

Marathon Oil Signs Agreement for Divestiture of U.K. Business

HOUSTON, Feb. 25, 2019 /PRNewswire/ -- Marathon Oil Corporation (NYSE: MRO) announced today the Company has entered into a share purchase agreement through its subsidiaries for the sale of its U.K. businesses Marathon Oil U.K. LLC (MOUK) and Marathon Oil West of Shetland Limited (MOWOS). The transaction represents a complete country exit for Marathon Oil.

MOUK holds a 37 to 40 percent operated interest in fields in the Greater Brae Area, and MOWOS holds a 28 percent interest in the outside-operated Foinaven Field unit and 47 percent in Foinaven East. The buyer, RockRose Energy PLC, will assume all obligations associated with MOUK and MOWOS operations in the U.K, including decommissioning liability.

Subject to customary adjustments, the closing consideration payable to Marathon Oil will be approximately \$140 million, which reflects the assumption by the buyer of MOUK and MOWOS working capital and cash equivalent balances, which were approximately \$350 million on Dec 31, 2018.

"Today's announcement to divest our U.K. business represents our continued commitment to portfolio management and further concentrates our portfolio on high margin, high return U.S. resource plays," said Lee Tillman, Marathon Oil chairman, president and CEO. "I'd like to recognize the significant contributions of our U.K. employees - both current and past - who built and have operated the Brae Field for more than 30 years."

Though there remain certain contractual requirements that must be satisfied, the transaction is expected to close in the second half of 2019, with an effective date of Jan. 1, 2019. At year-end 2018, the Company carried 21.4 million barrels of oil equivalent of proved reserves in the U.K., and 2018 production averaged approximately 13,000 barrels of oil equivalent per day.

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 sale of the Company's U.K. assets 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: the inability to obtain or delay in obtaining necessary government or third-party approvals and permits; the inability of either party to satisfy closing conditions; 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 2018 Annual Report on Form 10-K and other public filings and press releases, available at www.marathonoil.com. The Company undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

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