Marathon Oil Corporation

Dear Fellow Shareholders,

We are pleased to report that the Marathon Oil global team continued to deliver solid operational and financial results and long-term shareholder value during 2013. These achievements were driven by a relentless focus on fundamentals and consistent execution of our strategic business plans.

This year also marked the transition of Marathon Oil's leadership upon the retirement of Clarence P. Cazalot, Jr. Clarence led the Company for 14 years as president and CEO, adding the duties of chairman of the board with the spin-off of our Downstream businesses in 2011. We appreciate and thank Clarence for his leadership. We also appreciate the Board of Directors' confidence in our respective appointments to president and CEO, and to non-executive chairman of the board. We are grateful for the continued trust of our shareholders in our leadership team and in all our employees to profitably and responsibly grow Marathon Oil.

Strategic imperatives drive business growth
Our stated goal is to be recognized as the premier independent exploration and production (E&P) company, and to accomplish this, we must excel against seven strategic imperatives. These imperatives begin with an uncompromising focus on our core values to protect our license to operate and drive business performance. We believe our differentiated safety performance promotes Marathon Oil as a partner and operator of choice. A safe business is a well-run business. Our human capital is our most important resource, and we will invest in our people, capabilities and competencies to ensure shareholders access to the full global opportunity set.

Relentless pursuit of operational and capital efficiency
During 2013, we delivered 97 percent reliability in our operated assets, significantly contributing to production growth, income and cash flow. We reduced our cash unit operating costs 12 percent year on year in our North America E&P operations. We continued to drive capital efficiency in our resource plays, with spud to total depth times decreasing, year on year, by approximately 25 percent and 22 percent in the Eagle Ford Shale and Bakken Shale, respectively, firmly establishing Marathon Oil in the top quartile in areas where we operate.

Accelerate resource development to optimize value, grow volumes and replace reserves
We delivered total Company production available for sale, excluding Alaska and Libya, of 459,000 net barrels of oil equivalent per day (boed) for full year 2013 compared to 413,000 net boed in 2012, an 11 percent increase year over year that exceeded the Company's 8-10 percent growth guidance. In particular, we had strong year-over-year net production growth in the top U.S. liquids resource plays—136 percent in the Eagle Ford, 34 percent in the Bakken and 68 percent in the Oklahoma resource basins.

Our robust capital allocation, combined with strong operating results, led to a 2013 reserve replacement rate of 194 percent, excluding dispositions, at a very competitive finding and development cost of approximately $16 per barrel of oil equivalent (boe). We ended 2013 with net proved reserves of approximately 2.2 billion boe, an 8 percent increase from 2012, topping the 40-year proved reserves record set last year. For the three-year period ended Dec. 31, 2013, Marathon Oil added net proved reserves of slightly more than 1 billion boe, excluding dispositions of 13 million boe, while producing 494 million boe, resulting in a three-year average reserve replacement ratio of 211 percent.

Our U.S. unconventional onshore resource plays are Marathon Oil's growth engines. In our Eagle Ford asset, production averaged almost 90,000 net boed in the fourth quarter, an increase of 8,000 net boed from the third quarter. For the final two weeks of 2013, production averaged greater than 100,000 net boed. Approximately 65 percent of fourth quarter net production was crude oil/condensate, 17 percent was natural gas liquids (NGLs) and 18 percent was natural gas.

Marathon Oil averaged approximately 40,000 net boed of production in the Bakken during the fourth quarter, up from 38,000 net boed in the prior quarter. Marathon Oil's Bakken production averaged approximately 90 percent crude oil, 5 percent NGLs and 5 percent natural gas in the fourth quarter. During the fourth quarter, Marathon Oil's unconventional Oklahoma production averaged almost 14,000 net boed.

Rigorous portfolio management and robust capital allocation
Ongoing portfolio management, along with robust capital allocation, is essential to generate competitive shareholder return. In 2013, we announced the sale of our interests in Angola for approximately $2.1 billion total, as well as the marketing of our North Sea assets. From 2011 through 2013, we agreed upon or closed on asset sales of approximately $3.5 billion, exceeding the $1.5 to $3 billion target we set for this period.

We delivered on our $5.2 billion capital and exploration budget for 2013, excluding acquisitions, and our 2014 capital and exploration budget of approximately $5.9 billion is concentrated on high-quality, organic reinvestment. Greater than 60 percent of our capital is directed toward accelerating rig activity and growth in our resource plays, with $2.3 billion allocated for drilling an expected 250-260 net wells and building infrastructure in the Eagle Ford. Just over $1 billion is budgeted for the Bakken and $236 million for the Oklahoma Woodford. With our robust 28-rig plan, 2013-2014 resource play production is expected to grow more than 30 percent with a compound annual growth rate (CAGR) exceeding 25 percent from 2012 to 2017. We expect to increase overall production approximately 4 percent in 2014, excluding Alaska, Angola and Libya, and deliver a 5-7 percent CAGR in total production in 2012-2017.

We plan to spend approximately $1.4 billion on our conventional E&P assets worldwide to provide stable production, income and cash flow. To generate competitive returns, we will continue to emphasize high operational reliability, expense management and disciplined investment in production operations. Exploration spending of $529 million is focused on testing significant oil potential, including drilling 2-3 net wells (8-10 gross) in the Kurdistan Region of Iraq, Kenya, Ethiopia and the deepwater Gulf of Mexico, and on conducting seismic surveys.

Capture quality and material resources
As an E&P company, there is no greater challenge than access to new resource. We can achieve this access in two ways—by the bit through our focused exploration program or by acquisition through opportunistic business development. Our exploration team delivered discoveries at Mirawa-1 on the Company-operated Harir Block in the Kurdistan Region of Iraq and at Diaman-1B on the non-operated Diaba License in Gabon. We also grew our South Central Oklahoma Oil Province (SCOOP) acreage position over 20 percent at low cost and added 4,800 high-value acres in the core of our Eagle Ford position.

Competitive shareholder value through disciplined long-term focus
Marathon Oil returned capital to our shareholders through competitive dividends that increased 12 percent in 2013, with a 10 percent CAGR since July 2011. In addition, we completed $500 million in common stock buybacks in 2013, bringing our total buybacks to 26 million shares at an average price of $30.79 totaling $800 million since July 2011. In addition, our Board of Directors increased the remaining authorization to $2.5 billion.

We welcome Chad Deaton to our Board of Directors, and thank all of our board members for providing sound guidance, governance and support during the leadership transition. Finally, we thank Marathon Oil employees for their innovation, integrity and dedication to creating value for shareholders.

As we look forward to 2014 and our role in meeting increasing global energy demand, Marathon Oil will continue to strive to be a responsible operator. With our outstanding platform for growth and uncompromising pursuit of excellence, we intend to be the employer, operator, business partner and investment of choice among independent global E&P companies.

Respectfully,

Lee M. Tillman
President and Chief Executive Officer

Dennis H. Reilley
Chairman of the Board of Directors

Corporate Information

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Notice of Annual Meeting
The 2014 Annual Meeting of Stockholders will be held in Houston, Texas, on April 30, 2014.

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Stock Exchange Listing
New York Stock Exchange

Common Stock Symbol
MRO

Stock Transfer Agent
Computershare
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College Station, TX 77845
888-843-5542 (Toll free - U.S., Canada, Puerto Rico)
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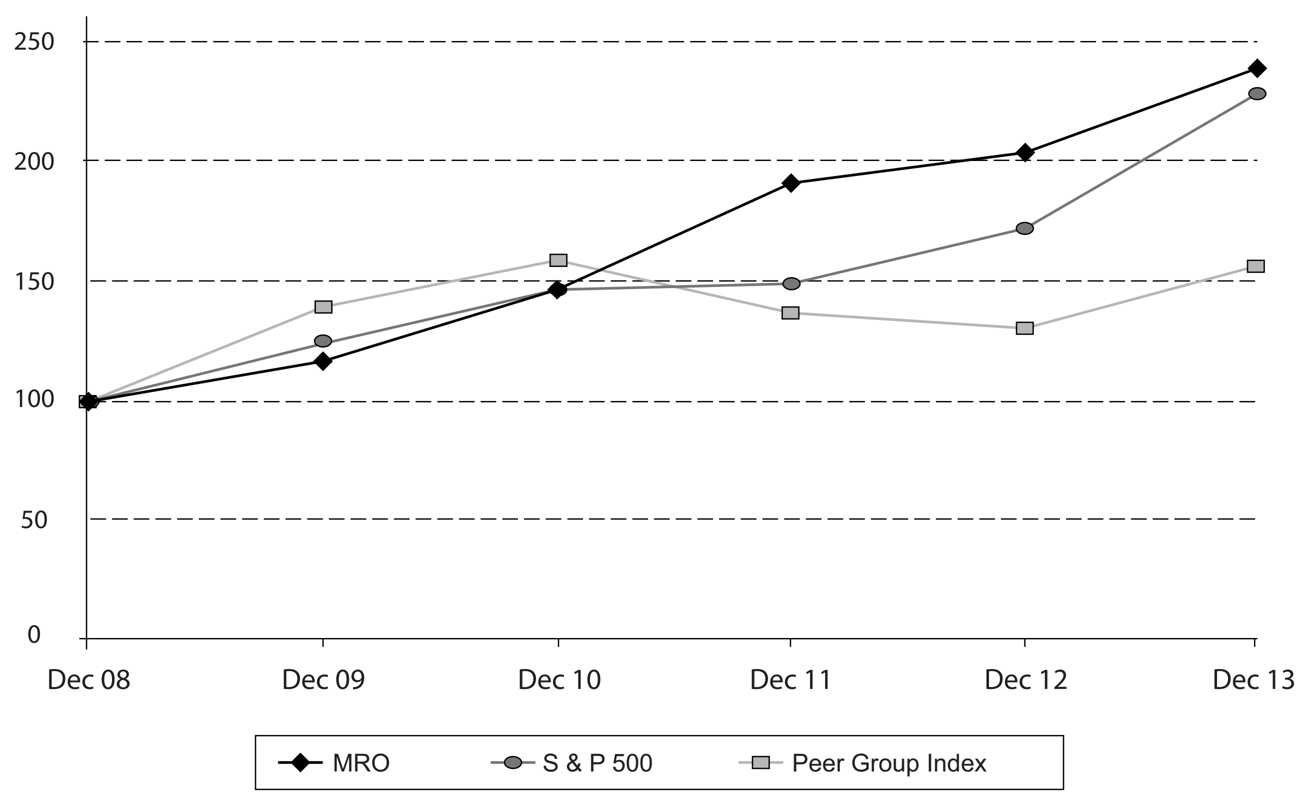
Dividends
Dividends on Common Stock, as declared by the Board of Directors, are normally paid on the 10th day of March, June, September and December.

Stockholder Return Performance Graph
The line graph below compares the yearly change in cumulative total stockholder return for our common stock with the cumulative total return of the Standard & Poor's ("S&P") 500 Stock Index and our peer group index (the "Peer Group Index"). The Peer Group Index is comprised of Anadarko Petroleum Corp., Apache Corp., Chesapeake Energy Corp., Devon Energy Corp., Encana Corp., EOG Resources Inc., Hess Corp., Murphy Oil Corp., Noble Energy Inc., Occidental Petroleum Corp., and Talisman Energy.

Comparison of Cumulative Total Return on $100
Invested in Marathon Oil Common Stock on December 31, 2008
vs.
***S&P 500 and Peer Group Index**



* Total return assumes reinvestment of dividends

Cautionary Note and Statement for the Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995

The letter to stockholders contains forward-looking statements with respect to the timing and levels of future production, the compound annual growth rate of production, accelerated rig and drilling activity in the Eagle Ford, Bakken, and Oklahoma Woodford resource plays, anticipated future exploratory and development drilling activity, infrastructure projects in the Eagle Ford resource play, projected spending and investment in exploration and development activities under the 2014 capital and exploration spending budget, and the possible sale of our U.K. and Norway assets. The average times to drill a well may not be indicative of future drilling times. Current production rates may not be indicative of future production rates. Some factors which could potentially affect these forward-looking statements include pricing, supply and demand for liquid hydrocarbons and natural gas, the amount of capital available for exploration and development, regulatory constraints, timing of commencing production from new wells, drilling rig availability, availability of materials and labor, other risks associated with construction projects, unforeseen hazards such as weather conditions, acts of war or terrorist acts and the governmental or military response, and other geological, operating and economic considerations. The projected spending under the 2014 capital and exploration spending budget is a good faith estimate, and, therefore, subject to change. The possible sale of our U.K. and Norway assets is subject to the identification of one or more buyers, successful negotiations, board approval and execution of definitive agreements. Actual results may differ materially from these expectations, estimates and projections and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and difficult to predict. The foregoing factors (among others) could cause actual results to differ materially from those set forth in the forward-looking statements. In accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Marathon Oil Corporation has included in its attached Form 10-K for the year ended December 31, 2013, cautionary language identifying other important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements.