Marathon Oil Announces Entry into Ethiopia

HOUSTON, Oct. 3, 2012 (GLOBE NEWSWIRE) -- Marathon Oil Corporation (NYSE: MRO) announced today that its subsidiary Marathon Ethiopia Limited B.V. has entered into a sale and purchase agreement with Agriterra Limited to acquire their 20 percent working interest in the South Omo concession in Ethiopia with an effective date of Aug. 17, 2012. The companies expect to close the transaction, subject to completion of the necessary Ethiopian government approvals, before the end of the year.

Tullow Oil is the operator of the South Omo concession with a 50 percent working interest, and Africa Oil holds the remaining 30 percent working interest. The concession has an area of approximately 7.2 million gross acres (29,465 gross square kilometers). An exploration well is anticipated to spud in South Omo in the fourth quarter of 2012.

In consideration for the assignment of these interests, Marathon Oil will pay Agriterra $40 million, before closing adjustments, with an additional payment of $10 million due upon Marathon Oil's participation in a declaration of a commercial discovery.

"This acquisition is a strong addition to Marathon Oil's position in the Tertiary rift trend onshore East Africa and is on trend with the recent Ngamia-1 discovery in Kenya," said Annell Bay, Marathon Oil vice president, Global Exploration. "We are excited to build on our partnership with Tullow and Africa Oil."

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 sale and purchase agreement, which is subject to Ethiopian government and partner approvals and other customary closing conditions, and the expected timing of an exploratory well. The expected timing of the exploratory well can be affected by pricing, supply and demand for liquid hydrocarbons and natural gas, drilling rig availability, and other geologic and economic considerations. These factors, among others, may 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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