resource plays in 2Q2017
- 15 — 20% U.S. resource play growth (oil & boe) from 4Q2016 to 4Q2017
- Significant cash flow generation expected from Eagle Ford and E.G.

2017 to 2021 production CAGRs at flat $55 WTI (oil & boe):

- Announcing 10 - 12% total Company CAGR, excluding Libya
- Increasing resource play CAGR to 18 - 22%
- Expect to achieve growth rates within cash flows, inclusive of dividends

"We enter 2017 with greater focus and concentration on our excellent opportunities in the U.S. resource plays, and are well positioned to generate high return production growth for our shareholders," Marathon Oil President and CEO Lee Tillman said. "This year's $2.2 billion capital program underscores our strategic shift as we allocate over 90 percent to the U.S. resource plays. We're ramping up activity in Oklahoma as we progress our STACK and SCOOP acreage toward full-field development, and in the Bakken where our enhanced completions recently achieved record results in the basin. Additionally, our Eagle Ford asset will contribute significant free cash flow while continuing to drive operational efficiencies."

North America E&P

Marathon Oil will allocate $2 billion to the U.S. resource plays, which will be split about one-third to each of the three basins with Oklahoma's strategic objectives occupying the Company's first call on capital.

For the Oklahoma Resource Basins, the Company will focus on STACK leasehold retention, STACK delineation and infill pilots in preparation for 2018 full field development. The Company plans to increase its Oklahoma rig count to average approximately 10 rigs, while bringing 90 to 100 gross Company-operated wells to sales. This includes four to five STACK infill pilots and two SCOOP infill pilots to sales, as well as testing additional secondary horizons.

In the Eagle Ford, the Company expects to maintain a six-rig drilling program and bring 155 to 170 gross Company-operated wells to sales. With about two-thirds of the program focused in the high margin oil window, Marathon Oil expects this asset to generate significant free cash flow in 2017. The Company plans to continue optimizing completion techniques with increased proppant and fluid loading, and average lateral lengths.

In the Bakken, Marathon Oil plans to focus on its highest return West and East Myrmidon areas where it completed several basin-leading wells in 2016. The Company will progress multiple enhanced completion trials as well as continuing its focus on optimizing base production, while bringing 70 to 75 gross Company-operated wells to sales. Marathon Oil expects to average approximately six drilling rigs in the Bakken in 2017.

International E&P, OSM and other

Less than 10 percent of the Company's capital program will be allocated to its International E&P business, Oil Sands Mining (OSM), corporate and other. Following last year's completion of the Alba B3 compression project in Equatorial Guinea, that asset is expected to be a significant free cash flow generator in 2017.

Production Guidance

For full year 2017, the Company forecasts production available for sale from the combined North America and International E&P segments, excluding Libya, to average 335,000 to 355,000 net boed, about 5 percent higher than 2016 at the midpoint on a divestiture-adjusted basis. U.S. resource plays are expected to return to sequential growth in second quarter, and exit 2017 with oil and BOE production 15 to 20 percent higher than fourth quarter 2016, providing significant operational momentum into 2018. The Company forecasts 40,000 to 50,000 net barrels per day (bbld) of synthetic crude oil for the OSM segment, in-line with 2016.

First quarter 2017 volumes have been impacted by severe winter weather in North America, as well as scheduled and unscheduled downtime internationally. For first quarter 2017, North America E&P production guidance is expected to average 195,000 to 205,000 net boed and International E&P is expected to average 120,000 to 125,000 net boed, excluding Libya. OSM synthetic crude oil production is expected to range from 45,0000 to 50,000 net bbld in the first quarter 2017.

Accompanying slides pertaining to Marathon Oil's 2017 capital program will be available on the Company's website as soon as practicable following this release today, Feb. 15. The Company will hold a conference call, which will be webcast live, on Thursday, Feb. 16 at 10 a.m. ET. To listen to the live webcast, visit the Marathon Oil website at http://www.marathonoil.com. The audio replay of the webcast will be posted by Feb. 17.

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Definitions:
BOE: Barrels of oil equivalent
CAGR: Compound annual growth rate

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements related to the Company's 2017 capital program and the planned allocation thereof, including planned capital expenditures and reductions, program objectives and flexibility; the Company's operational, financial and growth strategies, including planned projects, drilling plans, rig count, lease management, capital discipline, balance sheet protection, operational flexibility, cost reductions, efficiences and non-core asset sales; the Company's ability to successfully effect those strategies and the expected timing thereof; and the Company's production guidance, compound annual growth rate and internal rates of return. While the Company believes that the assumptions concerning future events are reasonable, a number of factors could cause results to differ materially including, but not limited to: conditions in the oil and gas industry, well produciton timing, availability of drilling rigs, materials and labor, the inability to obtain or delay in obtaining necessary government or third-party approvals and permits; and any non-performance by third parties of their contractual obligations. These forward-looking statements are also affected by the risk factors, forward-looking statements and challenges and uncertainties described in the Company's 2015 Annual Report on Form 10-K and other public filings and press releases, available at www.marathonoil.com*. Except as required by law, the Company undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.*

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