Marathon Oil Provides ESG Update

New Quantitative Objectives Highlight Commitment to Meeting Global Energy Demand with Leading Environmental Performance

Click here to view complementary presentation - Meeting Global Energy Demand With ESG Excellence

HOUSTON, Jan. 27, 2022 /PRNewswire/ -- Marathon Oil Corporation (NYSE: MRO) today provided an update regarding its environmental, social, and governance (ESG) performance, including an announcement of new quantitative environmental objectives. The Company believes continuously improving all elements of its ESG performance is foundational to maximizing long-term shareholder value.

Highlights

- Achieved significant progress against core safety and environmental objectives in 2021
  - Second best annual TRIR[1] since becoming an independent E&P
  - Achieved target to reduce GHG intensity by at least 30%[2]
  - Improved total Company gas capture to 98.8%[3]
- Announced new environmental objectives that complement existing 2025 GHG intensity goal
  - GHG intensity reduction of 40%[4] by 2022, 50%[4] by 2025 (reiterated), and 70%[4] by 2030
  - Methane intensity reduction of 60%[4] by 2025 and 80%[4] by 2030
  - Annual gas capture of 99% by 2022 and 2030 commitment to World Bank Zero Routine Flaring initiative
- Strategically invested to build healthier, stronger, and safer local communities
  - Continued support of Equatorial Guinea Bioko Island Malaria Elimination Project
  - Expanded My Home Library program in partnership with Barbara Bush Houston Literacy Foundation
  - Launched Unconventional Thinking in Teaching grant program
  - Supported remote learning in collaboration with Communities in Schools and Comp-U-Dopt
- Aligned executive compensation with most important drivers of shareholder value in 2021 and enhanced Board of Director composition with focus on refreshment, independence, and diversity

"The ongoing pursuit of environmental, social, and governance excellence is foundational to our framework for success," said Chairman, President, and CEO Lee Tillman. "We are committed to putting safety first, serving as a trusted partner to our local communities, and maintaining best-in-class corporate governance standards. Additionally, we know how important it is to deliver reliable and affordable energy to the world while prioritizing all facets of ESG. To underscore our commitment to meeting the world's energy needs with leading environmental performance, we are announcing a comprehensive set of new quantitative objectives intended to drive further improvement to our GHG intensity, methane intensity, and natural gas capture. I am proud of the progress we have made thus far and even more excited about how we are positioned for the road ahead as we maintain our focus on corporate returns, sustainable free cash flow generation, delivering leading cash returns to our shareholders through the commodity price cycle, and comprehensive ESG excellence".

Safety
Marathon Oil holds safety as a core value and a key component of its ESG performance. The Company strives to provide safe, healthy, and secure workplaces by maintaining top quartile safety performance in comparison to industry peers, as measured by Total Recordable Incident Rate (TRIR) for both employees and contractors. During 2021, Marathon Oil delivered another strong year of safety performance, as measured by a 0.29 TRIR, its second lowest TRIR since becoming an independent exploration and production company. Marathon Oil's safety performance for both employees and contractors remains a key component of its executive compensation scorecard, underscoring the Company's commitment to keeping its employees and contractors safe.

Environmental
Marathon Oil aims to meet global energy demand through responsible, affordable, and reliable oil and gas production. Central to this goal is driving significant reductions to both the greenhouse gas (GHG)

and methane intensity of its operations, consistent with the trajectory of the Paris Climate Agreement.

During 2021, Marathon Oil realized significant progress against its core environmental objectives, achieving its GHG intensity reduction target of at least 30%. In addition to this meaningful reduction in GHG intensity, the powerful combination of Marathon Oil's quantitative GHG intensity reduction initiatives and disciplined capital allocation model that prioritizes free cash flow generation has contributed to a significant decline in the Company's absolute GHG emissions. Total 2021 Scope 1 and 2 absolute emissions are expected to be more than 40%[5] lower than absolute 2019 emissions. The Company's annual GHG intensity performance remains a component of its executive compensation scorecard. Marathon Oil also improved its total Company gas capture to 98.8% in 2021, an improvement from 97% in 2020. During the third and fourth quarters of 2021, Marathon Oil achieved a total Company gas capture of approximately 99%.

To highlight its commitment to successfully meeting global energy demand with leading environmental performance, Marathon Oil is introducing new quantitative goals for the near, medium, and long-term time horizon across three core areas of focus: GHG intensity, methane intensity, and gas capture. The Company's goals complement its existing 2025 GHG intensity objective and are intended to promote external transparency and accountability while also enhancing the internal alignment and employee innovation necessary to deliver such strong performance.

Near-term (2022)	Medium-Term (2025)	Long-term (2030)
• 40% GHG Intensity Reduction *(new)* • 99% Gas Capture *(new)*	• 50% GHG Intensity Reduction *(reiterated)* • 60% Methane Intensity Reduction *(new)*	• 70% GHG Intensity Reduction *(new)* • 80% Methane Intensity Reduction *(new)* • World Bank Zero Routine Flaring Commitment (*new)*

*All percentage reductions are relative to 2019 baseline performance

Methodology and definitions for key environmental performance indicators are based on information from the Company's 2020 Sustainability Report that can be found on the Company's website. Marathon Oil reports direct (Scope 1) and indirect (Scope 2) GHG emissions, with emissions intensity measured by metric tonnes carbon dioxide equivalent (CO_2e) emissions per thousand barrels of oil equivalent of hydrocarbons produced from Marathon Oil-operated facilities.

Social

Marathon Oil is committed to promoting a diverse and inclusive workplace, respecting human rights, and making strategic investments to build healthier, safer, more resilient, and stronger local communities.

During 2021, women and people of color accounted for 33% and 30% of our U.S. full-time workforce, an increase from 25% for both five years ago. During 2022, the Company is committed to publishing its Equal Opportunity and Employment (EEO-1) data, in addition to a new Human Rights Policy.

Key strategic social investments during 2021 included the following:

- Continued support of Equatorial Guinea's Bioko Island Malaria Elimination Project, which has contributed to the reduction of all-cause mortality among children under 5 years of age by more than 60% since 2004
- Hosted My Home Library book distribution events with Barbara Bush Houston Literacy Foundation at seven elementary schools, including expansion to six schools in the Company's area of operations outside the city of Houston, helping address the reading gap in underserved communities
- Launched the Unconventional Thinking in Teaching Program, awarding grants to 14 teachers to increase teacher retention and amplify the impact of qualified teachers on the future workforce in the Company's area of operations
- Donated 100 laptops and 750 monitors in collaboration with Communities in Schools and Comp-U-Dopt to support remote learning programs
- Entered new partnership with the Permian Road Safety Coalition, which has helped contribute to a 35% reduction in Permian Basin roadway fatalities during its first 30 months of existence

Governance
Marathon Oil believes best-in-class corporate governance is foundational to the delivery of shareholder value. The Company is especially focused on displaying industry leadership when it comes to aligning executive compensation with the most important drivers of shareholder value and on maintaining an independent and diverse Board of Directors with strong skills and experience.

For 2021, Marathon Oil restructured its short-term incentive (STI) annual cash bonus scorecard to ensure alignment with the performance areas deemed most critical to long-term shareholder value creation: 1) safety performance (TRIR); 2) environmental performance (GHG emissions intensity); 3) capital and operating efficiency (corporate free cash flow breakeven); 4) capital discipline/free cash flow generation (reinvestment rate), and 5) financial/balance sheet strength (cash flow per debt adjusted share). All production and growth metrics were eliminated from the Company's annual bonus scorecard. Marathon Oil also revised its long-term incentive (LTI) compensation framework to focus on three vehicles that are all denominated in shares: restricted stock units (RSUs), relative total shareholder returns performance stock units (TSR PSUs), and free cash flow performance stock units (FCF PSUs). The unique introduction of FCF PSUs further diversifies LTI performance metrics and underscores the Company's commitment to generating sustainable free cash flow through the commodity price cycle.

During 2021 Marathon Oil continued to enhance Board of Director oversight through its focus on refreshment, independence, and diversity. The Company added two new Directors in 2021 and has added five new Directors since 2018. Average Director tenure is well below the S&P 500 average and features a diverse mix of short and longer-tenured Directors. Seven of eight Directors are independent and all committees are made up of entirely NYSE independent Directors. Three Directors are female, including the Lead Director and chairs of both the Audit and Finance and Health, Environmental, Safety, and Corporate Responsibility (HESCR) Committees. Two Directors self-identify as ethnicity other than Caucasian/White.

Footnotes:

[1]: Total recordable incident rate (TRIR); TRIR measures combined employee and contractor workforce incidents per 200,000 work hours

[2]: 2021 GHG intensity reduction of more than 30% is relative to 2019 GHG intensity baseline and is a preliminary estimate subject to final calculation

[3]: Gas capture percentage: the percentage of volume of wellhead natural gas captured upstream of low pressure separation and/or storage equipment such as vapor recovery towers and tanks

[4]: All percentage reductions are relative to a 2019 baseline

[5]: Preliminary estimate subject to final calculation

Forward-looking Statements
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. All statements, other than statements of historical fact, including without limitation statements regarding the Company's future capital budgets and allocations, GHG emissions and methane intensity reduction initiatives, targets or goals, natural gas capture targets and goals, flaring reduction initiatives, future performance, business strategy and other plans and objectives for future operations, are forward-looking statements. Words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "future," "goal," "guidance," "intend," "may," "outlook," "plan," "positioned," "project," "seek," "should," "target," "will," "would," or similar words may be used to identify forward-looking statements; however, the absence of these words does not mean that the statements are not forward-looking. While the Company believes its assumptions concerning future events are reasonable, a number of factors could cause actual results to differ materially from those projected, including, but not limited to: conditions in the oil and gas industry, including supply/demand levels for crude oil and condensate, NGLs and natural gas and the resulting impact on price; changes in expected reserve or production levels; changes in political or economic conditions in the U.S. and Equatorial Guinea, including changes in foreign currency exchange rates, interest rates, inflation rates; actions taken by the members of the Organization of the Petroleum Exporting Countries (OPEC) and Russia affecting the production and pricing of crude oil; and other global and domestic political, economic or diplomatic developments; capital available for exploration and development; risks related to the Company's hedging activities; voluntary or involuntary curtailments, delays or cancellations of certain drilling activities; well production timing; liability or corrective actions resulting from litigation or other proceedings and investigations; drilling and operating risks; lack of, or disruption in, access to storage capacity, pipelines or other

transportation methods; availability of drilling rigs, materials and labor, including the costs associated therewith; difficulty in obtaining necessary approvals and permits; non-performance by third parties of contractual or legal obligations, including due to bankruptcy; changes in our credit ratings; hazards such as weather conditions, a health pandemic (including COVID-19), acts of war or terrorist acts and the government or military response thereto; security threats, including cybersecurity threats and disruptions to our business and operations from breaches of our information technology systems, or breaches of the information technology systems, facilities and infrastructure of third parties with which we transact business; changes in safety, health, environmental, tax and other regulations, requirements or initiatives, including initiatives addressing the impact of global climate change, air emissions, or water management; other geological, operating and economic considerations; and the risk factors, forward-looking statements and challenges and uncertainties described in the Company's 2020 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases, available at https://ir.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.*

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