



## First Quarter 2017

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We entered into an agreement to sell our Canadian Oil Sands business in March 2017. The Canadian Oil Sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation of the Canadian Oil Sands business has not yet been audited; therefore, reported values are preliminary.

Additional information regarding Investor Relations,  
Financial Highlights, and News Releases can be  
reviewed on our website at: [www.marathonoil.com](http://www.marathonoil.com)

May 4, 2017

**Segment Income Summary**  
**Marathon Oil Corporation**

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
<b>North America E&amp;P</b>						
Income (loss) before taxes	\$ (307)	\$ (111)	\$ (89)	\$ (136)	\$ (643)	\$ (79)
Income tax provision (benefit)	(112)	(41)	(30)	(45)	(228)	—
<b>Segment income (loss)</b>	(195)	(70)	(59)	(91)	(415)	(79)
<i>Effective tax rate</i>	36 %	37 %	34 %	33 %	35 %	—%
<b>International E&amp;P</b>						
Income (loss) before taxes	(8)	53	78	154	\$ 277	143
Income tax provision (benefit)	(12)	(2)	19	44	49	50
<b>Segment income</b>	4	55	59	110	228	93
<i>Effective tax rate</i>	150 %	(4)%	24 %	29 %	18 %	35 %
<b>SEGMENT TOTAL</b>						
Income (loss) before taxes	(315)	(58)	(11)	18	(366)	64
Income tax provision (benefit)	(124)	(43)	(11)	(1)	(179)	50
<b>Segment income (loss)</b>	\$ (191)	\$ (15)	\$ —	\$ 19	\$ (187)	\$ 14
Segment income (loss) before taxes	\$ (315)	\$ (58)	\$ (11)	\$ 18	\$ (366)	\$ 64
Not allocated to segments - Corporate items						
Net interest and other	(79)	(88)	(89)	(80)	(336)	(78)
General and administrative	(65)	(63)	(61)	(52)	(241)	(55)
Other costs and income	(13)	(24)	(4)	(13)	(54)	(9)
Items not allocated to segments, before income taxes:						
Net gain (loss) on dispositions	(63)	296	38	108	379	-
Proved property impairments	-	-	(47)	-	(47)	-
Unproved property impairments	-	(118)	-	-	(118)	-
Pension settlement	(48)	(31)	(14)	(10)	(103)	(14)
Unrealized gain (loss) on derivative instruments	(23)	(91)	25	(21)	(110)	77
Reduction in workforce	(7)	(1)	-	-	(8)	-
Rig termination payment	-	-	(113)	-	(113)	-
Other	-	(14)	(37)	4	(47)	(1)
Income (loss) from continuing operations before income taxes	(613)	(192)	(313)	(46)	(1,164)	(16)
Benefit (provision) for income taxes before special items	253	54	107	9	423	(34)
Valuation Allowance	-	-	-	(1,346)	(1,346)	-
Benefit (provision) for income taxes	253	54	107	(1,337)	(923)	(34)
Income (loss) from continuing operations	(360)	(138)	(206)	(1,383)	(2,087)	(50)
Income (loss) from discontinued operations <sup>(a)</sup>	(47)	(32)	14	12	(53)	(4,907)
<b>Net income (loss)</b>	\$ (407)	\$ (170)	\$ (192)	\$ (1,371)	\$ (2,140)	\$ (4,957)

<sup>(a)</sup> We entered into an agreement to sell our Canadian Oil Sands business in the first quarter of 2017. The Canadian Oil Sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

**Consolidated Statements of Income**  
**Marathon Oil Corporation**

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
<i>(Dollars in millions except per share data)</i>						
<b>REVENUES AND OTHER INCOME:</b>						
Sales and other revenues, including related party	\$ 566	\$ 685	\$ 781	\$ 898	\$ 2,930	\$ 954
Marketing revenues	46	76	80	38	240	34
Income from equity method investments	14	37	59	65	175	69
Net gain (loss) on disposal of assets	(60)	294	47	108	389	1
Other income	4	11	23	15	53	14
Total revenues and other income	\$ 570	\$ 1,103	\$ 990	\$ 1,124	\$ 3,787	\$ 1,072
<b>COSTS AND EXPENSES:</b>						
Production	187	185	160	180	712	151
Marketing, including purchases from related parties	46	75	80	44	245	34
Other operating	103	87	183	111	484	89
Exploration	24	182	83	34	323	28
Depreciation, depletion and amortization	549	512	522	573	2,156	556
Impairments	1	-	47	19	67	4
Taxes other than income	43	35	35	38	151	39
General and administrative	151	131	104	95	481	109
Total costs and expenses	1,104	1,207	1,214	1,094	4,619	1,010
<b>Income (loss) from operations</b>	(534)	(104)	(224)	30	(832)	62
Net interest and other	(79)	(88)	(89)	(76)	(332)	(78)
<b>Income (loss) from continuing operations before income taxes</b>	(613)	(192)	(313)	(46)	(1,164)	(16)
Estimated income tax provision (benefit)						
Current	42	3	17	33	95	20
Deferred	(295)	(57)	(124)	1,304	828	14
Total provision (benefit) for income taxes	(253)	(54)	(107)	1,337	923	34
<b>Income (loss) from continuing operations</b>	(360)	(138)	(206)	(1,383)	(2,087)	(50)
<b>Income (loss) from discontinued operations</b> <sup>(a)</sup>	(47)	(32)	14	12	(53)	(4,907)
<b>NET INCOME (LOSS)</b>	<b>\$ (407)</b>	<b>\$ (170)</b>	<b>\$ (192)</b>	<b>\$ (1,371)</b>	<b>\$ (2,140)</b>	<b>\$ (4,957)</b>
<i>Effective tax rate on continuing operations</i>	41 %	28 %	34 %	(2,907)%	(79)%	(213)%
<b>Per common share data:</b>						
<b>Basic:</b>						
Weighted average shares (millions)	730	848	847	847	819	849
Income (loss) from continuing operations	\$ (0.49)	\$ (0.16)	\$ (0.24)	\$ (1.63)	\$ (2.55)	\$ (0.06)
Income (loss) from discontinued operations <sup>(a)</sup>	\$ (0.07)	\$ (0.04)	\$ 0.01	\$ 0.01	\$ (0.06)	\$ (5.78)
<b>NET INCOME (LOSS)</b>	<b>\$ (0.56)</b>	<b>\$ (0.20)</b>	<b>\$ (0.23)</b>	<b>\$ (1.62)</b>	<b>\$ (2.61)</b>	<b>\$ (5.84)</b>
<b>Diluted:</b>						
Weighted average shares (millions)	730	848	847	847	819	849
Income (loss) from continuing operations	\$ (0.49)	\$ (0.16)	\$ (0.24)	\$ (1.63)	\$ (2.55)	\$ (0.06)
Income (loss) from discontinued operations <sup>(a)</sup>	\$ (0.07)	\$ (0.04)	\$ 0.01	\$ 0.01	\$ (0.06)	\$ (5.78)
<b>NET INCOME (LOSS)</b>	<b>\$ (0.56)</b>	<b>\$ (0.20)</b>	<b>\$ (0.23)</b>	<b>\$ (1.62)</b>	<b>\$ (2.61)</b>	<b>\$ (5.84)</b>
<b>ADJUSTED INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>\$ (0.37)</b>	<b>\$ (0.23)</b>	<b>\$ (0.11)</b>	<b>\$ (0.11)</b>	<b>\$ (0.78)</b>	<b>\$ (0.13)</b>
<b>ADJUSTED NET INCOME (LOSS)</b>	<b>\$ (0.43)</b>	<b>\$ (0.23)</b>	<b>\$ (0.11)</b>	<b>\$ (0.10)</b>	<b>\$ (0.85)</b>	<b>\$ (0.07)</b>
<b>Dividends paid per common share</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.20</b>	<b>\$ 0.05</b>

<sup>(a)</sup> We entered into an agreement to sell our Canadian Oil Sands business in the first quarter of 2017. The Canadian Oil Sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

**Consolidated Balance Sheets**  
**Marathon Oil Corporation**

<i>(In millions)</i>	Mar. 31 2016	June 30 2016	Sept. 30 2016	Dec.31 2016	Mar. 31 2017
<b>ASSETS</b>					
Current assets:					
Cash & cash equivalents	\$ 1,978	\$ 2,518	\$ 1,788	\$ 2,488	\$ 2,490
Receivables less allowance for doubtful accounts	694	706	687	748	751
Inventories	205	174	131	136	145
Other current assets	106	63	74	66	134
Assets classified as held for sale <sup>(a)</sup>	285	293	362	227	223
Total current assets	3,268	3,754	3,042	3,665	3,743
Equity method investments	959	944	931	931	906
Property, plant and equipment, net	17,589	16,555	16,933	16,727	16,533
Goodwill	115	115	115	115	115
Other noncurrent assets	1,666	1,818	1,841	558	698
Assets classified as held for sale <sup>(a)</sup>	9,271	9,341	9,448	9,098	2,542
Total assets	\$ 32,868	\$ 32,527	\$ 32,310	\$ 31,094	\$ 24,537
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable, including related party	\$ 986	\$ 852	\$ 878	\$ 967	\$ 1,081
Payroll and benefits payable	79	114	121	129	70
Accrued taxes	149	82	66	94	81
Long-term debt due within one year	1	1	1	686	1,541
Other current liabilities	206	221	245	243	222
Liabilities associated with assets held for sale <sup>(a)</sup>	105	112	97	121	104
Total current liabilities	1,526	1,382	1,408	2,240	3,099
Long-term debt	7,272	7,272	7,269	6,581	5,723
Deferred income taxes	695	719	721	769	800
Defined benefit postretirement plan obligations	446	409	400	345	365
Asset retirement obligations	1,521	1,503	1,512	1,602	1,622
Deferred credits and other liabilities	261	289	269	225	221
Liabilities associated with assets held for sale <sup>(a)</sup>	1,796	1,800	1,809	1,791	123
Total liabilities	13,517	13,374	13,388	13,553	11,953
<b>TOTAL STOCKHOLDERS' EQUITY</b>	19,351	19,153	18,922	17,541	12,584
Total liabilities and stockholders' equity	\$ 32,868	\$ 32,527	\$ 32,310	\$ 31,094	\$ 24,537
Net shares outstanding at Balance Sheet date	848	848	847	847	850
Cash and short-term investments-adjusted debt-to-capital ratio	21 %	20 %	22 %	21 %	28 %

(a) Assets and liabilities of our Canadian business is presented as held for sale in the consolidated balance sheets in all periods presented. The assets held of sale presentation has not yet been audited; therefore, reported values are preliminary.

**Consolidated Statements of Cash Flows (YTD)**  
**Marathon Oil Corporation**

<i>(In millions)</i>	Mar. 31 2016	June 30 2016	Sept. 30 2016	Dec.31 2016	Mar.31 2017
<b>OPERATING ACTIVITIES:</b>					
Net income (loss)	\$ (407)	\$ (577)	\$ (769)	\$ (2,140)	\$ (4,957)
Adjustments to reconcile to net cash provided from operating activities:					
Discontinued operations <sup>(a)</sup>	47	79	65	53	4,907
Depreciation, depletion and amortization	549	1,060	1,582	2,155	556
Impairments	1	1	48	67	4
Unproved property impairments	11	159	196	220	20
Net (gain) loss on disposal of assets	60	(234)	(281)	(389)	(1)
Deferred income taxes	(295)	(352)	(476)	828	14
Net (gain) loss on derivative instruments	2	90	48	63	(77)
Net cash received (paid) in settlement of derivative instruments	32	44	51	61	(7)
Pension and other postretirement benefits, net	14	14	2	(3)	(9)
Stock based compensation	13	26	37	48	14
Equity method investments, net	30	22	26	17	13
Changes in:					
Current receivables	106	92	125	67	(1)
Inventories	4	25	69	64	(10)
Current accounts payable and accrued expenses	(107)	(207)	(212)	(137)	(1)
All other - net	9	25	15	(73)	36
<b>Net cash provided by continuing operations</b>	<b>69</b>	<b>267</b>	<b>526</b>	<b>901</b>	<b>501</b>
<b>INVESTING ACTIVITIES:</b>					
Additions to property, plant and equipment	(441)	(728)	(949)	(1,204)	(283)
Acquisitions	-	-	(902)	(902)	-
Deposit for acquisition	-	(89)	-	-	(180)
Disposal of assets	17	758	837	1,219	-
Equity method investments - return of capital	14	37	47	55	12
All other - net	2	2	2	(1)	1
<b>Net cash used in continuing operations</b>	<b>(408)</b>	<b>(20)</b>	<b>(965)</b>	<b>(833)</b>	<b>(450)</b>
<b>FINANCING ACTIVITIES:</b>					
Debt - net	-	-	(1)	(1)	-
Stock Issuance	1,232	1,236	1,236	1,236	-
Stock Repurchases	-	(4)	(5)	(6)	(7)
Dividends paid	(34)	(77)	(119)	(162)	(42)
All other - net	-	-	-	1	(1)
<b>Net cash provided by (used in) financing activities</b>	<b>1,198</b>	<b>1,155</b>	<b>1,111</b>	<b>1,068</b>	<b>(50)</b>
<b>CASH FLOW FROM DISCONTINUED OPERATIONS: <sup>(a)</sup></b>					
Operating Activities	5	(11)	97	177	95
Investing Activities	(13)	(25)	(34)	(41)	(9)
<b>Changes in cash included in current assets held for sale</b>	<b>8</b>	<b>36</b>	<b>(63)</b>	<b>100</b>	<b>(86)</b>
<b>Net increase (decrease) in cash and cash equivalents from discontinued operations</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>236</b>	<b>—</b>
<b>Effect of exchange rate changes on cash</b>	<b>-</b>	<b>(3)</b>	<b>(3)</b>	<b>(4)</b>	<b>1</b>
<b>Net increase (decrease) in cash and cash equivalents from continuing operations</b>	<b>859</b>	<b>1,399</b>	<b>669</b>	<b>1,368</b>	<b>2</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,119</b>	<b>1,119</b>	<b>1,119</b>	<b>1,119</b>	<b>2,488</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,978</b>	<b>\$ 2,518</b>	<b>\$ 1,788</b>	<b>\$ 2,488</b>	<b>\$ 2,490</b>

<sup>(a)</sup> We entered into an agreement to sell our Canadian Oil Sands business in the first quarter of 2017. The Canadian Oil Sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

**Net Property, Plant and Equipment**  
**Marathon Oil Corporation**

<i>(In millions)</i>	Dec. 31 2016	Mar.31 2017
North America E&P	\$ 14,158	\$ 14,025
International E&P	2,470	2,419
Corporate	99	89
Total	\$ 16,727	\$ 16,533

(a) Excludes \$8,991 and \$2,449 million for Oil Sands Mining, as they are reflected as held for sale for all periods presented.

**North America E&P Supplemental Financial Data**  
**Marathon Oil Corporation**

<i>(Dollars in millions except per BOE statistics)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
<b>Sales and Other Revenues</b>	\$ 493	\$ 617	\$ 604	\$ 661	\$ 2,375	\$ 674
<b>Segment Income (Loss)</b>	(195)	(70)	(59)	(91)	(415)	(79)
<b>DD&amp;A <sup>(a)</sup></b>	487	433	443	472	1,835	472
<b>Capital Expenditures <sup>(b)</sup></b>	315	153	216	252	936	349
<b>Exploration Expense</b>						
Exploratory dry well costs and unproved property impairments	11	28	30	29	98	20
G&G and Other	7	9	5	8	29	6
Total exploration expense	18	37	35	37	127	26
<b>Costs and Expenses per BOE</b>						
Production	\$ 6.17	\$ 6.28	\$ 5.70	\$ 5.66	\$ 5.96	\$5.79
Other operating <sup>(c)</sup>	5.38	4.80	4.29	6.25	5.18	5.75
Taxes other than income	1.95	1.69	1.75	1.94	1.83	2.07
Exploration	0.82	1.82	1.80	1.86	1.56	1.41
DD&A <sup>(a)</sup>	22.39	21.16	22.37	24.12	22.49	25.15
<b>North America E&amp;P income (loss) per BOE</b>	\$ (8.97)	\$ (3.44)	\$ (2.97)	\$ (4.57)	\$ (5.07)	\$ (4.23)

<sup>(a)</sup> DD&A expense and DD&A costs per BOE are based upon volumes sold.

<sup>(b)</sup> Includes accruals.

<sup>(c)</sup> Includes Shipping and Handling, General and Administrative, and Other Operating expenses.

**North America E&P Sales Volumes  
Marathon Oil Corporation**

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
Net liquid hydrocarbon sales (mmbld)						
Crude oil and condensate						
Oklahoma Resource Basins	5	6	11	13	9	12
Bakken	47	44	44	41	44	39
Eagle Ford	70	61	54	54	60	59
All other North America <sup>(a)</sup>	25	24	13	13	18	8
Total crude oil and condensate	147	135	122	121	131	118
Natural gas liquids						
Oklahoma Resource Basins	7	8	11	11	9	13
Bakken	6	5	6	6	6	5
Eagle Ford	25	23	22	20	22	20
All other North America <sup>(a)</sup>	1	2	3	2	3	2
Total natural gas liquids	39	38	42	39	40	40
Total liquid hydrocarbons						
Oklahoma Resource Basins	12	14	22	24	18	25
Bakken	53	49	50	47	50	44
Eagle Ford	95	84	76	74	82	79
All other North America <sup>(a)</sup>	26	26	16	15	21	10
Total liquid hydrocarbons	186	173	164	160	171	158
Net natural gas sales (mmcf)						
Oklahoma Resource Basins	89	82	116	123	102	115
Bakken	25	24	25	26	25	21
Eagle Ford	154	150	127	119	137	122
All other North America <sup>(a)</sup>	47	54	47	47	50	46
Total natural gas	315	310	315	315	314	304
Total net sales (mboed)	239	224	216	212	223	208

<sup>(a)</sup> Conventional onshore U.S. production.



**North America E&P Price Realizations**  
**Marathon Oil Corporation**

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
Average price realizations (excluding hedging)						
Liquid hydrocarbon price realizations (\$ per bbl)						
Crude oil and condensate						
Oklahoma Resource Basins	\$ 29.74	\$ 41.55	\$ 42.04	\$ 46.30	\$ 41.78	\$ 49.07
Bakken	28.78	42.00	41.25	46.28	39.25	48.75
Eagle Ford	28.65	41.21	41.67	45.96	38.76	48.18
All other North America <sup>(a)</sup>	25.66	37.27	39.89	43.78	34.93	48.24
North America crude oil and condensate	28.21	40.77	41.35	45.89	38.57	48.46
Natural gas liquids						
Oklahoma Resource Basins	\$ 11.86	\$ 14.88	\$ 13.87	\$ 20.79	\$ 15.84	\$ 22.59
Bakken	3.47	7.73	10.63	11.97	8.56	15.35
Eagle Ford	7.05	15.68	11.45	16.34	12.40	18.12
All other North America <sup>(a)</sup>	23.47	23.64	22.50	24.56	23.51	21.52
North America natural gas liquids	8.12	14.84	12.44	17.31	13.15	19.33
Total liquid hydrocarbons						
Oklahoma Resource Basins	\$ 19.41	\$ 25.57	\$ 27.60	\$ 34.28	\$ 28.15	\$ 35.47
Bakken	26.00	38.38	37.33	41.96	35.65	44.79
Eagle Ford	23.02	34.31	32.81	38.16	31.61	40.49
All other North America <sup>(a)</sup>	25.51	36.27	37.91	41.69	33.96	43.81
Total North America liquid hydrocarbons	24.00	35.07	34.00	39.00	32.71	41.13
Realized gain (loss) on crude oil commodity derivatives per barrel of liquid hydrocarbon sold	\$ 1.64	\$ 0.12	\$ 1.55	\$ 0.32	\$ 0.92	\$ 0.34
Natural gas price realizations (\$ per mcf)						
Oklahoma Resource Basins	2.03	1.92	2.74	2.90	2.47	3.16
Bakken	2.09	1.77	1.95	2.63	2.12	3.27
Eagle Ford	1.98	2.02	2.72	2.91	2.37	2.85
All other North America <sup>(a)</sup>	2.10	1.95	2.73	2.82	2.38	3.03
North America natural gas	2.02	1.96	2.67	2.87	2.38	3.02
North America average price realizations (\$ per boe)	\$ 21.39	\$ 29.70	\$ 29.58	\$ 33.61	\$ 28.39	\$ 35.54
Market prices						
NYMEX prompt WTI oil (\$/bbl)	\$ 33.63	\$ 45.64	\$ 44.94	\$ 49.29	\$ 43.47	\$ 51.78
NYMEX settlement natural gas (\$/mcf)	2.09	1.95	2.81	2.98	2.46	3.32
Bloomberg Mont Belvieu NGL (\$/bbl) <sup>(b)</sup>	13.95	17.52	17.04	20.96	17.40	22.93

<sup>(a)</sup> Conventional onshore U.S. production.

<sup>(b)</sup> Bloomberg Finance LLP: Y-grade Mix NGL of 50% ethane, 25% propane, 10% butane, 5% isobutane and 10% natural gasoline.

**International E&P Supplemental Financial Data**  
**Marathon Oil Corporation**

<i>(Dollars in millions except per BOE statistics)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
<b>Sales and Other Revenues</b>	\$ 96	\$ 159	\$ 152	\$ 258	\$ 665	\$ 203
<b>Segment Income</b>	4	55	59	110	228	93
<b>DD&amp;A <sup>(a)</sup></b>	50	68	66	92	276	75
<b>Capital Expenditures <sup>(b)</sup></b>	32	12	18	20	82	9
<b>Exploration Expense</b>						
Exploratory dry well costs and unproved property impairments	—	2	7	(6)	3	—
G&G & Other	6	2	3	3	14	2
Total exploration expense	6	4	10	(3)	17	2
<b>Costs and Expenses per BOE, from Operations</b>						
Production	\$ 6.08	\$ 5.09	\$ 4.05	\$ 5.23	\$ 5.05	\$ 3.72
Other operating <sup>(c)</sup>	1.79	2.08	1.58	1.59	1.75	1.87
Exploration	0.70	0.38	0.85	(0.23)	0.38	0.12
DD&A <sup>(a)</sup>	5.68	6.22	5.72	6.96	6.21	6.61
<b>International E&amp;P income per BOE</b>	\$ 0.44	\$ 5.10	\$ 5.13	\$ 8.14	\$ 5.11	\$ 8.12
<b>Equatorial Guinea</b>						
EG Income before DD&A, Tax, and Exploration <sup>(d)</sup>	69	126	174	163	532	161

<sup>(a)</sup> DD&A expense and DD&A costs per BOE are based upon volumes sold.

<sup>(b)</sup> Includes accruals.

<sup>(c)</sup> Includes Shipping and Handling, General and Administrative, and Other Operating expenses.

<sup>(d)</sup> See "Non-GAAP Reconciliations".

**International E&P Sales Volumes**  
**Marathon Oil Corporation**

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	Year 2017
Net liquid hydrocarbon sales (mmbld)						
Crude oil and condensate						
Equatorial Guinea	16	19	26	20	20	18
Libya	—	—	—	10	3	12
United Kingdom	7	14	6	22	12	6
Total crude oil and condensate	23	33	32	52	35	37
Natural gas liquids						
Equatorial Guinea	9	11	12	12	11	12
United Kingdom	—	—	—	—	—	1
Total natural gas liquids	9	11	12	12	11	13
Total liquid hydrocarbon						
Equatorial Guinea	25	30	38	32	31	29
Libya	—	—	—	10	3	12
United Kingdom	7	14	6	22	12	7
Total liquid hydrocarbon liftings	32	44	44	64	46	50
Net natural gas sales (mmcf)						
Equatorial Guinea	351	430	462	454	425	438
United Kingdom <sup>(a)</sup>	31	27	27	28	28	23
Total natural gas	382	457	489	482	453	461
Total international (mboed)	96	120	126	145	122	126
Net sales volumes of Equity Method Investees <sup>(b)</sup>						
LNG (mtd)	4,322	5,797	6,620	6,743	5,874	6,147
Methanol (mtd)	1,280	1,303	1,529	1,316	1,358	1,307
Condensate & LPG (boed)	10,208	11,306	16,766	15,381	13,430	14,546

<sup>(a)</sup> Includes gas acquired for injection and subsequent resale.

<sup>(b)</sup> LNG, methanol, and condensate & LPG sales from Equatorial Guinea are conducted through equity method investees.

**International E&P Price Realizations  
Marathon Oil Corporation**

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
Average price realizations						
Liquid hydrocarbon price realizations (\$ per bbl)						
Crude oil and condensate						
Equatorial Guinea	\$ 30.93	\$ 41.46	\$ 39.70	\$ 41.60	\$ 38.85	\$ 43.27
Libya	—	—	—	57.69	57.69	58.36
United Kingdom	30.72	43.25	49.82	45.18	43.21	56.51
International crude oil and condensate	30.95	42.21	41.45	46.14	41.70	50.41
Natural gas liquids						
Equatorial Guinea	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
United Kingdom	23.56	25.99	26.36	32.58	26.41	38.99
International natural gas liquids	2.20	2.65	1.93	1.72	2.11	3.86
Total liquid hydrocarbons						
Equatorial Guinea	\$ 20.43	\$ 27.28	\$ 27.44	\$ 26.60	\$ 25.78	\$ 26.52
Libya	—	—	—	57.69	57.69	58.36
United Kingdom	30.20	42.32	48.01	45.02	42.52	53.98
Total International liquid hydrocarbons	22.66	32.11	30.40	37.85	32.10	38.64
Natural gas price realizations (\$ per mcf)						
Equatorial Guinea	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
United Kingdom	4.61	5.06	4.19	5.39	4.80	6.33
International natural gas	0.60	0.53	0.46	0.53	0.52	0.55
International average price realizations (\$ per boe)	\$ 10.00	\$ 13.74	\$ 12.48	\$ 18.76	\$ 14.19	\$ 17.15
Market prices						
Brent (Europe) Oil (\$/bbl)	\$ 33.70	\$ 45.52	\$ 45.79	\$ 49.19	\$ 43.55	\$ 53.68

**Discontinued Operations - Canadian Oil Sands Business  
Marathon Oil Corporation**

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
<b>Sales and Other Revenues</b> <sup>(a)</sup>	\$ 160	\$ 199	\$ 239	\$ 264	\$ 862	\$ 258
<b>Costs and Expenses</b> <sup>(a)</sup>						
Production	141	165	135	160	601	151
Marketing, including purchases from related parties	12	13	—	12	37	—
Other operating	6	7	7	6	26	7
Exploration	—	7	—	—	7	—
Depreciation, depletion and amortization	60	49	71	58	238	39
Impairments	—	—	—	—	—	6,636
Taxes other than income	4	5	4	5	18	5
General and administrative	1	—	1	—	2	1
Net Interest and other	6	(3)	(1)	1	3	—
<b>Total Costs and Expenses</b>	230	243	217	242	932	6,839
<b>Pretax income (loss) from discontinued operations</b> <sup>(a)</sup>	(70)	(44)	22	22	(70)	(6,581)
<b>Provision (benefit) for income taxes</b> <sup>(a)</sup>	(23)	(13)	9	10	(17)	(1,674)
<b>Income (loss) from discontinued operations</b> <sup>(a)</sup>	(47)	(31)	13	12	(53)	(4,907)
Net synthetic crude oil production (mmbld)	49	40	58	47	48	45
Net synthetic crude oil sales (mmbld)	59	49	65	62	59	60
Synthetic crude oil average realization (\$/bbl)	\$ 26.41	\$ 40.88	\$ 39.59	\$ 43.35	\$ 37.57	\$ 47.63
OPEX per synthetic barrel (before royalties) (\$/bbl) <sup>(b)</sup>	\$ 28.80	\$ 39.02	\$ 20.69	\$ 26.52	\$ 27.89	\$ 26.02

<sup>(a)</sup> The Company entered into an agreement to sell our Canadian oil sands business in first quarter 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

<sup>(b)</sup> OPEX per synthetic barrel (before royalties) includes direct production costs (minus pre-development), shipping and handling, and taxes other than income.

**Non-GAAP Reconciliations  
Marathon Oil Corporation**

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
Net income (loss) from continuing operations	\$ (360)	\$ (138)	\$ (206)	\$ (1,383)	\$ (2,087)	\$ (50)
Adjustments for special items (pre-tax):						
(Gain) loss on dispositions	63	(296)	(38)	(108)	(379)	-
Proved property impairments	-	-	47	-	47	-
Unproved property impairments	-	118	-	-	118	-
Pension settlement	48	31	14	10	103	14
Unrealized (gain) loss on derivative instruments	23	91	(25)	21	110	(77)
Reduction in workforce	7	1	-	-	8	-
Rig termination payment	-	-	113	-	113	-
Other	-	14	37	(4)	47	1
Valuation Allowance	-	-	-	1,346	1,346	-
Provision (benefit) for income taxes related to special items from continuing operations	(51)	15	(53)	23	(66)	-
<b>Adjusted net income from continuing operations <sup>(a)</sup></b>	<b>\$ (270)</b>	<b>\$ (196)</b>	<b>\$ (97)</b>	<b>\$ (95)</b>	<b>\$ (640)</b>	<b>\$ (112)</b>

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
Net income (loss)	\$ (407)	\$ (170)	\$ (192)	\$ (1,371)	\$ (2,140)	\$ (4,957)
Adjustments for special items from continuing operations (pre-tax):						
Net (gain) loss on dispositions	63	(296)	(38)	(108)	(379)	-
Proved property impairments	-	-	47	-	47	-
Unproved property impairments	-	118	-	-	118	-
Pension settlement	48	31	14	10	103	14
Unrealized (gain) loss on derivative instruments	23	91	(25)	21	110	(77)
Reduction in workforce	7	1	-	-	8	-
Rig termination payment	-	-	113	-	113	-
Other	-	14	37	(4)	47	1
Valuation allowance	-	-	-	1,346	1,346	-
Provision (benefit) for income taxes related to special items from continuing operations	(51)	15	(53)	23	(66)	-
Adjustments for special items from continuing operations	\$ 90	\$ (26)	\$ 95	\$ 1,288	\$ 1,447	\$ (62)
Adjustments for special items from discontinued operations (pre-tax):						
Canada oil sands business impairment <sup>(b)</sup>	-	-	-	-	-	6,636
Provision (benefit) for income taxes related to special items from discontinued operations	-	-	-	-	-	(1,674)
<b>Adjusted net income <sup>(a)</sup></b>	<b>\$ (317)</b>	<b>\$ (196)</b>	<b>\$ (97)</b>	<b>\$ (83)</b>	<b>\$ (693)</b>	<b>\$ (57)</b>

<i>Cash Flows (YTD)</i>	Mar. 31 2016	June 30 2016	Sept. 30 2016	Dec. 31 2016	Mar. 31 2017
Net cash provided by operating activities from continuing operations	\$ 69	\$ 267	\$ 526	\$ 901	\$ 501
Changes in:					
Current receivables	106	92	125	67	(1)
Inventories	4	25	69	64	(10)
Current accounts payable and accrued expenses	(107)	(207)	(212)	(137)	(1)
<b>Net cash provided by operating activities from continuing operations before changes in working capital <sup>(a)</sup></b>	<b>\$ 66</b>	<b>\$ 357</b>	<b>\$ 544</b>	<b>\$ 907</b>	<b>\$ 513</b>

<sup>(a)</sup> Non-GAAP financial measure.

<sup>(b)</sup> The Company entered into an agreement to sell our Canadian oil sands business in first quarter 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

**Non-GAAP Reconciliations  
Marathon Oil Corporation**

<i>(Dollars in millions)</i>
<b>Equity Method Investments</b>
Income from equity method investments
+ Depreciation, Depletion and Amortization
+Tax
<b>Income from equity method investments before DD&amp;A and Tax (EBITDA) <sup>(a)</sup></b>

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
\$ 14	\$ 37	\$ 59	\$ 65	\$ 175	\$ 69
22	25	25	25	97	23
2	5	10	11	28	14
<b>38</b>	<b>67</b>	<b>94</b>	<b>101</b>	<b>300</b>	<b>106</b>

<b>Equatorial Guinea</b>
EG - Income from equity method investments
EG - Net income excl. equity method investments
EG Total Net Income
All Other International E&P Segment Income
Total International E&P Segment Income
EG Total Net Income
+ Depreciation, Depletion and Amortization
+Tax
+Exploration
<b>EG Net Income before DD&amp;A, Tax, and Exploration (EBITDAX) <sup>(a)</sup></b>

14	37	59	65	175	69
4	26	31	16	77	18
18	63	90	81	252	87
(14)	(8)	(31)	29	(24)	6
4	55	59	110	228	93
18	63	90	81	252	87
44	49	60	59	212	54
6	14	24	23	67	20
1	—	—	—	1	—
<b>69</b>	<b>126</b>	<b>174</b>	<b>163</b>	<b>532</b>	<b>161</b>

Total Company provision (benefit) for income taxes (excluding discontinued operations)
Segment provision (benefit) for income taxes
Provision (benefit) for Income Taxes not allocated to Segments excluding impacts of Special Items
Valuation Allowance (special item)
<b>Provision (benefit) for income taxes related to special items from continuing operations</b>

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017
\$ (253)	\$ (54)	\$ (107)	\$ 1,337	\$ 923	\$ 34
(124)	(43)	(11)	(1)	(179)	50
(78)	(26)	(43)	2,661	2,514	(16)
—	—	—	(1,346)	(1,346)	—
<b>(51)</b>	<b>15</b>	<b>(53)</b>	<b>23</b>	<b>(66)</b>	<b>—</b>

Consolidated effective tax expense (benefit) rate on continuing operations
Adjustments to consolidated effective tax rate:
Impact of Libyan operations
Valuation Allowance
<b>Consolidated effective tax expense (benefit) rate on continuing operations rate excluding Libya and Valuation Allowance recorded</b>

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	YTD 2016	1st Qtr 2017
(41)%	(28)%	(34)%	2,907 %	79 %	213 %
1 %	3 %	3 %	(1,444)%	—%	(229)%
—%	—%	—%	(1,512)%	(115)%	—%
<b>(40)%</b>	<b>(25)%</b>	<b>(31)%</b>	<b>(49)%</b>	<b>(36)%</b>	<b>(16)%</b>

<b>E&amp;P</b>			
<b>Average NYMEX Prompt WTI Oil Prices</b>			
(\$/barrel)	2015	2016	2017
JAN	47.33	31.78	52.61
FEB	50.73	30.62	53.46
MARCH	47.85	37.96	49.67
APR	54.63	41.13	
MAY	59.37	46.80	
JUNE	59.83	48.85	
JULY	50.93	44.80	
AUG	42.89	44.80	
SEPT	45.47	45.23	
OCT	46.29	49.94	
NOV	42.92	45.76	
DEC	37.33	52.17	
<b>AVG</b>	<b>48.76</b>	<b>43.47</b>	<b>51.78</b>

<b>E&amp;P</b>			
<b>Average NYMEX Settlement Natural Gas Prices</b>			
(\$/mmbtu)	2015	2016	2017
JAN	3.19	2.37	3.93
FEB	2.87	2.19	3.39
MARCH	2.89	1.71	2.63
APR	2.59	1.90	
MAY	2.52	2.00	
JUNE	2.82	1.96	
JULY	2.77	2.92	
AUG	2.89	2.67	
SEPT	2.64	2.85	
OCT	2.56	2.95	
NOV	2.03	2.76	
DEC	2.21	3.23	
<b>AVG</b>	<b>2.66</b>	<b>2.46</b>	<b>3.32</b>

<b>E&amp;P</b>			
<b>Average Brent (Europe) Oil Prices</b>			
(\$/barrel)	2015	2016	2017
JAN	47.76	30.70	54.58
FEB	58.10	32.18	54.87
MARCH	55.89	38.21	51.59
APR	59.52	41.58	
MAY	64.08	46.74	
JUNE	61.48	48.25	
JULY	56.56	44.95	
AUG	46.52	45.84	
SEPT	47.62	46.57	
OCT	48.43	49.52	
NOV	44.27	44.73	
DEC	37.97	53.32	
<b>AVG</b>	<b>52.35</b>	<b>43.55</b>	<b>53.68</b>

<b>E&amp;P</b>			
<b>Average Bloomberg<sup>(a)</sup> Mont Belvieu Natural Gas Liquids Prices</b>			
(\$/barrel)	2015	2016	2017
JAN	17.29	12.81	23.08
FEB	19.20	13.30	25.42
MARCH	18.68	15.53	20.75
APR	18.83	16.23	
MAY	17.90	17.85	
JUNE	16.30	18.46	
JULY	15.96	16.95	
AUG	15.14	16.47	
SEPT	16.47	17.76	
OCT	16.89	20.87	
NOV	16.35	18.92	
DEC	14.61	23.09	
<b>AVG</b>	<b>16.94</b>	<b>17.40</b>	<b>22.93</b>

<b>E&amp;P</b>			
<b>Average Bloomberg<sup>(a)</sup> Conway Natural Gas Liquids Prices</b>			
(\$/barrel)	2015	2016	2017
JAN	16.93	12.19	24.20
FEB	18.60	12.46	23.37
MARCH	17.67	13.84	18.95
APR	17.20	15.29	
MAY	16.12	16.89	
JUNE	14.79	17.45	
JULY	13.93	15.28	
AUG	13.68	15.00	
SEPT	15.50	16.42	
OCT	15.82	20.01	
NOV	15.10	18.24	
DEC	13.57	22.72	
<b>AVG</b>	<b>15.70</b>	<b>16.35</b>	<b>22.00</b>

<b>E&amp;P</b>			
<b>Average Bloomberg<sup>(b)</sup> LLS St. James</b>			
(\$/barrel)	2015	2016	2017
JAN	48.82	32.83	54.03
FEB	55.30	32.47	55.14
MARCH	54.38	40.08	51.39
APR	60.70	42.59	
MAY	64.96	48.72	
JUNE	63.24	50.60	
JULY	54.72	46.42	
AUG	47.12	46.32	
SEPT	48.62	46.83	
OCT	47.33	51.36	
NOV	44.39	46.69	
DEC	38.90	53.53	
<b>AVG</b>	<b>52.33</b>	<b>45.02</b>	<b>53.39</b>

(a) Bloomberg Finance LLP: Y-grade Mix NGL of 50% ethane, 25% propane, 10% butane, 5% isobutane and 10% natural gasoline

(b) Bloomberg Finance LLP: LLS St. James