Marathon Oil Set to Accelerate U.S. Resource Play Activity and Market North Sea Assets; Approves Additional Share Repurchase Authorization

NEW YORK, Dec. 11, 2013 (GLOBE NEWSWIRE) -- Marathon Oil Corporation (NYSE: MRO), at its Analyst Day in New York today, is providing investors with a comprehensive report on the Company's global operations, including a review of strategic plans to achieve profitable growth and competitive returns for shareholders.

The Company's plans include:

- **Accelerating Eagle Ford and Bakken rig activity 20% each; 100% rig activity increase planned for Oklahoma Woodford**
  -- 28-rig program underpinned by 2.4 billion barrels of oil equivalent (boe) of 2P unconventional resource, doubled since 2011, and over 4,500 net well locations
  -- Greater than 60% of 2014 $5.9 billion capital, investment and exploration budget allocated to resource plays
  -- Projects 2014 resource play production growth rate greater than 30% relative to 2013; forecasts overall production growth rate of approximately 4%, excluding Alaska, Angola and Libya
  -- For the period 2012-2017, projects resource play production compound annual growth rate (CAGR) greater than 25%; forecasts total production CAGR of 5-7% for the same period

- **Marketing the United Kingdom (UK) and Norway assets to continue portfolio optimization strategy**
  -- Simplifies and concentrates portfolio
  -- 2012-2017 adjusted CAGR would increase to 8-10%

- **Increased remaining share repurchase authorization to $2.5 billion**
  -- Includes anticipated $500 million share repurchase with sale of Angola Block 31
  -- Provides financial optionality heading into 2014

"When you look at the three priorities for our 2014 business plan - accelerating our rig activity in three of the highest-value domestic resource plays, marketing our North Sea assets and increasing our share repurchase authorization - we believe they definitively reinforce our stated strategy of creating long-term shareholder value and a commitment to rigorous portfolio management integrated with robust capital allocation," said Marathon Oil President and CEO Lee Tillman.

"Our continued focus on operations and execution excellence across all our assets will help drive approximately 10 percent production growth in 2013, excluding Alaska and Libya. We believe this standard of performance, coupled with continued resource growth, fully supports an accelerated investment in our three high-quality resource plays -- the Eagle Ford, Bakken and Oklahoma Woodford. This increased activity underpins our confidence in delivering approximately 4 percent year-on-year growth in overall 2014 volumes, excluding Alaska, Angola and Libya.

"Additionally, the marketing of our North Sea assets represents another example of our ongoing commitment to portfolio management. In the past three years, we have closed or agreed upon nearly $3.5 billion in non-core asset divestitures, surpassing the upper end of our stated $1.5 to $3 billion target. Our plan to market our assets in the UK and Norway provides an option to simplify and concentrate our portfolio while increasing our growth rate and accelerating cash flows. This, in turn, presents an opportunity to redeploy capital for long-term value creation for our shareholders.

"To that end and to provide financial optionality as we head into 2014, we've secured authorization from our board of directors to increase our remaining share repurchase authorization to $2.5 billion.

"Marathon Oil has demonstrated its ability to execute on its strategy and deliver results - an essential element to becoming the industry's premier independent exploration and production company. With dedicated employees across the globe and a steadfast commitment to safe, responsible operations, skillful execution and delivering industry-leading results will remain our focus in 2014 and beyond," Tillman added.

2014 Capital, Investment and Exploration Budget

The Company announced a $5.9 billion capital, investment and exploration budget for 2014, more than 60 percent of which is directed toward the Company's high-growth, liquids-rich North America resource play assets.

Marathon Oil's capital allocation seeks to fund the highest-value opportunities within the portfolio. Organic reinvestment to profitably grow volumes and focused exploration to capture new resource for future growth are the primary uses of capital. Within these two broad categories, Marathon Oil has a solid portfolio of conventional oil and gas and oil sands mining assets that generates significant cash flow; a defined set of North America resource play assets that provide low-risk, profitable growth; and a risk-balanced exploration program targeting significant value creation. From this disciplined capital allocation, the Company expects 2014 net production available for sale from the combined North America and International Exploration & Production (E&P) segments to average 405,000 to 435,000 barrels of oil equivalent per day (boed), excluding Libya. Marathon Oil also expects production from the Oil Sands Mining segment of 40,000 to 50,000 net barrels of synthetic crude oil per day in 2014.

Conventional Assets: The Company plans to spend approximately $1.4 billion on its conventional North America and International E&P assets to provide stable production, income and cash flow. These assets include production operations in Norway, the Gulf of Mexico, U.S. conventional oil and gas plays, Equatorial Guinea, the UK, Libya and developments in the Kurdistan Region of Iraq. With a continued emphasis on high operational reliability and expense management, Marathon Oil will continue to stress a disciplined investment plan that generates competitive returns.

Resource Play Assets: Approximately $3.6 billion of the capital spending budget is allocated to North America E&P resource play projects. Of that, $2.3 billion is allocated toward the Eagle Ford in south Texas, with plans for drilling 250-260 net wells (385-405 gross, of which 340-355 are Company operated) in 2014. Included in Eagle Ford spending is $225 million for central batteries and pipeline construction.

Additionally, the Company plans to spend just over $1 billion in the Bakken shale in North Dakota and $236 million in the Oklahoma Woodford. With that, Marathon Oil plans to drill 80-90 net wells (200-220 gross, of which 75-85 are Company operated) in the Bakken and 17-23 net wells (80-100 gross, of which 18-24 are Company operated) in the Oklahoma Woodford. In the Bakken, the Company also plans to recomplete 20-24 existing net wells (22-26 existing gross wells).

Exploration: Marathon Oil plans to spend $529 million selectively investing in a risk-balanced exploration program. Activity will include conducting seismic surveys and drilling 2-3 net wells (8-10 gross, of which two are Company operated) across the deepwater Gulf of Mexico, Ethiopia, Kenya, Gabon and the Kurdistan Region of Iraq.

Oil Sands Mining

Marathon Oil has budgeted $294 million for its Oil Sands Mining segment. The 2014 budget includes funds for numerous smaller projects that represent sustaining capital. Marathon Oil holds a 20 percent outside-operated interest in the Athabasca Oil Sands Project.

Corporate and Other

The corporate budget is expected to total $105 million, of which $49 million represents capitalized interest on assets under construction.

The Company's Analyst Day webcast commentary and associated slides will be posted to the Company's website at http://ir.marathonoil.comand to its mobile app as soon as practicable following the release today, Dec. 11. The Company will conduct a question-and-answer session as part of the meeting, and listeners will be able to participate via the webcast link. The Analyst Day slides, associated commentary and answers to questions will include forward-looking information. Replays of the webcast will be available through March 11, 2014.

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This release contains forward-looking statements with respect to the timing, levels and the compound annual growth rate of the Company's liquid hydrocarbon, natural gas and synthetic crude oil production available for sale, the compound annual growth rate of production for the resource plays, accelerated rig and drilling activity in the Eagle Ford, Bakken and Oklahoma Woodford resource plays, planned construction of central batteries and pipelines in the Eagle Ford, exploration drilling activity in the Gulf of Mexico, Ethiopia, Kenya, Gabon and the Kurdistan Region of Iraq, planned marketing and possible sale of the United Kingdom (UK) and Norway assets, the anticipated sale of the Company's 10 percent working interest in Block 31 offshore Angola, including the use of proceeds, the common stock repurchase programand the 2014 capital, investment and exploration spending forecast.Factors that could potentially affect the timing, levels and compound annual growth rate of the Company's liquid hydrocarbon, natural gas and synthetic crude oil production available for sale, the compound annual growth rate of production for the resource plays, planned rig and drilling activity in the Eagle Ford, Bakken and Oklahoma Woodford resource plays, planned construction of central batteries and pipelines in the Eagle Ford, and exploration drilling activity in the Gulf of Mexico, Ethiopia, Kenya, Gabon and the Kurdistan Region of Iraq 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 associated risks with construction projects, the inability to obtain or delay in obtaining necessary government or third-party approvals and permits, 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 planned marketing and possible sale of the UK and Norway assets is subject to the identification of one or more buyers, successful negotiations and execution of definitive agreements. The anticipated sale of the Company's 10 percent working interest in Block 31 offshore Angola is subject to the satisfaction of customary closing conditions and obtaining necessary government and regulatory approvals. The expectations with respect to the use of proceeds from the sale of the Company's 10 percent working interest in Angola Block 31 and the common stock repurchase program could be affected by changes in the prices of and demand for liquid hydrocarbons and natural gas, actions of competitors, disruptions or interruptions of the Company's exploration or production operations, unforeseen hazards such as weather conditions or acts of war or terrorist acts and other operating and economic considerations. The 2014 capital, investment and exploration spending forecast is based on current expectations, good faith estimates and projections and is subject to change.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 the Company's 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 Annual Report on Form 10-K for the year ended December 31, 2012, 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.

Additional Cautionary Note to U.S. Investors - The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. Marathon Oil Corporation uses certain terms in this release, such as 2P unconventional resource, that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosures in Marathon Oil's periodic filings with the SEC, available from us at 5555 San Felipe Street, Houston, Texas 77056 and the Company's website at http://www.MarathonOil.com. You can also obtain this information from the SEC by calling 1-800-SEC-0330.

2014 Capital, Investment and Exploration (non-capital) Spending (dollars in millions)

	2014 Budget	Percent Of Total
North America (N.A.) and International Exploration and Production (E&P)		
Conventional Assets	**$1,395**	23%
Resource Plays	**3,559**	61%
Exploration *	**529**	9%
Total N.A. and International E&P	**5,483**	93%
N.A. E&P	**4,241**	72%
International E&P	**1,242**	21%

Total E&P	**5,483**	93%
Oil Sands Mining	**294**	5%
Total	**5,777**	98%
Other		
Corporate	**56**	1%
Capitalized Interest	**49**	1%
Total Other	**105**	2%
Total Capital, Investment and Exploration Spending	**$5,882**	100%

* Includes spending on exploration in the deepwater Gulf of Mexico, Ethiopia, Kenya, Gabon and the Kurdistan Region of Iraq. It does not include all exploration and exploitation spending, which is expected to be $1,164 million in 2014.

Capital, investment and exploration spending includes capital expenditures, cash investments in equity method investees and other investments, exploration costs that are expensed as incurred rather than capitalized, such as geological and geophysical costs and certain staff costs, and other miscellaneous investment expenditures. The components of capital, investment and exploration spending are as follows:

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Capital Expenditures	**$5,6**
Other Exploration Costs	**$2**
Capital, Investment and Exploration Spending	**$5,8**

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