



Second Quarter 2017

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We closed on the sale of our Canadian oil sands business in the second quarter of 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

Segment Income Summary
Marathon Oil Corporation

(Dollars in millions)

United States E&P	
Income (loss) before taxes	
Income tax provision (benefit)	
Segment income (loss)	
<i>Effective tax rate</i>	
International E&P	
Income (loss) before taxes	
Income tax provision (benefit)	
Segment income	
<i>Effective tax rate</i>	
SEGMENT TOTAL	
Income (loss) before taxes	
Income tax provision (benefit)	
Segment income (loss)	

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016
\$ (307)	\$ (111)	\$ (89)	\$ (136)	\$ (643)
(112)	(41)	(30)	(45)	(228)
(195)	(70)	(59)	(91)	(415)
36%	37%	34%	33%	35%
(8)	53	78	154	277
(12)	(2)	19	44	49
4	55	59	110	228
150%	(4)%	24%	29%	18%
(315)	(58)	(11)	18	(366)
(124)	(43)	(11)	(1)	(179)
\$ (191)	\$ (15)	\$ —	\$ 19	\$ (187)

1st Qtr 2017	2nd Qtr 2017	Year 2017
\$ (79)	\$ (107)	\$ (186)
—	—	—
(79)	(107)	(186)
—%	—%	—%
143	105	248
50	46	96
93	59	152
35%	44%	39%
64	(2)	62
50	46	96
\$ 14	\$ (48)	\$ (34)

Segment income (loss) before taxes	
Not allocated to segments - Corporate items	
Net interest and other	
General and administrative	
Other costs and income	
Items not allocated to segments, before income taxes:	
Net gain (loss) on dispositions	
Proved property impairments	
Unproved property impairments	
Pension settlement	
Unrealized gain (loss) on derivative instruments	
Reduction in workforce	
Rig termination payment	
Other	
Income (loss) from continuing operations before income taxes	
Benefit (provision) for income taxes before special items	
Valuation Allowance	
Benefit (provision) for income taxes	
Income (loss) from continuing operations	
Income (loss) from discontinued operations (a)	
Net income (loss)	

\$ (315)	\$ (58)	\$ (11)	\$ 18	\$ (366)
(79)	(88)	(89)	(80)	(336)
(65)	(63)	(61)	(52)	(241)
(13)	(24)	(4)	(13)	(54)
(63)	296	38	108	379
—	—	(47)	—	(47)
—	(118)	—	—	(118)
(48)	(31)	(14)	(10)	(103)
(23)	(91)	25	(21)	(110)
(7)	(1)	—	—	(8)
—	—	(113)	—	(113)
—	(14)	(37)	4	(47)
(613)	(192)	(313)	(46)	(1,164)
253	54	107	9	423
—	—	—	(1,346)	(1,346)
253	54	107	(1,337)	(923)
(360)	(138)	(206)	(1,383)	(2,087)
(47)	(32)	14	12	(53)
\$ (407)	\$ (170)	\$ (192)	\$ (1,371)	\$ (2,140)

\$ 64	\$ (2)	\$ 62
(78)	(89)	(167)
(55)	(51)	(106)
(9)	(19)	(28)
—	6	6
—	—	—
—	—	—
(14)	(3)	(17)
77	43	120
—	—	—
—	—	—
(1)	3	2
(16)	(112)	(128)
(34)	(41)	(75)
—	—	—
(34)	(41)	(75)
(50)	(153)	(203)
(4,907)	14	(4,893)
\$ (4,957)	\$ (139)	\$ (5,096)

(a) The Company closed on its sale of the Canadian oil sands business in the second 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	2nd Qtr 2017	Year 2017
<i>(Dollars in millions except per share data)</i>								
REVENUES AND OTHER INCOME:								
Sales and other revenues, including related party	\$ 566	\$ 685	\$ 781	\$ 898	\$ 2,930	\$ 954	\$ 958	\$ 1,912
Marketing revenues	46	76	80	38	240	34	35	69
Income from equity method investments	14	37	59	65	175	69	51	120
Net gain (loss) on disposal of assets	(60)	294	47	108	389	1	6	7
Other income	4	11	23	15	53	14	9	23
Total revenues and other income	\$ 570	\$ 1,103	\$ 990	\$ 1,124	\$ 3,787	\$ 1,072	\$ 1,059	\$ 2,131
COSTS AND EXPENSES:								
Production	187	185	160	180	712	151	176	327
Marketing, including purchases from related parties	46	75	80	44	245	34	38	72
Other operating	103	87	183	111	484	89	111	200
Exploration	24	182	83	34	323	28	30	58
Depreciation, depletion and amortization	549	512	522	573	2,156	556	592	1,148
Impairments	1	—	47	19	67	4	—	4
Taxes other than income	43	35	35	38	151	39	45	84
General and administrative	151	131	104	95	481	109	93	202
Total costs and expenses	1,104	1,207	1,214	1,094	4,619	1,010	1,085	2,095
Income (loss) from operations	(534)	(104)	(224)	30	(832)	62	(26)	36
Net interest and other	(79)	(88)	(89)	(76)	(332)	(78)	(86)	(164)
Income (loss) from continuing operations before income taxes	(613)	(192)	(313)	(46)	(1,164)	(16)	(112)	(128)
Estimated income tax provision (benefit)								
Current	42	3	17	33	95	20	17	37
Deferred	(295)	(57)	(124)	1,304	828	14	24	38
Total provision (benefit) for income taxes	(253)	(54)	(107)	1,337	923	34	41	75
Income (loss) from continuing operations	(360)	(138)	(206)	(1,383)	(2,087)	(50)	(153)	(203)
Income (loss) from discontinued operations (a)	(47)	(32)	14	12	(53)	(4,907)	14	(4,893)
NET INCOME (LOSS)	\$ (407)	\$ (170)	\$ (192)	\$ (1,371)	\$ (2,140)	\$ (4,957)	\$ (139)	\$ (5,096)
<i>Effective tax rate on continuing operations</i>	41%	28%	34%	(2,907)%	(79)%	(213)%	(37)%	(59)%
Per common share data:								
Basic:								
Weighted average shares (millions)	730	848	847	847	819	849	850	850
Income (loss) from continuing operations	\$ (0.49)	\$ (0.16)	\$ (0.24)	\$ (1.63)	\$ (2.55)	\$ (0.06)	\$ (0.18)	\$ (0.24)
Income (loss) from discontinued operations (a)	\$ (0.07)	\$ (0.04)	\$ 0.01	\$ 0.01	\$ (0.06)	\$ (5.78)	\$ 0.02	\$ (5.76)
NET INCOME (LOSS)	\$ (0.56)	\$ (0.20)	\$ (0.23)	\$ (1.62)	\$ (2.61)	\$ (5.84)	\$ (0.16)	\$ (6.00)
Diluted:								
Weighted average shares (millions)	730	848	847	847	819	849	850	850
Income (loss) from continuing operations	\$ (0.49)	\$ (0.16)	\$ (0.24)	\$ (1.63)	\$ (2.55)	\$ (0.06)	\$ (0.18)	\$ (0.24)
Income (loss) from discontinued operations (a)	\$ (0.07)	\$ (0.04)	\$ 0.01	\$ 0.01	\$ (0.06)	\$ (5.78)	\$ 0.02	\$ (5.76)
NET INCOME (LOSS)	\$ (0.56)	\$ (0.20)	\$ (0.23)	\$ (1.62)	\$ (2.61)	\$ (5.84)	\$ (0.16)	\$ (6.00)
ADJUSTED INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ (0.37)	\$ (0.19)	\$ (0.13)	\$ (0.11)	\$ (0.78)	\$ (0.13)	\$ (0.24)	\$ (0.37)
ADJUSTED NET INCOME (LOSS)	\$ (0.43)	\$ (0.23)	\$ (0.11)	\$ (0.10)	\$ (0.85)	\$ (0.07)	\$ (0.17)	\$ (0.24)
Dividends paid per common share	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.20	\$ 0.05	\$ 0.05	\$ 0.10

(a) The Company closed on its sale of the Canadian oil sands business in the second 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	June 30 2017
ASSETS						
Current assets:						
Cash & cash equivalents	\$ 1,978	\$ 2,518	\$ 1,788	\$ 2,488	\$ 2,490	\$ 2,614
Receivables less allowance for doubtful accounts	694	706	687	748	751	767
Notes receivable	—	—	—	—	—	742
Inventories	205	174	131	136	145	140
Other current assets	106	63	74	66	134	160
Current assets held for sale (a)	285	293	362	227	223	1
Total current assets	3,268	3,754	3,042	3,665	3,743	4,424
Equity method investments	959	944	931	931	906	821
Property, plant and equipment, net	17,589	16,555	16,933	16,727	16,533	18,337
Goodwill	115	115	115	115	115	115
Other noncurrent assets	1,666	1,818	1,841	558	698	543
Noncurrent assets held for sale (a)	9,271	9,341	9,448	9,098	2,542	1
Total assets	\$ 32,868	\$ 32,527	\$ 32,310	\$ 31,094	\$ 24,537	\$ 24,241
LIABILITIES						
Current liabilities:						
Accounts payable, including related party	\$ 986	\$ 852	\$ 878	\$ 967	\$ 1,081	\$ 1,158
Payroll and benefits payable	79	114	121	129	70	92
Accrued taxes	149	82	66	94	81	78
Long-term debt due within one year	1	1	1	686	1,541	548
Other current liabilities	206	221	245	243	222	206
Current liabilities held for sale (a)	105	112	97	121	104	—
Total current liabilities	1,526	1,382	1,408	2,240	3,099	2,082
Long-term debt	7,272	7,272	7,269	6,581	5,723	6,715
Deferred income taxes	695	719	721	769	800	839
Defined benefit postretirement plan obligations	446	409	400	345	365	340
Asset retirement obligations	1,521	1,503	1,512	1,602	1,622	1,642
Deferred credits and other liabilities	261	289	269	225	221	211
Noncurrent liabilities held for sale (a)	1,796	1,800	1,809	1,791	123	7
Total liabilities	13,517	13,374	13,388	13,553	11,953	11,836
TOTAL STOCKHOLDERS' EQUITY	19,351	19,153	18,922	17,541	12,584	12,405
Total liabilities and stockholders' equity	\$ 32,868	\$ 32,527	\$ 32,310	\$ 31,094	\$ 24,537	\$ 24,241
Common stock issued	937	937	937	937	937	937
Common stock held in treasury	89	89	90	90	87	87
Net shares outstanding at balance sheet date	848	848	847	847	850	850
Cash adjusted debt-to-capital ratio	21%	20%	22%	21%	28%	27%

(a) The Company closed on its sale of the Canadian oil sands business in the second quarter of 2017. Assets and liabilities of our Canadian business are presented as held for sale in the historical consolidated balance sheets in all periods presented. The assets held for 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	June 30 2017
OPERATING ACTIVITIES:						
Net income (loss)	\$ (407)	\$ (577)	\$ (769)	\$ (2,140)	\$ (4,957)	\$ (5,096)
Adjustments to reconcile to net cash provided from operating activities:						
Discontinued operations (a)	47	79	65	53	4,907	4,893
Depreciation, depletion and amortization	549	1,061	1,582	2,155	556	1,148
Impairments	1	1	48	67	4	4
Exploratory dry well costs and unproved property impairments	11	159	196	220	20	45
Net (gain) loss on disposal of assets	60	(234)	(281)	(389)	(1)	(7)
Deferred income taxes	(295)	(352)	(476)	828	14	38
Net (gain) loss on derivative instruments	2	90	48	63	(77)	(140)
Net cash received (paid) in settlement of derivative instruments	32	44	51	61	(7)	3
Stock based compensation	13	26	37	48	14	26
Equity method investments, net	30	22	26	17	13	61
Changes in:						
Current receivables	106	92	125	67	(1)	(15)
Inventories	4	25	69	64	(10)	(5)
Current accounts payable and accrued liabilities	(107)	(207)	(212)	(137)	(1)	(41)
All other - net	23	38	17	(76)	27	9
Net cash provided by operating activities from continuing operations	69	267	526	901	501	923
INVESTING ACTIVITIES:						
Additions to property, plant and equipment	(441)	(728)	(949)	(1,204)	(283)	(775)
Acquisitions, net of cash acquired	—	—	(902)	(902)	—	(1,828)
Deposits for acquisition	—	(89)	—	—	(180)	—
Disposal of assets, net of cash transferred to buyer	17	758	837	1,219	—	1,726
Equity method investments - return of capital	14	37	47	55	12	49
All other - net	2	2	2	(1)	1	(5)
Net cash used in investing activities from continuing operations	(408)	(20)	(965)	(833)	(450)	(833)
FINANCING ACTIVITIES:						
Debt repayments	—	—	(1)	(1)	—	(1)
Common stock issuance	1,232	1,236	1,236	1,236	—	—
Purchases of common stock	—	(4)	(5)	(6)	(7)	(10)
Dividends paid	(34)	(77)	(119)	(162)	(42)	(85)
All other - net	—	—	—	1	(1)	—
Net cash provided by (used in) financing activities	1,198	1,155	1,111	1,068	(50)	(96)
CASH FLOW FROM DISCONTINUED OPERATIONS: (a)						
Operating activities	5	(11)	97	177	95	141
Investing activities	(13)	(25)	(34)	(41)	(9)	(13)
Changes in cash included in current assets held for sale	8	36	(63)	100	(86)	2
Net increase (decrease) in cash and cash equivalents from discontinued operations	—	—	—	236	—	130
Effect of exchange rate changes on cash	—	(3)	(3)	(3)	1	2
Net increase (decrease) in cash and cash equivalents	859	1,399	669	1,369	2	126
Cash and cash equivalents at beginning of period	1,119	1,119	1,119	1,119	2,488	2,488
Cash and cash equivalents at end of period	\$ 1,978	\$ 2,518	\$ 1,788	\$ 2,488	\$ 2,490	\$ 2,614

(a) The Company closed on its sale of the Canadian oil sands business in the second 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	June 30 2017
	United States E&P	\$ 14,158	\$ 14,025
International E&P	2,470	2,419	2,358
Corporate	99	89	91
Net property, plant and equipment	\$ 16,727	\$ 16,533	\$ 18,337

United States E&P Supplemental Financial Data
Marathon Oil Corporation

	2016					2017		
	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	Year 2017
<i>(Dollars in millions except per BOE statistics)</i>								
Sales and Other Operating Revenues	\$ 493	\$ 617	\$ 604	\$ 661	\$ 2,375	\$ 674	\$ 695	\$ 1,369
Segment Income (Loss)	(195)	(70)	(59)	(91)	(415)	(79)	(107)	(186)
DD&A (a)	487	433	443	472	1,835	472	495	967
Capital Expenditures (b)	315	153	216	252	936	349	575	924
Exploration Expense								
Exploratory dry well costs and unproved property impairments	11	28	30	29	98	20	25	45
G&G and Other	7	9	5	8	29	6	5	11
Total exploration expense	18	37	35	37	127	26	30	56
Costs and Expenses per BOE								
Production	\$ 6.17	\$ 6.28	\$ 5.70	\$ 5.66	\$ 5.96	\$ 5.79	\$ 5.86	\$ 5.82
Other operating (c)	5.38	4.80	4.29	6.25	5.18	5.75	6.19	5.98
Taxes other than income	1.95	1.69	1.75	1.94	1.83	2.07	1.63	1.84
Exploration	0.82	1.82	1.80	1.86	1.56	1.41	1.46	1.44
DD&A (a)	22.39	21.16	22.37	24.12	22.49	25.15	24.49	24.81
United States E&P income (loss) per BOE	\$ (8.97)	\$ (3.44)	\$ (2.97)	\$ (4.57)	\$ (5.07)	\$ (4.23)	\$ (5.28)	\$ (4.78)

(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.

United States E&P Sales Volumes
Marathon Oil Corporation

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	Year 2017
Net liquid hydrocarbon sales (mmbld)								
Crude oil and condensate								
Oklahoma Resource Basins	5	6	11	13	9	12	14	13
Eagle Ford	70	61	54	54	60	59	59	59
Bakken	47	44	44	41	44	39	39	39
Northern Delaware	—	—	—	—	—	—	2	1
All other United States (a)	25	24	13	13	18	8	11	10
Total crude oil and condensate	147	135	122	121	131	118	125	122
Natural gas liquids								
Oklahoma Resource Basins	7	8	11	11	9	13	12	12
Eagle Ford	25	23	22	20	22	20	20	20
Bakken	6	5	6	6	6	5	6	6
Northern Delaware	—	—	—	—	—	—	1	—
All other United States (a)	1	2	3	2	3	2	1	2
Total natural gas liquids	39	38	42	39	40	40	40	40
Total liquid hydrocarbons								
Oklahoma Resource Basins	12	14	22	24	18	25	26	25
Eagle Ford	95	84	76	74	82	79	79	79
Bakken	53	49	50	47	50	44	45	45
Northern Delaware	—	—	—	—	—	—	3	1
All other United States (a)	26	26	16	15	21	10	12	12
Total liquid hydrocarbons	186	173	164	160	171	158	165	162
Net natural gas sales (mmcf)								
Oklahoma Resource Basins	89	82	116	123	102	115	138	126
Eagle Ford	154	150	127	119	137	122	127	125
Bakken	25	24	25	26	25	21	25	23
Northern Delaware	—	—	—	—	—	—	7	3
All other United States (a)	47	54	47	47	50	46	44	45
Total natural gas	315	310	315	315	314	304	341	322
Total net sales (mboed)	239	224	216	212	223	208	222	215

(a) Conventional onshore U.S. production.

United States E&P Price Realizations
Marathon Oil Corporation

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	Year 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	\$ 45.42	\$ 47.09
Eagle Ford	28.65	41.21	41.67	45.96	38.76	48.18	45.75	46.95
Bakken	28.78	42.00	41.25	46.28	39.25	48.75	46.20	47.46
Northern Delaware	—	—	—	—	—	—	43.38	43.38
All other United States (a)	25.66	37.27	39.89	43.78	34.93	48.24	45.71	46.85
United States crude oil and condensate	28.21	40.77	41.35	45.89	38.57	48.46	45.81	47.09
Natural gas liquids								
Oklahoma Resource Basins	\$ 11.86	\$ 14.88	\$ 13.87	\$ 20.79	\$ 15.84	\$ 22.59	\$ 19.63	\$ 21.16
Eagle Ford	7.05	15.68	11.45	16.34	12.40	18.12	16.63	17.37
Bakken	3.47	7.73	10.63	11.97	8.56	15.35	15.16	15.25
Northern Delaware	—	—	—	—	—	—	17.54	17.54
All other United States (a)	23.47	23.64	22.50	24.56	23.51	21.52	23.78	22.64
United States natural gas liquids	8.12	14.84	12.44	17.31	13.15	19.33	17.61	18.46
Total liquid hydrocarbons								
Oklahoma Resource Basins	\$ 19.41	\$ 25.57	\$ 27.60	\$ 34.28	\$ 28.15	\$ 35.47	\$ 33.78	\$ 34.60
Eagle Ford	23.02	34.31	32.81	38.16	31.61	40.49	38.35	39.41
Bakken	26.00	38.38	37.33	41.96	35.65	44.79	42.22	43.48
Northern Delaware	—	—	—	—	—	—	37.58	37.58
All other United States (a)	25.51	36.27	37.91	41.69	33.96	43.81	42.72	43.22
United States liquid hydrocarbons	24.00	35.07	34.00	39.00	32.71	41.13	39.00	40.04
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	\$ 1.07	\$ 0.72
Natural gas price realizations (\$ per mcf)								
Oklahoma Resource Basins	2.03	1.92	2.74	2.90	2.47	3.16	3.07	3.11
Eagle Ford	1.98	2.02	2.72	2.91	2.37	2.85	3.06	2.96
Bakken	2.09	1.77	1.95	2.63	2.12	3.27	3.14	3.20
Northern Delaware	—	—	—	—	—	—	2.72	2.72
All other United States (a)	2.10	1.95	2.73	2.82	2.38	3.03	2.92	2.97
United States natural gas	2.02	1.96	2.67	2.87	2.38	3.02	3.05	3.03
United States average price realizations (\$ per boe)	\$ 21.39	\$ 29.70	\$ 29.58	\$ 33.61	\$ 28.39	\$ 35.54	\$ 33.70	\$ 34.59
Market prices								
NYMEX prompt WTI oil (\$/bbl)	\$ 33.63	\$ 45.64	\$ 44.94	\$ 49.29	\$ 43.47	\$ 51.78	\$ 48.15	\$ 49.95
NYMEX settlement natural gas (\$/mcf)	2.09	1.95	2.81	2.98	2.46	3.32	3.18	3.25
Bloomberg Mont Belvieu NGL (\$/bbl) (b)	13.95	17.52	17.04	20.96	17.40	22.93	20.99	21.95

(a) 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.

International E&P Supplemental Financial Data
Marathon Oil Corporation

<i>(Dollars in millions except per BOE statistics)</i>	
Sales and Other Operating Revenues	
Segment Income	
DD&A (a)	
Capital Expenditures(b)	
Exploration Expense	
Exploratory dry well costs and unproved property impairments	
G&G & Other	
Total exploration expense	

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016
\$ 96	\$ 159	\$ 152	\$ 258	\$ 665
4	55	59	110	228
50	68	66	92	276
32	12	18	20	82
—	2	7	(6)	3
6	2	3	3	14
6	4	10	(3)	17

1st Qtr 2017	2nd Qtr 2017	Year 2017
\$ 203	\$ 220	\$ 423
93	59	152
75	89	164
9	14	23
—	—	—
2	—	2
2	—	2

Costs and Expenses per BOE, from Operations	
Production	
Other operating (c)	
Exploration	
DD&A (a)	

\$ 6.08	\$ 5.09	\$ 4.05	\$ 5.23	\$ 5.05
1.79	2.08	1.58	1.59	1.75
0.70	0.38	0.85	(0.23)	0.38
5.68	6.22	5.72	6.96	6.21

\$ 3.72	\$ 4.68	\$ 4.22
1.87	1.74	1.81
0.12	0.02	0.07
6.61	7.23	6.93

International E&P income per BOE

\$ 0.44	\$ 5.10	\$ 5.13	\$ 8.14	\$ 5.11
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\$ 8.12	\$ 4.89	\$ 6.44
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Equatorial Guinea	
EG Income before DD&A, Tax, and Exploration (d)	

\$ 69	\$ 126	\$ 174	\$ 163	\$ 532
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\$ 161	\$ 134	\$ 295
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- (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.
(d) 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	1st Qtr 2017	2nd Qtr 2017	Year 2017
Net liquid hydrocarbon sales (mmbld)								
Crude oil and condensate								
Equatorial Guinea	16	19	26	20	20	18	18	18
Libya	—	—	—	10	3	12	11	12
United Kingdom	7	14	6	22	12	6	13	9
Other International	—	—	—	—	—	1	1	1
Total crude oil and condensate	23	33	32	52	35	37	43	40
Natural gas liquids								
Equatorial Guinea	9	11	12	12	11	12	12	12
United Kingdom	—	—	—	—	—	1	—	1
Total natural gas liquids	9	11	12	12	11	13	12	13
Total liquid hydrocarbon								
Equatorial Guinea	25	30	38	32	31	29	30	30
Libya	—	—	—	10	3	12	11	12
United Kingdom	7	14	6	22	12	7	13	10
Other International	—	—	—	—	—	2	1	1
Total liquid hydrocarbon liftings	32	44	44	64	46	50	55	53
Net natural gas sales (mmcfd)								
Equatorial Guinea	351	430	462	454	425	438	452	445
United Kingdom (a)	31	27	27	28	28	23	26	25
Total natural gas	382	457	489	482	453	461	478	470
Total international net sales (mboed)	96	120	126	145	122	126	135	131
Net sales volumes of Equity Method Investees(b)								
LNG (mtd)	4,322	5,797	6,620	6,743	5,874	6,147	6,243	6,195
Methanol (mtd)	1,280	1,303	1,529	1,316	1,358	1,307	1,182	1,244
Condensate & LPG (boed)	10,208	11,306	16,766	15,381	13,430	14,546	11,608	13,069

(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 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	Year 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	\$ 39.73	\$ 41.48
Libya	—	—	—	57.69	57.69	58.36	50.94	54.85
United Kingdom	30.72	43.25	49.82	45.18	43.21	56.51	54.15	54.85
Other International	—	—	—	—	—	44.70	40.64	42.85
International crude oil and condensate	30.95	42.21	41.45	46.14	41.70	50.41	47.04	48.58
Natural gas liquids								
Equatorial Guinea	\$ 1.00	\$ 1.00	\$ 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	32.33	37.38
International natural gas liquids	2.20	2.65	1.93	1.72	2.11	3.86	1.77	2.83
Total liquid hydrocarbons								
Equatorial Guinea	\$ 20.43	\$ 27.28	\$ 27.44	\$ 26.60	\$ 25.78	\$ 26.52	\$ 24.30	\$ 25.39
Libya	—	—	—	57.69	57.69	58.36	50.94	54.85
United Kingdom	30.20	42.32	48.01	45.02	42.52	53.98	53.66	53.76
Other International	—	—	—	—	—	44.70	40.64	42.85
Total International liquid hydrocarbons	22.66	32.11	30.40	37.85	32.10	38.64	37.11	37.83
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	4.61	5.06	4.19	5.39	4.80	6.33	6.27	6.30
International natural gas	0.60	0.53	0.46	0.53	0.52	0.55	0.57	0.56
International average price realizations (\$ per boe)	\$ 10.00	\$ 13.74	\$ 12.48	\$ 18.76	\$ 14.19	\$ 17.15	\$ 17.23	\$ 17.19
Market prices								
Brent (Europe) Oil (\$/bbl)	\$ 33.70	\$ 45.52	\$ 45.79	\$ 49.19	\$ 43.55	\$ 53.68	\$ 49.67	\$ 51.68

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	2nd Qtr 2017	Year 2017
Sales and Other Revenues (a)	\$ 160	\$ 199	\$ 239	\$ 265	\$ 863	\$ 258	\$ 173	\$ 431
Net gain (loss) on disposal of assets	—	—	—	—	—	—	(43)	(43)
Total revenues and other income (a)	160	199	239	265	863	258	130	388
Costs and Expenses (a)								
Production	141	165	135	160	601	151	103	254
Depreciation, depletion and amortization	60	49	72	58	239	39	1	40
Impairments	—	—	—	—	—	6,636	—	6,636
Other	29	31	9	25	94	13	12	25
Total Costs and Expenses	230	245	216	243	934	6,839	116	6,955
Pretax income (loss) from discontinued operations (a)	(70)	(46)	23	22	(71)	(6,581)	14	(6,567)
Provision (benefit) for income taxes (a)	(23)	(14)	9	10	(18)	(1,674)	—	(1,674)
Income (loss) from discontinued operations (a)	(47)	(32)	14	12	(53)	(4,907)	14	(4,893)
Net synthetic crude oil production (mmbld) (b)	49	40	58	47	48	45	29	37
Net synthetic crude oil sales (mmbld) (b)	59	49	65	62	59	60	39	49

(a) The Company closed on its sale of the Canadian oil sands business in the second 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.

(b) The effective date of the above transaction is January 1, 2017.

**Non-GAAP Reconciliations
Marathon Oil Corporation**

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	Year 2017
(Dollars in millions)								
Net income (loss) from continuing operations	\$ (360)	\$ (138)	\$ (206)	\$ (1,383)	\$ (2,087)	\$ (50)	\$ (153)	\$ (203)
Adjustments for special items (pre-tax):								
Net (gain) loss on dispositions	63	(296)	(38)	(108)	(379)	—	(6)	(6)
Proved property impairments	—	—	47	—	47	—	—	—
Unproved property impairments	—	118	—	—	118	—	—	—
Pension settlement	48	31	14	10	103	14	3	17
Unrealized (gain) loss on derivative instruments	23	91	(25)	21	110	(77)	(43)	(120)
Reduction in workforce	7	1	—	—	8	—	—	—
Rig termination payment	—	—	113	—	113	—	—	—
Other	—	14	37	(4)	47	1	(3)	(2)
Valuation allowance	—	—	—	1,346	1,346	—	—	—
Provision (benefit) for income taxes related to special items from continuing operations	(51)	15	(53)	23	(66)	—	—	—
Adjusted net income from continuing operations (a)	\$ (270)	\$ (164)	\$ (111)	\$ (95)	\$ (640)	\$ (112)	\$ (202)	\$ (314)
(Dollars in millions)								
Net income (loss)	\$ (407)	\$ (170)	\$ (192)	\$ (1,371)	\$ (2,140)	\$ (4,957)	\$ (139)	\$ (5,096)
Adjustments for special items from continuing operations (pre-tax):								
Net (gain) loss on dispositions	63	(296)	(38)	(108)	(379)	—	(6)	(6)
Proved property impairments	—	—	47	—	47	—	—	—
Unproved property impairments	—	118	—	—	118	—	—	—
Pension settlement	48	31	14	10	103	14	3	17
Unrealized (gain) loss on derivative instruments	23	91	(25)	21	110	(77)	(43)	(120)
Reduction in workforce	7	1	—	—	8	—	—	—
Rig termination payment	—	—	113	—	113	—	—	—
Other	—	14	37	(4)	47	1	(3)	(2)
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)	\$ (49)	\$ (111)
Adjustments for special items from discontinued operations (pre-tax):								
Canadian oil sands business impairment (b)	—	—	—	—	—	6,636	—	6,636
Net (gain) loss on disposition (b)	—	—	—	—	—	—	43	43
Provision (benefit) for income taxes related to special items from discontinued operations	—	—	—	—	—	(1,674)	—	(1,674)
Adjusted net income (a)	\$ (317)	\$ (196)	\$ (97)	\$ (83)	\$ (693)	\$ (57)	\$ (145)	\$ (202)
Cash Flows (YTD)								
Net cash provided by operating activities from continuing operations	\$ 69	\$ 267	\$ 526	\$ 901		\$ 501	\$ 923	
Changes in:								
Current receivables	106	92	125	67		(1)	(15)	
Inventories	4	25	69	64		(10)	(5)	
Current accounts payable and accrued expenses	(107)	(207)	(212)	(137)		(1)	(41)	
Net cash provided by operating activities from continuing operations before changes in working capital (a)	\$ 66	\$ 357	\$ 544	\$ 907		\$ 513	\$ 984	

(a) Non-GAAP financial measure.

(b) The Company closed on its sale of the Canadian oil sands business in the second 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.

Non-GAAP Reconciliations
Marathon Oil Corporation

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

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016
\$ 14	\$ 37	\$ 59	\$ 65	\$ 175
22	25	25	25	97
2	5	10	11	28
\$ 38	\$ 67	\$ 94	\$ 101	\$ 300

1st Qtr 2017	2nd Qtr 2017	Year 2017
\$ 69	\$ 51	\$ 120
23	21	44
14	11	25
\$ 106	\$ 83	\$ 189

Equatorial Guinea EBITDAX
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
EG Net Income before DD&A, Tax, and Exploration (EBITDAX) (a)

\$ 14	\$ 37	\$ 59	\$ 65	\$ 175
4	26	31	16	77
18	63	90	81	252
(14)	(8)	(31)	29	(24)
4	55	59	110	228
18	63	90	81	252
44	49	60	59	212
6	14	24	23	67
1	—	—	—	1
\$ 69	\$ 126	\$ 174	\$ 163	\$ 532

\$ 69	\$ 51	\$ 120
18	7	25
87	58	145
6	1	7
93	59	152
87	58	145
54	54	108
20	22	42
—	—	—
\$ 161	\$ 134	\$ 295

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

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016
\$ (253)	\$ (54)	\$ (107)	\$ 1,337	\$ 923
(124)	(43)	(11)	(1)	(179)
(51)	15	(53)	23	(66)
—	—	—	1,346	1,346
\$ (78)	\$ (26)	\$ (43)	\$ (31)	\$ (178)

1st Qtr 2017	2nd Qtr 2017	Year 2017
\$ 34	\$ 41	\$ 75
50	46	96
—	—	—
—	—	—
\$ (16)	\$ (5)	\$ (21)

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

1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	YTD 2016
(41)%	(28)%	(34)%	2,907 %	79 %
1 %	3 %	3 %	(1,444)%	—%
—%	—%	—%	(1,512)%	(115)%
(40)%	(25)%	(31)%	(49)%	(36)%

1st Qtr 2017	2nd Qtr 2017	YTD 2017
213 %	37 %	59 %
(229)%	(30)%	(60)%
—%	—%	—%
(16)%	7 %	(1)%

(a) Non-GAAP financial measure.

E&P			
Average NYMEX			
Prompt WTI Oil Prices			
(\$/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	51.12
MAY	59.37	46.80	48.54
JUNE	59.83	48.85	45.20
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	
AVG	48.76	43.47	49.95

E&P			
Average NYMEX			
Settlement Natural Gas Prices			
(\$/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	3.18
MAY	2.52	2.00	3.14
JUNE	2.82	1.96	3.24
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	
AVG	2.66	2.46	3.25

E&P			
Average Brent (Europe)			
Oil Prices			
(\$/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	52.31
MAY	64.08	46.74	50.33
JUNE	61.48	48.25	46.37
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	
AVG	52.35	43.55	51.68

E&P			
Average Bloomberg ^(a)			
Mont Belvieu Natural Gas Liquids Prices			
(\$/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	21.71
MAY	17.90	17.85	21.41
JUNE	16.30	18.46	19.95
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	
AVG	16.94	17.40	21.95

E&P			
Average Bloomberg ^(a)			
Conway Natural Gas Liquids Prices			
(\$/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	20.23
MAY	16.12	16.89	19.88
JUNE	14.79	17.45	18.61
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	
AVG	15.70	16.35	20.76

E&P			
Average Bloomberg ^(b)			
LLS St. James			
(\$/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	53.15
MAY	64.96	48.72	50.57
JUNE	63.24	50.60	47.22
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	
AVG	52.33	45.02	51.77

(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