

2017 CAPITAL PROGRAM

February 15, 2017



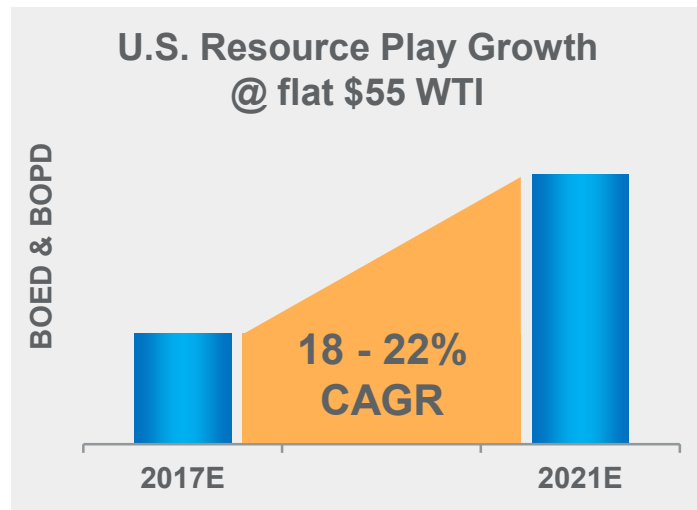
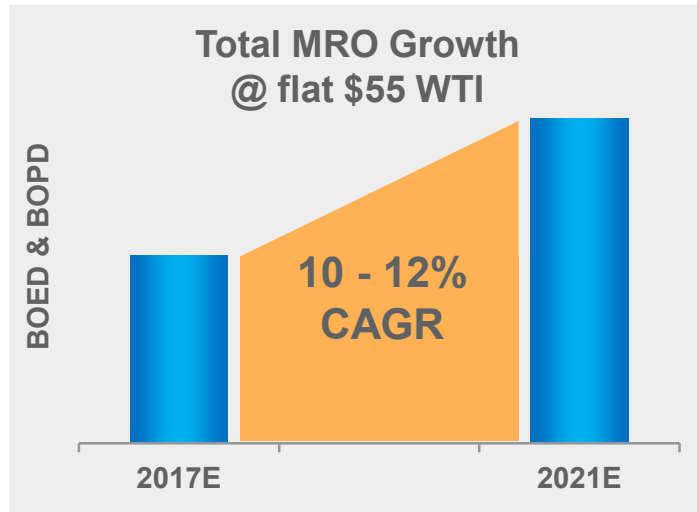
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2017 Capital Program

Accelerating resource play activity and value within cash flows

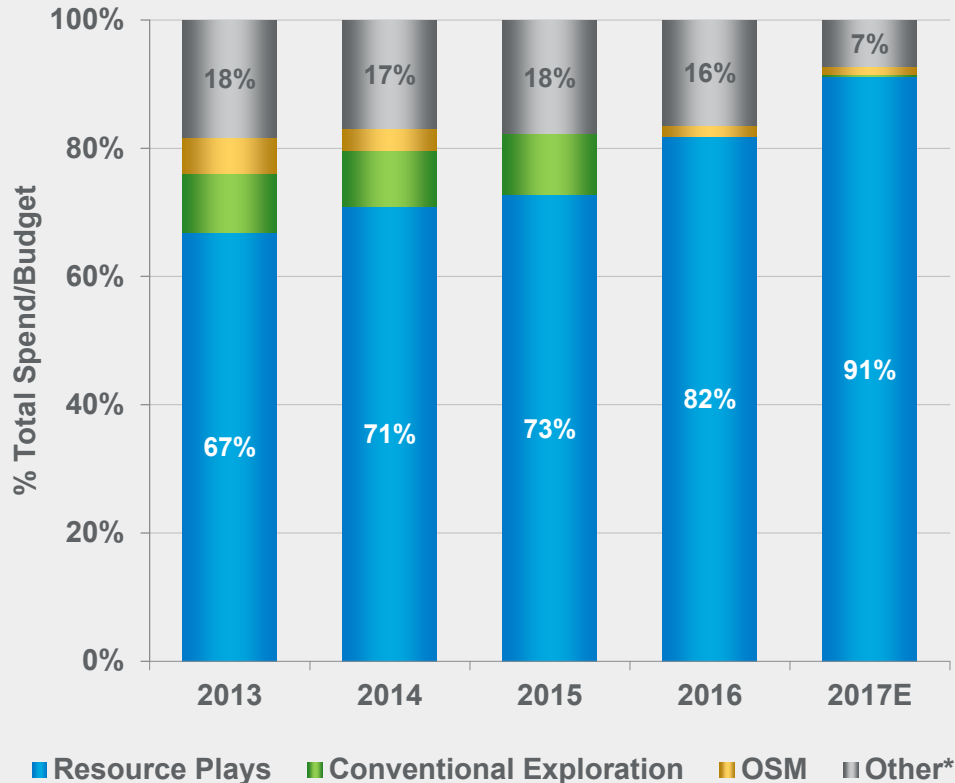


- **\$2.2B** capex, **>90%** to high return U.S. resource plays
 - STACK strategic objectives driving Oklahoma growth; 2017 rig count more than doubles
 - Bakken ramp-up following success from high intensity completions and strong crude oil price response
 - Eagle Ford providing free cash flow at maintenance levels
- Accelerating near term growth in resource plays (oil & boe): 4Q16 to 4Q17 growth of **15 - 20%**
- 2017-2021 CAGR at flat \$55 WTI (oil & boe)
 - **10 - 12%** total MRO production
 - **18 - 22%** resource play production
 - Within cash flows, inclusive of dividend

Significant Shift in Capital Allocation

Successful portfolio management and strategic decisions driven by returns focus

MRO Capital Allocation

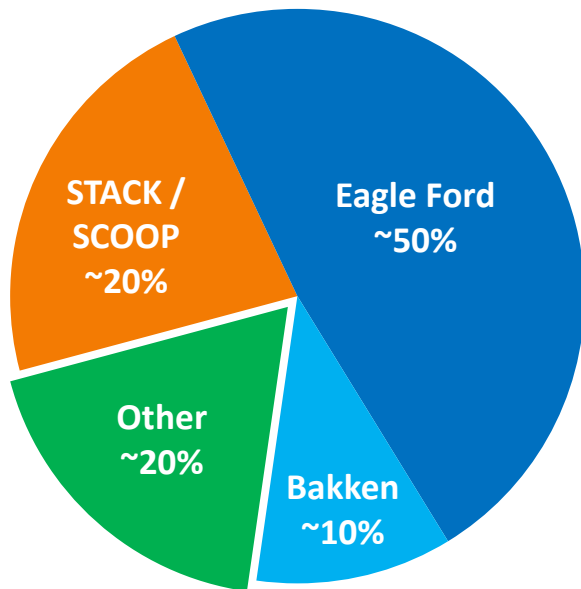


- Portfolio simplification and concentration to U.S. resource plays
- 2013/2014: Exited Angola and Norway
- 2015: Strategic decision to exit conventional exploration
- 2016: Non-core asset sales exceeded guidance
- 2016: STACK acquisition

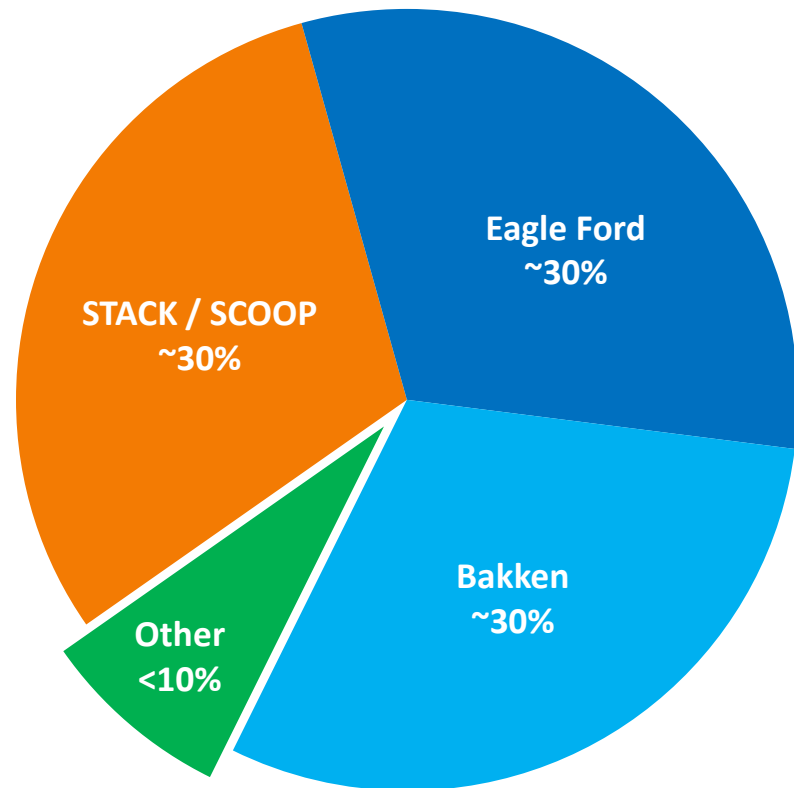
>90% 2017 Capital Allocation to Resource Plays

More than doubling capex to high return U.S. resource plays

2016 CAPEX
\$1.1B



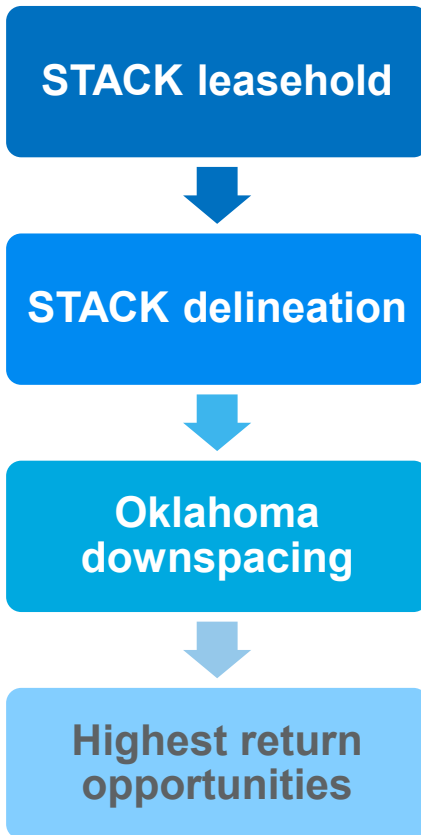
2017 Planned CAPEX
\$2.2B



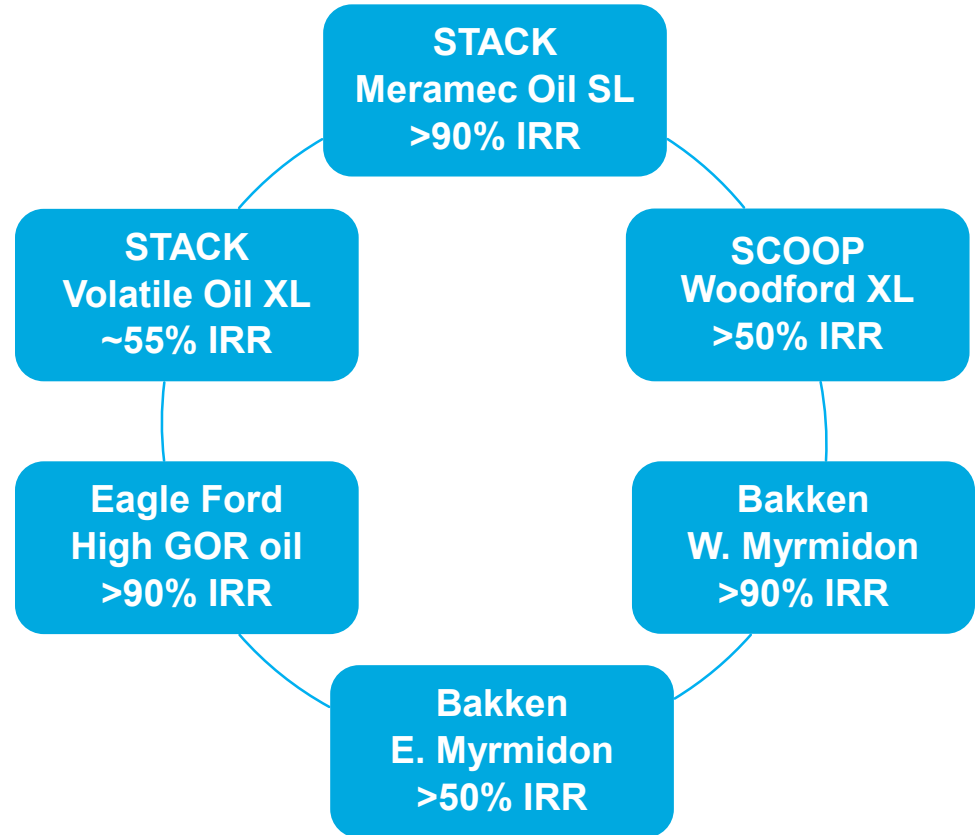
2017 Capital Allocation Priorities

Advancing Oklahoma strategic objectives; Diverse set of high return opportunities

2017 Capital Allocation Priorities



Diverse High Return Opportunities



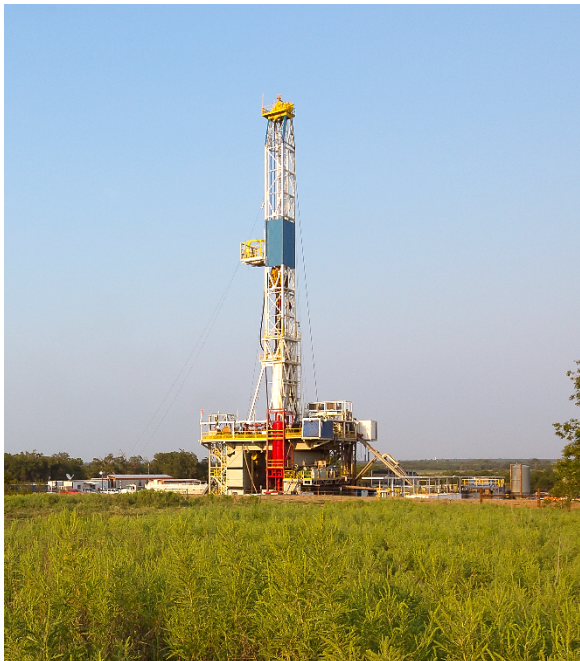
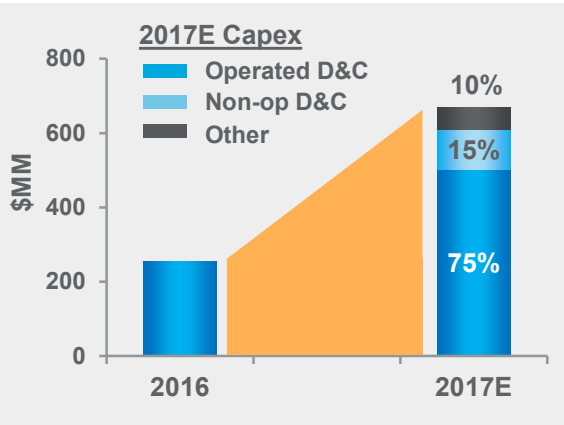
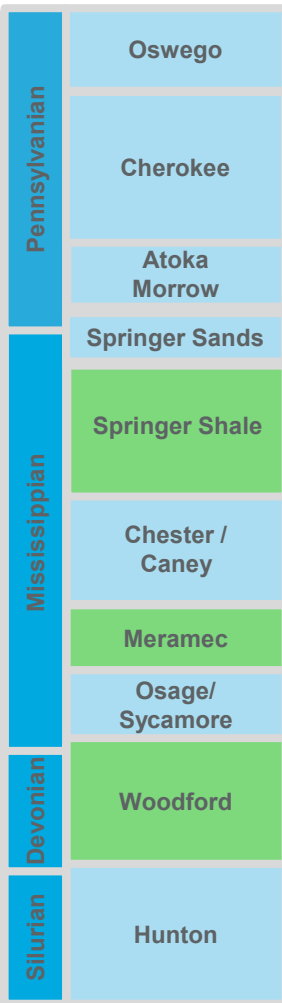
BFIT IRRs at flat \$55 WTI, \$17.88 NGL and \$3.44 HH

Accelerating Value in Oklahoma Resource Basins

Leasehold, delineation and downspacing prepare for 2018 full field development

Anadarko Basin Stratigraphic Column

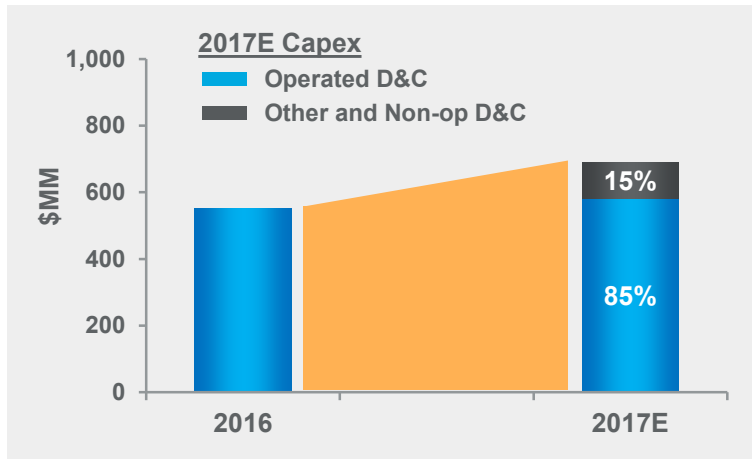
Primary Targets



- Increasing activity to avg **~10 rigs** in 2017
 - ~80% STACK HBP'd by YE17
- 90 - 100** gross operated wells to sales (75 - 80 net working interest wells)
 - >85% in STACK
- 4 to 5 STACK infill pilots to sales
 - Testing Upper and Lower Meramec benches
 - Testing 6 - 9 Meramec wells per section
- 2 SCOOP infill pilots to sales
- 5 - 10% of wells to test secondary targets

Eagle Ford Driving Efficiencies at Scale

Maintenance levels with free cash flow generation

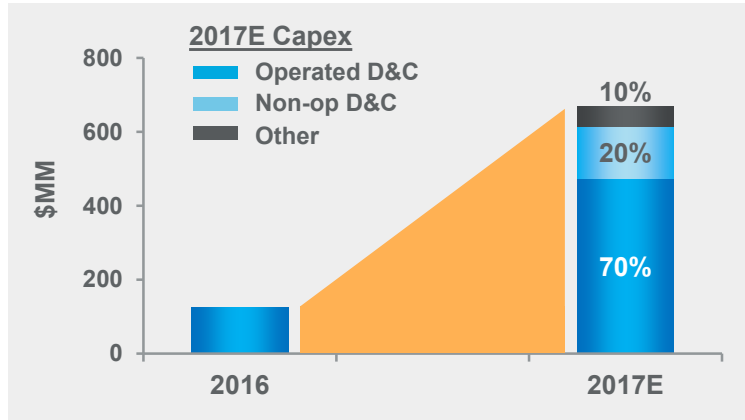


- Eagle Ford generates significant free cash flow with avg **6 rig** activity level
- **155 - 170** gross operated wells to sales (100 - 105 net working interest wells)
 - Two thirds in high margin oil window
- Focused on maintaining scale efficiencies
- Deploying enhanced completion design
 - **>35%** increase in avg. proppant / ft year over year
 - **>20%** increase in avg. fluid / well year over year
- Advanced SCADA and digital operating control center continuing to drive efficiencies across base business

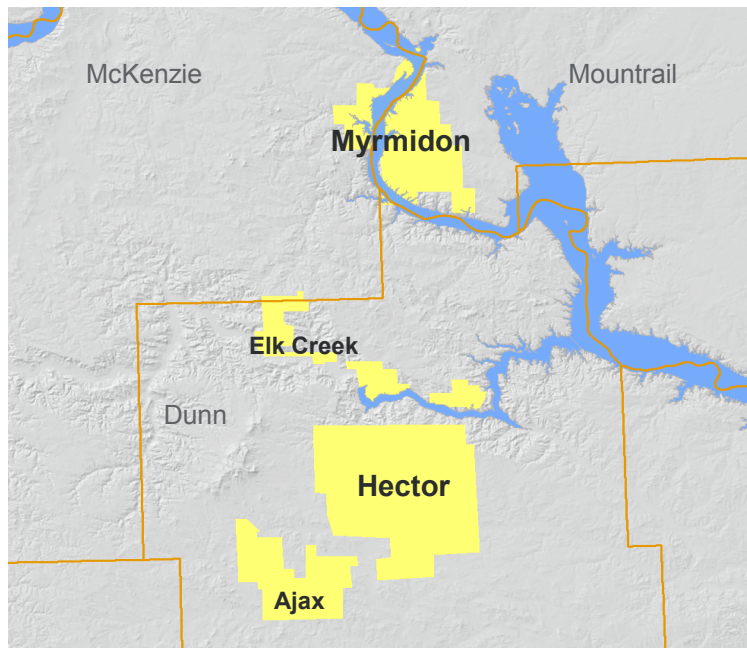


Bakken Accelerating Highest Value Myrmidon

Extending application of successful high intensity completions

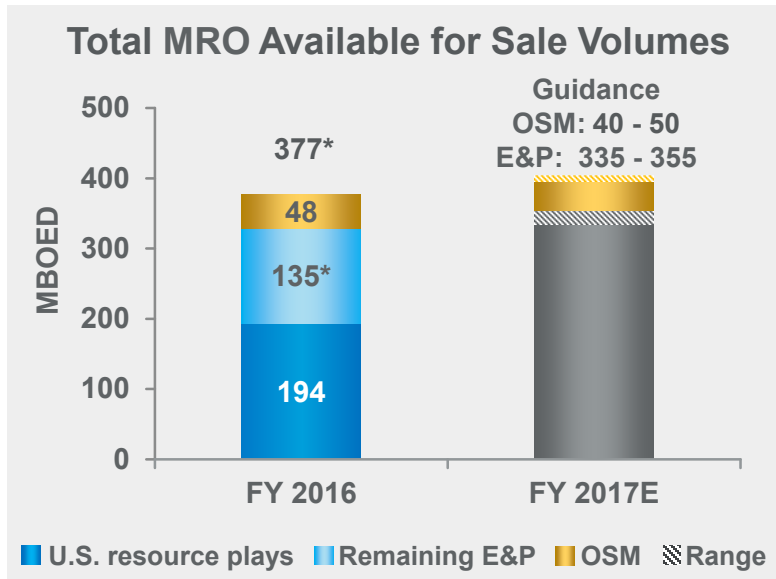


- Increasing drilling activity avg to **~6 rigs** in 2017
- **70 - 75** gross operated wells to sales (60 - 65 net working interest wells)
 - Two thirds Myrmidon focused
- West and East Myrmidon (~60,000 net acres)
 - Expanding on record 2016 wells with enhanced completion designs
 - Utilizing 6 - 15 MMLBS of proppant with 45 - 50 stages
 - Applying optimized development approach, targeting Middle Bakken and Three Forks 1st & 2nd Benches
- Hector (~115,000 net acres)
 - Slickwater with plug and perf technology
 - **>100%** increase in proppant use and **>60%** increase in stage count relative to historic completions

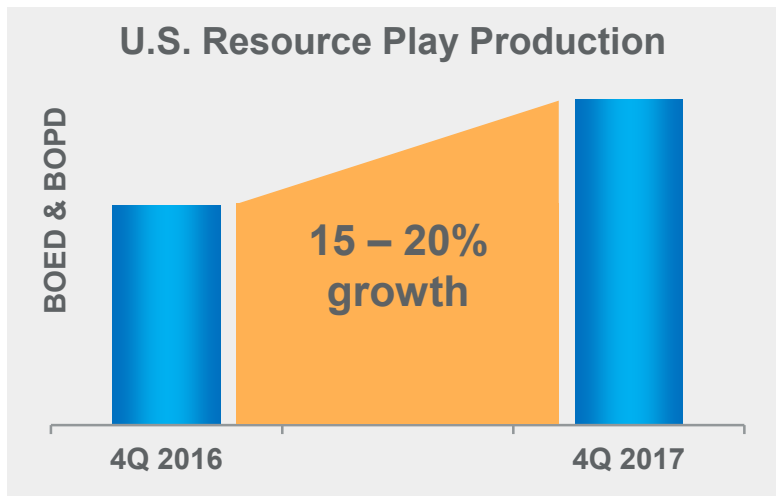


2017 Production Guidance

Exit rate momentum accelerates growth into 2018



- 2017 total E&P annual growth of **5%** at the midpoint, divestiture adjusted
- Accelerating quarterly resource play growth to 2Q17
- 4Q16 to 4Q17 oil & boe growth of **15 - 20%** in resource plays
- 1Q17 North America E&P production guidance of 195,000 - 205,000 boed
 - Unscheduled downtime due to severe winter weather
- 1Q17 International E&P production guidance of 120,000 - 125,000 boed
 - Scheduled and unscheduled downtime in EG and UK



*Adjusted for divestitures of 13 MBOED in FY 2016
Excluding Libya

Marathon Oil Takeaways

- **\$2.2B** 2017 CAPEX, **>90%** to high return U.S. resource plays
 - Oklahoma first priority: leasehold, delineation, and downspacing
 - Balanced program across U.S. resource plays
 - Diverse set of high return opportunities
- Accelerating near term growth in resource plays
 - Sequential growth pulled forward to 2Q
 - 4Q16 to 4Q17 growth of **15 - 20%** (oil & boe)
- 2017-2021 CAGR at flat \$55 WTI (oil & boe)
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 - Within cash flows, inclusive of dividend