

2017 CAPITAL PROGRAM REMARKS

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[Zach Dailey]

Welcome to a review of Marathon Oil Corporation's 2017 capital program. The synchronized slides that accompany today's review can be found on our website, at MarathonOil.com. We'll conduct a live question and answer webcast on Thursday, February 16th at 9am Central Time.

Slide 2 contains a discussion of forward-looking statements and other information included in this presentation. Our review will contain forward-looking statements subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Please read our disclosures in our SEC filings for additional discussion of these items.

Also participating on this webcast are Lee Tillman, President and CEO and Mitch Little, Executive Vice President, Operations. With that, I'll turn the presentation over to Lee who will begin on slide 3.

[Lee Tillman]

Thanks Zach. We're entering 2017 with a sharpened focus and greater concentration on our excellent opportunities in the U.S. resource plays, and are well positioned to generate high return production growth for our shareholders.

This year's capital program will accelerate activity and value in our U.S. resource plays, where over 90 percent of our \$2.2 billion budget is directed. Our strategic objectives in the STACK play will drive

Oklahoma's growth, where our rig count will more than double this year as we look to prepare for full field development in 2018.

We'll ramp Bakken activity, focusing in our high-return Myrmidon area, and building on last year's success from high intensity completions that generated basin leading well results. And, because of its high oil cut, Bakken is advantaged to capture considerable uplift as returns respond to more constructive pricing.

And finally, the Eagle Ford will become a substantial free cash flow generator as we keep activity at maintenance levels in 2017 while protecting economies of scale and enhancing efficiencies even further.

Our 2017 plan pulls forward quarterly growth in the resource plays to the second quarter, and achieves exit to exit oil growth of 15 to 20 percent in the resource plays from 4Q16 to 4Q17.

This momentum positions us strongly for 2018 and places us on track for the long-term, with new 2017 to 2021 targeted oil and BOE production CAGRs at flat \$55 WTI of 10 to 12 percent for the total Company, excluding Libya, and 18 to 22 percent for the U.S. resource plays, up from our previous guidance of 15 to 20. We plan to achieve these impressive growth rates within cash flow, inclusive of the dividend.

On slide 4, you can see the significant shift in capital allocation as we've continued our transformational journey as an independent E&P. At Marathon Oil, we're driven by a focus on investing in projects with the highest returns, and our successful portfolio management and strategic decisions have enabled us to make considerable progress on this front.

In 2013, only about 2/3 of our capital was allocated to the U.S. resource plays, with a large portion still directed to international, conventional exploration and Oil Sands Mining. Since then, we've divested assets that simply didn't compete for capital, including Angola, Norway, Gulf of Mexico and Wyoming

as well as advancing our exit from the conventional exploration space. We also added an excellent acquisition last summer in the STACK that further enhances the quality and scale of our resource play focused portfolio.

Slide 5 is a closer look at our shift in 2017 capital allocation compared to last year. In 2016, we invested \$1.1 billion of capex, which was down \$300 million from our original budget of \$1.4 billion through an intense focus on capital discipline. We achieved this reduction inclusive of funding the activity acceleration on our acquired STACK acreage as well as the fourth quarter's 50 percent increase in resource play activity to a total of 12 rigs.

In 2017, as we increase the capital program to \$2.2 billion, over 90 percent will be allocated to the U.S. resource plays, up from 80 percent last year. The STACK, SCOOP and Bakken will receive much larger shares of the pie this year as we focus on strategic objectives in Oklahoma and take advantage of Bakken's response to high intensity completions plus its leverage to crude oil pricing. It's also worth noting that the capital directed to the other parts of our business outside the resource plays comprises less than 10 percent of total spend in 2017.

On slide 6, we illustrate our 2017 capital allocation priorities on the left side of the page. At the top of the list, we continue to prioritize leasehold demands and acreage delineation across our STACK position. This year, we'll also rapidly advance our knowledge and understanding of the optimal well spacing in STACK and SCOOP as we drill and complete multiple infill spacing pilots in Oklahoma. Beyond these strategic objectives, we'll be investing in our highest return opportunities, some of which are illustrated on the right side of the page.

Today's diverse inventory includes numerous areas competing very strongly for capital allocation. We've run these wellhead economics at flat \$55 WTI and assumed current well costs, including burdening them with central facilities and field-level G&A.

The top half of the circle is dominated by Oklahoma opportunities, and though driven by the strategic objective to prepare for full field development by 2018, on a purely economic basis, the STACK Meramec oil window sits at the top of the list, with IRRs greater than 90 percent. In that same economic range are opportunities in our West Myrmidon area of the Bakken, which has responded most strongly to higher oil prices and enhanced completions, as well as our Eagle Ford oil. Other areas – STACK volatile oil, SCOOP Woodford and Bakken’s East Myrmidon – all compete very favorably too, and serve to underscore the diversity and breadth of our high return opportunities. I’ll now pass it over to Mitch to discuss these in more detail.

[Mitch Little]

Thanks, Lee. I’ll begin on slide 7 with an overview of what 2017 has in store for our Oklahoma Resource Basins. As Lee mentioned, our first three calls on capital this year reside in Oklahoma, with leasehold, delineation, completion optimization, and downspacing work at the forefront of preparing for full-field development in 2018. To fulfill these objectives, we’ll be nearly tripling our capital allocation to the basin.

We exited 2016 running 5 rigs in the STACK and SCOOP, and plan to increase to a yearly average of approximately 10 rigs. Three rigs will be dedicated to protecting our valuable term lease in the STACK, where we’ll be about 80 percent held by production at the end of 2017. This level of activity will allow us to bring 90 to 100 gross operated wells to sales, over 85 percent of which will be in the STACK.

A meaningful element of our drilling program in Oklahoma this year will be focused on Meramec infill pilots in the STACK. We plan to spud about 7, and bring 4 to 5 pilots to sales this year, beginning with our Yost infill pad in the first quarter where we’re testing our base assumption of six wells per DSU. Within this year’s pilots, we’ll be testing both upper and lower Meramec benches, and currently plan to test up to 9 wells per DSU.

In the SCOOP, we'll also bring two infill pads to sales, one with extended lateral Woodford wells testing 8 wells per section, and one focused in the Springer testing our base assumption of 4 wells per DSU.

The majority of our 2017 program will be focused on development and delineation of our primary targets in the Anadarko Basin: the Meramec, Woodford and Springer; however, we'll also test several secondary targets over the course of the year.

On slide 8, I'll provide an overview of the Eagle Ford asset, where we'll continue our focus on driving efficiencies while operating at scale. We exited 2016 running 6 rigs in the Eagle Ford, and plan to hold that level of activity relatively constant over the course of the year, which will allow us to generate significant free cash flow at current prices. We'll bring between 155 and 170 gross operated wells to sales, about two thirds of which will be in the high margin oil window.

In 2017, we'll build upon our recent higher stage density and higher proppant intensity completion designs in the oil window. Our average proppant loading per foot will increase more than 35 percent above our 2016 average, while fluid loading will see a 20 percent increase per well. Completion designs will continue to include our engineered approach where individual stage parameters are adjusted to account for localized geologic and reservoir properties to maximize capital efficiency. On the drilling side, we'll maintain the structural efficiencies we've already captured while continuing to innovate with a focus on minimizing flat time.

Within operations, we continue to leverage our digital oil field technology. Last year we went live with an advanced SCADA and digital operating control center that allows our field staff to "pump by priority," lowering well site visits from almost daily to as low as once per month. Through application of this technology, we've been able to reduce the number of field operators by over 20 percent, while simultaneously driving increased production efficiency through automated production trend monitoring and automated alerts on our 1,300-plus producing wells.

I'll wrap up the asset overviews on slide 9 with the Bakken. In 2017, we'll be materially increasing activity, with a focus on our highest value inventory in both West and East Myrmidon, where two thirds of the capital will be directed. Our combined Myrmidon positions encompass around 60,000 net acres, and we'll be expanding utilization of our high intensity completion designs, from which we delivered basin-leading results from both the Middle Bakken and Three Forks last year. In 2017, we'll utilize between 6 and 15 million pounds of proppant with a range of 45 to 50 stages per well, while targeting Middle Bakken, 1st and 2nd Three forks benches.

In 2017, we'll also be applying learnings from our enhanced completion designs to our 115,000 net acre position in Hector, where we see potential to provide meaningful uplift to historical well performance. Completion designs will utilize increased fluid – both slickwater and hybrids – and increased proppant loading, as well as higher stage density with plug and perf technology.

We also plan to employ similar completion strategies on up to 25 re-frac candidates, primarily in the Hector area during 2017. Candidates being targeted are primarily, wells that were early vintage open hole completions from about ten years ago. These projects provide excellent returns at current pricing.

I'll wrap up with an overview of our 2017 production guidance on slide 10. Our 2017 total E&P guidance for available for sale volumes is 335,000 to 355,000 BOE per day, up 5 percent from 2016 at the midpoint, on a divestiture-adjusted basis. We are also forecasting 40,000 to 50,000 net barrels per day of synthetic crude oil for the OSM segment, in-line with 2016.

2017 is being underpinned by strong exit-to-exit production growth of 15 to 20 percent in the U.S. resource plays, for both oil and BOE. As Lee mentioned earlier, we'll be returning to quarterly resource play growth in the second quarter.

In the first quarter, we've experienced some unscheduled downtime in North America due to severe winter weather, and estimate production of 195,000 to 205,000 BOE per day for the quarter. Within

our International businesses, we experienced both scheduled and unscheduled downtime in EG and outside operated properties in the UK, which is reflected in our first quarter guidance of 120,000 to 125,000 BOE per day for that segment.

With that, I'll turn it back to Lee for some final comments.

[Lee Tillman]

Thanks Mitch, I'll conclude on slide 11.

Since joining Marathon Oil in 2013, we've been resolute on our path as an independent E&P and have made considerable progress simplifying and concentrating our portfolio to the higher return investment opportunities in the U.S. resource plays. We've divested Norway, Angola, Wyoming, natural gas assets, deepwater, and non-operated businesses. This transformation has allowed us to meaningfully lower our cost structure and reduce risk as well as optimize capital allocation like never before. Though we can't predict pricing, we have the flexibility to adjust as needed and take full advantage of what the market offers—and a strong balance sheet underpins that confidence.

Our 2017 capital program has squarely shifted to where the best opportunities for oil growth in the world exist. We're well positioned to deliver profitable and compelling oil and BOE growth rates while living within our means at current strip pricing levels. We believe a business model built around sustainable, profitable growth within cash flows will deliver excellent long-term results for our shareholders.

That concludes our remarks today. I'd like to thank you for your interest in Marathon Oil, and we look forward to your questions during the live earnings webcast tomorrow, February 16th.