FIRST QUARTER 2017 EARNINGS REVIEW REMARKS

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[Zach Dailey]

Welcome to Marathon Oil Corporation's first quarter earnings review. The synchronized slides that accompany this review can be found on our website, at MarathonOil.com. Additionally, we'll conduct a live question and answer webcast on Friday, May 5th at 8 am 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.

Reconciliations of the non-GAAP financial measures we discuss can be found in the quarterly information package on our website.

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. I'd also like to extend my welcome to those listening. We are off to a strong start in 2017 with transformative portfolio moves to enter the Northern Delaware basin and exit the Canadian oil sands that have further simplified and concentrated our portfolio to the high return, high margin U.S. resource plays. With these transactions, we have accelerated our strategic intent and now enjoy a differentiated position in four of the lowest cost oil rich U.S. resource basins, which has us well positioned to deliver long-term shareholder value.

Today we've raised our 2017 annual E&P production guidance range by 5,000 BOE per day, primarily as a result of our entry into the Northern Delaware. This new 2017 range of 340,000 – 360,000 BOE per day represents a 6 percent annual increase at the midpoint from 2016 levels, adjusted for divestitures. With solid operational execution and strong well results in the first quarter, we held resource play production flat sequentially, which sets us up to resume production growth there in the second quarter.

Finally, we've raised our resource play exit-to-exit production growth guidance from 15 to 20 percent to 20 to 25 percent, for both oil and BOE, which underscores our execution confidence in our four US resource basins and provides us excellent momentum for 2018.

Our benchmark case at flat $55 WTI for longer term compound annual production growth of 10-12 percent total Company and 18-22 percent for the resource plays from 2017 through 2021 is fully supported by our enhanced portfolio. However, we just closed on BC Operating this week, and though we have clear line of sight on 2017 plans for Northern Delaware, we're still integrating and optimizing across all four unconventional basins for 2018 and beyond.

It was a busy first quarter for us, where we delivered strong operational results, enhanced our portfolio, and made great progress executing on the plans we laid out in February. On slide 4, I'll dive into a few of the highlights from the quarter.

North America E&P production of 208,000 BOE per day was above the top end of guidance, underpinned by sequential growth in the Eagle Ford. We achieved cash flow neutrality in the quarter, inclusive of our $180 million acquisition deposit, while successfully increasing our resource play rig count from 12 to 20. Our rig count today stands at 22, which includes our rig in Northern Delaware.

We’re making great progress towards preparing the STACK for full-field development and have brought our first operated STACK infill spacing pilot online, the Yost, with average 30 day IP of just under 1,000 BOE per day. We also brought 4 Bakken wells to sales during the first quarter in the East Myrmidon area with an average 30 day IP of 1,875 BOE per day. And as I mentioned, the Eagle Ford had an excellent quarter with sequential oil equivalent production rising 5 percent and oil volumes rising 7 percent.

Finally, we continued our portfolio transformation, further aligning with our business strategy. We announced two Permian basin acquisitions for 91,000 net surface acres, primarily in the Northern Delaware, for a total of $1.8 billion and the divestiture of our Canadian oil sands business for $2.5 billion, excluding closing adjustments. These moves replace a high cost, non-operated, no-growth asset with a strong foothold in one of the lowest cost, highest margin oil rich resource plays in the U.S.

Slide 5 shows our total company cash flow for the quarter and our ending cash balance. Operating cash flow from continuing operations before changes in working capital was over $500 million, more than offsetting capital expenditures and the dividend. Capital expenditures for first quarter reflect the early phase of our resource play activity ramp and we expect our capital spend to increase to a more ratable value in second quarter consistent with our full year $2.4 billion capital program.

And as the chart shows, we were able to increase our cash balance even after paying deposits of $180 million related to the recent acquisitions.

This all contributed to an ending cash balance of approximately $2.5 billion which, when combined with our undrawn revolving credit facility, results in total liquidity of $5.8 billion.

Our cost focus in all elements of our business continues to contribute to our overall financial performance. Turning to slide 6, we continue to see cost reductions in our North America E&P segment with about a 20 percent reduction in absolute production expenses from the year ago quarter. These reflect the hard work from our asset teams, particularly our field employees, as well as savings sourced from ongoing internal efficiencies and commercial improvements. We've reiterated our 2017 North America E&P production expense guidance of $5.00 - $6.00 per BOE, so we expect a positive unit cost trend through the year.

On slide 7, you can see that first quarter North America E&P production was 208,000 BOE per day, above the top end of our 195,000 – 205,000 BOE per day guidance range. Production from the U.S. resource plays was flat with fourth quarter levels.

We expect second quarter 2017 North America E&P production available for sale to average 210,000 to 220,000 BOE per day, which includes the resumption of quarterly production growth in the resource plays primarily as a result of our increased activity levels in the Bakken and Oklahoma, as well as a partial quarter of production from our new Northern Delaware asset.

With that brief overview, I'd like to hand it over to Mitch to review the Company's first quarter operating activity.

[Mitch Little]

Thanks Lee. I'll begin on slide 8 with the Northern Delaware, our newest addition to the portfolio. Like Lee mentioned, we're pleased to have closed the BC Operating acquisition earlier this week, and are rapidly transitioning towards 3 rigs operating by mid-year. We are progressing several elements in parallel, the first of which is closing the Black Mountain transaction in the second quarter and integrating both assets into the Company. Next, Tom Hellman has been busy building a high performance team comprised of both internal talent with Permian experience as well as select external hires with deep experience in the region. We're also focused on consolidating our acreage position as we ramp activity and begin optimizing our development plans, including our marketing and infrastructure strategy.

During the first quarter, the acquired assets averaged 5,000 net BOE per day which includes five gross operated wells that BC brought to sales during the quarter. One of the most recent wells, the Red Light, was a step-out test in western Eddy County that achieved a 24 hour IP rate of just over 1,440 BOE per day with oil cut over 70 percent.

We are expecting a busy second half of the year with 15 to 20 new wells to sales, and are excited about operating in this rapidly evolving, world-class resource play that's exhibiting an unmatched rate of change, as evidenced in the bottom left chart.

On slide 9, we illustrate some of the strong well performance and impressive results that have been reported this quarter in the Northern Delaware. Industry Q1 results validate strong productivity across four of our primary targets, and some impressive tests in the Avalon, which was one of our upside targets in the acquisition evaluation. The five BC wells brought to sales in Q1 are noted by the blue callout boxes. Two were Wolfcamp X-Y wells, two were landed in the second Bone Spring, and one was a lower Wolfcamp. Test rates were encouraging, ranging from 880 BOE per day on a 3,700 foot lateral to 1,516 BOE per day on a 4,600 foot lateral. We expect two new wells to sales in the second quarter, including the Cypress 1H, which is a 4,600 foot lateral Wolfcamp X-Y well in Eddy County. The Cypress completion will be the first for the Marathon team, and we envision several optimizations to the previous operator's design. While we're still in the process of finalizing, the team is planning to pump in excess of 2,000 pounds per lateral foot, with a simplified proppant design that reduces costs, while also moving away from cross-link gel to a high rate slickwater fluid system.

Moving to the Oklahoma Resource Basins on slide 10, first quarter production averaged 44,000 BOE per day, down slightly from the prior quarter while bringing 12 gross operated wells to sales. We expect to return to sequential growth in the Oklahoma resource basins in the second quarter as we increase completion activity.

We've taken an important step towards preparing the STACK for full-field development by bringing our first operated infill spacing pilot online. The Yost is just the second industry Meramec infill pilot in the normally pressured black oil window and it's the first standard lateral length infill there. The six wells had average 30 day IPs of 990 BOE per day, in line with our type curve. We will bring an additional Meramec infill pilot in the normally pressured black oil window to sales this quarter, the Hansens, testing a tighter spacing design of 90 acres per well. We've also spud the Tan infill, a 9 well volatile oil pilot in the over-pressured window testing 70 acre spacing, that's illustrated on the next slide.

We ended the first quarter running 7 rigs in Oklahoma, are currently running 8, and will be increasing activity to 11 rigs during the second quarter while bringing 18 to 22 gross operated wells to sales. The first two second quarter wells, a pair of volatile oil XL wells in Eastern Blaine County, were brought online April 1st, with 24 hr IP rates exceeding 1,500 BOE per day with about 70 percent oil cut.

The map on slide 11 shows our STACK and SCOOP infill spacing pilots for 2017, which are a significant component of this year's activity and will prepare this asset for full field development in 2018. In addition to the Yost pilot, we have 3 more STACK Meramec infill pilots completing this year, as well as 2 SCOOP infill pilots, one Springer and one Woodford. In the Hansens pilot, we're integrating our learnings from the Yost, and applying a technical approach to the underlying fracture mechanics to identify the feasibility of 90 acre staggered spacing in the normally pressured black oil window of the Meramec, while simultaneously testing parent-child relationships from gap-out well spacing techniques.

The Tan pilot, located in southwest Kingfisher County near the Blaine County border, has just spud and come to sales in the third quarter. It's a 9 well pilot testing 71 acre staggered spacing in the volatile oil window – 4 new wells in the upper Meramec, along with the parent well, and 4 new lower Meramec wells.

Moving to slide 12, the Eagle Ford delivered strong first quarter results with production of 99,000 net BOE per day, up 5 percent from the prior quarter and oil production up 7 percent sequentially.

We brought 47 gross operated wells to sales during the first quarter with 80 percent of them in the high-margin oil window and average completed well costs of $4 million.

The Eagle Ford drilling team set a new company record for the fastest well ever drilled at over 4,000 feet per day! And 25 percent of our first quarter wells were drilled at more than 3,000 ft/day allowing us to maintain top tier performance while also integrating the two cold-stacked rigs we added late last year. On the completions front, we pumped a record number of stages per crew in the month of March, while increasing the average intensity of the completions to about 1,750 pounds per lateral foot

In the second quarter, we expect to bring 35 to 40 wells to sales, and for the year, we anticipate maintaining a consistent 6-rig activity level.

Slide 13 highlights the positive well results from the first quarter in Eagle Ford. Focusing in on the Western portion of our acreage in Atascosa County, you can see the excellent performance from the two Lower Eagle Ford Guajillo pads with average 30-day IP rates of roughly 1,700 and 1,400 BOE per day and oil cuts of more than 75 percent, performance that generates excellent returns at completed well costs of $4MM. The majority of these wells were stimulated with 2,000 lb/ft proppant loading, on 200 ft stage spacing. Moving to the northeast back to Karnes County, the Franke May A pad, where we trialed 2,500 lb/ft proppant loading, on 200 ft stage spacing, is also yielding very encouraging early results We believe the uplift from higher intensity completions in these areas is repeatable and with further confirmation from planned near term tests, and a bit more production history behind us, there’s an opportunity to extend these results more broadly to our significant acreage position southwest of Karnes County.

Turning to slide 14, Bakken's first quarter production averaged 48,000 BOE per day, down from the prior quarter with only 4 new wells to sales. We expect the Bakken to return to production growth in the second quarter.

The four new wells we brought on in Q1 were from the Maggie North pad in East Myrmidon, and those wells had average 30-day IP rates of 1,875 BOE per day with oil cuts near 80%, outperforming their type curve which we illustrate on the following slide. Three of the wells were completed in the Three Forks formation while the remaining well was in the Middle Bakken.

As shown in the bottom left hand chart, early performance from the four 1Q wells is slightly ahead of the step change in well performance that we demonstrated last year, and further substantiates the repeatable benefits of our higher intensity completions.

Not to be outdone by their colleagues in the Eagle Ford, our Bakken drilling team also delivered a new drilling record in the first quarter. In fact, they have now delivered three new pacesetter wells thus far this year. After drilling their first sub 10 day well in 1Q, two subsequent records were set early in the second quarter.

We increased our drilling activity to current levels of 7 horizontal rigs during the quarter. Second quarter production will benefit from increased activity as we bring 10 to 12 wells to sales.

On slide 15, the map shows the individual well results for the East Myrmidon Maggie North pad that came online during the quarter as well as current horizontal drilling activity.

The cumulative production plots on the left hand side illustrate the well performance relative to our type curve. The top left cumulative production chart plots the four wells on our new Maggie North pad and their favorable response to higher intensity completions and diversion, even though these four wells were drilled in 2015 and utilized a previous sliding sleeve design which limited the number of entry points to the reservoir. Employment of our higher intensity completion designs and enhanced early production management techniques is yielding an impressive uplift to historical performance.

On the bottom chart, you can see the sustained, and impressive outperformance of our Maggie South pad versus the type curve, which confirms our view of the longer term viability of higher intensity completions in East Myrmidon. We're in the process of extending these technologies to our Hector area, and should have the first Hector wells to sales during the second quarter.

Finally on slide 16, I'll talk a bit about our international E&P highlights, where production, excluding Libya, was in-line with guidance but down from the fourth quarter due to planned and unplanned downtime.

In EG, production was 105,000 BOE per day and delivered significant free cash flow, including over $160MM of total EBITDAX for the quarter.

We expect second quarter 2017 International E&P production available for sale to average 120,000 to 130,000 BOE per day, an increase from the first quarter due to the absence of planned downtime.

Libya averaged 8,000 BOE per day in Q1; however, we continue to exclude Libya from guidance due to uncertainty associated with the political and operating situation there.

With that, I'd like to turn it back to Lee for final comments.

[Lee Tillman]

Thanks Mitch, I'll wrap up on slide 17. We're off to a great start in 2017, having already accomplished transformative portfolio moves that position us as the only E&P active in the four best oil-rich U.S. resource plays. With 95 percent of our revised capital budget allocated here, we're very well positioned to deliver outstanding long-term results for our shareholders.

Our increased 2017 production guidance on the heels of our Northern Delaware entry will position us strongly for 2018. Operationally, our first quarter results in the resource plays demonstrated the execution focus we’ve been stressing now for some time, and we’re on track to resume growth there in the second quarter.

Our execution ramp is on plan, having ended the first quarter running 20 rigs in the resource plays, up from 12 at the end of 2016. And we currently stand at 22 active rigs, including the one rig assumed from BC in the Northern Delaware.

Finally, our balance sheet, with $2.5 billion of cash available at the end of the quarter and $5.8 billion of total liquidity, provides us ample flexibility to manage our business through what is certain to be a year of both volatility and opportunity.

That concludes our prepared remarks and we look forward to your questions during the live webcast tomorrow morning. Thank you.