

Marathon Oil Adds Significant Unconventional Resource, Positions for Further Acceleration

HOUSTON, Sept. 3, 2014 (GLOBE NEWSWIRE) -- Marathon Oil Corporation (NYSE: MRO) President and CEO Lee M. Tillman, speaking at the Barclays CEO Energy-Power Conference in New York today, provided investors with key updates on the Company's progress and operations, with specific focus on the strategic imperatives of resource capture, profitable volumes growth and shareholder value.

In his presentation, Tillman highlighted the following:

- More than 20% growth in U.S. unconventional 2P resource to 3 billion boe across Oklahoma Resource Basins, Bakken and Eagle Ford; up 520 million boe vs. year-end 2013
- Future drilling inventory increased to 4,650 net wells
- Resource adds concentrated in Oklahoma, where unconventional 2P resource is up approximately 40% to 1.11 billion boe vs. year-end 2013
- Initial acceleration of three incremental rigs to be added by year-end 2014; further acceleration expected in 2015
- Expect resource play production growth at a double-digit CAGR for 2015-2017; total Company production growth projected as high single-digit CAGR for the same period

"We've been aggressively conducting pilots and delineation drilling across our three U.S. resource plays to test downspacing, enhanced completions and co-development. The successful results have grown our net 2P unconventional resource to 3 billion barrels of oil equivalent (boe), up 520 million boe compared to year-end 2013. Associated with the resource growth, Marathon Oil's well inventory for future drilling opportunities has increased to more than 4,600 net well locations across the Eagle Ford, Bakken and the Oklahoma resource basins," Tillman said.

"More resource equals more inventory, which supports more drilling activity in our highest return opportunities," he emphasized.

"Organic investment is our first priority, as we optimize our portfolio and redeploy operating cash flow and proceeds from strategic transactions. In line with this objective, we plan to add an initial three incremental rigs - two rigs in Oklahoma and one in the Bakken - before year end. This increased drilling activity will give us a 'fast start' on 2015 growth as we continue to position for further acceleration."

Tillman said the Company expects to release further detail about its 2015 activities in December in conjunction with Marathon Oil's 2015 capital, investment and exploration budget.

"Importantly, we see the Oklahoma Resource Basins as the third major growth engine in our portfolio, with more than 1 billion boe of 2P resource and more than 1,200 net well locations in future drilling inventory," he said. "Our anticipated forward program, supported by the initial two incremental 'fast start' rigs, is focused on driving development in the SCOOP while continuing delineation in the STACK and exploring new horizons such as the Springer formation.

"In North Dakota, we're shifting up a gear to ensure we capture full value from the integration of results from our high-density drilling and well completion pilots. More than half of our completions in the Bakken in the second half of 2014 will be testing some aspect of enhanced well completion designs. The additional rig in late 2014 will provide capacity to drive high density development into 2015.

"Last but not least, we're executing with confidence in the Eagle Ford. We're on plan with our delineation of Austin Chalk co-development, and expect to pilot our first 'stack and frac' of the Upper Eagle Ford in the fourth quarter of 2014. Our completion optimization work continues to generate high incremental returns with tighter stage spacing delivering incremental rates of return of approximately 100 percent.

"Overall, we're pleased with our progress in the U.S. resource plays and are committed to driving both operating and capital efficiency while growing resource, volumes and cash flows. By adhering to our business strategy, exercising capital discipline and focusing on execution, Marathon Oil will deliver industry-leading results and competitive production growth throughout the year and in the future,"

Tillman said.

Marathon Oil Corporation is a global 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 within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements other than statements of historical fact that give current expectations or forecasts of future events. They include, but are not limited to: Marathon Oil's operational, financial and growth strategies, including planned capital expenditures, growth activities and expectations, Marathon Oil's ability to successfully effect those strategies and the expected results therefrom; Marathon Oil's financial and operational outlook, and ability to fulfill that outlook; resource growth and the expected benefits therefrom; production growth estimates; future drilling plans and timing, including planned wells, well inventory, exploration activities and growth opportunities in Oklahoma, Bakken and Eagle Ford, rig additions, acceleration plans, stack and frac plans and production expectations, and the expected results therefrom; intended use of proceeds from strategic transactions; and statements related to enhanced completion designs and the expected benefits thereof. While Marathon Oil believes that the assumptions concerning future events are reasonable, a number of factors could cause results to differ materially from those indicated by such forward-looking statements including, but not limited to: conditions in the oil and gas industry, including the level of supply or demand for liquid hydrocarbons and natural gas and the impact on the price of liquid hydrocarbons and natural gas; changes in political or economic conditions in key operating markets, including international markets; the amount of capital available for exploration and development; timing of commencing production from new wells; drilling rig availability; availability of materials and labor; the inability to obtain or delay in obtaining necessary government or third-party approvals and permits; non-performance by third parties of their contractual obligations; unforeseen hazards such as weather conditions, acts of war or terrorist acts and the governmental or military response thereto; changes in safety, health, environmental and other regulations; and other geological, operating and economic considerations. These forward-looking statements are also affected by the risk factors, forward-looking statements and challenges and uncertainties described in Marathon Oil's Annual Report on Form 10-K for the year ended December 31, 2013, and those set forth from time to time in Marathon Oil's filings with the Securities and Exchange Commission, which are currently available at www.marathonoil.com. Except as required by law, Marathon Oil expressly disclaims any intention or obligation to revise or update any forward-looking statements whether as a result of new information, future events or otherwise.

Cautionary Note to U.S. Investors - The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable or possible reserves which are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. Marathon Oil uses certain terms in this release, such as 2P unconventional resource and other similar terms, 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 the Company's periodic filings with the SEC, available from us at 5555 San Felipe Street, Houston, Texas 77056 and the Company's website at www.marathonoil.com. You can also obtain this information from the SEC by calling 1-800-SEC-0330.

Editor's Notes:

2P - Most likely or "2P" volumes represent most likely deterministic estimates of proved plus probable reserves as defined by the SEC, plus contingent or "2C" volumes with the same technical certainty as proved and probable reserves that are expected to be recovered but that cannot yet be classified as reserves, or the P50 on the cumulative distribution of results from probabilistic estimates.

CAGR - Compounded average growth rate

SCOOP - South Central Oklahoma Oil Province

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