

Marathon Oil Signs Agreement with Africa Oil to Jointly Explore Blocks in Kenya

HOUSTON, July 23, 2012 (GLOBE NEWSWIRE) -- Marathon Oil Corporation (NYSE: MRO) announced today that it has entered into a farmout agreement with Africa Oil Corp. to acquire a position in two onshore exploration blocks amounting to more than 11 million gross acres in northwest Kenya. The transaction includes a 50 percent working interest (WI) in Block 9 and a 15 percent WI in Block 12A. The companies expect to close the transaction, subject to completion of the necessary Kenyan government approvals, in the third quarter of 2012, with an effective date of June 30, 2012.

"With this transaction Marathon Oil gains entry into an emerging onshore oil play in Kenya that offers potential across a vast acreage position and fits with our liquids-rich strategic focus," said Annell R. Bay, Marathon Oil's vice president of Global Exploration.

Kenya's Block 9 is approximately 7.5 million gross acres (30,220 square kilometers) along a prospective Cretaceous Rift Trend. Africa Oil will operate the exploration phase, and Marathon Oil has the right to assume the role of operator if a commercial discovery is made.

Block 12A is approximately 3.8 million gross acres (15,389 square kilometers) and is contiguous with Block 10BB to the north, which contains the recently announced Ngamia-1 oil discovery. Tullow Oil is the operator of Block 12A with a 65 percent WI and Africa Oil retains a 20 percent WI.

The companies expect to drill an exploration well on Block 9 in the second quarter of 2013. On Block 12A, 2-D seismic acquisition is expected to commence in the third quarter of 2012.

In addition, Marathon Oil and Africa Oil have agreed to jointly pursue exploration activities on an additional exploration area in Ethiopia, subject to host country Government approvals.

In consideration for the assignment of these interests, Marathon Oil will pay Africa Oil an entry payment of \$35 million which includes prior expenditures, and has agreed to fund Africa Oil's working interest share of joint venture expenditures in these blocks anticipated to be spent over the next three years up to a maximum of \$43.5 million.

Marathon Oil Corporation is an independent international energy company. Based in Houston, Texas, Marathon Oil had net proved reserves at the end of 2011 of 1.8 billion barrels of oil equivalent in North America, Europe and Africa. For more information, please visit the Company's website at <http://www.marathonoil.com>.

This release contains forward-looking statements with respect to a farmout agreement, anticipated drilling activity, acquisition of seismic, and future exploration activities. Factors that could affect these forward looking statements include pricing, supply and demand for crude oil and natural gas, the amount of capital available for exploration and development, regulatory constraints, government approvals, drilling rig availability, unforeseen hazards such as weather conditions, acts of war or terrorist acts and the governmental or military response thereto, and other geological, operating and economic considerations. 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, 2011, 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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