



Second Quarter 2018

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Financial Highlights, and News Releases can be
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Consolidated Statements of Income
Marathon Oil Corporation

(Dollars in millions except per share data)

REVENUES AND OTHER INCOME:

Revenues from contracts with customers (a)

Net gain (loss) on commodity derivatives (a)

Marketing revenues (a)

Income from equity method investments

Net gain (loss) on disposal of assets

Other income (a)

Total revenues and other income

COSTS AND EXPENSES:

Production (b)

Marketing, including purchases from related parties (a)

Shipping, handling and other operating

Exploration

Depreciation, depletion and amortization

Impairments

Taxes other than income

General and administrative (b)

Total costs and expenses

Income (loss) from operations

Net interest and other

Loss on early extinguishment of debt

Other net periodic benefit costs (b)

Income (loss) from continuing operations before income taxes

Estimated income tax provision (benefit)

Current

Deferred

Total provision (benefit) for income taxes

Income (loss) from continuing operations

Income (loss) from discontinued operations (c)

NET INCOME (LOSS)

Effective tax rate on continuing operations

1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
\$ 873	\$ 902	\$ 1,136	\$ 1,336	\$ 4,247
81	56	(22)	(151)	(36)
34	35	48	45	162
69	51	63	73	256
1	6	19	32	58
14	9	8	47	78
\$ 1,072	\$ 1,059	\$ 1,252	\$ 1,382	\$ 4,765
153	178	197	188	716
34	38	49	47	168
89	111	109	122	431
28	30	294	57	409
556	592	641	583	2,372
4	—	201	24	229
39	45	44	55	183
97	90	89	95	371
1,000	1,084	1,624	1,171	4,879
72	(25)	(372)	211	(114)
(78)	(86)	(35)	(71)	(270)
—	—	(46)	(5)	(51)
(10)	(1)	(5)	(3)	(19)
(16)	(112)	(458)	132	(454)
20	17	135	265	437
14	24	6	(105)	(61)
34	41	141	160	376
(50)	(153)	(599)	(28)	(830)
(4,907)	14	—	—	(4,893)
\$ (4,957)	\$ (139)	\$ (599)	\$ (28)	\$ (5,723)
(213)%	(37)%	(31)%	121%	(83)%

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 1,537	\$ 1,447	\$ 2,984
(102)	(152)	(254)
—	—	—
37	60	97
257	50	307
4	12	16
\$ 1,733	\$ 1,417	\$ 3,150
217	205	422
—	—	—
130	126	256
52	65	117
590	612	1,202
8	34	42
64	65	129
100	105	205
1,161	1,212	2,373
572	205	777
(45)	(65)	(110)
—	—	—
(3)	—	(3)
524	140	664
199	19	218
(31)	25	(6)
168	44	212
356	96	452
—	—	—
\$ 356	\$ 96	\$ 452
32%	31%	32%

Per common share data:

Basic:

Weighted average shares (millions)

Income (loss) from continuing operations

Income (loss) from discontinued operations (c)

NET INCOME (LOSS)

Diluted:

Weighted average shares (millions)

Income (loss) from continuing operations

Income (loss) from discontinued operations (c)

NET INCOME (LOSS)

Dividends paid per common share

849	850	850	850	850
\$ (0.06)	\$ (0.18)	\$ (0.70)	\$ (0.03)	\$ (0.97)
\$ (5.78)	\$ 0.02	\$ —	\$ —	\$ (5.76)
\$ (5.84)	\$ (0.16)	\$ (0.70)	\$ (0.03)	\$ (6.73)
849	850	850	850	850
\$ (0.06)	\$ (0.18)	\$ (0.70)	\$ (0.03)	\$ (0.97)
\$ (5.78)	\$ 0.02	\$ —	\$ —	\$ (5.76)
\$ (5.84)	\$ (0.16)	\$ (0.70)	\$ (0.03)	\$ (6.73)
\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.20

851	854	853
\$ 0.42	\$ 0.11	\$ 0.53
\$ —	\$ —	\$ —
\$ 0.42	\$ 0.11	\$ 0.53
852	855	854
\$ 0.42	\$ 0.11	\$ 0.53
\$ —	\$ —	\$ —
\$ 0.42	\$ 0.11	\$ 0.53
\$ 0.05	\$ 0.05	\$ 0.10

(a) Effective January 1, 2018, we adopted a new revenue recognition standard. Historical periods are unadjusted; reclassifications have been made to net gain (loss) on commodity derivatives to conform historical presentation to current presentation of revenue.

(b) Historical periods reflect changes due to the adoption of the new pension accounting standard in the first quarter of 2018.

(c) The sale of our Canadian business is reflected as discontinued operations in 2017.

Consolidated Balance Sheets
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2017	June 30 2017	Sept. 30 2017	Dec.31 2017	Mar. 31 2018	June 30 2018
ASSETS						
Current assets:						
Cash & cash equivalents	\$ 2,490	\$ 2,614	\$ 1,795	\$ 563	\$ 1,613	\$ 1,667
Receivables less allowance for doubtful accounts	751	767	945	1,082	1,100	1,176
Notes receivable	—	742	745	748	—	—
Inventories	145	140	132	126	110	117
Other current assets	134	160	62	36	66	92
Current assets held for sale (a)	223	1	11	11	13	35
Total current assets	3,743	4,424	3,690	2,566	2,902	3,087
Equity method investments	906	821	836	847	806	788
Property, plant and equipment, net	16,533	18,337	17,645	17,665	16,931	16,881
Goodwill	115	115	115	115	98	98
Other noncurrent assets	698	543	607	764	849	860
Noncurrent assets held for sale (a)	2,542	1	54	55	48	157
Total assets	\$ 24,537	\$ 24,241	\$ 22,947	\$ 22,012	\$ 21,634	\$ 21,871
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 1,081	\$ 1,158	\$ 1,313	\$ 1,395	\$ 1,335	\$ 1,428
Payroll and benefits payable	70	92	99	108	85	109
Accrued taxes	81	78	162	177	128	99
Long-term debt due within one year	1,541	548	—	—	—	—
Other current liabilities	222	206	188	288	359	405
Current liabilities held for sale (a)	104	—	—	—	2	3
Total current liabilities	3,099	2,082	1,762	1,968	1,909	2,044
Long-term debt	5,723	6,715	6,488	5,494	5,495	5,497
Deferred tax liabilities	800	839	844	833	221	237
Defined benefit postretirement plan obligations	365	340	330	362	331	311
Asset retirement obligations	1,622	1,642	1,522	1,428	1,445	1,364
Deferred credits and other liabilities	221	211	217	217	197	194
Noncurrent liabilities held for sale (a)	123	7	9	2	2	92
Total liabilities	11,953	11,836	11,172	10,304	9,600	9,739
TOTAL STOCKHOLDERS' EQUITY	12,584	12,405	11,775	11,708	12,034	12,132
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 24,537	\$ 24,241	\$ 22,947	\$ 22,012	\$ 21,634	\$ 21,871
Common stock issued	937	937	937	937	937	937
Common stock held in treasury	87	87	87	87	84	83
Net shares outstanding at balance sheet date	850	850	850	850	853	854

(a) The Company closed on its sale of the Canadian oil sands business in second quarter 2017. Assets and liabilities of our Canadian business are presented as held for sale in the historical consolidated balance sheets for March 31, 2017.

Consolidated Statements of Cash Flows (YTD)
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2017	June 30 2017	Sept. 30 2017	Dec. 31 2017	Mar. 31 2018	June 30 2018
OPERATING ACTIVITIES:						
Net income (loss)	\$ (4,957)	\$ (5,096)	\$ (5,695)	\$ (5,723)	\$ 356	\$ 452
Adjustments to reconcile to net cash provided by operating activities:						
Discontinued operations (a)	4,907	4,893	4,893	4,893	—	—
Depreciation, depletion and amortization	556	1,148	1,789	2,372	590	1,202
Impairments	4	4	205	229	8	42
Exploratory dry well costs and unproved property impairments	20	45	294	323	42	93
Net (gain) loss on disposal of assets	(1)	(7)	(26)	(58)	(257)	(307)
Deferred income taxes	14	38	44	(61)	(31)	(6)
Net (gain) loss on derivative instruments	(77)	(140)	(162)	(11)	102	254
Net settlement of derivative instruments	(7)	3	88	98	(59)	(166)
Pension and other postretirement benefits, net	(9)	(25)	(38)	(46)	(34)	(51)
Stock based compensation	14	26	38	50	14	28
Equity method investments, net	13	61	46	20	32	27
Changes in:						
Current receivables	(1)	(15)	(192)	(334)	(130)	(256)
Inventories	(10)	(5)	4	10	(9)	(17)
Current accounts payable and accrued liabilities	(1)	(41)	189	297	81	133
All other operating, net	36	34	10	(71)	(56)	(12)
Net cash provided by operating activities from continuing operations	501	923	1,487	1,988	649	1,416
INVESTING ACTIVITIES:						
Additions to property, plant and equipment	(283)	(775)	(1,305)	(1,974)	(662)	(1,300)
Additions to other assets	—	—	(23)	(25)	(72)	(129)
Acquisitions, net of cash acquired	—	(1,828)	(1,828)	(1,891)	(4)	(25)
Deposits for acquisition	(180)	—	—	—	—	—
Disposal of assets, net of cash transferred to buyer	—	1,726	1,757	1,787	1,180	1,183
Equity method investments - return of capital	12	49	49	64	9	32
All other investing, net	1	(5)	(3)	(5)	(2)	7
Net cash used in investing activities from continuing operations	(450)	(833)	(1,353)	(2,044)	449	(232)
FINANCING ACTIVITIES:						
Borrowings	—	—	988	988	—	—
Debt repayments	—	(1)	(1,764)	(2,764)	—	—
Debt extinguishment costs	—	—	(46)	(46)	—	—
Purchases of common stock	(7)	(10)	(10)	(11)	(9)	(11)
Dividends paid	(42)	(85)	(128)	(170)	(42)	(85)
All other financing, net	(1)	—	—	—	2	18
Net cash used in financing activities	(50)	(96)	(960)	(2,003)	(49)	(78)
CASH FLOW FROM DISCONTINUED OPERATIONS: (a)						
Operating activities	95	141	141	141	—	—
Investing activities	(9)	(13)	(13)	(13)	—	—
Changes in cash included in current assets held for sale	(86)	2	2	2	—	—
Net increase (decrease) in cash and cash equivalents from discontinued operations	—	130	130	130	—	—
Effect of exchange rate on cash and cash equivalents	1	2	3	4	1	(2)
Net increase (decrease) in cash and cash equivalents	2	126	(693)	(1,925)	1,050	1,104
Cash and cash equivalents at beginning of period	2,488	2,488	2,488	2,488	563	563
Cash and cash equivalents at end of period	\$ 2,490	\$ 2,614	\$ 1,795	\$ 563	\$ 1,613	\$ 1,667

(a) The sale of our Canadian business is reflected as discontinued operations in 2017.

Segment Income Summary
Marathon Oil Corporation

<i>(Dollars in millions)</i>	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018	2nd Qtr 2018	Year 2018
United States E&P								
Income (loss) before taxes	\$ (79)	\$ (107)	\$ (38)	\$ 77	\$ (147)	\$ 128	\$ 123	\$ 251
Income tax provision (benefit)	—	—	—	1	1	3	—	3
Segment income (loss)	(79)	(107)	(38)	76	(148)	125	123	248
<i>Effective tax rate</i>	—%	—%	—%	1%	(1)%	2%	—%	1%
International E&P								
Income (loss) before taxes	143	105	210	288	746	302	168	470
Income tax provision (benefit)	50	46	106	170	372	170	26	196
Segment income	93	59	104	118	374	132	142	274
<i>Effective tax rate</i>	35%	44%	50%	59%	50%	56%	15%	42%
SEGMENT TOTAL								
Income (loss) before taxes	64	(2)	172	365	599	430	291	721
Income tax provision (benefit)	50	46	106	171	373	173	26	199
Segment income (loss)	\$ 14	\$ (48)	\$ 66	\$ 194	\$ 226	\$ 257	\$ 265	\$ 522
Segment income (loss) before taxes	\$ 64	\$ (2)	\$ 172	\$ 365	\$ 599	\$ 430	\$ 291	\$ 721
Not allocated to segments - Corporate items								
Net interest and other	(78)	(89)	(82)	(71)	(320)	(45)	(65)	(110)
Other net periodic benefit costs (a)	2	—	3	1	6	(1)	—	(1)
General and administrative (a)	(57)	(51)	(54)	(60)	(222)	(55)	(61)	(116)
Other costs and income	(9)	(19)	(6)	(7)	(41)	(7)	(2)	(9)
Items not allocated to segments, before income taxes:								
Net gain (loss) on dispositions	—	6	19	32	57	257	50	307
Proved property impairments	—	—	(201)	(24)	(225)	(8)	(34)	(42)
Exploratory dry well costs, unproved property impairments and other	—	—	(250)	—	(250)	—	—	—
Pension settlement	(14)	(3)	(8)	(7)	(32)	(4)	(2)	(6)
Unrealized gain (loss) on derivative instruments	77	43	(56)	(145)	(81)	(43)	(45)	(88)
Gain on termination of interest rate swaps	—	—	47	—	47	—	—	—
Loss on extinguishment of debt	—	—	(46)	(5)	(51)	—	—	—
Other	(1)	3	4	53	59	—	8	8
Income (loss) from continuing operations before income taxes	(16)	(112)	(458)	132	(454)	524	140	664
Benefit (provision) for income taxes before special items	(34)	(41)	(101)	(172)	(348)	(168)	(37)	(205)
Valuation Allowance	—	—	(41)	—	(41)	—	—	—
Benefit (provision) for income taxes related to special items from continuing operations	—	—	1	12	13	—	(7)	(7)
Benefit (provision) for income taxes	(34)	(41)	(141)	(160)	(376)	(168)	(44)	(212)
Income (loss) from continuing operations	(50)	(153)	(599)	(28)	(830)	356	96	452
Income (loss) from discontinued operations (b)	(4,907)	14	—	—	(4,893)	—	—	—
Net income (loss)	\$ (4,957)	\$ (139)	\$ (599)	\$ (28)	\$ (5,723)	\$ 356	\$ 96	\$ 452

(a) Historical periods reflect changes due to the adoption of the new pension accounting standard in the first quarter of 2018.

(b) The sale of our Canadian business is reflected as discontinued operations in 2017.

Net Property, Plant and Equipment
Marathon Oil Corporation

<i>(In millions)</i>	Dec. 31 2017	Mar.31 2018	June 30 2018
	United States E&P	\$ 15,867	\$ 15,922
International E&P	1,710	926	846
Corporate	88	83	82
Net property, plant and equipment	\$ 17,665	\$ 16,931	\$ 16,881

United States E&P Supplemental Financial Data
Marathon Oil Corporation

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
	2017	2017	2017	2017	2017	2018	2018	2018
<i>(Dollars in millions except per BOE statistics)</i>								
Revenues from contracts with customers	\$ 670	\$ 682	\$ 772	\$ 969	\$ 3,093	\$ 1,125	\$ 1,221	\$ 2,346
Segment Income (Loss)	(79)	(107)	(38)	76	(148)	125	123	248
DD&A	472	495	531	513	2,011	528	556	1,084
Capital Expenditures (a)	349	575	541	616	2,081	611	641	1,252
Exploration Expense								
Exploratory dry well costs and unproved property impairments	20	25	35	29	109	42	51	93
G&G and Other	6	5	6	28	45	9	13	22
Total exploration expense	26	30	41	57	154	51	64	115
Costs and Expenses per BOE (b)								
Production	\$ 5.79	\$ 5.86	\$ 5.38	\$ 5.33	\$ 5.57	\$ 5.89	\$ 5.66	\$ 5.77
Shipping, handling and other operating	3.98	4.74	3.53	4.32	4.14	4.39	4.29	4.34
General and administrative	1.77	1.45	1.31	1.11	1.39	1.41	1.29	1.35
Taxes other than income	2.07	1.63	1.96	2.35	2.01	2.49	2.53	2.51
Exploration	1.41	1.46	1.80	2.35	1.79	1.98	2.35	2.17
DD&A	25.15	24.49	23.64	21.28	23.51	20.66	20.48	20.56
United States E&P income (loss) per BOE	\$ (4.23)	\$ (5.28)	\$ (1.67)	\$ 3.16	\$ (1.72)	\$ 4.90	\$ 4.51	\$ 4.70

(a) Includes accruals.

(b) Costs and expenses per BOE are based upon volumes sold.

United States E&P Sales Volumes
Marathon Oil Corporation

	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018	2nd Qtr 2018	Year 2018
Crude oil and condensate (mmbld)								
Eagle Ford	59	59	58	61	59	63	63	63
Bakken	39	39	49	58	46	61	69	65
Oklahoma	12	14	17	16	15	20	18	19
Northern Delaware	—	2	6	8	4	10	11	10
All other United States (a)	8	11	9	7	9	10	7	9
Total crude oil and condensate	118	125	139	150	133	164	168	166
Natural gas liquids (mmbld)								
Eagle Ford	20	20	22	23	21	21	22	21
Bakken	5	6	6	6	6	7	7	8
Oklahoma	13	12	14	18	14	18	24	21
Northern Delaware	—	1	—	1	1	3	3	3
All other United States (a)	2	1	2	1	1	1	1	1
Total natural gas liquids	40	40	44	49	43	50	57	54
Natural gas sales (mmcf)								
Eagle Ford	122	127	126	127	125	122	127	124
Bakken	21	25	26	26	25	35	35	35
Oklahoma	115	138	161	180	149	216	230	223
Northern Delaware	—	7	15	14	9	17	18	18
All other United States (a)	46	44	41	29	40	30	25	27
Total natural gas	304	341	369	376	348	420	435	427
Total net sales (mboed)	208	222	244	262	234	284	298	291

(a) Conventional U.S. production.

United States E&P Price Realizations
Marathon Oil Corporation

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
	2017	2017	2017	2017	2017	2018	2018	2018
Average price realizations (excluding hedging)								
Crude oil and condensate (\$ per bbl)								
Eagle Ford	\$ 48.18	\$ 45.75	\$ 47.56	\$ 57.82	\$ 49.93	\$ 64.37	\$ 68.77	\$ 66.58
Bakken	48.75	46.20	46.06	54.42	49.28	60.20	64.41	62.45
Oklahoma	49.07	45.42	46.39	53.90	48.79	62.70	66.90	64.70
Northern Delaware	—	43.38	44.49	53.74	48.84	60.45	60.01	60.22
All other United States (a)	48.24	45.71	45.83	48.87	46.98	61.71	64.42	62.92
United States crude oil and condensate	48.46	45.81	46.65	55.46	49.35	62.22	66.03	64.16
Natural gas liquids (\$ per bbl)								
Eagle Ford	\$ 18.12	\$ 16.63	\$ 19.52	\$ 22.54	\$ 19.32	\$ 22.85	\$ 22.68	\$ 22.76
Bakken	15.35	15.16	17.89	24.09	18.38	23.57	25.52	24.56
Oklahoma	22.59	19.63	23.58	24.16	22.74	22.59	20.75	21.54
Northern Delaware	—	17.54	30.23	26.79	24.04	22.11	19.10	20.53
All other United States (a)	21.52	23.78	24.94	30.06	24.61	28.66	25.62	27.30
United States natural gas liquids	19.33	17.61	20.86	23.60	20.55	22.95	22.09	22.49
Realized gain (loss) on crude oil commodity derivatives per barrel sold	\$ 0.34	\$ 1.07	\$ 2.42	\$ (0.76)	\$ 0.75	\$ (4.33)	\$ (7.04)	\$ (5.71)
Natural gas price realizations (\$ per mcf)								
Eagle Ford	2.85	3.06	2.83	2.82	2.89	3.03	2.82	2.93
Bakken	3.27	3.14	2.08	2.82	2.80	3.25	2.46	2.85
Oklahoma	3.16	3.07	2.69	2.54	2.82	2.20	1.84	2.01
Northern Delaware	—	2.72	3.00	2.37	2.70	3.09	1.48	2.27
All other United States (a)	3.03	2.92	2.67	2.56	2.82	2.64	2.11	2.39
United States natural gas	3.02	3.05	2.71	2.65	2.84	2.59	2.18	2.38
United States average price realizations (\$ per boe)	\$ 35.54	\$ 33.70	\$ 34.38	\$ 40.01	\$ 36.06	\$ 43.83	\$ 44.71	\$ 44.28
Market prices								
NYMEX prompt WTI oil (\$/bbl)	\$ 51.78	\$ 48.15	\$ 48.20	\$ 55.30	\$ 50.85	\$ 62.89	\$ 67.91	\$ 65.46
NYMEX settlement natural gas (\$/mcf)	3.32	3.18	3.00	2.93	3.11	3.00	2.80	2.90
Bloomberg Mont Belvieu NGL (\$/bbl) (b)	22.93	20.99	23.91	27.18	23.76	26.26	28.28	27.29

(a) Conventional U.S. production.

(b) Bloomberg Finance LLP: Y-grade Mix NGL of 50% ethane, 25% propane, 10% butane, 5% isobutane and 10% natural gasoline.

International E&P Supplemental Financial Data
Marathon Oil Corporation

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
	2017	2017	2017	2017	2017	2018	2018	2018
<i>(Dollars in millions except per BOE statistics)</i>								
Revenues from contracts with customers	\$ 203	\$ 220	\$ 364	\$ 367	\$ 1,154	\$ 412	\$ 226	\$ 638
Segment Income	93	59	104	118	374	132	142	274
DD&A	75	89	102	62	328	54	50	104
Capital Expenditures(a)	9	14	4	15	42	6	16	22
Exploration Expense								
Exploratory dry well costs and unproved property impairments	—	—	—	—	—	—	—	—
G&G & Other	2	—	3	—	5	1	1	2
Total exploration expense	2	—	3	—	5	1	1	2
Costs and Expenses per BOE, from Operations (b)								
Production (c)	\$ 3.91	\$ 4.86	\$ 4.98	\$ 4.18	\$ 4.51	\$ 5.07	\$ 4.71	\$ 4.91
Shipping, handling and other operating	1.30	1.05	2.07	1.32	1.47	1.45	0.87	1.19
General and administrative (c)	0.59	0.71	0.38	0.58	0.55	0.67	0.81	0.73
Exploration	0.12	0.02	0.22	—	0.09	0.09	0.08	0.09
DD&A	6.61	7.23	6.68	4.40	6.19	4.13	4.53	4.31
International E&P income per BOE	\$ 8.12	\$ 4.89	\$ 6.79	\$ 8.39	\$ 7.06	\$ 10.00	\$ 13.07	\$ 11.39
Equatorial Guinea								
EG Income before DD&A, Tax, and Exploration (d)	\$ 161	\$ 134	\$ 183	\$ 186	\$ 664	\$ 124	\$ 192	\$ 316

(a) Includes accruals.

(b) Costs and expenses per BOE are based upon volumes sold.

(c) Historical periods reflect changes due to the adoption of the new pension accounting standard in the first quarter of 2018.

(d) See "Non-GAAP Reconciliations".

International E&P Sales Volumes
Marathon Oil Corporation

	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018	2nd Qtr 2018	Year 2018
Crude oil and condensate (mmbld)								
Equatorial Guinea	18	18	27	20	21	15	18	17
United Kingdom	6	13	15	5	10	15	10	12
Libya (a)	12	11	23	29	19	28	—	14
Other International	1	1	3	4	2	5	4	4
Total crude oil and condensate	37	43	68	58	52	63	32	47
Natural gas liquids (mmbld)								
Equatorial Guinea	12	12	12	12	11	11	11	11
United Kingdom	1	—	1	1	1	—	1	—
Total natural gas liquids	13	12	13	13	12	11	12	11
Natural gas sales (mmcf)								
Equatorial Guinea	438	452	482	464	459	403	443	423
United Kingdom (b)	23	26	25	15	22	12	18	15
Libya (a)	—	—	—	14	4	22	—	11
Total natural gas	461	478	507	493	485	437	461	449
Total international net sales (mboed)	126	135	165	153	145	147	121	133
Net sales volumes of Equatorial Guinea Equity Method Investees								
LNG (mtd)	6,147	6,243	6,943	6,353	6,423	5,541	6,141	5,843
Methanol (mtd)	1,307	1,182	1,366	1,637	1,374	1,195	1,316	1,256
Condensate & LPG (boed)	14,546	11,608	17,216	14,605	14,501	12,416	12,689	12,553

(a) The Company closed on the sale of its Libya subsidiary in first quarter of 2018.

(b) Includes gas acquired for injection and subsequent resale.

International E&P Price Realizations
Marathon Oil Corporation

	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018	2nd Qtr 2018	Year 2018
Average price realizations								
Crude oil and condensate (\$ per bbl)								
Equatorial Guinea	\$ 43.27	\$ 39.73	\$ 46.91	\$ 52.92	\$ 46.02	\$ 51.94	\$ 60.30	\$ 56.53
United Kingdom	56.51	54.15	51.72	61.94	54.51	69.95	77.15	72.85
Libya (a)	58.36	50.94	56.93	68.31	60.72	73.75	—	73.75
Other International	44.70	40.64	40.67	48.89	44.73	55.29	64.73	59.47
International crude oil and condensate	50.41	47.04	51.23	61.32	53.05	66.23	66.12	66.19
Natural gas liquids (\$ per bbl)								
Equatorial Guinea	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.99	\$ 1.00
United Kingdom	38.99	32.33	32.58	45.71	39.65	44.53	43.20	43.56
International natural gas liquids	3.86	1.77	2.25	4.66	3.15	1.83	2.91	2.40
Natural gas price realizations (\$ per mcf)								
Equatorial Guinea	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
United Kingdom	6.33	6.27	5.71	7.20	6.28	7.32	7.39	7.36
Libya (a)	—	—	—	5.03	5.03	4.57	—	4.57
International natural gas	0.55	0.57	0.51	0.59	0.55	0.65	0.52	0.59
International average price realizations (\$ per boe)	\$ 17.15	\$ 17.23	\$ 22.90	\$ 25.48	\$ 21.03	\$ 30.62	\$ 19.84	\$ 25.72
Market prices								
Brent (Europe) Oil (\$/bbl)	\$ 53.68	\$ 49.67	\$ 52.11	\$ 61.53	\$ 54.25	\$ 66.81	\$ 74.50	\$ 70.65

(a) The Company closed on the sale of its Libya subsidiary in first quarter of 2018.

**Non-GAAP Reconciliations
Marathon Oil Corporation**

<i>(Dollars in millions)</i>
Net income (loss) from continuing operations
Adjustments for special items (pre-tax):
Net (gain) loss on dispositions
Proved property impairments
Exploratory dry well costs, unproved property impairments and other
Pension settlement
Unrealized (gain) loss on derivative instruments
Gain on termination of interest rate swaps
Loss on extinguishment of debt
Other
Provision (benefit) for income taxes related to special items from continuing operations
Valuation allowance
Adjustments for special items from continuing operations
Adjusted net income from continuing operations (a)

1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
\$ (50)	\$ (153)	\$ (599)	\$ (28)	\$ (830)
—	(6)	(19)	(32)	(57)
—	—	201	24	225
—	—	250	—	250
14	3	8	7	32
(77)	(43)	56	145	81
—	—	(47)	—	(47)
—	—	46	5	51
1	(3)	(4)	(53)	(59)
—	—	(1)	(12)	(13)
—	—	41	—	41
\$ (62)	\$ (49)	\$ 531	\$ 84	\$ 504
\$ (112)	\$ (202)	\$ (68)	\$ 56	\$ (326)

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 356	\$ 96	\$ 452
(257)	(50)	(307)
8	34	42
—	—	—
4	2	6
43	45	88
—	—	—
—	—	—
—	(8)	(8)
—	7	7
—	—	—
\$ (202)	\$ 30	\$ (172)
\$ 154	\$ 126	\$ 280

<i>(Dollars in millions)</i>
Net income (loss)
Adjustments for special items from continuing operations (pre-tax):
Net (gain) loss on dispositions
Proved property impairments
Exploratory dry well costs, unproved property impairments and other
Pension settlement
Unrealized (gain) loss on derivative instruments
Gain on termination of interest rate swaps
Loss on extinguishment of debt
Other
Provision (benefit) for income taxes related to special items from continuing operations
Valuation allowance
Adjustments for special items from continuing operations
Adjustments for special items from discontinued operations (pre-tax):
Canadian oil sands business impairment (b)
Net (gain) loss on disposition (b)
Provision (benefit) for income taxes related to special items from discontinued operations
Adjusted net income (a)

1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
\$ (4,957)	\$ (139)	\$ (599)	\$ (28)	\$ (5,723)
—	(6)	(19)	(32)	(57)
—	—	201	24	225
—	—	250	—	250
14	3	8	7	32
(77)	(43)	56	145	81
—	—	(47)	—	(47)
—	—	46	5	51
1	(3)	(4)	(53)	(59)
—	—	(1)	(12)	(13)
—	—	41	—	41
\$ (62)	\$ (49)	\$ 531	\$ 84	\$ 504
6,636	—	—	—	6,636
—	43	—	—	43
(1,674)	—	—	—	(1,674)
\$ (57)	\$ (145)	\$ (68)	\$ 56	\$ (214)

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 356	\$ 96	\$ 452
(257)	(50)	(307)
8	34	42
—	—	—
4	2	6
43	45	88
—	—	—
—	—	—
—	(8)	(8)
—	7	7
—	—	—
\$ (202)	\$ 30	\$ (172)
—	—	—
\$ 154	\$ 126	\$ 280

<i>(Dollars in millions except per share data)</i>
Per common share data:
Diluted:
Weighted average shares (millions)
Adjusted net income from continuing operations (a)
Adjusted net income from continuing operations per share (a)
Adjusted net income (a)
Adjusted net income per share (a)

1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
849	850	850	850	850
\$ (112)	\$ (202)	\$ (68)	\$ 56	\$ (326)
\$ (0.13)	\$ (0.24)	\$ (0.08)	\$ 0.07	\$ (0.38)
\$ (57)	\$ (145)	\$ (68)	\$ 56	\$ (214)
\$ (0.07)	\$ (0.17)	\$ (0.08)	\$ 0.07	\$ (0.25)

1st Qtr 2018	2nd Qtr 2018	Year 2018
852	855	854
\$ 154	\$ 126	\$ 280
\$ 0.18	\$ 0.15	\$ 0.33
\$ 154	\$ 126	\$ 280
\$ 0.18	\$ 0.15	\$ 0.33

(a) Non-GAAP financial measure.

(b) The Company closed on its sale of the Canadian oil sands business in second quarter 2017. The Canadian oil sands business is reflected as discontinued operations in all historical periods presented.

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(Dollars in millions)</i>
Cash additions to Property, Plant, and Equipment
Minus: Working Capital associated with PPE
Property, Plant and Equipment Additions

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 662	\$ 638	\$ 1,300
(40)	24	(16)
\$ 622	\$ 662	\$ 1,284

<i>(Dollars in millions)</i>
Property, Plant and Equipment Additions
Additions to other assets and acquisitions
M&S Inventory
Exploration costs other than well costs
Total Development and REx Capital Expenditures

1st Qtr 2018		2nd Qtr 2018		Year 2018	
Dev Cap Expenditures	REx Cap Expenditures	Dev Cap Expenditures	REx Cap Expenditures	Dev Cap Expenditures	REx Cap Expenditures
\$ 608	\$ 14	\$ 599	\$ 63	\$ 1,207	\$ 77
—	72	—	78	—	150
8	—	8	—	16	—
2	8	1	13	3	21
\$ 618	\$ 94	\$ 608	\$ 154	\$ 1,226	\$ 248

<i>(Dollars in millions)</i>
Organic Free Cash Flow
Net cashflow provided by operating activities
Minus: Changes in working capital
Minus: Exploration costs other than well costs
Add: Development capital expenditures
Add: Dividends
Add: EG LNG return of capital & other
Organic Free Cash Flow (a)

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 649	\$ 767	\$ 1,416
(58)	(82)	(140)
(10)	(14)	(24)
(618)	(608)	(1,226)
(42)	(43)	(85)
1	43	44
\$ 58	\$ 255	\$ 313

<i>(Dollars in millions)</i>
Cash and cash equivalents at end of period
Less:
Acquisitions, net of cash acquired
Disposal of assets, net of cash transferred to buyer
REx Capital Expenditures
Cash and cash equivalents at end of period before Acquisitions/Dispositions, and REx CAPEX (a)

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 1,613	\$ 1,667	\$ 1,667
(4)	—	(4)
1,180	3	1,183
(94)	(154)	(248)
\$ 531	\$ 1,818	\$ 736

(a) Non-GAAP financial measure.

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(Dollars in millions)</i>
Cash Flows (YTD)
Net cash provided by operating activities from continuing operations
Changes in:
Current receivables
Inventories
Current accounts payable and accrued expenses
Total changes in working capital
U.K. Tax Payment
Net cash provided by operating activities from continuing operations before changes in working capital and the U.K. tax payment (a)

Mar. 31 2017	June 30 2017	Sept. 30 2017	Dec. 31 2017
\$ 501	\$ 923	\$ 1,487	\$ 1,988
(1)	(15)	(192)	(334)
(10)	(5)	4	10
(1)	(41)	189	297
(12)	(61)	1	(27)
—	—	—	(108)
\$ 513	\$ 984	\$ 1,486	\$ 2,123

Mar. 31 2018	June 30 2018
\$ 649	\$ 1,416
(130)	(256)
(9)	(17)
81	133
(58)	(140)
—	—
\$ 707	\$ 1,556

<i>(Dollars in millions)</i>
Equatorial Guinea EBITDAX
EG - Income from equity method investments
EG - Net income excl. equity method investments
EG Total Net Income
All Other International E&P Segment Income
Total International E&P Segment Income
EG Total Net Income
+ Depreciation, Depletion and Amortization
+Tax
+Exploration
+Net interest
EG Net Income before DD&A, Tax, and Exploration (EBITDAX) (a)

1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
\$ 69	\$ 51	\$ 63	\$ 73	\$ 256
18	7	22	23	70
87	58	85	96	326
6	1	19	22	48
93	59	104	118	374
87	58	85	96	326
54	54	59	46	213
20	22	39	44	125
—	—	—	—	—
—	—	—	—	—
\$ 161	\$ 134	\$ 183	\$ 186	\$ 664

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 37	\$ 60	\$ 97
20	44	64
57	104	161
75	38	113
132	142	274
57	104	161
46	54	100
20	33	53
1	—	1
—	1	1
\$ 124	\$ 192	\$ 316

Total Company provision (benefit) for income taxes from continuing operations
Minus: Segment provision (benefit) for income taxes
Minus: Provision (benefit) for income taxes related to special items from continuing operations
Minus: Valuation Allowance (special item)
Provision (benefit) for income taxes not allocated to segments excluding impacts of special items (a)

1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
\$ 34	\$ 41	\$ 141	\$ 160	\$ 376
50	46	106	171	373
—	—	(1)	(12)	(13)
—	—	41	—	41
\$ (16)	\$ (5)	\$ (5)	\$ 1	\$ (25)

1st Qtr 2018	2nd Qtr 2018	Year 2018
\$ 168	\$ 44	\$ 212
173	26	199
—	7	7
—	—	—
\$ (5)	\$ 11	\$ 6

Consolidated effective tax expense (benefit) rate on continuing operations
Adjustments to consolidated effective tax rate:
Impact of Libyan operations (b)
Valuation Allowance
Consolidated effective tax expense (benefit) rate on continuing operations rate excluding Libya and valuation allowance (a)

1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
213 %	37 %	31 %	121 %	83 %
(229)%	(30)%	(24)%	(129)%	(78)%
—%	—%	(7)%	—%	(5)%
(16)%	7 %	—%	8 %	—%

1st Qtr 2018	2nd Qtr 2018	YTD 2018
32 %	31%	32 %
(30)%	—%	(22)%
—%	—%	—%
2 %	31%	10 %

(a) Non-GAAP financial measure.

(b) The Company closed on the sale of its Libya subsidiary in first quarter of 2018.

Average NYMEX			
Prompt WTI Oil Prices			
(\$/barrel)	2016	2017	2018
JAN	31.78	52.61	63.66
FEB	30.62	53.46	62.18
MARCH	37.96	49.67	62.77
APR	41.13	51.12	66.33
MAY	46.80	48.54	69.98
JUNE	48.85	45.20	67.32
JULY	44.80	46.68	
AUG	44.80	48.06	
SEPT	45.23	49.88	
OCT	49.94	51.60	
NOV	45.76	56.66	
DEC	52.17	57.95	
AVG	43.47	50.85	65.46

Average NYMEX			
Settlement Natural Gas Prices			
(\$/mmbtu)	2016	2017	2018
JAN	2.37	3.93	2.74
FEB	2.19	3.39	3.63
MARCH	1.71	2.63	2.64
APR	1.90	3.18	2.69
MAY	2.00	3.14	2.82
JUNE	1.96	3.24	2.88
JULY	2.92	3.07	
AUG	2.67	2.97	
SEPT	2.85	2.96	
OCT	2.95	2.97	
NOV	2.76	2.75	
DEC	3.23	3.07	
AVG	2.46	3.11	2.90

Average Brent (Europe)			
Oil Prices			
(\$/barrel)	2016	2017	2018
JAN	30.70	54.58	69.08
FEB	32.18	54.87	65.32
MARCH	38.21	51.59	66.02
APR	41.58	52.31	72.11
MAY	46.74	50.33	76.98
JUNE	48.25	46.37	74.41
JULY	44.95	48.48	
AUG	45.84	51.70	
SEPT	46.57	56.15	
OCT	49.52	57.51	
NOV	44.73	62.71	
DEC	53.32	64.37	
AVG	43.55	54.25	70.65

Average Bloomberg ^(a)			
Mont Belvieu Natural Gas Liquids Prices			
(\$/barrel)	2016	2017	2018
JAN	12.81	23.08	27.36
FEB	13.30	25.42	26.03
MARCH	15.53	20.75	25.38
APR	16.23	21.71	26.54
MAY	17.85	21.41	28.92
JUNE	18.46	19.95	29.34
JULY	16.95	21.61	
AUG	16.47	23.90	
SEPT	17.76	26.23	
OCT	20.87	27.13	
NOV	18.92	27.81	
DEC	23.09	26.59	
AVG	17.40	23.76	27.29

Average Bloomberg ^(a)			
Conway Natural Gas Liquids Prices			
(\$/barrel)	2016	2017	2018
JAN	12.19	24.20	24.89
FEB	12.46	23.37	22.27
MARCH	13.84	18.95	21.56
APR	15.29	20.23	22.65
MAY	16.89	19.88	23.57
JUNE	17.45	18.61	21.91
JULY	15.28	20.19	
AUG	15.00	22.52	
SEPT	16.42	24.01	
OCT	20.01	24.79	
NOV	18.24	25.51	
DEC	22.72	25.16	
AVG	16.35	22.24	22.82

Average Bloomberg			
LLS St. James			
(\$/barrel)	2016	2017	2018
JAN	32.83	54.03	67.79
FEB	32.47	55.14	64.46
MARCH	40.08	51.39	65.12
APR	42.59	53.15	69.40
MAY	48.72	50.57	75.28
JUNE	50.60	47.22	74.10
JULY	46.42	48.99	
AUG	46.32	51.04	
SEPT	46.83	54.88	
OCT	51.36	57.44	
NOV	46.69	62.51	
DEC	53.53	63.27	
AVG	45.02	54.04	69.48

(a) Bloomberg Finance LLP: Y-grade Mix NGL of 50% ethane, 25% propane, 10% butane, 5% isobutane and 10% natural gasoline