

Marathon Announces Favorable IRS Ruling on Tax-Free Nature of Planned Spin-off

HOUSTON, May 24, 2011 - Marathon Oil Corporation (NYSE: MRO) (Marathon Oil) announced today that the U.S. Internal Revenue Service (IRS) has provided a favorable private letter ruling confirming the tax-free status of the planned spin-off of the Company's downstream business, Marathon Petroleum Corporation (MPC).

Based on certain facts, assumptions, representations and undertakings set forth in the ruling, for U.S. federal income tax purposes, the distribution of MPC common stock and certain related transactions generally will not be taxable to Marathon Oil or U.S. holders of Marathon Oil common stock, except in respect to cash received in lieu of fractional share interests, which generally will be taxable to such holders as capital gain.

The only remaining regulatory approval required is the completion of a review by the U.S. Securities and Exchange Commission of MPC's Form 10. The spin-off is expected to be effective June 30, 2011.

On Jan. 13, 2011, Marathon's Board of Directors announced that it had approved moving forward with plans to spin-off the downstream business, creating two independent, highly focused energy companies. MPC, to be based in Findlay, Ohio, is expected to be the fifth largest U.S. refiner with a top-tier downstream portfolio of strategically aligned assets concentrated mainly in the Midwest, Gulf Coast and Southeast regions of the U.S. Marathon Oil, which will remain based in Houston, will be a global exploration and production company with a strong portfolio of assets delivering defined growth leveraged to crude oil production with exploration upside.

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This release contains forward-looking statements with respect to the possible spin-off of Marathon Petroleum Corporation. Factors that could affect the spin-off include board approval and a registration statement declared effective by the U.S. Securities and Exchange Commission. 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 Annual Report on Form 10-K for the year ended December 31, 2010, and subsequent Forms 10-Q and 8-K, 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.

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