Marathon Oil Announces $2.7 Billion Sale of Norway Business

HOUSTON, June 2, 2014 (GLOBE NEWSWIRE) -- Marathon Oil Corporation (NYSE: MRO) announced today that it has entered into a definitive agreement with Det norske oljeselskap ASA under which Det norske will purchase Marathon Oil's wholly owned subsidiary, Marathon Oil Norge AS, for a total transaction value of $2.7 billion. After adjustment for debt, net working capital and interest on the net purchase price, Marathon Oil expects net proceeds of approximately $2.1 billion at closing. The effective date of the transaction is Jan. 1, 2014.

The companies expect to close the transaction, subject to the necessary government and regulatory approvals, in the fourth quarter of this year.

"The sale of our Norway assets advances one of our key 2014 priorities and further demonstrates our commitment to rigorous portfolio management to simplify and concentrate our business," said Lee M. Tillman, Marathon Oil's president and CEO. "Since becoming an independent E&P company in 2011, Marathon Oil has executed $6.2 billion of strategic divestitures repositioning the portfolio for future growth and profitability. The disciplined allocation of capital to opportunities that can deliver long-term growth at higher returns and improved margins is a strategic imperative.

"With respect to our plans for the re-deployment of proceeds, we remain resolute in our commitment to capital discipline," Tillman emphasized. "Marathon Oil has a deep inventory across three high-quality U.S. resource plays with expanding opportunities to further accelerate activity. Such organic growth will be our first priority for additional capital allocation, with the balance available for share repurchases under our remaining $1.5 billion board authorization and general corporate purposes.

"I'd also like to recognize the professionalism and dedication of our Norway employees for their significant contributions over the years in building a world-class operation on the Norwegian Continental Shelf. Det norske recognizes the value of not only the assets, but also the competencies and capabilities of the people who have driven Marathon Oil's success in Norway," Tillman said.

The sale includes the Marathon Oil-operated Alvheim floating production, storage and offloading (FPSO) vessel, 10 Company-operated licenses and a number of non-operated licenses on the Norwegian Continental Shelf in the North Sea. Full-year 2013 net production in Norway averaged approximately 80,000 barrels of oil equivalent (BOE) per day.

U.K. Business Retained

After careful consideration of all bids, the Company received no acceptable offer for its U.K. North Sea business and has elected to retain those assets.

"From the beginning of this marketing process, we stated we would only sell our U.K. North Sea business if we received an offer that appropriately valued these assets," Tillman said. "Accordingly, we will continue to operate this business as we always have - with a focus on our Company's long-held values and commitment to safe and responsible operations, and in a manner that maximizes shareholder value. We have an outstanding team in the U.K., and I'm proud of their continued contributions during this marketing period. Moving forward, I have confidence they will continue to drive value for the Company."

Scotia Waterous served as financial advisor to Marathon Oil in this transaction.

Marathon Oil Corporation is an international exploration and production company. Based in Houston, Texas, the Company had net proved reserves at the end of 2013 of approximately 2.2 billion barrels of oil equivalent in North America, Europe and Africa. For more information, please visit the website at http://www.marathonoil.com.

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This release contains forward-looking statements with respect to the sale of Marathon Oil's Norway business and the use of proceeds Some factors that could potentially affect the sale of this business are completion of the necessary government and regulatory approvals and customary closing conditions. The use of proceeds is based on current expectations, good faith estimates and *projections and is not a guarantee of future performance. 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. 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 endedDecember 31, 2013, and subsequent Form 10-Q, 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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Source: Marathon Oil Corporation