1Q 2013 EARNINGS CONFERENCE CALL REMARKS

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Good morning, and welcome to Marathon Oil Corporation's first quarter 2013 earnings Web cast and conference call. The synchronized slides that accompany this call can be found on our website, at MarathonOil.com. On the call today are Clarence Cazalot, chairman, president and CEO, and Janet Clark, executive vice president and CFO.

Slide 2 contains a discussion of forward-looking statements and other information included in this presentation. Our remarks and answers to questions today 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.

In accordance with safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Marathon Oil Corporation has included in its Annual Report on Form 10-K for the year ended December 31, 2012, and subsequent Forms 8-K, cautionary language identifying important factors, but not necessarily all factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements. Please note that in the appendix to this presentation there is a reconciliation of quarterly net income to adjusted net income for the periods presented, as well as operating estimates and other data you may find useful.

Turning to slide 3, beginning in 2013, we changed the Company's reportable segments to better reflect the growing importance of our U.S. unconventional resource plays. All periods presented have been recast in this new segment view.

There are still three reportable operating segments, with each organized and managed based primarily upon geographic location and the nature of its products and services. The three segments are:

- North America E&P which explores for, produces and markets liquid hydrocarbons and natural gas in North America and includes our insitu position in Canada.
- International E&P which explores for, produces and markets liquid hydrocarbons and natural gas outside of North America and produces and markets liquefied natural gas and methanol.
  and
- Oil Sands Mining which mines, extracts and transports bitumen from oil sands deposits in Alberta, Canada, and upgrades the bitumen to produce and market synthetic crude oil and vacuum gas oil.

As discussed on slide 4, we also changed the presentation of our consolidated statements of income, primarily to present additional revenue and expense details and to report certain expenses more consistently with our peers. To effect these changes, certain reclassifications of previously reported amounts were made and, as a result, general and administrative expenses for the first and fourth quarters of 2012 increased by $39 million and $38 million, respectively, offset by reductions in production, other operating and exploration expenses and taxes other than income. Full year 2011 and 2012 along with second and third quarter 2012 data will be added to future published documents.

Slide 5 provides an analysis of cash flows for the first quarter 2013. Operating cash flow, before changes in working capital, was $1.6 billion, a 40% increase over the fourth quarter as a result of higher sales volumes, lower production costs per boe and better U.S. liquids realizations, particularly for Bakken crude. Proceeds from dispositions of $312 million almost completely offset the debt repayments of $314 million, while working capital changes resulted in a $73 million use of cash and we paid dividends of $120 million.

We ended the quarter with $768 million in cash, $84 million higher than year end 2012, while total debt was $6.5 billion bringing our net-cash-adjusted-debt-to-capital ratio down slightly to 24 percent.
Slide 6 reconciles quarter to quarter adjusted net income. The first quarter 2013 was 7% lower than the fourth quarter 2012. Our North America E&P first quarter after-tax earnings decreased $160 million, largely a result of a $218 million after tax unproved property impairment in the Eagle Ford, or

$340 million pre tax. The first quarter 2013 effective tax rate was 73% or 65% excluding Libya.

Slide 7 shows the North America E&P segment's first quarter 2013 earnings decreased from income of $101 million in the fourth quarter 2012 to a loss of $59 million in the current quarter. Again, this loss was primarily the result of the unproved property impairments I just discussed. Lower natural gas prices and volumes driven by the disposition of the Company's assets in Alaska were more than offset by higher production from the lower 48 resource plays and stronger crude prices in the lower 48, again, particularly for the Bakken.

Slide 8 shows the changes driving our first quarter 2013 International E&P earnings. The segment income of $453 million in the first quarter was little changed from the $446 million recorded in the fourth quarter 2012. The first quarter saw an underlift in Libya driving a negative volume variance which was offset by lower income taxes. Higher DD&A was seen in the quarter as a result of first sales from Angola, which was offset by a positive variance in the other category as a result of higher earnings from our equity investments in EG and lower indirect costs because of employee bonus accruals in the 4th quarter 2012.

Slide 9 shows quarter over quarter data for LNG and Methanol sales. LNG sales volumes were higher as a result of an additional lifting in the first quarter compared to the fourth quarter of 2012, while methanol sales volumes were down slightly over the same period.

Slide 10 shows our Oil Sands Mining segment income increased $21 million sequentially, primarily because of higher volumes driven by reliability improvements. Combined production from the Jack Pine and Muskeg River mines set a record bitumen production rate in the first quarter. In addition, the upgrader availability was 100 percent for the first quarter, allowing the facility to maximize production of lighter synthetic crudes, which improved realizations and profit margins. This was partially offset by higher costs at the mine related to contract labor associated with seasonal activity.

I'll now turn the call over to Clarence to discuss operations.

Slide 11 summarizes the key highlights for the first quarter. We had strong production growth and cash flow from operations. Our available-for-sale production was up 4% over the prior quarter and up 19% over the first quarter of 2012, excluding Libya and Alaska. We continued our focus on controlling our cash cost, and this along with other factors led to a 40% increase in cash flow from operations before working capital changes.

We continued our solid execution in the U.S. unconventional plays, particularly the Eagle Ford and the Bakken, and indeed increased our 2013 production guidance in the Bakken to 40,000 BOE per day net. We also increased our overall production guidance for 2013 for our worldwide operations to 7% to 10% growth over 2012 versus our prior guidance of 6% to 8%.

Moving to slide 12, I'll comment on our execution in our key resource plays and future expectations. Eagle Ford first quarter production averaged 72,000 barrels of oil equivalent per day, a 22% increase over the prior quarter. The migration to pad drilling is ahead of schedule with 80% of wells drilled in the first quarter drilled off multi-well pads. Our 2013 target for drilling between 215-250 net wells remains unchanged. We are currently operating 16 rigs and will continue to monitor the rig efficiency in order to hit our targeted annual well count. We have also begun testing the Austin Chalk and Pearsall formations within our acreage to assess their potential.

Production in the Bakken averaged 37,000 barrels of oil equivalent per day during the first quarter. The strong performance of our asset team has allowed us to once again raise the 2013 targeted annual production to approximately 40,000 barrels of oil equivalent per day. The targeted 2013 well count of between 65-70 net wells remains unchanged. Approximately 45% of our oil production was transported to market via rail in the first quarter.

In the Oklahoma Resource Basin our targeted 2013 well count of between 15-19 net wells remains unchanged and during 2013 we will drill four wells to assess the potential resource contained within the Mississippian Lime and Granite Wash horizons.

Slide 13 shows our 2013 refocused and very active exploration drilling schedule. The program has already resulted in the successful appraisal of the outside-operated Shenandoah prospect in the Gulf of Mexico during the first quarter. We're currently participating in eight exploration or appraisal wells and expect to evaluate the potential of this program over the next twelve months.

Slide 14 demonstrates that since the first quarter of 2012, our quarterly worldwide production available for sale, excluding Alaska and Libya, has grown approximately 18 percent. The growth wedge over this time was primarily driven by our Lower 48 onshore production.

Slide 15 shows that our Lower 48 onshore production available for sale has grown approximately 100,000 barrels of oil equivalent per day from the third quarter 2011 to the first quarter 2013. Importantly, liquids volumes increased from 55 percent to 72 percent of total volumes over this same period. The 2013 first quarter production was 9 percent higher than the 4th quarter of 2012. The target for fourth quarter production is between 190,000 and 210,000 BOED, which is an increase from the 185,000 to 205,000 BOE per day range we previously provided.

Slide 16 shows the historical available for sale and sales volumes for the North America and International E&P segments including Libya and Alaska since the first quarter of 2012. Production available for sale increased 16 per cent and 2 per cent over the first and fourth quarters of 2012, respectively. New production brought onstream in the first quarter of 2013 was partially offset by the sale of our Alaskan assets. Correspondingly, sales volumes in the first quarter were 15,000 barrels of oil equivalent lower compared to the fourth quarter of 2012. However, if you exclude Libya and Alaska, sales volumes increased 19 per cent and 4 per cent compared to the first quarter and fourth quarter, respectively.

At the end of the first quarter we had a cumulative underlift of approximately 3 million BOE. Of this, approximately 2.2 million BOE is natural gas in Libya. On the liquids side, we are underlifted 1 million barrels in Libya and 166,000 barrels in Norway. We are overlifted 273,000 barrels in the U.K., 78,000 barrels in Angola and 64,000 barrels in EG. The first quarter saw our first lifting's from Angola.

Slide 17 compares total company liquid hydrocarbon sales volumes excluding Libya, for the first quarter 2012, fourth quarter 2012 and first quarter 2013. Actual sales volumes grew approximately 27 per cent between the first quarter 2012 and 2013, with the U.S. percentage growing from 34 per cent in the first quarter of 2012 to 42 per cent in the first quarter of 2013.

Slide 18 shows this same comparison for actual first quarter 2013 to estimated second quarter 2013 sales volumes. The U.S. sales continue to grow as a percentage of the total.

Slide 19 shows our progress towards our stated goal of achieving a 5 to 7 per cent compounded average growth rate between 2010 and 2017. The impact of the growth being delivered by our onshore U.S. plays is evident in this chart.

Slide 20 shows our International E&P quarterly cost structure per BOE. Our operated international production in Norway, Equatorial Guinea and the U.K. have maintained excellent reliability. DD & A per boe in the first quarter of 2013 was impacted by our first liftings from Angola.

Slide 21 depicts the International E&P cost per barrel of oil equivalent trend without Libya. By excluding the low-cost Libya barrels, we see an increase in our overall cost per barrel compared to the prior slide.

Slide 22 provides our estimate for the 2013 International E&P cost per barrel of oil equivalent, and this excludes Libya. The forecast reflects a combination of the projected decline in our Norway production and the continued ramp-up of production from the non-operated Angola Block 31 PSVM development. The higher operating costs per boe also reflect the cost of turnarounds and workovers scheduled later in 2013.

As shown on slide 23, total North America E&P costs per BOE increased quarter over quarter, primarily because of higher exploration costs associated with the impairment of certain unproved leases in the Eagle Ford. But excluding the Eagle Ford impact, overall costs were lower than the fourth quarter, and cash costs were lower by approximately $0.90 per BOE.

Slide 24, provides the estimated 2013 operating costs per BOE for the overall North America E&P and the Eagle Ford.