



Marathon Oil Corporation

Second Quarter 2016

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Additional information regarding Investor Relations,
Financial Highlights, and News Releases can be
reviewed on our website at: www.marathonoil.com

Segment Income Summary
Marathon Oil Corporation

| <i>(Dollars in millions)</i> | 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|
| North America E&P | | | | | | | | |
| Income (loss) before taxes | \$ (250) | \$ (68) | \$ (95) | \$ (352) | \$ (765) | \$ (307) | \$ (111) | \$ (418) |
| Income tax provision (benefit) | (89) | (23) | (34) | (133) | (279) | (112) | (41) | (153) |
| Segment income (loss) | (161) | (45) | (61) | (219) | (486) | (195) | (70) | (265) |
| <i>Effective tax rate</i> | 36% | 34% | 36% | 38% | 36% | 36% | 37% | 37% |
| International E&P | | | | | | | | |
| Income (loss) before taxes | 20 | 68 | 61 | 24 | 173 | (8) | 53 | 45 |
| Income tax provision (benefit) | (3) | 27 | 32 | 5 | 61 | (12) | (2) | (14) |
| Segment income | 23 | 41 | 29 | 19 | 112 | 4 | 55 | 59 |
| <i>Effective tax rate</i> | -15% | 40% | 52% | 21% | 35% | 150% | -4% | -31% |
| Oil Sands Mining | | | | | | | | |
| Income (loss) before taxes | (25) | (107) | (18) | (19) | (169) | (65) | (48) | (113) |
| Income tax provision (benefit) | (6) | (30) | (7) | (13) | (56) | (17) | (10) | (27) |
| Segment income (loss) | (19) | (77) | (11) | (6) | (113) | (48) | (38) | (86) |
| <i>Effective tax rate</i> | 24% | 28% | 39% | 68% | 33% | 26% | 21% | 24% |
| SEGMENT TOTAL | | | | | | | | |
| Income (loss) before taxes | (255) | (107) | (52) | (347) | (761) | (380) | (106) | (486) |
| Income tax provision (benefit) | (98) | (26) | (9) | (141) | (274) | (141) | (53) | (194) |
| Segment income (loss) | \$ (157) | \$ (81) | \$ (43) | \$ (206) | \$ (487) | \$ (239) | \$ (53) | \$ (292) |
| <i>Effective tax rate</i> | 38 % | 24 % | 17 % | 41 % | 36 % | 37 % | 50 % | 40 % |
| Segment income (loss) before taxes | \$ (255) | \$ (107) | \$ (52) | \$ (347) | \$ (761) | \$ (380) | \$ (106) | \$ (486) |
| Not allocated to segments - Corporate items | | | | | | | | |
| Net interest and other | (47) | (58) | (75) | (87) | (267) | (85) | (86) | (171) |
| General and administrative | (69) | (60) | (57) | (54) | (240) | (64) | (63) | (127) |
| Other costs and income | (12) | (17) | (12) | (15) | (56) | (13) | (24) | (37) |
| Items not allocated to segments, before income taxes: | | | | | | | | |
| Gain (loss) on dispositions | - | - | (109) | 231 | 122 | (63) | 296 | 233 |
| Proved property impairments | - | (44) | (333) | (28) | (405) | - | - | - |
| Unproved property impairments | - | - | (553) | (302) | (855) | - | (141) | (141) |
| Goodwill Impairment | - | - | - | (340) | (340) | - | - | - |
| Loss on Equity Method Investment | - | - | (12) | - | (12) | - | - | - |
| Pension settlement | (17) | (64) | (18) | (20) | (119) | (48) | (31) | (79) |
| Unrealized gain (loss) on derivative instruments | 23 | (44) | 80 | (9) | 50 | (23) | (91) | (114) |
| Reduction in workforce | (43) | 2 | (4) | (10) | (55) | (7) | (1) | (8) |
| Other | - | - | - | (20) | (20) | - | 9 | 9 |
| Income (loss) from operations before income taxes | (420) | (392) | (1,145) | (1,001) | (2,958) | (683) | (238) | (921) |
| Benefit (provision) for income taxes before special items | 144 | 141 | 396 | 208 | 889 | 276 | 68 | 344 |
| Alberta provincial corporate tax rate increase | - | (135) | - | - | (135) | - | - | - |
| Benefit (provision) for income taxes | 144 | 6 | 396 | 208 | 754 | 276 | 68 | 344 |
| Net income (loss) | \$ (276) | \$ (386) | \$ (749) | \$ (793) | \$ (2,204) | \$ (407) | \$ (170) | \$ (577) |

**Consolidated Statements of Income
Marathon Oil Corporation**

| <i>(Dollars in millions except per share data)</i> | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Year | 1st Qtr | 2nd Qtr | Year |
|--|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|
| | 2015 | 2015 | 2015 | 2015 | 2015 | 2016 | 2016 | 2016 |
| REVENUES AND OTHER INCOME: | | | | | | | | |
| Sales and other revenues, including related party | \$ 1,280 | \$ 1,307 | \$ 1,300 | \$ 1,064 | \$ 4,951 | \$ 714 | \$ 870 | \$ 1,584 |
| Marketing revenues | 204 | 183 | 84 | 100 | 571 | 58 | 89 | 147 |
| Income from equity method investments | 36 | 26 | 36 | 47 | 145 | 14 | 37 | 51 |
| Net gain (loss) on disposal of assets | 1 | - | (109) | 228 | 120 | (60) | 294 | 234 |
| Other income | 11 | 15 | 12 | 36 | 74 | 4 | 12 | 16 |
| Total revenues and other income | 1,532 | 1,531 | 1,323 | 1,475 | 5,861 | 730 | 1,302 | 2,032 |
| COSTS AND EXPENSES: | | | | | | | | |
| Production | 444 | 450 | 406 | 394 | 1,694 | 328 | 350 | 678 |
| Marketing, including purchases from related parties | 205 | 182 | 84 | 98 | 569 | 58 | 88 | 146 |
| Other operating | 107 | 81 | 93 | 157 | 438 | 109 | 95 | 204 |
| Exploration | 90 | 111 | 585 | 532 | 1,318 | 24 | 189 | 213 |
| Depreciation, depletion and amortization | 821 | 751 | 717 | 668 | 2,957 | 609 | 561 | 1,170 |
| Impairments | - | 44 | 337 | 371 | 752 | 1 | - | 1 |
| Taxes other than income | 67 | 78 | 46 | 43 | 234 | 48 | 39 | 87 |
| General and administrative | 171 | 168 | 125 | 126 | 590 | 151 | 132 | 283 |
| Total costs and expenses | 1,905 | 1,865 | 2,393 | 2,389 | 8,552 | 1,328 | 1,454 | 2,782 |
| Income (loss) from operations | (373) | (334) | (1,070) | (914) | (2,691) | (598) | (152) | (750) |
| Net interest and other | (47) | (58) | (75) | (87) | (267) | (85) | (86) | (171) |
| Income (loss) from operations before income taxes | (420) | (392) | (1,145) | (1,001) | (2,958) | (683) | (238) | (921) |
| Estimated income tax provision (benefit) | | | | | | | | |
| Current | 35 | - | 9 | 8 | 52 | 44 | 4 | 48 |
| Deferred | (179) | (6) | (405) | (216) | (806) | (320) | (72) | (392) |
| Total provision (benefit) for income taxes | (144) | (6) | (396) | (208) | (754) | (276) | (68) | (344) |
| NET INCOME (LOSS) | \$ (276) | \$ (386) | \$ (749) | \$ (793) | \$ (2,204) | \$ (407) | \$ (170) | \$ (577) |
| <i>Effective tax rate on operations</i> | 34% | 2% | 35% | 21% | 25% | 40% | 29% | 37% |
| Per common share data: | | | | | | | | |
| Basic: | | | | | | | | |
| Weighted average shares (millions) | 675 | 677 | 677 | 678 | 677 | 730 | 848 | 790 |
| NET INCOME (LOSS) | \$ (0.41) | \$ (0.57) | \$ (1.11) | \$ (1.17) | \$ (3.26) | \$ (0.56) | \$ (0.20) | \$ (0.73) |
| Diluted: | | | | | | | | |
| Weighted average shares (millions) | 675 | 677 | 677 | 678 | 677 | 730 | 848 | 790 |
| NET INCOME (LOSS) | \$ (0.41) | \$ (0.57) | \$ (1.11) | \$ (1.17) | \$ (3.26) | \$ (0.56) | \$ (0.20) | \$ (0.73) |
| ADJUSTED NET INCOME (LOSS) | \$ (0.37) | \$ (0.23) | \$ (0.20) | \$ (0.48) | \$ (1.28) | \$ (0.43) | \$ (0.23) | \$ (0.65) |
| Dividends paid per common share | \$ 0.21 | \$ 0.21 | \$ 0.21 | \$ 0.05 | \$ 0.68 | \$ 0.05 | \$ 0.05 | \$ 0.10 |

Consolidated Balance Sheets
Marathon Oil Corporation

| <i>(In millions)</i> | Mar. 31 2015 | June 30 2015 | Sept. 30 2015 | Dec.31 2015 | Mar. 31 2016 | June 30 2016 |
|--|-----------------|-----------------|------------------|----------------|-----------------|-----------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash & cash equivalents | \$ 1,126 | \$ 1,572 | \$ 1,680 | \$ 1,221 | \$ 2,072 | \$ 2,584 |
| Short-term Investments | - | 925 | 700 | - | - | - |
| Receivables less allowance for doubtful accounts | 1,341 | 1,195 | 991 | 912 | 779 | 822 |
| Inventories | 379 | 336 | 324 | 313 | 306 | 272 |
| Other current assets | 122 | 102 | 163 | 144 | 111 | 76 |
| Total current assets | 2,968 | 4,130 | 3,858 | 2,590 | 3,268 | 3,754 |
| Equity method investments | 1,100 | 1,045 | 1,012 | 1,003 | 959 | 944 |
| Property, plant and equipment, net | 29,291 | 29,121 | 27,920 | 27,061 | 26,737 | 25,657 |
| Goodwill | 459 | 459 | 457 | 115 | 115 | 115 |
| Other noncurrent assets | 918 | 1,015 | 1,427 | 1,542 | 1,789 | 2,057 |
| Total assets | \$ 34,736 | \$ 35,770 | \$ 34,674 | \$ 32,311 | \$ 32,868 | \$ 32,527 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable, including related party | \$ 1,854 | \$ 1,507 | \$ 1,246 | \$ 1,313 | \$ 1,084 | \$ 953 |
| Payroll and benefits payable | 127 | 119 | 138 | 133 | 79 | 114 |
| Accrued taxes | 260 | 156 | 143 | 132 | 151 | 85 |
| Long-term debt due within one year | 1,068 | 1,035 | 1,035 | 1 | 1 | 1 |
| Other current liabilities | 252 | 235 | 286 | 150 | 211 | 229 |
| Total current liabilities | 3,561 | 3,052 | 2,848 | 1,729 | 1,526 | 1,382 |
| Long-term debt | 5,326 | 7,321 | 7,323 | 7,276 | 7,280 | 7,280 |
| Deferred income taxes | 2,437 | 2,531 | 2,542 | 2,441 | 2,368 | 2,392 |
| Defined benefit postretirement plan obligations | 515 | 438 | 436 | 403 | 446 | 409 |
| Asset retirement obligations | 1,949 | 1,963 | 1,965 | 1,601 | 1,614 | 1,597 |
| Deferred credits and other liabilities | 288 | 247 | 225 | 308 | 283 | 314 |
| Total liabilities | 14,076 | 15,552 | 15,339 | 13,758 | 13,517 | 13,374 |
| TOTAL STOCKHOLDERS' EQUITY | 20,660 | 20,218 | 19,335 | 18,553 | 19,351 | 19,153 |
| Total liabilities and stockholders' equity | \$ 34,736 | \$ 35,770 | \$ 34,674 | \$ 32,311 | \$ 32,868 | \$ 32,527 |
| Net shares outstanding at Balance Sheet date | 675 | 677 | 677 | 677 | 848 | 848 |
| Cash and short-term investments-adjusted debt-to-capital ratio | 20% | 22% | 24% | 25% | 21% | 20% |

Consolidated Statements of Cash Flows (YTD)
Marathon Oil Corporation

| <i>(In millions)</i> | Mar. 31 2015 | June 30 2015 | Sept. 30 2015 | Dec.31 2015 | Mar.31 2016 | June 30 2016 |
|--|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| OPERATING ACTIVITIES: | | | | | | |
| Net income (loss) | \$ (276) | \$ (662) | \$ (1,411) | \$ (2,204) | \$ (407) | \$ (577) |
| Adjustments to reconcile to net cash provided from operating activities: | | | | | | |
| Deferred income taxes | (179) | (185) | (590) | (806) | (320) | (392) |
| Depreciation, depletion and amortization | 821 | 1,572 | 2,289 | 2,957 | 609 | 1,170 |
| Impairments | - | 44 | 381 | 752 | 1 | 1 |
| Net (gain) loss on derivative instruments | (27) | 17 | (91) | (128) | 2 | 88 |
| Net cash received (paid) in settlement of derivative instruments | - | 4 | 21 | 57 | 32 | 46 |
| Exploratory dry well costs and unproved property impairments | 67 | 148 | 708 | 1,214 | 11 | 166 |
| Net (gain) loss on disposal of assets | (1) | (1) | 108 | (120) | 60 | (234) |
| Changes in: | | | | | | |
| Current receivables | 388 | 534 | 738 | 817 | 133 | 88 |
| Inventories | (22) | 21 | 30 | 36 | 7 | 30 |
| Current accounts payable and accrued expenses | (469) | (770) | (954) | (965) | (121) | (211) |
| All other - net | 7 | (5) | (16) | (45) | 67 | 77 |
| Net cash provided by operating activities | 309 | 717 | 1,213 | 1,565 | 74 | 252 |
| INVESTING ACTIVITIES: | | | | | | |
| Additions to property, plant and equipment | (1,452) | (2,320) | (2,948) | (3,476) | (454) | (753) |
| Disposal of assets | 2 | 2 | 105 | 225 | 17 | 758 |
| Purchases of short-term investments | - | (925) | (925) | (925) | - | - |
| Maturities of short-term investments | - | - | 225 | 925 | - | - |
| Deposit for acquisition | - | - | - | - | - | (89) |
| Investments in affiliates - net | 10 | 31 | 61 | 77 | 14 | 37 |
| All other - net | (2) | (1) | 22 | (28) | 2 | 2 |
| Net cash provided by (used in) investing activities | (1,442) | (3,213) | (3,460) | (3,202) | (421) | (45) |
| FINANCING ACTIVITIES: | | | | | | |
| Borrowings | - | 1,996 | 1,996 | 1,996 | - | - |
| Debt issuance costs | - | (19) | (19) | (19) | - | - |
| Debt - net | - | (34) | (34) | (1,069) | - | - |
| Stock Issuance | - | - | - | - | 1,232 | 1,236 |
| Dividends paid | (142) | (285) | (427) | (460) | (34) | (77) |
| All other - net | 4 | 11 | 14 | 14 | - | - |
| Net cash provided by (used in) financing activities | (138) | 1,669 | 1,530 | 462 | 1,198 | 1,159 |
| Effect of exchange rate changes on cash | (1) | 1 | (1) | (2) | - | (3) |
| Net increase (decrease) in cash and cash equivalents | (1,272) | (826) | (718) | (1,177) | 851 | 1,363 |
| Cash and cash equivalents at beginning of period | 2,398 | 2,398 | 2,398 | 2,398 | 1,221 | 1,221 |
| Cash and cash equivalents at end of period | \$ 1,126 | \$ 1,572 | \$ 1,680 | \$ 1,221 | \$ 2,072 | \$ 2,584 |

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

| <i>(In millions)</i> | Mar. 31 2015 | June 30 2015 | Sept. 30 2015 | Dec. 31 2015 | Mar.31 2016 | June 30 2016 |
|----------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| North America E&P | \$ 16,954 | \$ 16,757 | \$ 15,875 | \$ 15,226 | \$ 14,953 | \$ 13,965 |
| International E&P | 2,803 | 2,848 | 2,604 | 2,533 | 2,521 | 2,479 |
| Oil Sands Mining | 9,415 | 9,401 | 9,334 | 9,197 | 9,148 | 9,101 |
| Corporate | 119 | 115 | 107 | 105 | 115 | 112 |
| Total | \$ 29,291 | \$ 29,121 | \$ 27,920 | \$ 27,061 | \$ 26,737 | \$ 25,657 |

North America E&P Supplemental Financial Data
Marathon Oil Corporation

| <i>(Dollars in millions except per BOE statistics)</i> | 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|--|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Sales and Other Revenues | \$ 850 | \$ 993 | \$ 796 | \$ 719 | \$ 3,358 | \$ 493 | \$ 617 | \$ 1,110 |
| Segment Income (Loss) | (161) | (45) | (61) | (219) | (486) | (195) | (70) | (265) |
| DD&A ^(a) | 683 | 634 | 549 | 511 | 2,377 | 487 | 433 | 920 |
| Capital Expenditures ^(b) | 933 | 551 | 564 | 505 | 2,553 | 315 | 153 | 468 |
| Exploration Expense | | | | | | | | |
| Exploratory dry well costs and unproved property impairments | 24 | 79 | 11 | 202 | 316 | 11 | 28 | 39 |
| G&G and Other | 11 | 12 | 11 | 12 | 46 | 7 | 9 | 16 |
| Total exploration expense | 35 | 91 | 22 | 214 | 362 | 18 | 37 | 55 |
| Costs and Expenses per BOE | | | | | | | | |
| Production | \$ 7.94 | \$ 7.19 | \$ 7.43 | \$ 6.91 | \$ 7.38 | \$ 6.17 | \$ 6.28 | \$ 6.22 |
| Other operating ^(c) | 4.60 | 3.97 | 4.39 | 5.92 | 4.71 | 5.38 | 4.80 | 5.10 |
| Taxes other than income | 2.40 | 2.70 | 1.75 | 1.87 | 2.19 | 1.95 | 1.69 | 1.82 |
| Exploration | 1.40 | 3.62 | 0.92 | 9.04 | 3.69 | 0.82 | 1.82 | 1.30 |
| DD&A ^(a) | 26.85 | 25.45 | 22.84 | 21.58 | 24.24 | 22.39 | 21.16 | 21.79 |
| North America E&P income (loss) per BOE | \$ (6.33) | \$ (1.80) | \$ (2.51) | \$ (9.27) | \$ (4.96) | \$ (8.97) | \$ (3.44) | \$ (6.29) |

^(a) DD&A expense and DD&A costs per BOE are based upon volumes sold.

^(b) Includes accruals.

^(c) Includes Shipping and Handling, General and Administrative, and Other Operating expenses.

North America E&P Sales Volumes
Marathon Oil Corporation

| | 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|--|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Net liquid hydrocarbon sales (mbbld) | | | | | | | | |
| Crude oil and condensate | | | | | | | | |
| Oklahoma Resource Basins | 5 | 5 | 4 | 5 | 5 | 5 | 6 | 5 |
| Bakken | 51 | 54 | 53 | 48 | 51 | 47 | 44 | 45 |
| Eagle Ford | 92 | 82 | 74 | 72 | 80 | 70 | 61 | 65 |
| All other North America ^(a) | 36 | 35 | 35 | 34 | 35 | 25 | 24 | 26 |
| Total crude oil and condensate | 184 | 176 | 166 | 159 | 171 | 147 | 135 | 141 |
| Natural gas liquids | | | | | | | | |
| Oklahoma Resource Basins | 7 | 6 | 6 | 8 | 7 | 7 | 8 | 8 |
| Bakken | 3 | 3 | 5 | 4 | 4 | 6 | 5 | 6 |
| Eagle Ford | 27 | 26 | 26 | 27 | 26 | 25 | 23 | 24 |
| All other North America ^(a) | 2 | 2 | 2 | 2 | 2 | 1 | 2 | 1 |
| Total natural gas liquids | 39 | 37 | 39 | 41 | 39 | 39 | 38 | 39 |
| Total liquid hydrocarbons | | | | | | | | |
| Oklahoma Resource Basins | 12 | 11 | 10 | 13 | 12 | 12 | 14 | 13 |
| Bakken | 54 | 57 | 58 | 52 | 55 | 53 | 49 | 51 |
| Eagle Ford | 119 | 108 | 100 | 99 | 106 | 95 | 84 | 89 |
| All other North America ^(a) | 38 | 37 | 37 | 36 | 37 | 26 | 26 | 27 |
| Total liquid hydrocarbons | 223 | 213 | 205 | 200 | 210 | 186 | 173 | 180 |
| Net natural gas sales (mmcf) | | | | | | | | |
| Oklahoma Resource Basins | 78 | 81 | 76 | 89 | 81 | 89 | 82 | 85 |
| Bakken | 20 | 22 | 19 | 27 | 22 | 25 | 24 | 24 |
| Eagle Ford | 169 | 164 | 161 | 166 | 165 | 154 | 150 | 152 |
| All other North America ^(a) | 92 | 94 | 82 | 63 | 83 | 47 | 54 | 52 |
| Total natural gas | 359 | 361 | 338 | 345 | 351 | 315 | 310 | 313 |
| Total net sales (mboed) | 283 | 274 | 261 | 258 | 269 | 239 | 224 | 232 |

^(a) Other conventional onshore U.S. production.

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

| | 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|--|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Average price realizations (excluding hedging) | | | | | | | | |
| Liquid hydrocarbon price realizations (\$ per bbl) | | | | | | | | |
| Crude oil and condensate | | | | | | | | |
| Oklahoma Resource Basins | \$ 45.57 | \$ 51.00 | \$ 40.48 | \$ 38.29 | \$ 43.78 | \$ 29.74 | \$ 41.55 | \$ 35.88 |
| Bakken | 39.92 | 51.36 | 40.18 | 38.81 | 42.72 | 28.78 | 42.00 | 35.12 |
| Eagle Ford | 42.72 | 53.47 | 42.74 | 38.27 | 44.45 | 28.65 | 41.21 | 34.53 |
| All other North America ^(a) | 41.39 | 52.83 | 40.37 | 34.79 | 42.42 | 25.66 | 37.27 | 31.32 |
| North America crude oil and condensate | 41.75 | 52.63 | 41.37 | 37.71 | 43.50 | 28.21 | 40.77 | 34.21 |
| Natural gas liquids | | | | | | | | |
| Oklahoma Resource Basins | \$ 17.04 | \$ 14.45 | \$ 11.38 | \$ 12.80 | \$ 13.90 | \$ 11.86 | \$ 14.88 | \$ 13.49 |
| Bakken | N.M. | 11.63 | 5.07 | 5.75 | 6.12 | 3.47 | 7.73 | 5.47 |
| Eagle Ford | 13.73 | 14.08 | 12.15 | 12.65 | 13.14 | 7.05 | 15.68 | 11.20 |
| All other North America ^(a) | 26.38 | 25.65 | 23.21 | 22.78 | 24.63 | 23.47 | 23.64 | 23.56 |
| North America natural gas liquids | 14.43 | 14.77 | 11.88 | 12.53 | 13.37 | 8.12 | 14.84 | 11.43 |
| Total liquid hydrocarbons | | | | | | | | |
| Oklahoma Resource Basins | \$ 28.25 | \$ 30.29 | \$ 22.70 | \$ 22.66 | \$ 25.84 | \$ 19.41 | \$ 25.57 | \$ 22.69 |
| Bakken | 37.78 | 49.29 | 37.41 | 36.03 | 40.23 | 26.00 | 38.38 | 31.92 |
| Eagle Ford | 36.30 | 44.05 | 34.87 | 31.34 | 36.75 | 23.02 | 34.31 | 28.34 |
| All other North America ^(a) | 40.23 | 50.89 | 39.25 | 33.98 | 41.16 | 25.51 | 36.27 | 30.78 |
| Total North America liquid hydrocarbons | 36.92 | 45.96 | 35.75 | 32.47 | 37.85 | 24.00 | 35.07 | 29.32 |
| Realized gain (loss) on crude oil commodity derivatives per barrel of crude sold | \$ 0.21 | \$ 0.06 | \$ 1.87 | \$ 3.03 | \$ 1.24 | \$ 1.64 | \$ 0.12 | \$ 0.91 |
| Natural gas price realizations (\$ per mcf) | | | | | | | | |
| Oklahoma Resource Basins | 2.61 | 2.64 | 2.82 | 2.14 | 2.54 | 2.03 | 1.92 | 1.98 |
| Bakken | 2.93 | 2.62 | 1.96 | 1.62 | 2.23 | 2.09 | 1.77 | 1.94 |
| Eagle Ford | 2.88 | 2.71 | 2.85 | 2.15 | 2.64 | 1.98 | 2.02 | 2.00 |
| All other North America ^(a) | 3.59 | 2.98 | 2.70 | 2.22 | 2.93 | 2.10 | 1.95 | 2.02 |
| North America natural gas | 3.01 | 2.76 | 2.75 | 2.12 | 2.66 | 2.02 | 1.96 | 1.99 |
| North America average price realizations (\$ per boe) | \$ 32.92 | \$ 39.50 | \$ 31.61 | \$ 28.07 | \$ 33.09 | \$ 21.39 | \$ 29.70 | \$ 25.41 |
| Market prices | | | | | | | | |
| NYMEX prompt WTI oil (\$/bbl) | \$ 48.58 | \$ 57.95 | \$ 46.50 | \$ 42.16 | \$ 48.76 | \$ 33.63 | \$ 45.64 | \$ 39.78 |
| NYMEX settlement natural gas (\$/mcf) | 2.98 | 2.64 | 2.77 | 2.27 | 2.66 | 2.09 | 1.95 | 2.02 |
| Bloomberg Mont Belvieu NGL (\$/bbl) ^(b) | 18.39 | 17.65 | 15.86 | 15.94 | 16.94 | 13.95 | 17.52 | 15.78 |

^(a) Other conventional onshore U.S. production.

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

N.M. Not meaningful information

International E&P Supplemental Financial Data
Marathon Oil Corporation

| <i>(Dollars in millions except per BOE statistics)</i> | 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|--|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Sales and Other Revenues | \$ 182 | \$ 211 | \$ 182 | \$ 153 | \$ 728 | \$ 96 | \$ 159 | \$ 255 |
| Segment Income | 23 | 41 | 29 | 19 | 112 | 4 | 55 | 59 |
| DD&A ^(a) | 64 | 71 | 79 | 81 | 295 | 50 | 68 | 118 |
| Capital Expenditures ^(b) | 146 | 99 | 30 | 93 | 368 | 32 | 12 | 44 |
| Exploration Expense | | | | | | | | |
| Exploratory dry well costs and unproved property impairments | 43 | 2 | (4) | 2 | 43 | - | 2 | 2 |
| G&G & Other | 12 | 18 | 14 | 14 | 58 | 6 | 2 | 8 |
| Total exploration expense | 55 | 20 | 10 | 16 | 101 | 6 | 4 | 10 |
| Costs and Expenses per BOE, from Operations | | | | | | | | |
| Production | \$ 6.40 | \$ 6.51 | \$ 5.53 | \$ 5.61 | \$ 5.99 | \$ 6.08 | \$ 5.09 | \$ 5.53 |
| Other operating ^(c) | 2.19 | 1.87 | 2.24 | 2.40 | 2.19 | 1.79 | 2.08 | 1.95 |
| Taxes other than income | 0.01 | - | - | 0.01 | - | - | - | - |
| Exploration | 5.22 | 2.09 | 0.94 | 1.34 | 2.37 | 0.70 | 0.38 | 0.52 |
| DD&A ^(a) | 6.10 | 7.17 | 7.32 | 7.18 | 6.95 | 5.68 | 6.22 | 5.98 |
| International E&P income per BOE | \$ 2.24 | \$ 4.14 | \$ 2.67 | \$ 1.64 | \$ 2.63 | \$ 0.44 | \$ 5.10 | \$ 3.03 |
| Equity Method Investments | | | | | | | | |
| Income from equity method investments | \$ 36 | \$ 26 | \$ 48 | \$ 47 | \$ 157 | \$ 14 | \$ 37 | \$ 51 |
| + Depreciation, Depletion and Amortization | 22 | 23 | 22 | 24 | 91 | 22 | 25 | 47 |
| +Tax | 3 | 5 | 8 | 7 | 23 | 2 | 5 | 7 |
| Income from equity method investments before DD&A and Tax | 61 | 54 | 78 | 78 | 271 | 38 | 67 | 105 |

^(a) DD&A expense and DD&A costs per BOE are based upon volumes sold.

^(b) Includes accruals.

^(c) Includes Shipping and Handling, General and Administrative, and Other Operating expenses.

International E&P Sales Volumes
Marathon Oil Corporation

| | 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|---|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Net liquid hydrocarbon sales (mmbld) | | | | | | | | |
| Crude oil and condensate | | | | | | | | |
| Equatorial Guinea | 18 | 19 | 21 | 18 | 19 | 16 | 19 | 18 |
| United Kingdom | 13 | 14 | 14 | 14 | 14 | 7 | 14 | 10 |
| Total crude oil and condensate | 31 | 33 | 35 | 32 | 33 | 23 | 33 | 28 |
| Natural gas liquids | | | | | | | | |
| Equatorial Guinea | 10 | 9 | 10 | 11 | 10 | 9 | 11 | 10 |
| United Kingdom | — | — | 1 | — | — | — | — | — |
| Total natural gas liquids | 10 | 9 | 11 | 11 | 10 | 9 | 11 | 10 |
| Total liquid hydrocarbon | | | | | | | | |
| Equatorial Guinea | 28 | 28 | 31 | 29 | 29 | 25 | 30 | 28 |
| United Kingdom | 13 | 14 | 15 | 14 | 14 | 7 | 14 | 10 |
| Total liquid hydrocarbon liftings | 41 | 42 | 46 | 43 | 43 | 32 | 44 | 38 |
| Net natural gas sales (mmcf/d) | | | | | | | | |
| Equatorial Guinea | 418 | 365 | 418 | 438 | 410 | 351 | 430 | 391 |
| United Kingdom ^(a) | 33 | 31 | 23 | 29 | 29 | 31 | 27 | 29 |
| Total natural gas | 451 | 396 | 441 | 467 | 439 | 382 | 457 | 420 |
| Total international (mboed) | 116 | 108 | 119 | 121 | 116 | 96 | 120 | 108 |
| Net sales volumes of Equity Method Investees ^(b) | | | | | | | | |
| LNG (mtd) | 6,275 | 4,991 | 5,700 | 6,569 | 5,884 | 4,322 | 5,797 | 5,060 |
| Methanol (mtd) | 884 | 673 | 1,125 | 1,064 | 937 | 1,280 | 1,303 | 1,292 |
| Condensate & LPG (boed) | 13,223 | 8,586 | 13,427 | 13,580 | 12,208 | 10,208 | 11,306 | 10,757 |

^(a) Includes gas acquired for injection and subsequent resale.

^(b) 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 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|---|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Average price realizations | | | | | | | | |
| Liquid hydrocarbon price realizations (\$ per bbl) | | | | | | | | |
| Crude oil and condensate | | | | | | | | |
| Equatorial Guinea | \$ 42.55 | \$ 52.27 | \$ 41.24 | \$ 35.42 | \$ 42.83 | \$ 30.93 | \$ 41.46 | \$ 36.64 |
| United Kingdom | 57.19 | 62.97 | 53.48 | 42.17 | 53.91 | 30.72 | 43.25 | 39.12 |
| International crude oil and condensate | 48.87 | 56.70 | 46.18 | 38.43 | 47.50 | 30.95 | 42.21 | 37.56 |
| Natural gas liquids | | | | | | | | |
| Equatorial Guinea | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 | \$ 1.00 |
| United Kingdom | 33.64 | 36.49 | 28.81 | 31.01 | 32.53 | 23.56 | 25.99 | 25.01 |
| International natural gas liquids | 3.46 | 3.10 | 2.69 | 2.08 | 2.81 | 2.20 | 2.65 | 2.45 |
| Total liquid hydrocarbons | | | | | | | | |
| Equatorial Guinea | \$ 27.85 | \$ 35.74 | \$ 28.03 | \$ 22.82 | \$ 28.50 | \$ 20.43 | \$ 27.28 | \$ 24.14 |
| United Kingdom | 55.81 | 61.93 | 52.36 | 41.85 | 53.00 | 30.20 | 42.32 | 38.27 |
| Total International liquid hydrocarbons | 37.31 | 44.70 | 35.88 | 29.18 | 36.67 | 22.66 | 32.11 | 28.11 |
| Natural gas price realizations (\$ per mcf) | | | | | | | | |
| Equatorial Guinea | \$ 0.24 | \$ 0.24 | \$ 0.24 | \$ 0.24 | \$ 0.24 | \$ 0.24 | \$ 0.24 | \$ 0.24 |
| United Kingdom | 7.68 | 6.98 | 6.92 | 5.73 | 6.85 | 4.61 | 5.06 | 4.82 |
| International natural gas | 0.78 | 0.78 | 0.59 | 0.58 | 0.68 | 0.60 | 0.53 | 0.56 |
| International average price realizations (\$ per boe) | \$ 16.31 | \$ 20.26 | \$ 15.93 | \$ 12.65 | \$ 16.17 | \$ 10.00 | \$ 13.74 | \$ 12.08 |
| Market prices | | | | | | | | |
| Brent (Europe) Oil (\$/bbl) | \$ 53.92 | \$ 61.69 | \$ 50.23 | \$ 43.56 | \$ 52.35 | \$ 33.70 | \$ 45.52 | \$ 39.61 |

**Oil Sands Mining - Supplemental Financial and Operating Data
Marathon Oil Corporation**

| <i>(Dollars in millions except per BOE statistics)</i> | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Year | 1st Qtr | 2nd Qtr | Year |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2015 | 2015 | 2015 | 2015 | 2015 | 2016 | 2016 | 2016 |
| Sales and Other Revenues | \$ 225 | \$ 147 | \$ 242 | \$ 201 | \$ 815 | \$ 148 | \$ 185 | \$ 333 |
| Segment Income (Loss) | (19) | (77) | (11) | (6) | (113) | (48) | (38) | (86) |
| DD&A | 62 | 35 | 76 | 63 | 236 | 60 | 49 | 109 |
| Capital Expenditures ^{(a)(c)} | 21 | 16 | (11) | (36) | (10) | 9 | 7 | 16 |
| Exploration Expense | | | | | | | | |
| Exploratory dry well costs and unproved property impairments | - | - | - | - | - | - | 7 | 7 |
| G&G & Other | - | - | - | - | - | - | - | - |
| Total exploration expense | - | - | - | - | - | - | 7 | 7 |
| Net synthetic crude oil production (mbbl/d) | 50 | 25 | 57 | 49 | 45 | 49 | 40 | 44 |
| Net synthetic crude oil sales (mbbl/d) | 60 | 29 | 65 | 59 | 53 | 59 | 49 | 54 |
| Synthetic crude oil average realization (\$/bbl) | \$ 40.37 | \$ 52.46 | \$ 39.49 | \$ 34.65 | \$ 40.13 | \$ 26.41 | \$ 40.88 | \$ 32.94 |
| OPEX per synthetic barrel (before royalties) (\$/bbl) ^(b) | \$ 34.78 | \$ 78.24 | \$ 26.01 | \$ 28.25 | \$ 36.48 | \$ 28.80 | \$ 39.02 | \$ 33.42 |

^(a) Includes accruals.

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

^(c) Reflects reimbursements earned from the governments of Canada and Alberta related to funds previously expended for Quest CCS capital equipment. Quest CCS was successfully completed and commissioned in the fourth quarter of 2015.

**Non-GAAP Reconciliations
Marathon Oil Corporation**

| (Dollars in millions) |
|---|
| Net income (loss) |
| Adjustments for special items (pre-tax): |
| (Gain) loss on dispositions |
| Proved property impairments |
| Unproved property impairments |
| Goodwill Impairment |
| Loss on Equity Method Investment |
| Pension settlement |
| Unrealized (gain) loss on derivative instruments |
| Reduction in workforce |
| Other |
| Alberta provincial corporate tax rate increase |
| Provision (benefit) for income taxes related to special items |
| Adjusted net income |

| 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ (276) | \$ (386) | \$ (749) | \$ (793) | \$ (2,204) |
| - | - | 109 | (231) | (122) |
| - | 44 | 333 | 28 | 405 |
| - | - | 553 | 302 | 855 |
| - | - | - | 340 | 340 |
| - | - | 12 | - | 12 |
| 17 | 64 | 18 | 20 | 119 |
| (23) | 44 | (80) | 9 | (50) |
| 43 | (2) | 4 | 10 | 55 |
| - | - | - | 20 | 20 |
| - | 135 | - | - | 135 |
| (14) | (54) | (338) | (28) | (434) |
| \$ (253) | \$ (155) | \$ (138) | \$ (323) | \$ (869) |

| 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|-----------------|-----------------|-----------------|
| \$ (407) | \$ (170) | \$ (577) |
| 63 | (296) | (233) |
| - | - | - |
| - | 141 | 141 |
| - | - | - |
| - | - | - |
| 48 | 31 | 79 |
| 23 | 91 | 114 |
| 7 | 1 | 8 |
| - | (9) | (9) |
| - | - | - |
| (51) | 15 | (36) |
| \$ (317) | \$ (196) | \$ (513) |

| Cash Flows (YTD) |
|---|
| Net cash provided by continuing operations |
| Changes in: |
| Current receivables |
| Inventories |
| Current accounts payable and accrued expenses |
| Net cash provided by continuing operations before changes in working capital |

| Mar. 31 2015 | June 30 2015 | Sept. 30 2015 | Dec. 31 2015 |
|-----------------|-----------------|------------------|-----------------|
| 309 | 717 | 1,213 | 1,565 |
| 388 | 534 | 738 | 817 |
| (22) | 21 | 30 | 36 |
| (469) | (770) | (954) | (965) |
| \$ 412 | \$ 932 | \$ 1,399 | \$ 1,677 |

| Mar. 31 2016 | June 30 2016 |
|-----------------|-----------------|
| 74 | 252 |
| 133 | 88 |
| 7 | 30 |
| (121) | (211) |
| \$ 55 | \$ 345 |

**Non-GAAP Reconciliations
Marathon Oil Corporation**

| <i>(Dollars in millions)</i> | 1st Qtr 2015 | 2nd Qtr 2015 | 3rd Qtr 2015 | 4th Qtr 2015 | Year 2015 | 1st Qtr 2016 | 2nd Qtr 2016 | Year 2016 |
|--|-----------------|-----------------|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
| Equity Method Investments | | | | | | | | |
| Income from equity method investments | \$ 36 | \$ 26 | \$ 48 | \$ 47 | \$ 157 | \$ 14 | \$ 37 | \$ 51 |
| + Depreciation, Depletion and Amortization | 24 | 24 | 24 | 26 | 98 | 22 | 25 | 47 |
| +Tax | 3 | 5 | 8 | 7 | 23 | 2 | 5 | 7 |
| Income from equity method investments before DD&A and Tax | 63 | 55 | 80 | 80 | 278 | 38 | 67 | 105 |

| E&P | | | |
|------------------------------|--------------|--------------|--------------|
| Average NYMEX | | | |
| Prompt WTI Oil Prices | | | |
| (\$/barrel) | 2014 | 2015 | 2016 |
| JAN | 94.86 | 47.33 | 31.78 |
| FEB | 100.68 | 50.73 | 30.62 |
| MARCH | 100.51 | 47.85 | 37.96 |
| APR | 102.04 | 54.63 | 41.13 |
| MAY | 101.80 | 59.37 | 46.80 |
| JUNE | 105.15 | 59.83 | 48.85 |
| JULY | 102.39 | 50.93 | |
| AUG | 96.08 | 42.89 | |
| SEPT | 93.03 | 45.47 | |
| OCT | 84.34 | 46.29 | |
| NOV | 75.81 | 42.92 | |
| DEC | 59.29 | 37.33 | |
| AVG | 92.91 | 48.76 | 39.78 |

| E&P | | | |
|--------------------------------------|-------------|-------------|-------------|
| Average NYMEX | | | |
| Settlement Natural Gas Prices | | | |
| (\$/mmbtu) | 2014 | 2015 | 2016 |
| JAN | 4.41 | 3.19 | 2.37 |
| FEB | 5.56 | 2.87 | 2.19 |
| MARCH | 4.86 | 2.89 | 1.71 |
| APR | 4.58 | 2.59 | 1.90 |
| MAY | 4.80 | 2.52 | 2.00 |
| JUNE | 4.62 | 2.82 | 1.96 |
| JULY | 4.40 | 2.77 | |
| AUG | 3.81 | 2.89 | |
| SEPT | 3.96 | 2.64 | |
| OCT | 3.98 | 2.56 | |
| NOV | 3.73 | 2.03 | |
| DEC | 4.28 | 2.21 | |
| AVG | 4.42 | 2.66 | 2.02 |

| E&P | | | |
|-------------------------------|--------------|--------------|--------------|
| Average Brent (Europe) | | | |
| Oil Prices | | | |
| (\$/barrel) | 2014 | 2015 | 2016 |
| JAN | 108.12 | 47.76 | 30.70 |
| FEB | 108.90 | 58.10 | 32.18 |
| MARCH | 107.48 | 55.89 | 38.21 |
| APR | 107.76 | 59.52 | 41.58 |
| MAY | 109.54 | 64.08 | 46.74 |
| JUNE | 111.80 | 61.48 | 48.25 |
| JULY | 106.77 | 56.56 | |
| AUG | 101.61 | 46.52 | |
| SEPT | 97.09 | 47.62 | |
| OCT | 87.43 | 48.43 | |
| NOV | 79.44 | 44.27 | |
| DEC | 62.34 | 37.97 | |
| AVG | 99.02 | 52.35 | 39.61 |

| E&P | | | |
|--|--------------|--------------|--------------|
| Average Bloomberg^(a) | | | |
| Mont Belvieu Natural Gas Liquids Prices | | | |
| (\$/barrel) | 2014 | 2015 | 2016 |
| JAN | 39.77 | 17.29 | 12.81 |
| FEB | 40.99 | 19.20 | 13.30 |
| MARCH | 34.64 | 18.68 | 15.53 |
| APR | 35.28 | 18.83 | 16.23 |
| MAY | 33.97 | 17.90 | 17.85 |
| JUNE | 34.41 | 16.30 | 18.46 |
| JULY | 33.30 | 15.96 | |
| AUG | 32.12 | 15.14 | |
| SEPT | 32.62 | 16.47 | |
| OCT | 29.11 | 16.89 | |
| NOV | 26.23 | 16.35 | |
| DEC | 19.01 | 14.61 | |
| AVG | 32.52 | 16.94 | 15.78 |

| E&P | | | |
|--|--------------|--------------|--------------|
| Average Bloomberg^(a) | | | |
| Conway Natural Gas Liquids Prices | | | |
| (\$/barrel) | 2014 | 2015 | 2016 |
| JAN | 43.72 | 16.93 | 12.19 |
| FEB | 41.39 | 18.60 | 12.46 |
| MARCH | 35.18 | 17.67 | 13.84 |
| APR | 35.05 | 17.20 | 15.29 |
| MAY | 34.04 | 16.12 | 16.89 |
| JUNE | 33.82 | 14.79 | 17.45 |
| JULY | 32.83 | 13.93 | |
| AUG | 31.41 | 13.68 | |
| SEPT | 32.12 | 15.50 | |
| OCT | 28.92 | 15.82 | |
| NOV | 26.86 | 15.10 | |
| DEC | 19.36 | 13.57 | |
| AVG | 32.78 | 15.70 | 14.76 |

| E&P | | | |
|--|--------------|--------------|--------------|
| Average Bloomberg^(b) | | | |
| LLS St. James | | | |
| (\$/barrel) | 2014 | 2015 | 2016 |
| JAN | 102.91 | 48.82 | 32.83 |
| FEB | 106.25 | 55.30 | 32.47 |
| MARCH | 104.08 | 54.38 | 40.08 |
| APR | 104.15 | 60.70 | 42.59 |
| MAY | 104.28 | 64.96 | 48.72 |
| JUNE | 108.21 | 63.24 | 50.60 |
| JULY | 106.42 | 54.72 | |
| AUG | 100.13 | 47.12 | |
| SEPT | 96.28 | 48.62 | |
| OCT | 87.48 | 47.33 | |
| NOV | 79.11 | 44.39 | |
| DEC | 61.64 | 38.90 | |
| AVG | 96.64 | 52.33 | 41.49 |

^(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