

## Marathon Oil Announces \$700 Million Northern Delaware Acquisition

Houston, March 21, 2017 (GLOBE NEWSWIRE) -- Marathon Oil Corporation (NYSE: MRO) announced today the signing of a definitive agreement to acquire approximately 21,000 net surface acres largely in the Permian's Northern Delaware basin of New Mexico from Black Mountain Oil & Gas and other private sellers for \$700 million in cash, excluding closing adjustments.

"Today's 21,000 acre bolt-on in the Northern Delaware is an excellent fit with the basin entry acquisition we announced earlier this month. The combined deals provide us more than 90,000 acres in the Permian, over 70,000 of which is concentrated in the Northern Delaware," Marathon Oil President and CEO Lee Tillman said. "While we expect to pursue additional trades and grassroots leasing, this bolt-on achieves the scale necessary for efficient long-term development in the basin."

### Black Mountain Acreage Highlights:

- Up to 10 target benches within approximately 5,000 feet of stacked pay; base case assumes up to 6 target benches
- Approximately 21,000 net acres with 20,000 net acres in the Northern Delaware basin; primary targets in world-class Wolfcamp and Bone Spring; roughly 400 boed of current production
- Approximately 230 million BOE of risked resource with 440 gross Company operated locations
- Approximately 550 million BOE of total resource potential with 950 total gross Company operated locations
- High quality Northern Delaware inventory produces greater than 90% before-tax IRRs at \$55 WTI flat and competes for capital allocation at top of Marathon Oil's portfolio

### Combined Permian Acreage Highlights:

- Approximately 91,000 net Permian acres including 71,500 in the Northern Delaware
- Implied total acreage cost of \$18,400 per acre, or \$23,400 per Northern Delaware acre, adjusting for existing production
- Approximately 580 million BOE of risked resource with 1,070 gross Company operated locations
- Approximately 1.45 billion BOE of total resource potential with 2,650 total gross Company operated locations from both tighter density and secondary targets
- Further upside opportunities from 18,500 net acres in Northwest Shelf
- One operated rig drilling with plans to add two more rigs mid-year

The Black Mountain acquisition is expected to close in second quarter 2017 with an effective date of March 1, 2017.

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### Definitions:

BOE: barrels of oil equivalent

BOED: barrels of oil equivalent per day

IRR: Internal rate of return

WTI: West Texas intermediate crude

*This release (and oral statements made regarding the subjects of this release) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements related to the Company's 2017 capital program and the program objectives and flexibility; the proposed Permian basin acquisition and expected timing and projected impacts, including valuation, resource estimates, production estimates, asset quality and internal rates of return; the Company's operational, financial and growth strategies, including drilling plans, rig count, asset development, planned projects, capital discipline, balance sheet protection, operational flexibility, cost reductions, efficiencies and non-core asset sales; and the Company's ability to successfully effect those strategies and the expected timing thereof. While the Company believes that the assumptions concerning future events are reasonable, a number of factors could cause results to differ materially including, but not limited to: conditions in the oil and*

*gas industry; capital available; drilling and operational risks, well production timing; availability of drilling rigs, materials and labor, including the costs associated therewith; the inability to obtain or delay in obtaining necessary government or third-party approvals and permits; the inability of any party to satisfy closing conditions with respect to the acquisition; and any non-performance by third parties of their contractual obligations. These forward-looking statements are also affected by the risk factors, forward-looking statements and challenges and uncertainties described in the Company's 2016 Annual Report on Form 10-K and other public filings and press releases, available at [www.marathonoil.com](http://www.marathonoil.com). Except as required by law, the Company undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.*

*Cautionary Note to Investors - The U.S. Securities and Exchange Commission ("SEC") permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms. Any resource estimates in this release, such as risked resource or total resource potential, that are not specifically designated as being estimates of proved, probable or possible reserves, may include other estimated resources that the SEC's guidelines prohibit us from including in filings with the SEC. Investors are urged to closely consider the disclosures in the Company's periodic filings with the SEC, available at [www.marathonoil.com](http://www.marathonoil.com) or on the SEC's website at [www.sec.gov](http://www.sec.gov).*

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