

FOURTH QUARTER 2015

Financial and Operational Review

February 17, 2016



Forward-Looking Statements and Other Matters

This presentation 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. Forward-looking statements are statements other than statements of historical fact that give current expectations or forecasts of future events, including without limitation: the Company's operational, financial and growth strategies, including planned projects, drilling plans, cost reductions, non-core asset sales, the EG compression project and production forecast, and drilling and completion efficiencies; the Company's ability to successfully effect those strategies and the expected timing and results thereof; the Company's financial position, liquidity and capital resources; the Company's financial and operational outlook, and ability to fulfill that outlook; reserve estimates; and 2016 estimated volumes, exploration expenses and production operating costs.

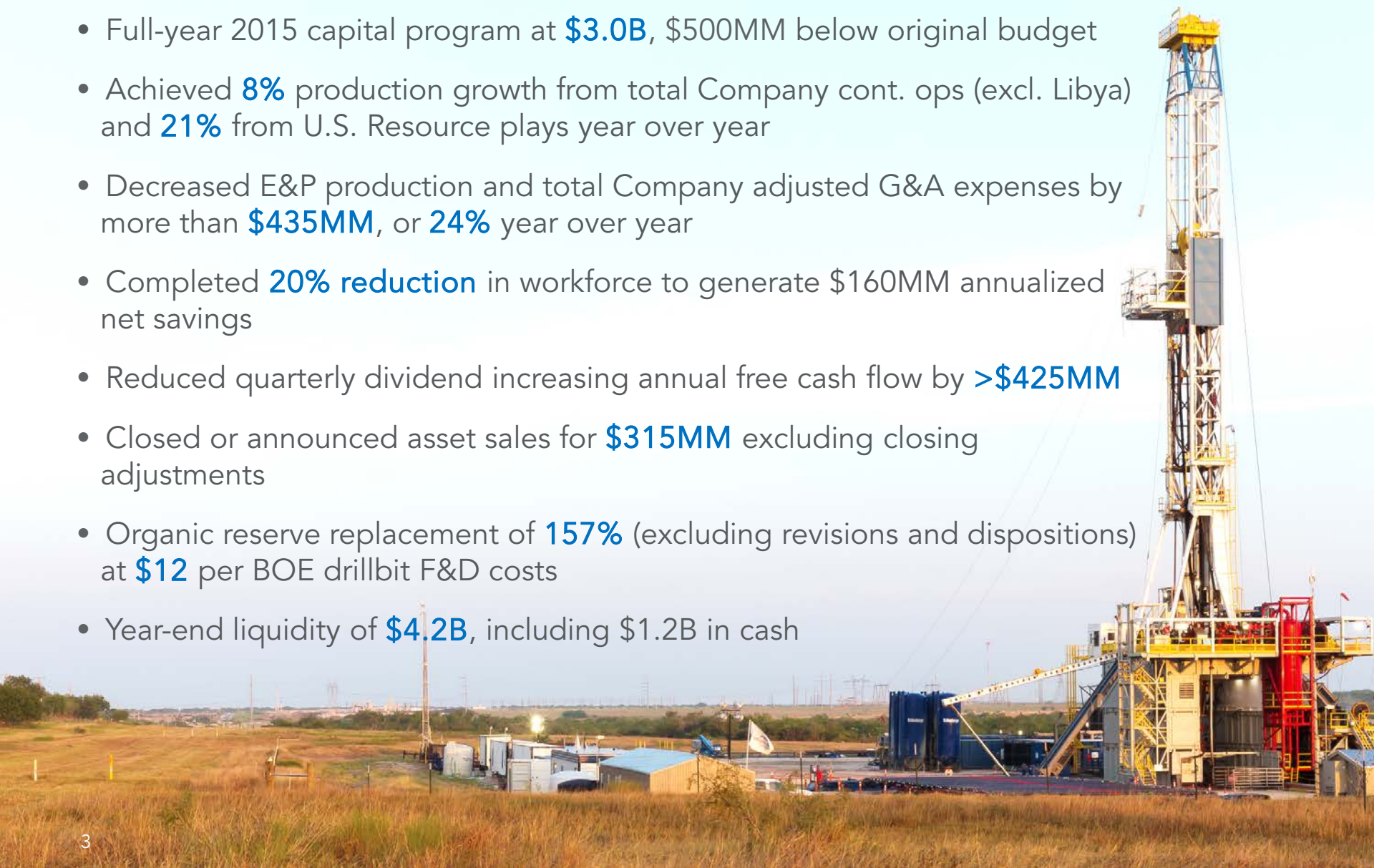
While the Company believes its assumptions concerning future events are reasonable, a number of factors could cause results to differ materially from those projected, including, but not limited to: conditions in the oil and gas industry, including supply/demand levels and the resulting impact on price; changes in expected reserve or production levels; changes in political or economic conditions in key operating markets, including international markets; capital available for exploration and development; well production timing; availability of drilling rigs, materials and labor; difficulty in obtaining necessary approvals and permits; non-performance by third parties of contractual obligations; unforeseen hazards such as weather conditions, acts of war or terrorism and the governmental or military response thereto; cyber-attacks; changes in safety, health, environmental and other regulations; other geological, operating and economic considerations; and the risk factors, forward-looking statements and challenges and uncertainties described in the Company's 2014 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q 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.

Reconciliations of the differences between non-GAAP financial measures used in this presentation and their most directly comparable GAAP financial measures are available at www.MarathonOil.com in the 4Q 2015 Investor Packet.

Full-Year Highlights

Reduced capital spend while exceeding annual production targets

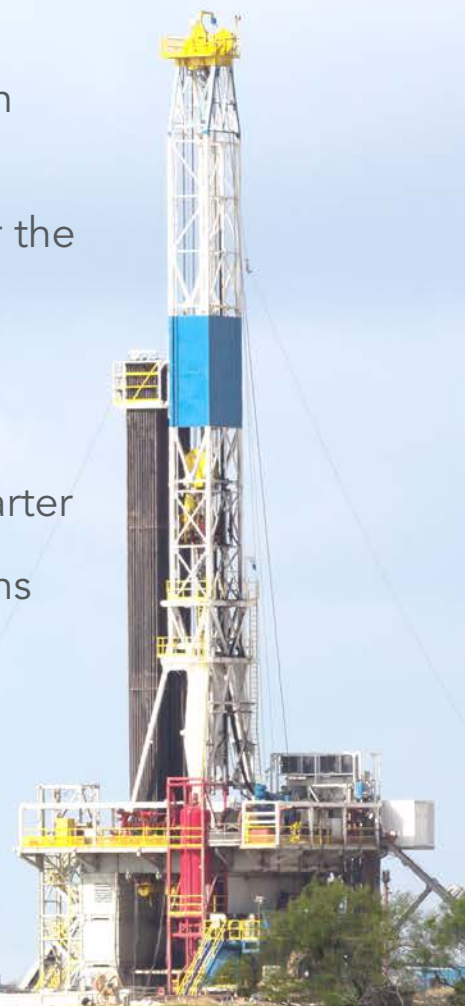
- Full-year 2015 capital program at **\$3.0B**, \$500MM below original budget
- Achieved **8%** production growth from total Company cont. ops (excl. Libya) and **21%** from U.S. Resource plays year over year
- Decreased E&P production and total Company adjusted G&A expenses by more than **\$435MM**, or **24%** year over year
- Completed **20% reduction** in workforce to generate \$160MM annualized net savings
- Reduced quarterly dividend increasing annual free cash flow by **>\$425MM**
- Closed or announced asset sales for **\$315MM** excluding closing adjustments
- Organic reserve replacement of **157%** (excluding revisions and dispositions) at **\$12** per BOE drillbit F&D costs
- Year-end liquidity of **\$4.2B**, including \$1.2B in cash



Quarter Highlights

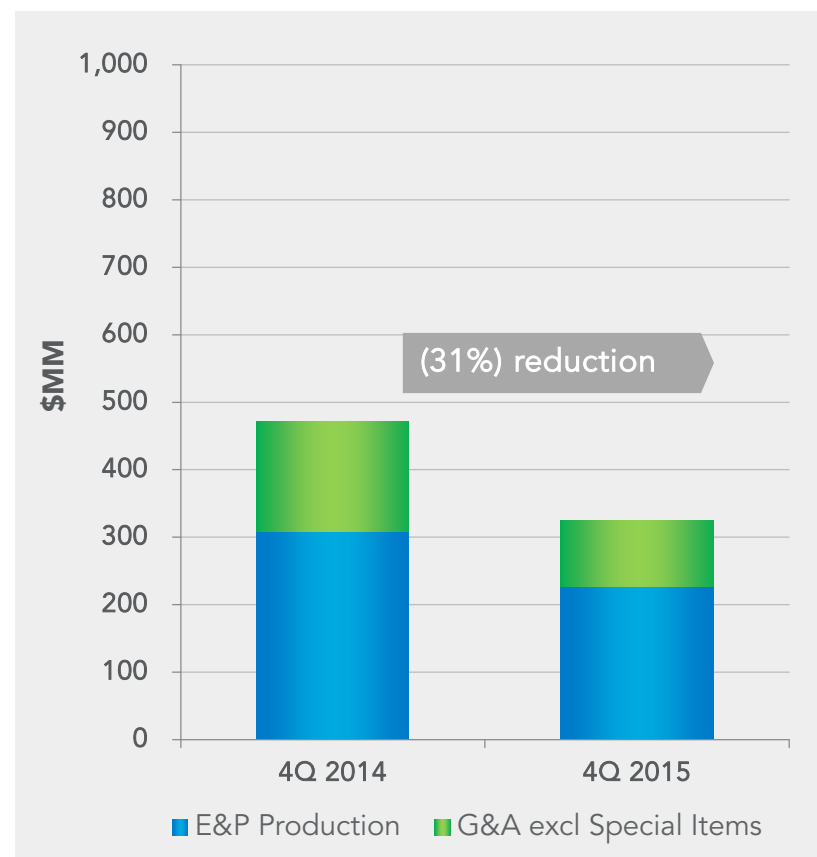
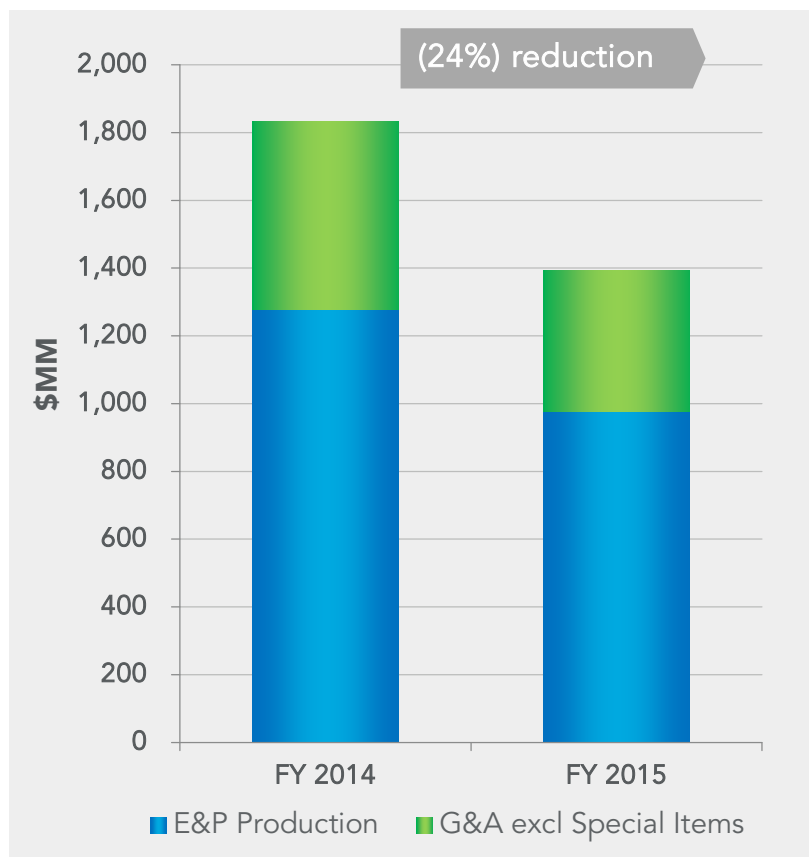
Flat sequential volumes with lower capital spend

- Fourth quarter capital program decreased to **\$564MM**
- Total Company net production averaged 432,000 net BOED, flat with prior quarter
- U.S. Resource play production averaged 214,000 net BOED, up over the third quarter; flat sequential Eagle Ford production
- North America E&P production costs per BOE **reduced 28%** from a year-ago quarter
- Total Company adjusted G&A **down 40%** compared to year-ago quarter
- First Company-operated Springer well performing above expectations with 30 day IP rate of **>1,000 BOED (89% liquids)**
- Closed sale of Gulf of Mexico properties



Capturing Durable Expense Savings

Continued reduction in cost structure



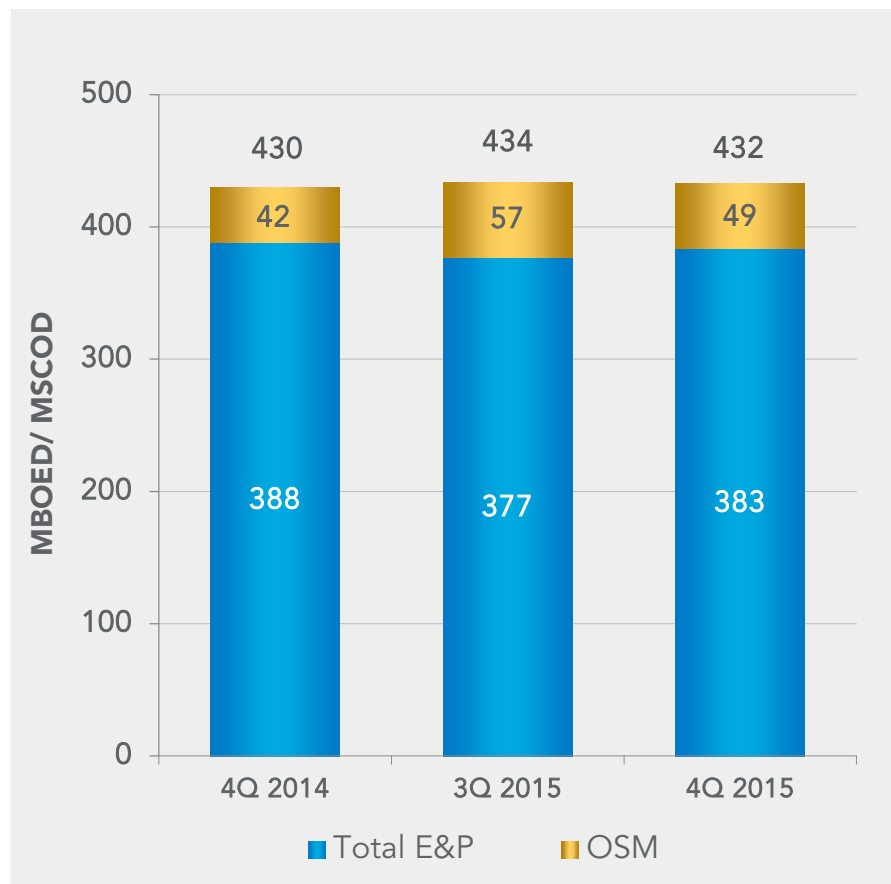
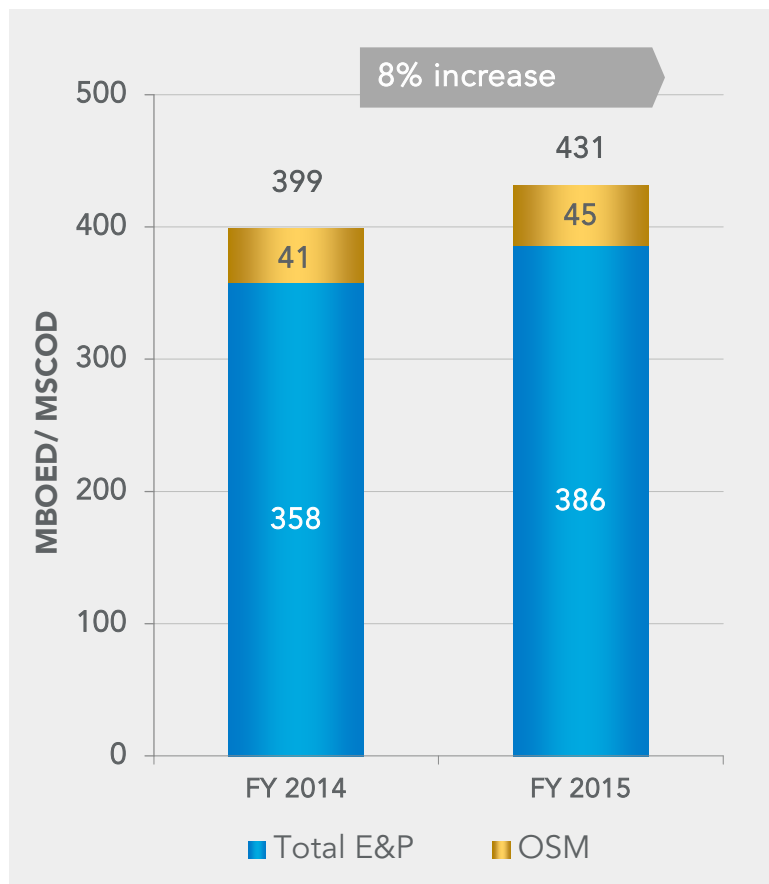
Combined N.A. & International E&P Production expense

G&A excludes special items of pension settlements and workforce reductions. See the 4Q 2015 Investor Packet at www.Marathonoil.com for non-GAAP reconciliations

Total MRO Production Above 2015 Guidance

FY15 up 8% year-over-year

MRO Available for Sale Volumes

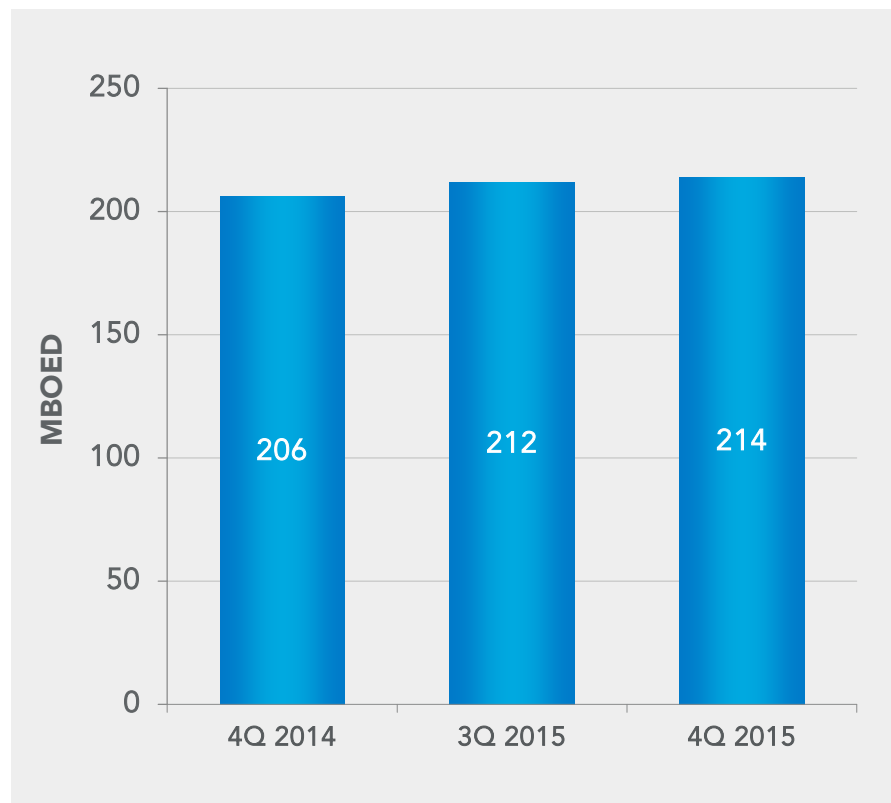
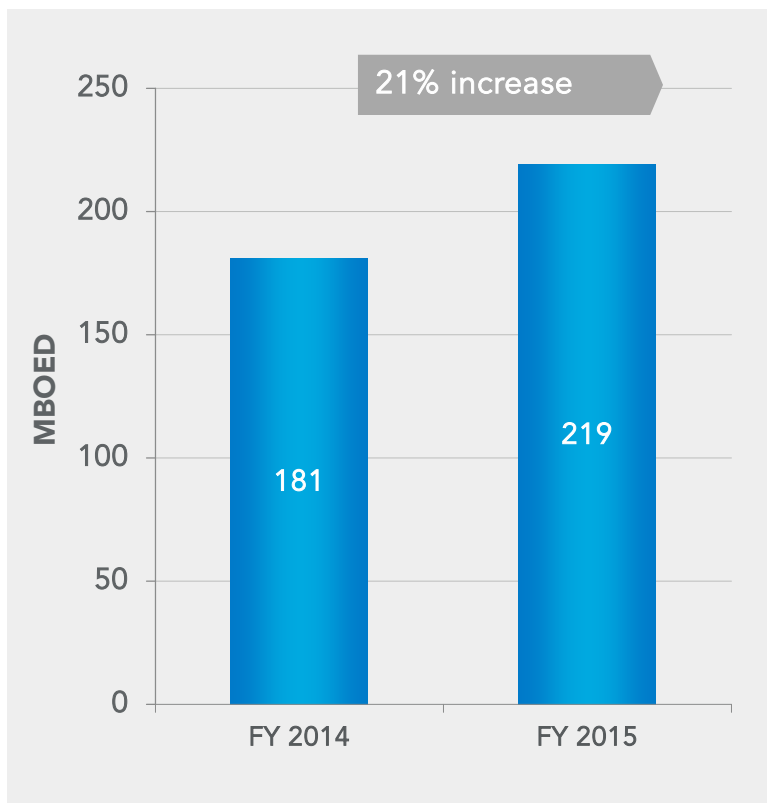


Excluding Libya & discontinued operations

U.S. Resource Production Increased 21% in 2015

4Q Eagle Ford flat, ORB growth offsets reduced Bakken activity

Eagle Ford, Bakken & Oklahoma Resource Basins Available for Sale Volumes



U.S. Resource Play
% E&P Production*

51%

57%

53%

56%

56%

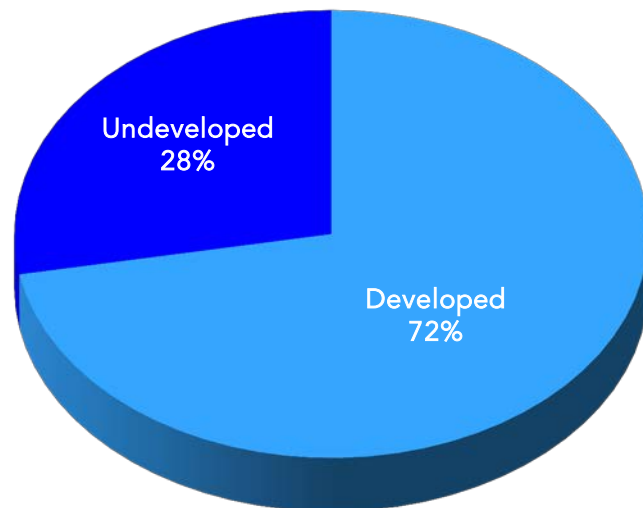
*Combined N.A. & International E&P production available for sale (excluding Libya & discontinued operations)

157% Organic Reserve Replacement in 2015

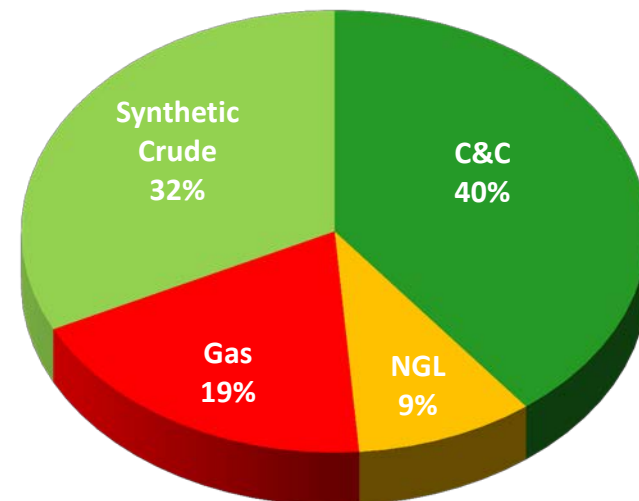
Estimated net proved reserves 2.2 BBOE, flat with 2014

	Reserve Replacement Ratio	F&D Costs per BOE
Excluding acquisitions, dispositions & revisions	157%	\$12
Excluding dispositions	89%	\$20

72% Proved Developed YE 2015



81% Liquids YE 2015

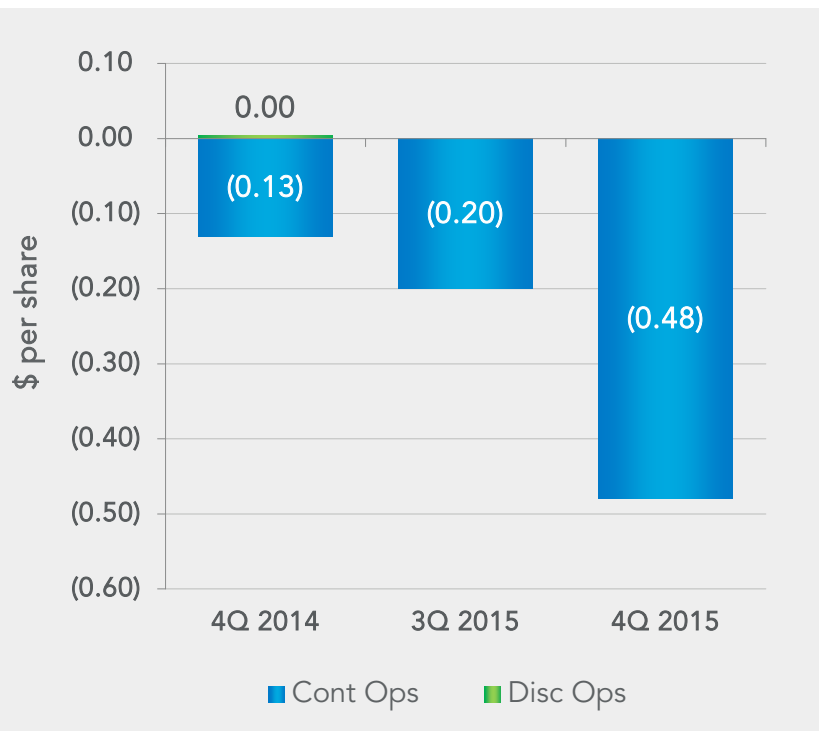


Increase in net proved reserves on a continuing operations basis. See appendix

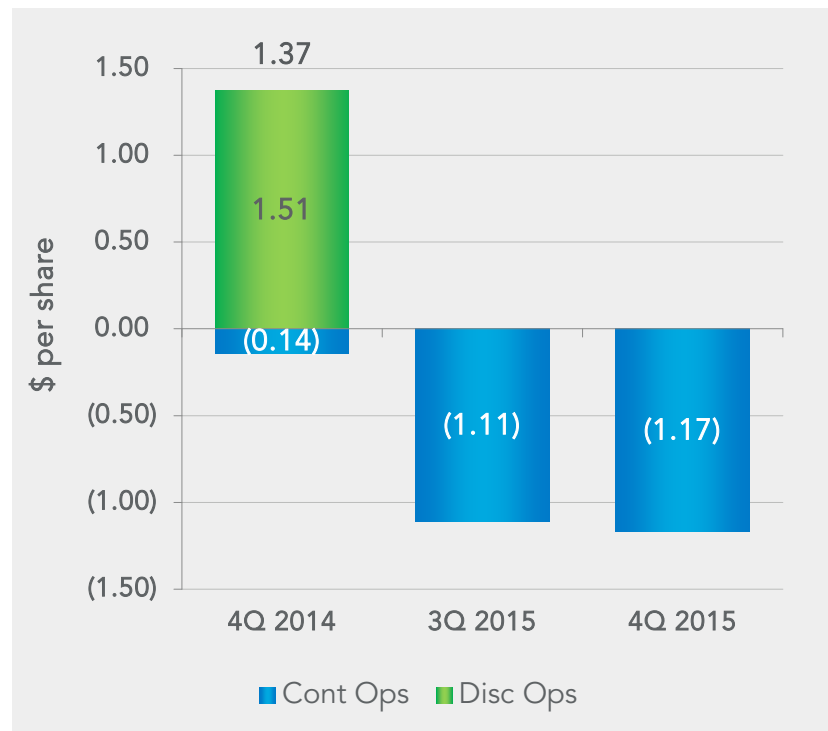
Adjusted and Reported Results

Lower 4Q crude realizations with higher exploration expenses

Adjusted Net Income (Loss) per Diluted Share



Reported Net Income (Loss) per Diluted Share

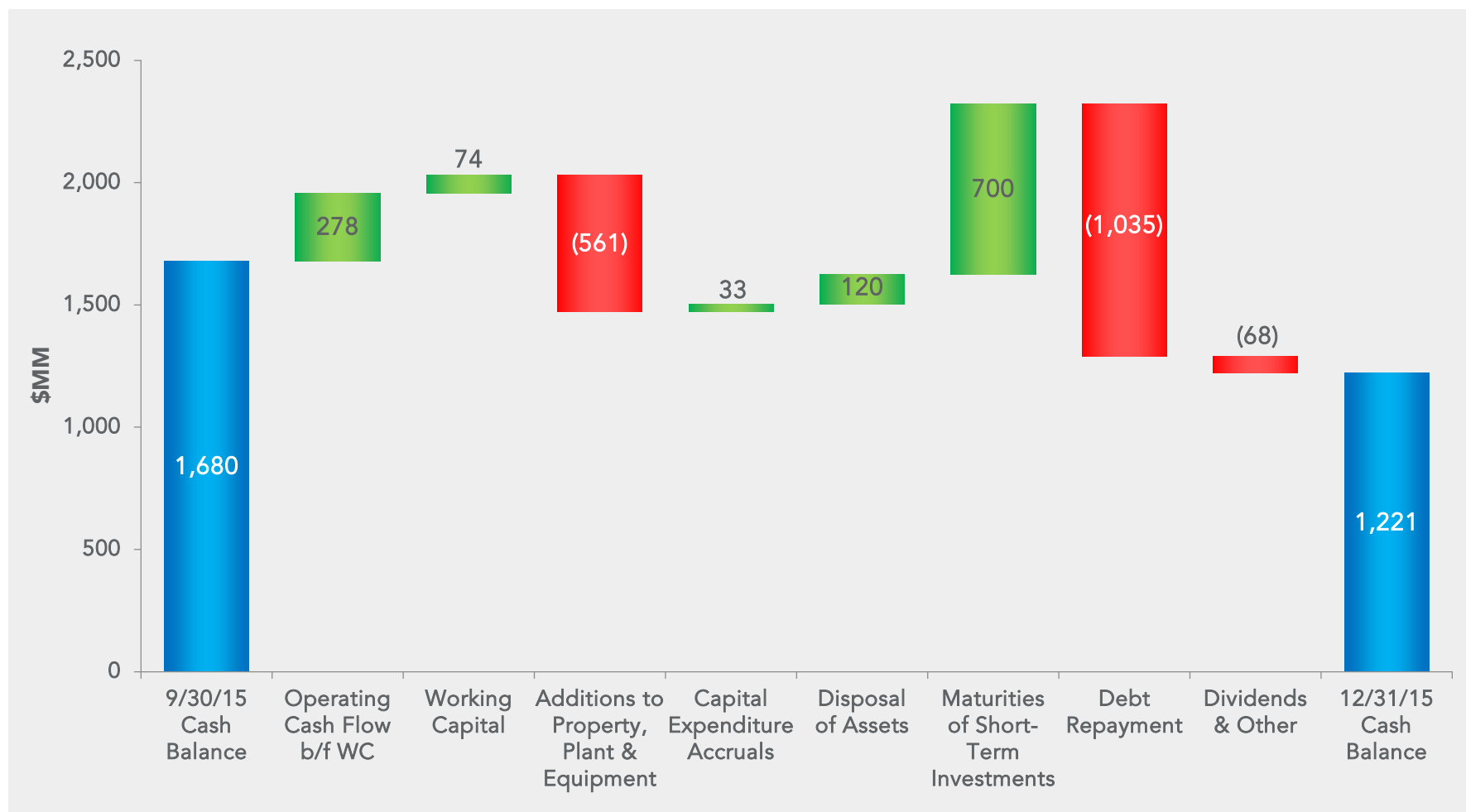


Impairments impact 3Q and 4Q 2015 reported net loss

See the 4Q 2015 Investor Packet at www.Marathonoil.com for non-GAAP reconciliations

Total Company Cash Flow 4Q15

\$4.2B of liquidity at 12/31/15

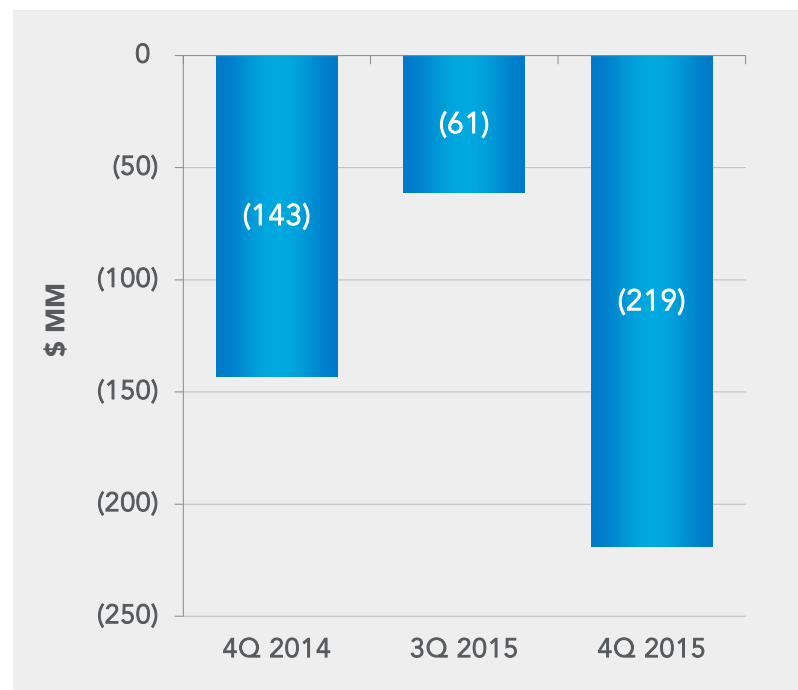


See the 4Q 2015 Investor Packet at www.Marathonoil.com for non-GAAP reconciliations

Lower N.A. E&P Crude Realizations vs 3Q

Relatively flat volumes with higher GOM exploration expenses

N.A. E&P Segment Loss



Avg C&C
Realizations
(\$/BBL)

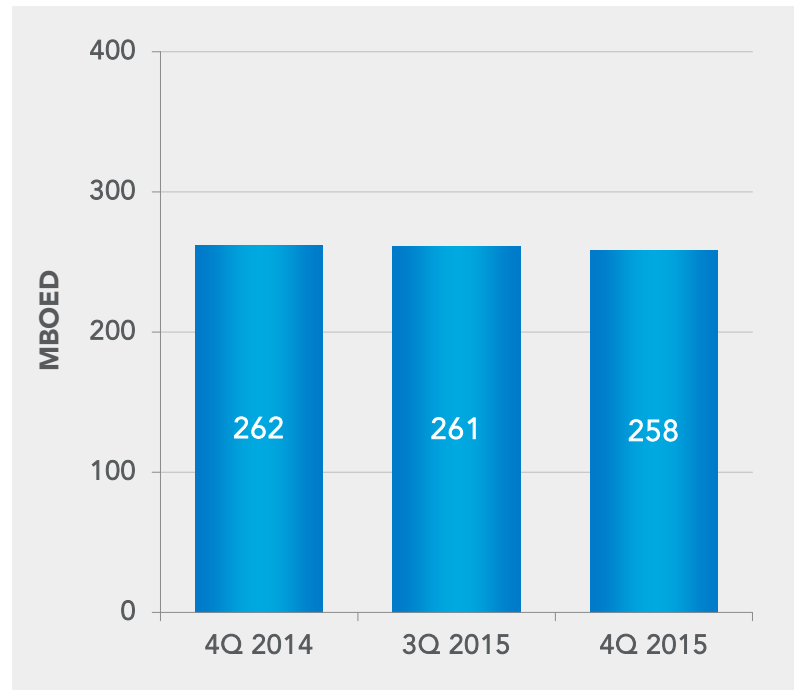
\$66.16

\$41.37

\$37.71

Inclusion of realized gains on crude oil derivative instruments would have increased average price realizations by \$1.87 and \$3.03 for third and fourth quarter 2015. There were no crude oil derivative instruments in 2014

N.A. E&P Sales Volumes



Liquids %

79%

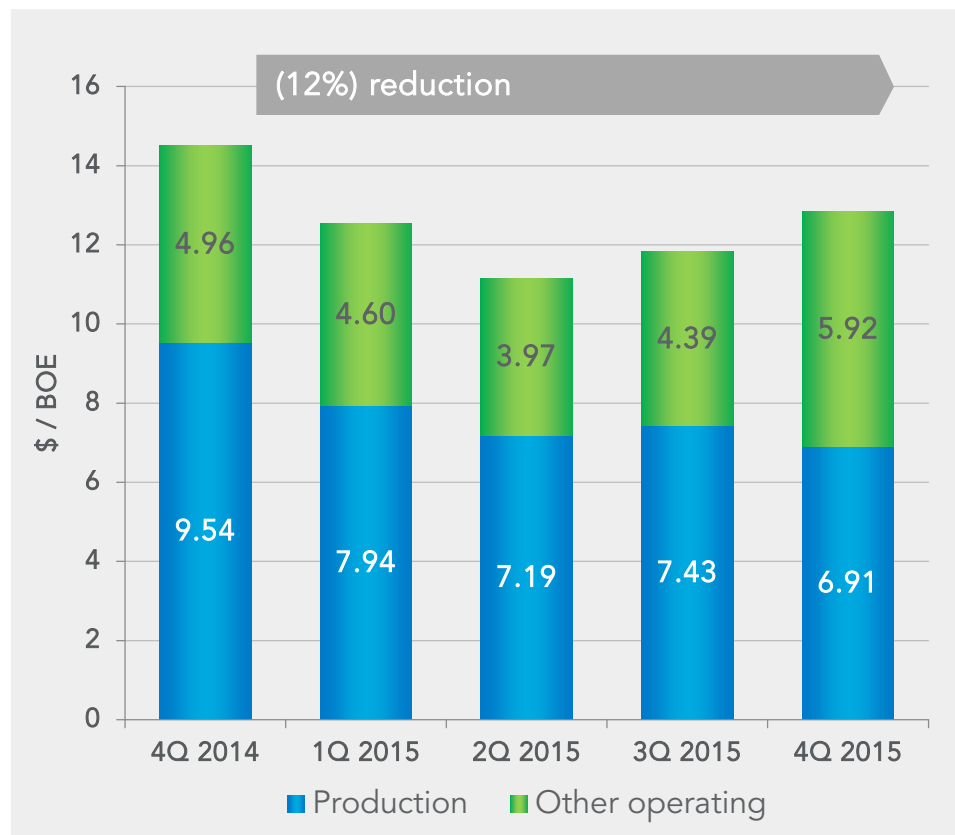
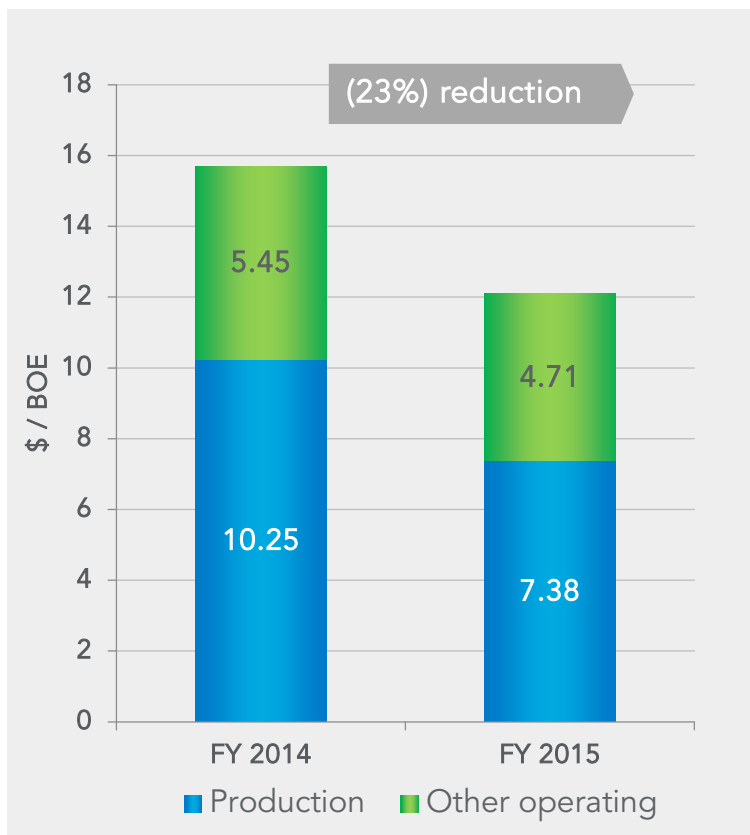
79%

78%

3Q and 4Q 2015 sales volumes include the impact of East Texas, North Louisiana and Wilburton, Oklahoma disposition; 4Q 2015 sales volumes include the impact of Gulf of Mexico disposition

Reducing N.A. E&P Costs

At or below low-end of FY guidance



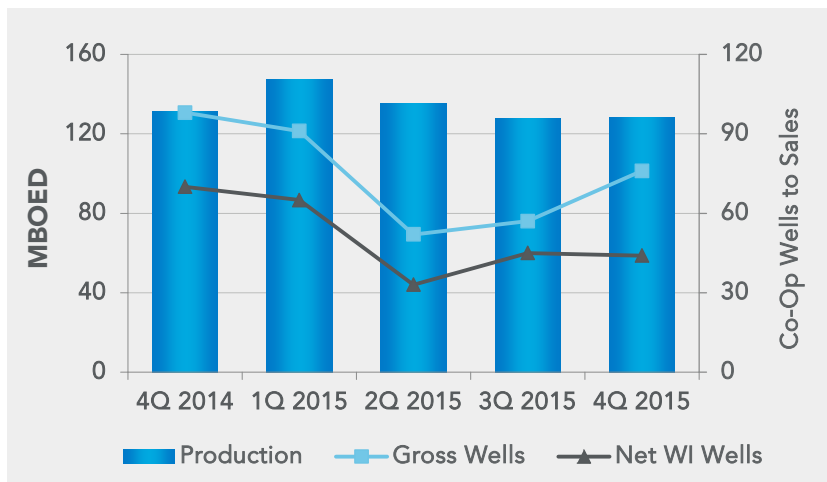
N.A. E&P production costs per BOE decreased 28% from year-ago quarter

Other operating includes Shipping and Handling, General & Administrative, and Other Operating expenses

Eagle Ford Sustaining Execution Efficiency

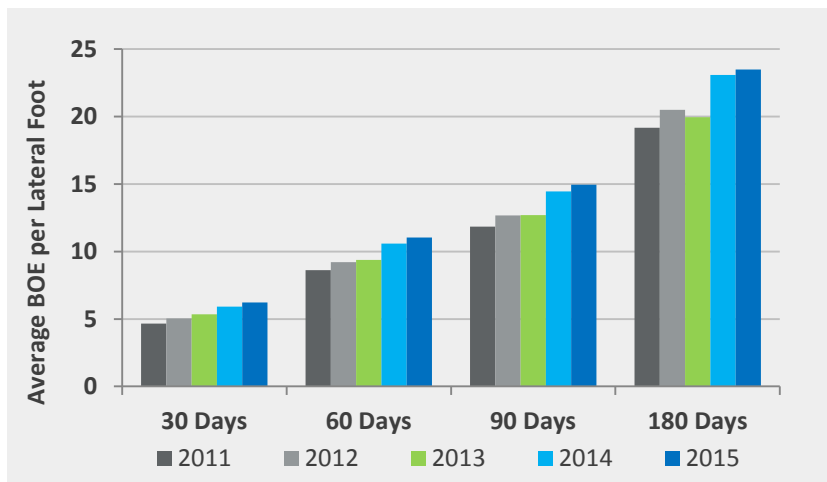
Low cost, efficient drilling and completion performance

Production Volumes and Wells to Sales



- Production averaged **128** net MBOED; **flat** with 3Q 2015
- **76** gross operated wells to sales (44 net working interest (WI) wells)
- Current completed well costs down to **\$4.9MM**; ~\$0.4MM lower than 3Q and down 26% year over year
 - Extended position as most efficient driller in basin; **~10%** improvement from 3Q
 - Increased avg ft. drilled per day **9%** to **2,175**
 - Frac crews averaged 200 stages per month, **15% more** than 3Q

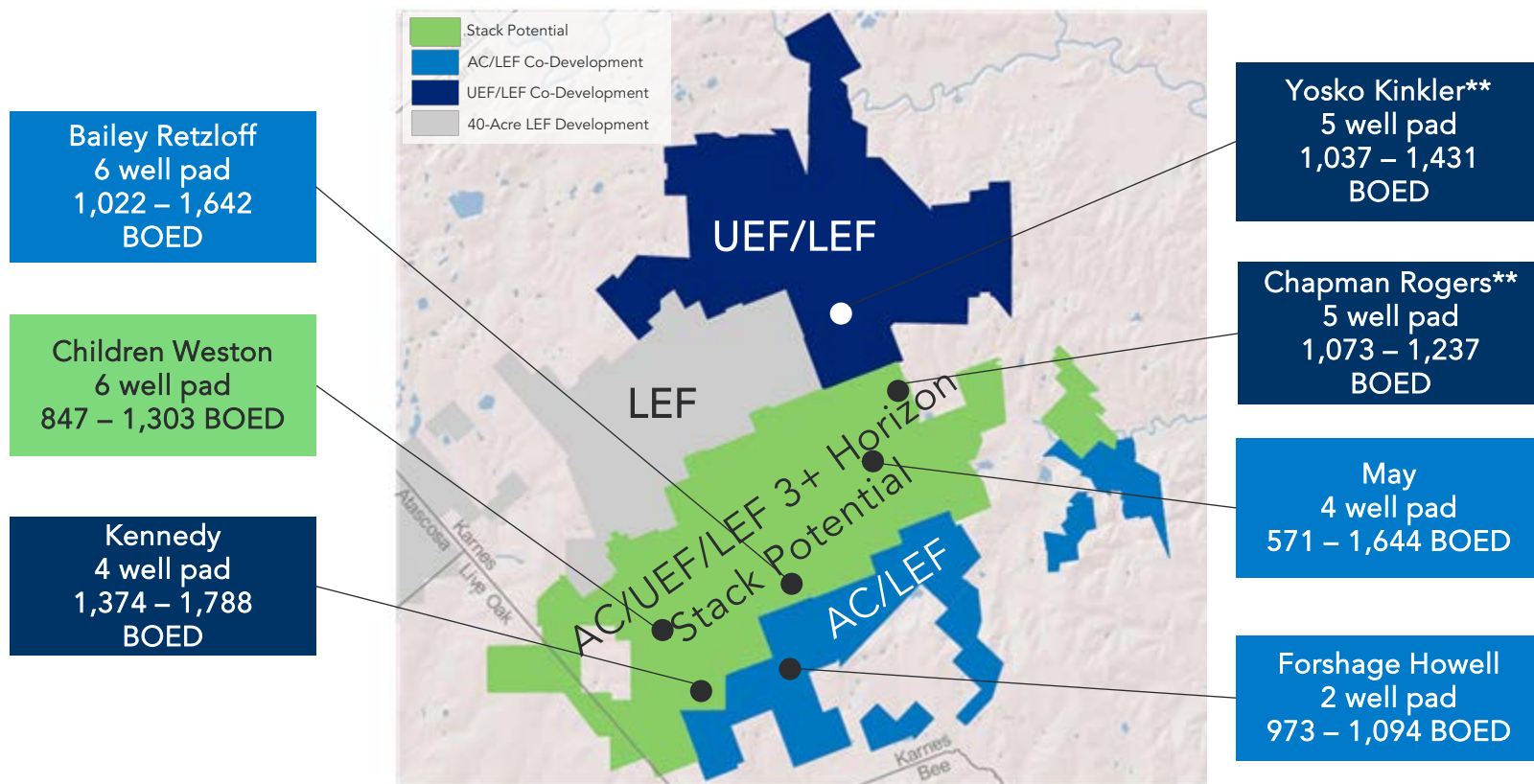
Well Performance



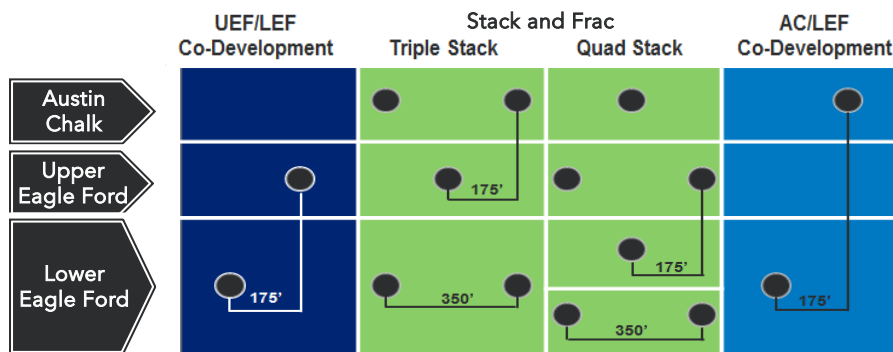
- Production expense per boe reduction of **30%** year over year
- Consistent well performance improvement from applied technology

Eagle Ford Co-Development Results

Continuing to appraise and refine development strategy



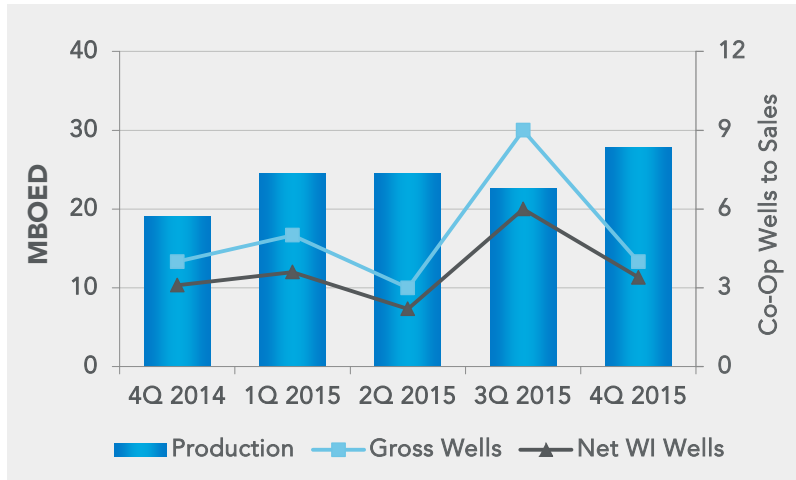
30 day IPs
**Curtailed



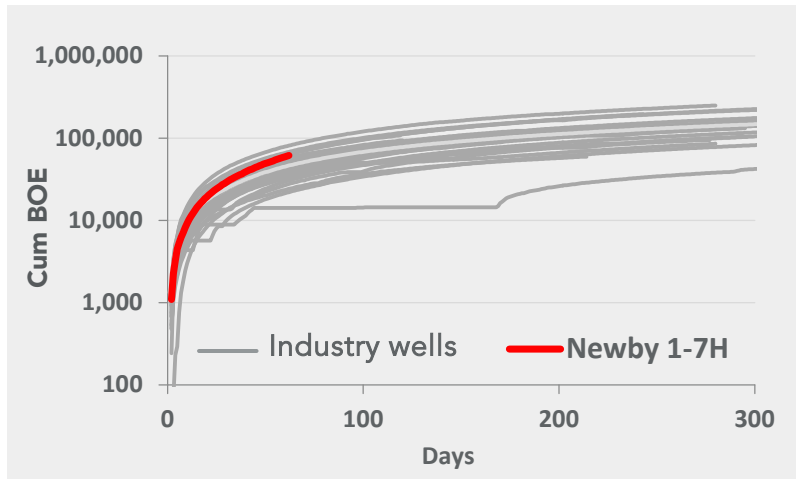
Oklahoma: 22% Sequential Production Increase

First operated Springer oil well

Production Volumes and Wells to Sales



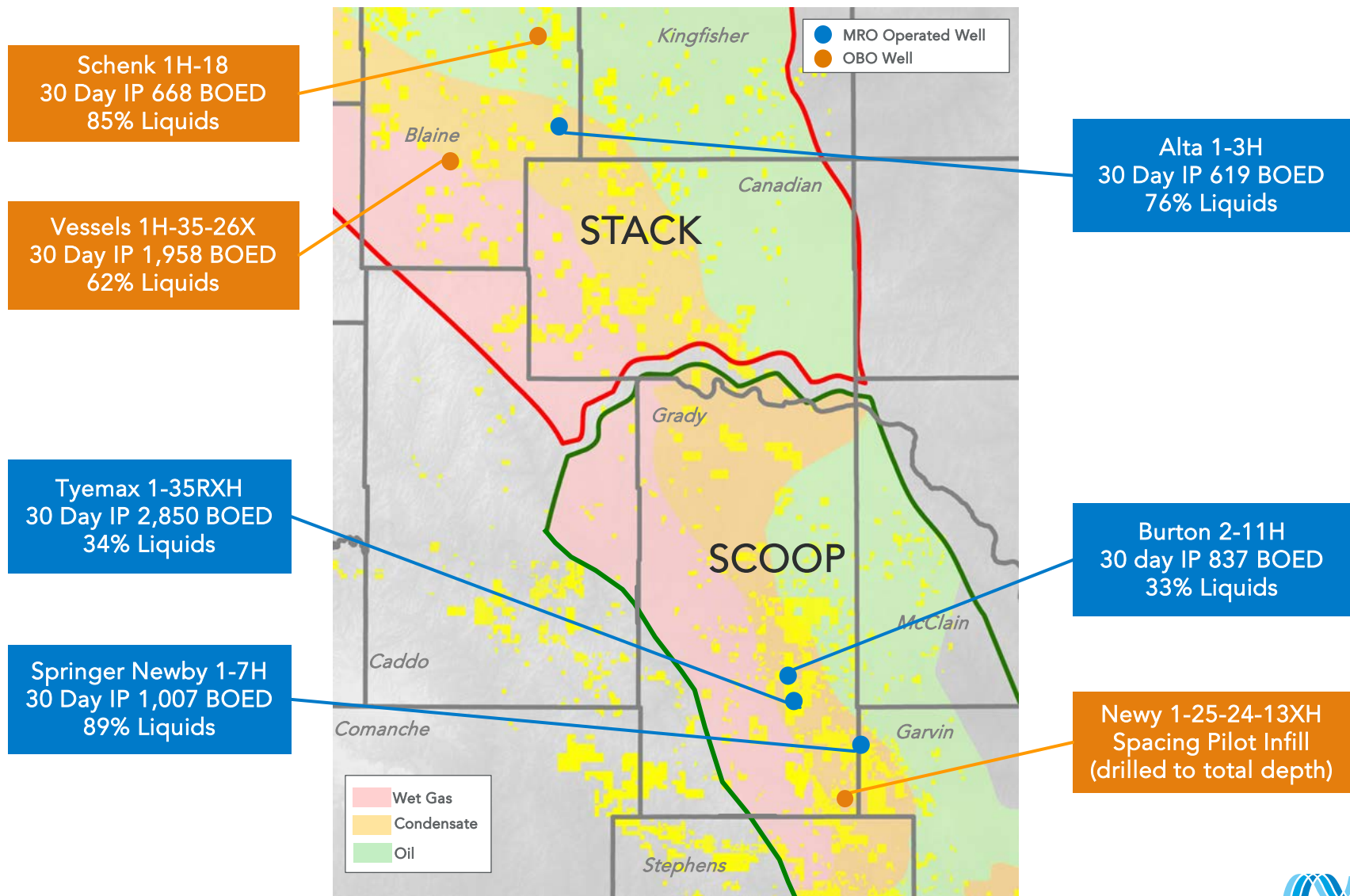
SCOOP Springer Well Performance



- Production averaged **28** net MBOED; **22%** above 3Q 2015
- **4** gross operated wells to sales (3 net WI wells)
- 1st Co-Op SCOOP Springer well 30 day IP **>1,000 BOED**; top tier
 - 60 day rate flat with 30 day rate
 - Oil Phase; **89% liquids**
 - 2nd Springer well reached TD in 4Q
- SCOOP-Woodford Tyemax XL well 30 day IP **2,850 BOED**; 34% liquids
- SCOOP Smith infill wells 30 day IP **1,035 BOED**
 - In-line with type curve; confirms initial infill development strategy at 107 acre spacing
- Secured **~14,000** net acres in 2015 for less than \$3,000/acre

Protecting and Delineating Leasehold in Oklahoma

Continuing testing of phase window boundaries

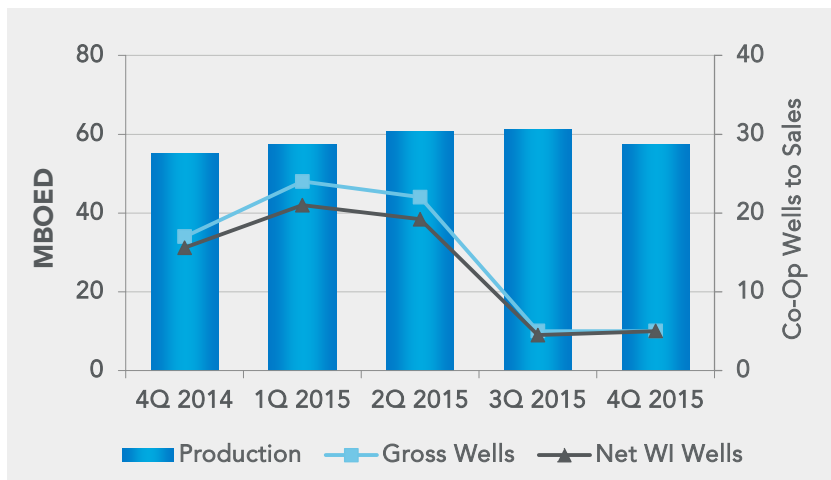


IPs shown are 30 day (includes oil, NGL and gas)

Bakken Focused on Base Business

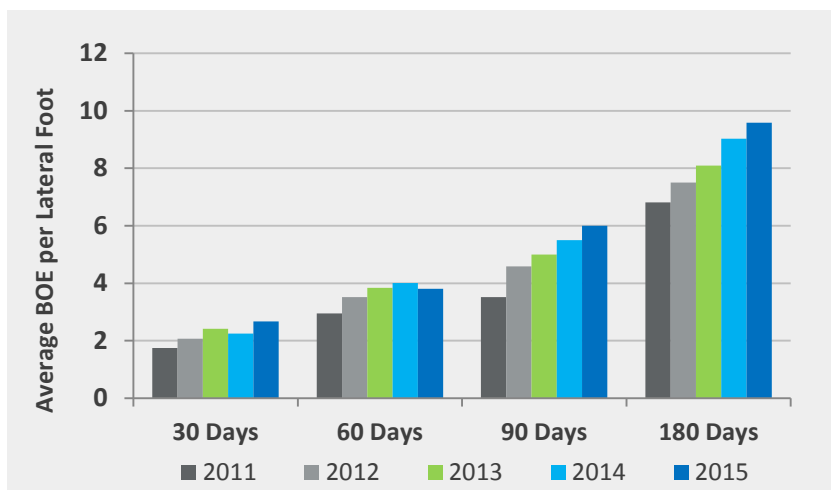
Lowering costs and protecting margins

Production Volumes and Wells to Sales



- Production averaged **58** net MBOED; 5% below 3Q 2015
- **5** gross operated wells to sales (5 net WI wells)
 - 30 day IP ranging from 530 to 1,045 BOED
- Current completed well costs down to **\$5.2MM**; down ~30% year over year
 - Best in class drilling performance
- Sustained production expense per boe reduction of **>20%** year over year
 - >50% of produced water on pipe with ~80% by YE 2016
- Enhanced completions continue to drive year over year performance improvements

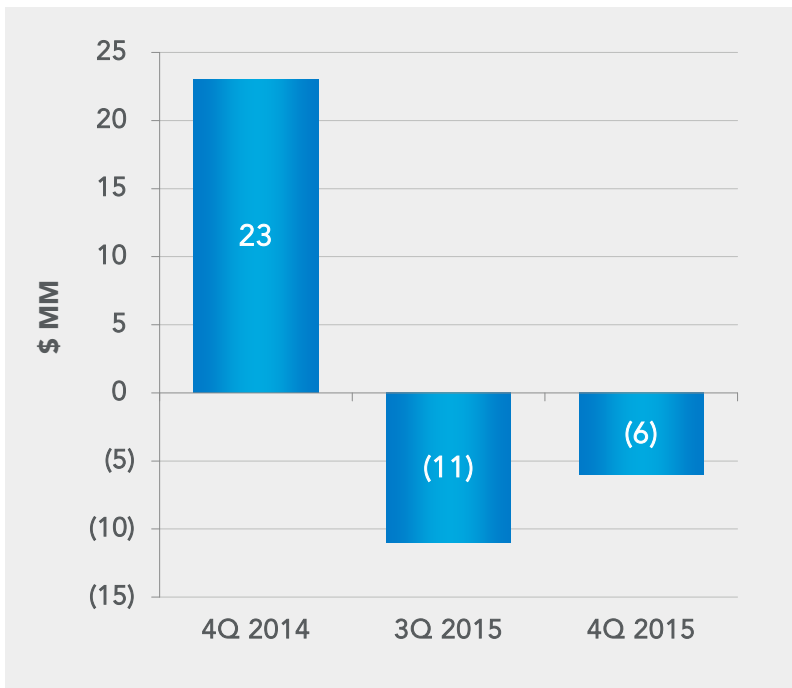
Well Performance



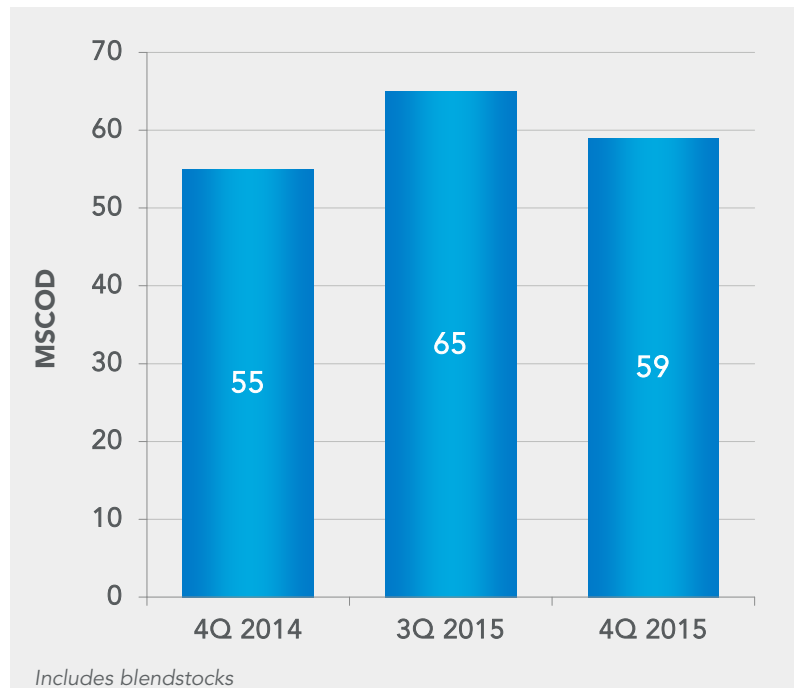
OSM Reliability Continuing to Improve

4Q unit operating expense down 35% from a year ago

OSM Segment Income (Loss)



OSM Synthetic Crude Oil Sales Volumes



Synthetic Crude Oil Avg Realizations (\$/BBL)	\$65.56	\$39.49	\$34.65
OPEX per synthetic barrel (\$/BBL)	\$43.92	\$26.01	\$28.25

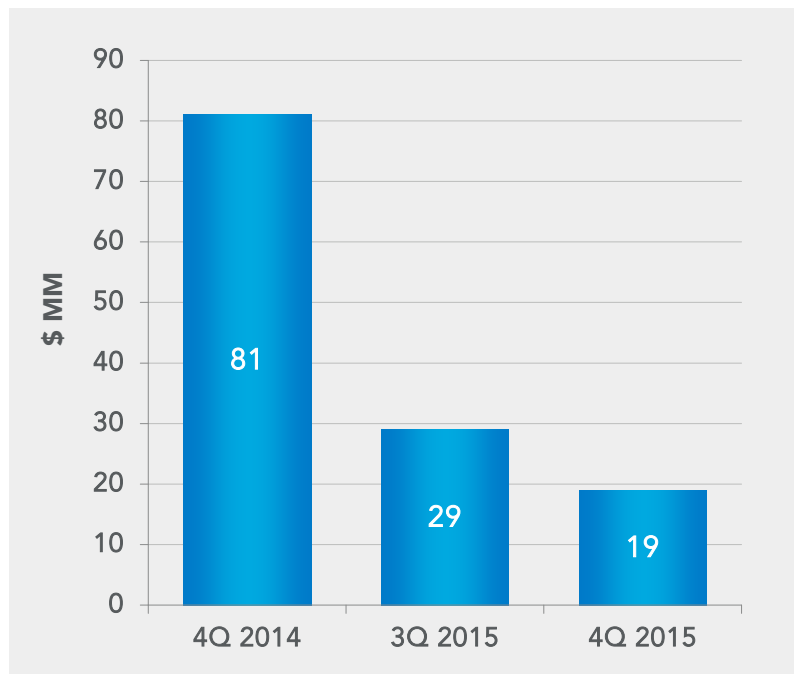
Synthetic Crude Oil Production (MSCOD)	42	57	49
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OPEX per synthetic barrel is before royalties

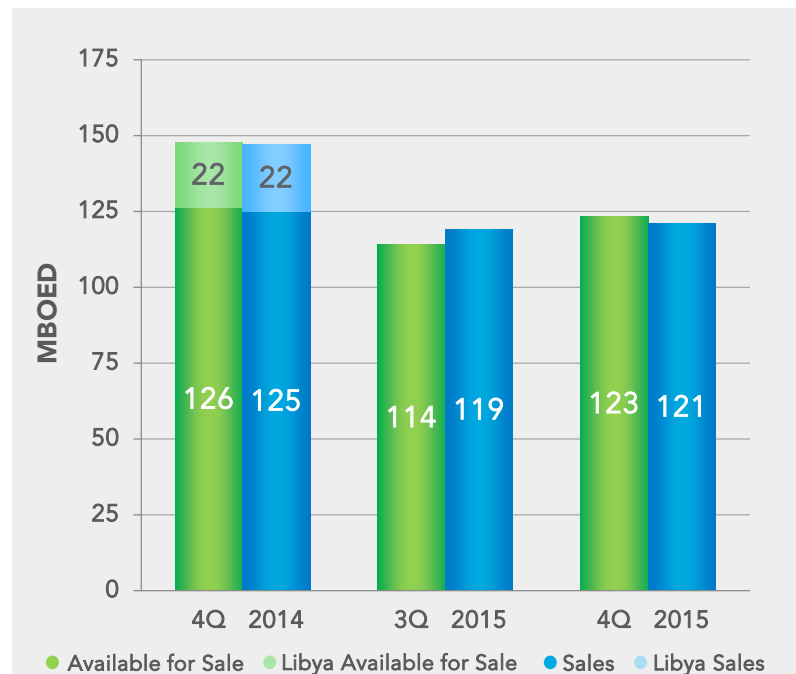
Intl E&P Volumes Finish Year Strong

Full quarter benefits from EG well campaign & high uptime, offset by lower realizations

Intl E&P Segment Income



Intl E&P Production & Sales Volumes



Avg C&C Realizations (\$/BBL)	\$72.13	\$46.18	\$38.43
Equity Earnings	\$78MM	\$48MM*	\$47MM

Liquids % (Sales)	44%	39%	36%
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Excluding discontinued operations
Cumulative underlift of (2,477) MBOE in Libya, (319) MBOE in EG, (3) MBOE in Kurdistan, and overlift of 113 MBOE in UK

*Impairment of investment in equity method investee of \$12MM was not allocated to International E&P segment
Equity earnings include LNG, Methanol and LPG onshore plants in Equatorial Guinea

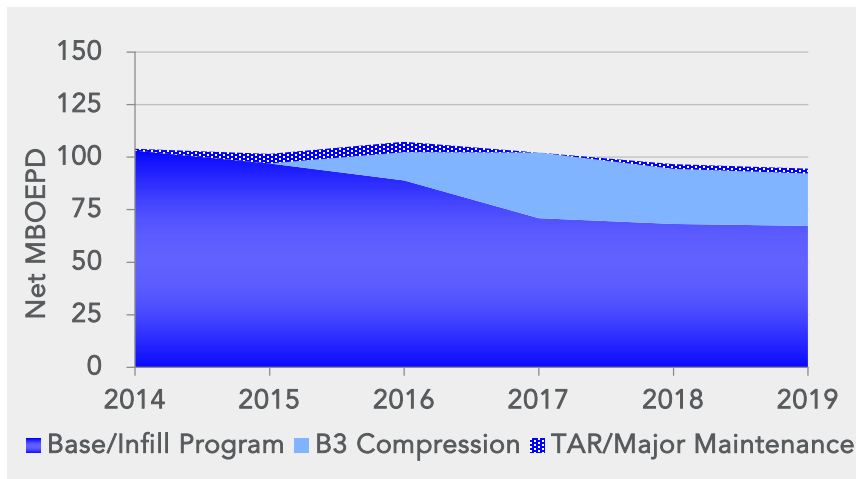
EG Compression Project Achieves Major Milestone

Field life to be extended beyond 2030

B3 Compression Platform



EG Production Forecast



- Alba B3 Compression topsides and jacket installed in January; on budget and on schedule for a mid-2016 start-up
 - Extends plateau production 2 years, asset life up to 8 years
 - Stable production profile and cash flow
- 4Q Production averaged **104** net MBOED; 5% above 3Q 2015
 - Full quarter benefit from Alba C-21 development well and successful well intervention program

Key Takeaways

Capital Discipline

Full-year 2015 CAPEX of \$3.0B



\$500MM
from original target

Balance Sheet Strength Top Priority



\$4.2B year-end liquidity,
including \$1.2B cash

Ongoing Portfolio Management

~\$315MM closed or announced
non-core asset sales

Operations

2015 Production Growth Rates



8% Total Company
21% U.S. Resource plays

Oklahoma Springer Oil Well



>1,000 BOED 30
day IP (89% liquids)

4Q Oil Sands Mining



<\$30/BBL
cash operating costs

Efficiency Capture

\$435MM ↓ Total E&P production and
adjusted G&A expense from
2014

\$350MM + D&C cost savings in 2015

28% ↓ 4Q N.A. E&P production costs
per BOE from year-ago quarter

\$12/BOE 2015 drillbit F&D costs



APPENDIX

Volumes, Exploration Expenses & Effective Tax Rate

2015 (excluding Libya)

	1Q	2Q	3Q	4Q	Year
North America E&P Net Sales Volumes:					
- Liquid Hydrocarbons (MBD)	223	213	205	200	210
- Natural Gas (MMCFD)	359	361	338	345	351
- North America E&P Total (MBOED)	283	274	261	258	269
International E&P Net Sales Volumes:					
- Liquid Hydrocarbons (MBD)	41	42	46	43	43
- Natural Gas (MMCFD)	451	396	441	467	439
- International E&P Total (MBOED)	116	108	119	121	116
E&P Segments Combined Sales Volumes:					
- Total Net Sales (MBOED)	399	382	380	379	385
- Total Available for Sale (MBOED)	402	382	377	383	386
Oil Sands Mining Net Sales Volumes (MBD)*	60	29	65	59	53
- Synthetic Crude Oil Production (MBD)**	50	25	57	49	45
Total Company incl. Libya Available for Sale (MBOED)	452	407	434	432	431
Equity Method Investment Net Sales Volumes:					
- LNG (metric tonnes/day)	6,275	4,991	5,700	6,569	5,884
Exploration Expenses (Pre-tax)***:					
- North America E&P (\$ millions)	35	91	22	214	362
- International E&P (\$ millions)	55	20	10	16	101
Consolidated Effective Tax Rate (excl. Libya)****	31%	35%	35%	19%	29%

*Includes blendstocks

**Upgraded bitumen excluding blendstocks

***Excludes N.A. E&P impairments of \$437MM in 3Q and \$300MM in 4Q and Intl E&P impairments of \$116MM in 3Q and \$2MM in 4Q reported as special items

****Excludes non-cash deferred tax expense of \$135MM in 2Q related to Canadian tax rate increase

See the 4Q 2015 Investor Packet at www.Marathonoil.com for non-GAAP reconciliations

2016 Estimates

Volumes

	Available for Sale 1QE	Available for Sale Year Estimate
North America E&P Total (MBOED)	230 – 240	
- Liquid Hydrocarbons (MBD)	180 – 187	
- Natural Gas (MMCFD)	300 – 315	
International E&P Total (MBOED)*	90 – 100	
- Liquid Hydrocarbons (MBD)*	30 – 37	
- Natural Gas (MMCFD)*	360 – 375	
Total both E&P Segments (MBOED)*	320 – 340	335 – 355
Synthetic Crude Oil Production (MBD) (excludes royalty)**	45 – 50	40 – 50
Equity Method Investment LNG (metric tonnes/day)	4,400 – 4,700	5,500 – 5,900

* Excluding Libya. Includes the impact of ~20 MBOED associated with EG scheduled downtime and ~7 MBOED from Brae Alpha downtime in the UK

** Upgraded bitumen excluding blendstocks

2016 Estimates

Exploration expenses & annual production operating costs per BOE

	1QE	Year Estimate
Exploration Expenses (Pre-tax):		
North America E&P (\$ millions)	15 – 30	
International E&P (\$ millions)	5 – 15	
Effective Consolidated Tax Rate (excluding Libya)		36 – 40%
North America E&P Cost Data		
Production Operating		\$7.00 – 8.00
DD&A		\$20.75 – 23.25
Other*		\$4.50 – 5.00
International E&P Cost Data**		
Production Operating		\$5.00 – 6.00
DD&A		\$6.00 – 7.50
Other*		\$1.75 – 2.25

* Other includes shipping and handling, general and administrative, and other operating expenses

** Excludes Libya

157% Organic Reserve Replacement in 2015

Estimated net proved reserves 2.2 BBOE, flat with 2014

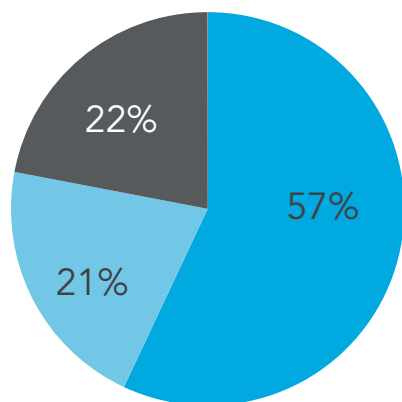
	North America E&P	International E&P	OSM	TOTAL
Category	(MMBOE)	(MMBOE)	SCO (MMBBL)	(MMBOE)
As of Dec 31, 2014	986	564	648	2,198
Additions	246	1	-	247
Revisions	(173)	(2)	67	(108)
Acquisitions	1	-	-	1
Dispositions	(18)	-	-	(18)
Production	(98)	(42)	(17)	(157)
As of Dec 31, 2015	944	521	698	2,163
Reserve Replacement Ratio (including acquisitions & dispositions)				78%
Reserve Replacement Ratio (excluding dispositions)				89%
Organic Reserve Replacement Ratio (excluding acquisitions, dispositions & revisions)				157%

2015 drillbit F&D cost \$12 per BOE

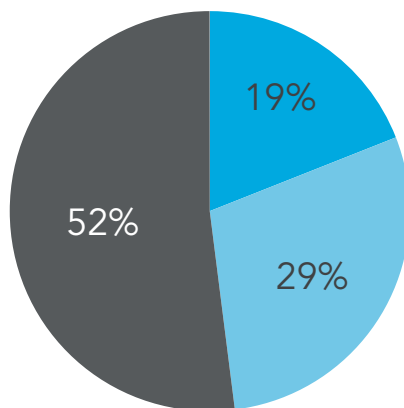
2015 4Q Production Mix

U.S. resource plays ~80% liquids

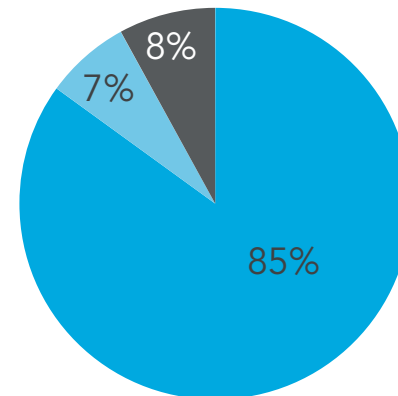
Eagle Ford



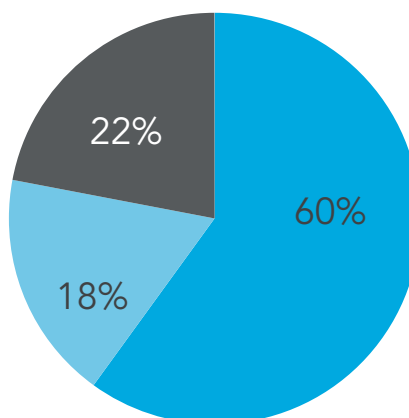
Oklahoma Resource Basins



Bakken



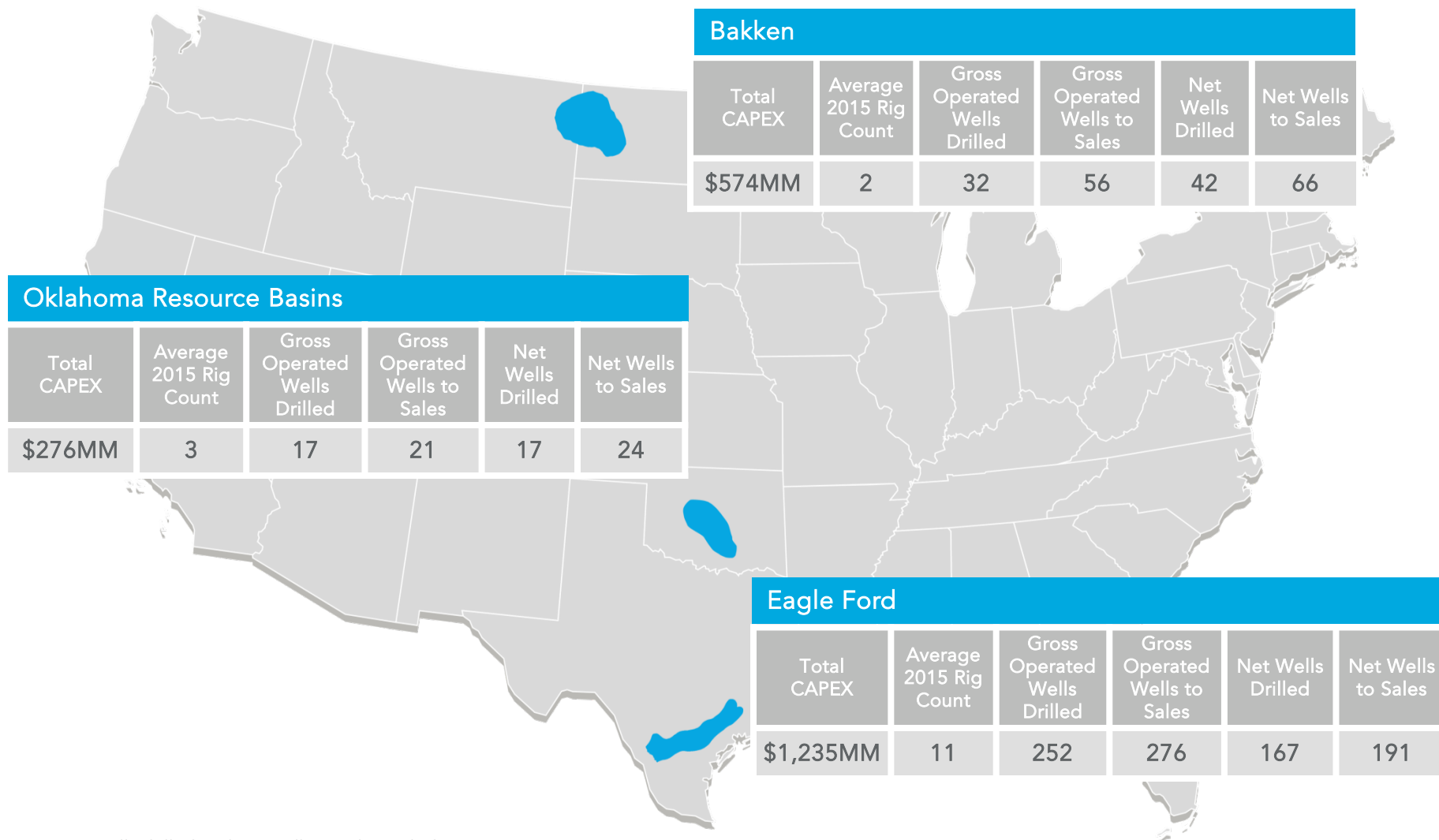
Total U.S. Resource Plays



■ Crude Oil/Condensate ■ NGLs ■ Natural Gas

2015 North America Activity

U.S. Resource Plays



Net wells drilled and net wells to sales include OBO

North America E&P Crude Oil Derivatives

As of December 31, 2015

Term	Bbls per day	Weighted Average Price per Bbl	Benchmark
Three-Way Collars			
Jan 2016 – Mar 2016 ^(a)	10,000	\$60.03 Ceiling \$50.20 Floor \$41.60 Sold Put	WTI
Jan 2016 – Dec 2016	12,000	\$71.84 Ceiling \$60.48 Floor \$50.00 Sold Put	WTI
Jan 2016 – Jun 2016 ^(b)	2,000	\$73.13 Ceiling \$65.00 Floor \$50.00 Sold Put	WTI
Sold Call Options			
Jan 2016 – Dec 2016 ^(c)	10,000	\$72.39	WTI

^(a) Counterparties have the option, exercisable on 3/31/16, to extend these collars through September of 2016 at the same volume and weighted average price as the underlying three-way collars.

^(b) Counterparty has the option, exercisable on 6/30/16, to extend these collars through the remainder of 2016 at the same volume and weighted average price as the underlying three-way collars.

^(c) Call Options settle monthly.

Capital, Investment & Exploration

Budget reconciliation \$MM

	2015 Original Budget	2015 Actual
Capital expenditures, including acquisitions	3,381	2,913
M&S Inventory	0	(9)
Investments in equity method investees & others	0	0
Exploration costs other than well costs	140	104
Capital, Investment & Exploration Budget	3,521	3,008

Amounts include accruals