



Fourth Quarter 2019

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Investor Relations

5555 San Felipe Street
Houston, TX 77056-2723

Additional information regarding Investor Relations,
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Consolidated Statements of Income
Marathon Oil Corporation

<i>(In millions, except per share data)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
REVENUES AND OTHER INCOME:										
Revenues from contracts with customers	\$ 1,537	\$ 1,447	\$ 1,538	\$ 1,380	\$ 5,902	\$ 1,200	\$ 1,381	\$ 1,249	\$ 1,233	\$ 5,063
Net gain (loss) on commodity derivatives	(102)	(152)	(70)	310	(14)	(91)	16	47	(44)	(72)
Income from equity method investments	37	60	64	64	225	11	31	21	24	87
Net gain (loss) on disposal of assets	257	50	16	(4)	319	42	(8)	22	(6)	50
Other income	4	12	119	15	150	35	13	6	8	62
Total revenues and other income	1,733	1,417	1,667	1,765	6,582	1,197	1,433	1,345	1,215	5,190
COSTS AND EXPENSES:										
Production	217	205	215	205	842	187	193	163	169	712
Shipping, handling and other operating	130	126	152	167	575	154	170	138	143	605
Exploration	52	65	56	116	289	59	26	22	42	149
Depreciation, depletion and amortization	590	612	626	613	2,441	554	605	622	616	2,397
Impairments	8	34	8	25	75	6	18	—	—	24
Taxes other than income	64	65	86	84	299	72	79	81	79	311
General and administrative	100	105	101	88	394	94	87	82	93	356
Total costs and expenses	1,161	1,212	1,244	1,298	4,915	1,126	1,178	1,108	1,142	4,554
Income from operations	572	205	423	467	1,667	71	255	237	73	636
Net interest and other	(45)	(65)	(58)	(58)	(226)	(49)	(64)	(64)	(67)	(244)
Other net periodic benefit costs	(3)	—	(8)	(3)	(14)	5	2	2	(6)	3
Loss on early extinguishment of debt	—	—	—	—	—	—	—	—	(3)	(3)
Income (loss) before income taxes	524	140	357	406	1,427	27	193	175	(3)	392
Estimated income tax provision (benefit)										
Current	199	19	35	26	279	(116)	34	11	17	(54)
Deferred	(31)	25	68	(10)	52	(31)	(2)	(1)	—	(34)
Total provision (benefit) for income taxes	168	44	103	16	331	(147)	32	10	17	(88)
NET INCOME (LOSS)	\$ 356	\$ 96	\$ 254	\$ 390	\$ 1,096	\$ 174	\$ 161	\$ 165	\$ (20)	\$ 480
<i>Effective income tax expense (benefit) rate</i>	32%	31%	29%	4%	23%	(544)%	17%	6%	(567)%	(22)%
Per common share data:										
Basic:										
Weighted average shares (millions)	851	854	848	828	846	819	813	802	800	810
NET INCOME (LOSS)	\$ 0.42	\$ 0.11	\$ 0.30	\$ 0.47	\$ 1.30	\$ 0.21	\$ 0.20	\$ 0.21	\$ (0.03)	\$ 0.59
Diluted:										
Weighted average shares (millions)	852	855	849	829	847	820	814	803	800	810
NET INCOME (LOSS)	\$ 0.42	\$ 0.11	\$ 0.30	\$ 0.47	\$ 1.29	\$ 0.21	\$ 0.20	\$ 0.21	\$ (0.03)	\$ 0.59
Dividends paid per common share	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.20	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.20

Consolidated Balance Sheets
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2018	June 30 2018	Sept. 30 2018	Dec. 31 2018	Mar. 31 2019	June 30 2019	Sept. 30 2019	Dec. 31 2019
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 1,613	\$ 1,667	\$ 1,564	\$ 1,462	\$ 1,019	\$ 961	\$ 1,165	\$ 858
Receivables less allowance for doubtful accounts	1,100	1,176	1,335	1,079	1,086	1,144	1,148	1,122
Inventories	110	117	110	96	83	72	71	72
Other current assets	66	92	31	257	160	101	136	83
Current assets held for sale (a)	13	35	25	27	428	410	—	—
Total current assets	2,902	3,087	3,065	2,921	2,776	2,688	2,520	2,135
Equity method investments	806	788	757	745	719	684	667	663
Property, plant and equipment, net	16,931	16,881	16,899	16,804	16,714	16,730	16,717	17,000
Goodwill	98	98	97	97	97	95	95	95
Other noncurrent assets	849	860	912	723	440	420	374	352
Noncurrent assets held for sale (a)	48	157	48	31	664	665	—	—
Total assets	\$ 21,634	\$ 21,871	\$ 21,778	\$ 21,321	\$ 21,410	\$ 21,282	\$ 20,373	\$ 20,245
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 1,335	\$ 1,428	\$ 1,479	\$ 1,320	\$ 1,310	\$ 1,401	\$ 1,374	\$ 1,307
Payroll and benefits payable	85	109	127	154	76	88	92	112
Accrued taxes	128	99	128	181	149	77	86	118
Other current liabilities	359	405	405	170	220	216	227	208
Long-term debt due within one year	—	—	—	—	—	600	600	—
Current liabilities held for sale (a)	2	3	3	7	103	89	—	—
Total current liabilities	1,909	2,044	2,142	1,832	1,858	2,471	2,379	1,745
Long-term debt	5,495	5,497	5,498	5,499	5,501	4,902	4,903	5,501
Deferred tax liabilities	221	237	215	199	192	184	183	186
Defined benefit postretirement plan obligations	331	311	286	195	179	179	174	183
Asset retirement obligations	1,445	1,364	1,243	1,081	192	189	198	243
Deferred credits and other liabilities	197	194	340	279	317	292	265	234
Noncurrent liabilities held for sale (a)	2	92	10	108	963	964	—	—
Total liabilities	9,600	9,739	9,734	9,193	9,202	9,181	8,102	8,092
TOTAL STOCKHOLDERS' EQUITY	12,034	12,132	12,044	12,128	12,208	12,101	12,271	12,153
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 21,634	\$ 21,871	\$ 21,778	\$ 21,321	\$ 21,410	\$ 21,282	\$ 20,373	\$ 20,245
Common stock issued	937	937	937	937	937	937	937	937
Common stock held in treasury	84	83	99	118	117	133	136	141
Net shares outstanding at balance sheet date	853	854	838	819	820	804	801	796

(a) The following summarizes our held for sale activity: Our U.K. business from March 31, 2019 to June 30, 2019; our Atrush block in Kurdistan from June 30, 2018 to March 31, 2019; our working interest in the Droszky field in the Gulf of Mexico at December 31, 2018; and our Sarsang block in Kurdistan from March 31, 2018 to June 30, 2018.

Consolidated Statements of Cash Flows (YTD)
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2018	June 30 2018	Sept. 30 2018	Dec. 31 2018	Mar. 31 2019	June 30 2019	Sept. 30 2019	Dec. 31 2019
OPERATING ACTIVITIES:								
Net income	\$ 356	\$ 452	\$ 706	\$ 1,096	\$ 174	\$ 335	\$ 500	\$ 480
Adjustments to reconcile to net cash provided by operating activities:								
Depreciation, depletion and amortization	590	1,202	1,828	2,441	554	1,159	1,781	2,397
Impairments	8	42	50	75	6	24	24	24
Exploratory dry well costs and unproved property impairments	42	93	144	255	49	69	85	114
Net gain on disposal of assets	(257)	(307)	(323)	(319)	(42)	(34)	(56)	(50)
Loss on early extinguishment of debt	—	—	—	—	—	—	—	3
Deferred income taxes	(31)	(6)	62	52	(31)	(33)	(34)	(34)
Net loss on derivative instruments	102	254	324	14	91	75	28	72
Net settlements of derivative instruments	(59)	(166)	(255)	(281)	22	27	41	52
Pension and other post retirement benefits, net	(34)	(51)	(60)	(65)	(25)	(41)	(51)	(52)
Stock-based compensation	14	28	40	53	14	32	45	60
Equity method investments, net	32	27	42	45	14	12	26	18
Changes in:								
Current receivables	(130)	(256)	(389)	(133)	(73)	(95)	(99)	52
Inventories	(9)	(17)	(11)	(1)	4	3	4	3
Current accounts payable and accrued liabilities	81	133	334	179	(102)	(158)	(164)	(187)
Other current assets and liabilities	(25)	(8)	21	(22)	14	119	108	(4)
All other operating, net	(31)	(4)	(134)	(155)	(154)	(182)	(189)	(199)
Net cash provided by operating activities	649	1,416	2,379	3,234	515	1,312	2,049	2,749
INVESTING ACTIVITIES:								
Additions to property, plant and equipment	(662)	(1,300)	(2,069)	(2,753)	(615)	(1,262)	(1,934)	(2,550)
Additions to other assets	(72)	(129)	(135)	(26)	14	42	41	36
Acquisitions, net of cash acquired	(4)	(25)	(25)	(25)	—	—	—	(293)
Disposal of assets, net of cash transferred to the buyer	1,180	1,183	1,249	1,264	13	69	(84)	(76)
Equity method investments - return of capital	9	32	48	57	12	49	51	64
All other investing, net	(2)	7	11	13	12	(27)	2	1
Net cash provided by (used in) investing activities	449	(232)	(921)	(1,470)	(564)	(1,129)	(1,924)	(2,818)
FINANCING ACTIVITIES:								
Borrowings	—	—	—	—	—	—	—	600
Debt repayments	—	—	—	—	—	—	—	(600)
Debt extinguishment costs	—	—	—	—	—	—	—	(2)
Purchases of common stock	(9)	(11)	(349)	(713)	(30)	(266)	(296)	(362)
Dividends paid	(42)	(85)	(128)	(169)	(41)	(82)	(122)	(162)
All other financing, net	2	18	22	23	(1)	(2)	(4)	(9)
Net cash used in financing activities	(49)	(78)	(455)	(859)	(72)	(350)	(422)	(535)
Effect of exchange rate on cash and cash equivalents	1	(2)	(2)	(2)	1	1	—	—
Net increase (decrease) in cash and cash equivalents	1,050	1,104	1,001	903	(120)	(166)	(297)	(604)
Cash and cash equivalents at beginning of period	563	563	563	563	1,462	1,462	1,462	1,462
Cash and cash equivalents at end of period (a)	\$ 1,613	\$ 1,667	\$ 1,564	\$ 1,466	\$ 1,342	\$ 1,296	\$ 1,165	\$ 858

(a) As of June 30, 2019 and March 31, 2019, cash and cash equivalents at end of period include \$335 million and \$323 million, respectively, of cash held for sale primarily related to our U.K. business. As of December 31, 2018, cash and cash equivalents at end of period include \$4 million of cash held for sale related to the Atrush block in Kurdistan.

Segment Income Summary
Marathon Oil Corporation

<i>(Dollars in millions)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Segment income										
United States	\$ 125	\$ 123	\$ 201	\$ 159	\$ 608	\$ 132	\$ 215	\$ 180	\$ 148	\$ 675
International	132	142	116	83	473	61	96	43	33	233
Segment income	257	265	317	242	1,081	193	311	223	181	908
Not allocated to segments - Corporate items:										
Net interest and other	(45)	(65)	(58)	(58)	(226)	(49)	(64)	(64)	(67)	(244)
Other net periodic benefit costs	(1)	—	(1)	—	(2)	3	1	2	(6)	—
General and administrative	(55)	(61)	(57)	(43)	(216)	(58)	(48)	(43)	(55)	(204)
Other income and costs	(7)	(2)	(6)	(11)	(26)	40	1	(7)	1	35
Income tax (provision) benefit	5	(18)	(71)	4	(80)	134	(12)	—	1	123
Adjustments for special items not allocated to segments										
Net gain (loss) on dispositions	257	50	16	(4)	319	42	(8)	22	(6)	50
Proved property impairments	(8)	(34)	(8)	(25)	(75)	(6)	(18)	—	—	(24)
Exploratory dry well costs, unproved property impairments and other	—	—	—	(40)	(40)	—	—	—	—	—
Pension settlement	(4)	(2)	(10)	(5)	(21)	—	(2)	—	(10)	(12)
Unrealized gain (loss) on derivative instruments	(43)	(45)	19	336	267	(113)	11	33	(55)	(124)
Reduction of U.K. ARO estimated costs	—	8	113	—	121	—	—	—	—	—
Other	—	—	—	(6)	(6)	(12)	(11)	(1)	(4)	(28)
Net income (loss)	\$ 356	\$ 96	\$ 254	\$ 390	\$ 1,096	\$ 174	\$ 161	\$ 165	\$ (20)	\$ 480

United States Supplemental Financial Data
Marathon Oil Corporation

<i>(In millions, except per BOE statistics)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Revenues from contracts with customers (a)	\$ 1,125	\$ 1,221	\$ 1,347	\$ 1,193	\$ 4,886	\$ 1,062	\$ 1,200	\$ 1,172	\$ 1,168	\$ 4,602
Net gain (loss) on commodity derivatives	(59)	(107)	(89)	(26)	(281)	22	5	14	11	52
Other income	3	2	2	9	16	1	4	3	5	13
Less Costs and Expenses:										
Production	151	153	172	149	625	139	147	147	155	588
Shipping, handling and other operating (b)	111	117	136	135	499	140	147	137	137	561
Exploration	51	64	55	76	246	59	26	22	42	149
DD&A	528	556	571	562	2,217	514	561	589	586	2,250
Taxes other than income	64	68	86	83	301	74	79	80	78	311
General and administrative	36	35	37	38	146	29	31	34	33	127
Income before taxes	128	123	203	133	587	130	218	180	153	681
Income tax provision (benefit)	3	—	2	(26)	(21)	(2)	3	—	5	6
Segment income	\$ 125	\$ 123	\$ 201	\$ 159	\$ 608	\$ 132	\$ 215	\$ 180	\$ 148	\$ 675
Effective tax rate	2%	—%	1%	(20)%	(4)%	(2)%	1%	—%	3%	1%
Net sales volumes (mboed)	284	298	303	305	298	297	330	339	328	323

Costs and Expenses per BOE (c)	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Production	\$ 5.89	\$ 5.66	\$ 6.14	\$ 5.31	\$ 5.75	\$ 5.21	\$ 4.89	\$ 4.75	\$ 5.13	\$ 4.98
Shipping, handling and other operating (d)	4.25	4.20	4.78	4.27	4.38	4.49	4.57	4.10	4.25	4.34
Exploration	1.98	2.35	1.99	2.66	2.25	2.20	0.86	0.72	1.37	1.26
DD&A	20.66	20.48	20.47	19.98	20.39	19.27	18.72	18.90	19.42	19.07
Taxes other than income	2.49	2.53	3.05	3.00	2.77	2.78	2.63	2.57	2.61	2.64
General and administrative	1.41	1.29	1.29	1.38	1.34	1.11	1.04	1.05	1.11	1.08

(a) Includes marketing revenue.

(b) Includes marketing expense.

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

(d) Excludes marketing expense.

International Supplemental Financial Data
Marathon Oil Corporation

<i>(In millions, except per BOE statistics)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Revenues from contracts with customers	\$ 412	\$ 226	\$ 191	\$ 187	\$ 1,016	\$ 138	\$ 181	\$ 77	\$ 65	\$ 461
Income from equity method investments	37	60	64	64	225	11	31	21	24	87
Other income	1	2	4	5	12	3	2	2	2	9
Less Costs and Expenses:										
Production	67	52	43	53	215	50	46	16	14	126
Shipping, handling and other operating	19	10	16	25	70	13	10	1	2	26
Exploration	1	1	1	—	3	—	—	—	—	—
DD&A	54	50	49	44	197	34	38	25	24	121
General and administrative	9	9	7	7	32	7	8	5	5	25
Other net periodic benefit costs	(2)	(2)	(3)	(2)	(9)	(2)	(1)	—	—	(3)
Income before taxes	302	168	146	129	745	50	113	53	46	262
Income tax provision (benefit)	170	26	30	46	272	(11)	17	10	13	29
Segment income	\$ 132	\$ 142	\$ 116	\$ 83	\$ 473	\$ 61	\$ 96	\$ 43	\$ 33	\$ 233
Effective tax rate	56%	15%	21%	36%	37%	(22)%	15%	19%	28%	11%
Net sales volumes (mboed)	147	121	112	108	122	88	107	88	83	91

Costs and Expenses per BOE (a)	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Production	\$ 5.07	\$ 4.71	\$ 4.22	\$ 5.40	\$ 4.86	\$ 6.22	\$ 4.72	\$ 1.98	\$ 1.82	\$ 3.76
Shipping, handling and other operating	1.45	0.87	1.51	2.52	1.56	1.68	0.96	0.08	0.34	0.78
Exploration	0.09	0.08	0.09	0.04	0.08	0.03	0.01	—	—	0.01
DD&A	4.13	4.53	4.71	4.49	4.44	4.22	3.92	3.15	3.04	3.61
General and administrative	0.67	0.81	0.70	0.62	0.70	0.86	0.84	0.55	0.64	0.73

Equatorial Guinea	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
EG - Income from equity method investments	\$ 37	\$ 60	\$ 64	\$ 64	\$ 225	\$ 11	\$ 31	\$ 21	\$ 24	\$ 87
EG - Net income excl. equity method investments	20	44	38	8	110	6	44	22	17	89
EG Total Net Income	\$ 57	\$ 104	\$ 102	\$ 72	\$ 335	\$ 17	\$ 75	\$ 43	\$ 41	\$ 176
EG Net Income before DD&A, Tax, and Exploration (EBITDAX) (b)	\$ 124	\$ 192	\$ 190	\$ 153	\$ 659	\$ 69	\$ 142	\$ 101	\$ 96	\$ 408

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

(b) See "Non-GAAP Reconciliations", for further detail.

Non-GAAP Reconciliations
Marathon Oil Corporation

Marathon Oil Corporation (“Marathon”) supplements its use of GAAP financial measures with non-GAAP financial measures as described on the following pages:

<i>(In millions)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Net income (loss)	\$ 356	\$ 96	\$ 254	\$ 390	\$ 1,096	\$ 174	\$ 161	\$ 165	\$ (20)	\$ 480
Adjustments for special items (pre-tax):										
Net (gain) loss on disposal of assets	(257)	(50)	(16)	4	(319)	(42)	8	(22)	6	(50)
Proved property impairments	8	34	8	25	75	6	18	—	—	24
Exploratory dry well costs, unproved property impairments and other	—	—	—	40	40	—	—	—	—	—
Pension settlement	4	2	10	5	21	—	2	—	10	12
Unrealized (gain) loss on derivative instruments	43	45	(19)	(336)	(267)	113	(11)	(33)	55	124
Reduction of U.K. ARO estimated costs	—	(8)	(113)	—	(121)	—	—	—	—	—
Other	—	—	—	6	6	12	11	1	4	28
Provision (benefit) for income taxes related to special items	—	7	76	(13)	70	(7)	—	—	—	(7)
Adjustments for special items	(202)	30	(54)	(269)	(495)	82	28	(54)	75	131
Adjusted net income (a)	\$ 154	\$ 126	\$ 200	\$ 121	\$ 601	\$ 256	\$ 189	\$ 111	\$ 55	\$ 611

<i>(In millions, except per share data)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Per common share data:										
Diluted:										
Weighted average shares (millions)	852	855	849	829	847	820	814	803	800	810
Adjusted net income (a)	\$ 154	\$ 126	\$ 200	\$ 121	\$ 601	\$ 256	\$ 189	\$ 111	\$ 55	\$ 611
Adjusted net income per share (a)	\$ 0.18	\$ 0.15	\$ 0.24	\$ 0.15	\$ 0.71	\$ 0.31	\$ 0.23	\$ 0.14	\$ 0.07	\$ 0.75

(a) Non-GAAP financial measure.

Our presentation of adjusted net income and adjusted net income per share is a non-GAAP measure. Adjusted net income is defined as net income adjusted for gains or losses on dispositions, certain property impairments, unrealized gains or losses on commodity derivative instruments, pension settlement losses and other items that could be considered “non-operating” or “non-core” in nature. Management believes this is useful to investors as another tool to meaningfully represent our operating performance and to compare Marathon to certain competitors. Adjusted net income and adjusted net income per share should not be considered in isolation or as an alternative to, or more meaningful than, net income or net income per share as determined in accordance with U.S. GAAP.

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(In millions)</i>	1st Qtr 2019			2nd Qtr 2019			3rd Qtr 2019			4th Qtr 2019			Year 2019		
Cash additions to Property, Plant, and Equipment	\$ 615			\$ 647			\$ 672			\$ 616			\$ 2,550		
Minus: Working Capital associated with PPE	(1)			54			3			(15)			41		
Property, Plant and Equipment Additions	\$ 614			\$ 701			\$ 675			\$ 601			\$ 2,591		
<i>(In millions)</i>	1st Qtr 2019			2nd Qtr 2019			3rd Qtr 2019			4th Qtr 2019			Year 2019		
United States	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total
Property, Plant and Equipment Additions	\$ 565	\$ 41	\$ 606	\$ 627	\$ 59	\$ 686	\$ 639	\$ 28	\$ 667	\$ 547	\$ 44	\$ 591	\$ 2,378	\$ 172	\$ 2,550
Additions to other assets and acquisitions	—	(14)	(14)	—	(28)	(28)	—	1	1	—	111	111	—	70	70
M&S Inventory	(4)	—	(4)	(2)	—	(2)	(1)	—	(1)	(1)	—	(1)	(8)	—	(8)
Exploration costs other than well costs	—	10	10	—	6	6	—	6	6	—	13	13	—	35	35
Total Development and REx Capital Expenditures	\$ 561	\$ 37	\$ 598	\$ 625	\$ 37	\$ 662	\$ 638	\$ 35	\$ 673	\$ 546	\$ 168	\$ 714	\$ 2,370	\$ 277	\$ 2,647
<i>(In millions)</i>	1st Qtr 2019			2nd Qtr 2019			3rd Qtr 2019			4th Qtr 2019			Year 2019		
International	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total
Property, Plant and Equipment Additions	\$ 5	\$ —	\$ 5	\$ 10	\$ —	\$ 10	\$ 1	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ 16	\$ —	\$ 16
M&S Inventory	—	—	—	(4)	—	(4)	—	—	—	—	—	—	(4)	—	(4)
Total Development and REx Capital Expenditures	\$ 5	\$ —	\$ 5	\$ 6	\$ —	\$ 6	\$ 1	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ 12	\$ —	\$ 12
<i>(In millions)</i>	1st Qtr 2019			2nd Qtr 2019			3rd Qtr 2019			4th Qtr 2019			Year 2019		
Not allocated to segments	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total	Dev Cap Expenditures	REx Cap Expenditures	Total
Property, Plant and Equipment Additions	\$ 3	\$ —	\$ 3	\$ 5	\$ —	\$ 5	\$ 7	\$ —	\$ 7	\$ 10	\$ —	\$ 10	\$ 25	\$ —	\$ 25
Total Development and REx Capital Expenditures	\$ 3	\$ —	\$ 3	\$ 5	\$ —	\$ 5	\$ 7	\$ —	\$ 7	\$ 10	\$ —	\$ 10	\$ 25	\$ —	\$ 25
Total Capital Expenditures	\$ 606			\$ 673			\$ 681			\$ 724			\$ 2,684		
<i>(In millions)</i>	1st Qtr 2019			2nd Qtr 2019			3rd Qtr 2019			4th Qtr 2019			Year 2019		
Organic Free Cash Flow															
Net cash flow provided by operating activities	\$ 515			\$ 797			\$ 737			\$ 700			\$ 2,749		
Adjustments:															
Changes in working capital	157			(26)			20			(15)			136		
Exploration costs other than well costs	10			6			6			13			35		
Development capital expenditures	(569)			(636)			(646)			(556)			(2,407)		
Dividends	(41)			(41)			(40)			(40)			(162)		
EG LNG return of capital and other	8			37			4			9			58		
Organic Free Cash Flow (a)	\$ 80			\$ 137			\$ 81			\$ 111			\$ 409		

(a) Non-GAAP financial measure.

Our presentation of organic free cash flow is a non-GAAP measure. Organic free cash flow is defined as net cash provided by operating activities adjusted for working capital, exploration costs (other than well costs), development capital expenditures, dividends, and EG LNG return of capital. Management believes this is useful to investors as a measure of Marathon's ability to fund its capital expenditure programs and dividend payments, service debt, and other distributions to stockholders. Organic free cash flow should not be considered in isolation or as an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with U.S. GAAP.

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2018	June 30 2018	Sept. 30 2018	Dec. 31 2018	Mar. 31 2019	June 30 2019	Sept. 30 2019	Dec. 31 2019
Cash Flows (YTD)								
Net cash provided by operating activities	\$ 649	\$ 1,416	\$ 2,379	\$ 3,234	\$ 515	\$ 1,312	\$ 2,049	\$ 2,749
Exclude changes in:								
Current receivables	(130)	(256)	(389)	(133)	(73)	(95)	(99)	52
Inventories	(9)	(17)	(11)	(1)	4	3	4	3
Current accounts payable and accrued expenses	81	133	334	179	(102)	(158)	(164)	(187)
Other current assets and liabilities	(25)	(8)	21	(22)	14	119	108	(4)
Total changes in working capital	(83)	(148)	(45)	23	(157)	(131)	(151)	(136)
Net cash provided by operating activities before changes in working capital (a)	\$ 732	\$ 1,564	\$ 2,424	\$ 3,211	\$ 672	\$ 1,443	\$ 2,200	\$ 2,885

(a) Non-GAAP financial measure.

Our presentation of net cash provided by operations before changes in working capital is a non-GAAP measure. Management believes this is useful to investors as an indicator of Marathon's ability to generate cash quarterly or year-to-date by eliminating differences caused by the timing of certain working capital items. Net cash provided by operations before changes in working capital should not be considered in isolation or as an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with U.S. GAAP.

<i>(In millions)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Equatorial Guinea EBITDAX										
EG - Income from equity method investments	\$ 37	\$ 60	\$ 64	\$ 64	\$ 225	\$ 11	\$ 31	\$ 21	\$ 24	\$ 87
EG - Net income excl. equity method investments	20	44	38	8	110	6	44	22	17	89
EG Total Net Income	57	104	102	72	335	17	75	43	41	176
Adjustments to EG total net income:										
DD&A	46	54	52	49	201	44	44	41	40	169
Tax	20	33	36	31	120	8	23	17	15	63
Exploration	1	—	—	1	2	—	—	—	—	—
Net interest	—	1	—	—	1	—	—	—	—	—
EG Net Income before DD&A, Tax, and Exploration (EBITDAX) (a)	\$ 124	\$ 192	\$ 190	\$ 153	\$ 659	\$ 69	\$ 142	\$ 101	\$ 96	\$ 408

(a) Non-GAAP financial measure.

Our presentation of E.G. EBITDAX is a non-GAAP measure. E.G. EBITDAX is defined as E.G. net income excluding net interest expense, taxes, depreciation, depletion and amortization ("DD&A"), and exploration. Management believes this is useful to investors as a measure of E.G.'s ability to contribute to Marathon's funding for its capital expenditure programs as well as for dividend payments, servicing debt, and other distributions to stockholders. E.G. EBITDAX should not be considered in isolation or as an alternative to, or more meaningful than, E.G. net income, which is a component of our International segment income as determined in accordance with U.S. GAAP.

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(In millions)</i>	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	4th Qtr 2018	Year 2018	1st Qtr 2019	2nd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	Year 2019
Net income (loss)	\$ 356	\$ 96	\$ 254	\$ 390	\$ 1,096	\$ 174	\$ 161	\$ 165	\$ (20)	\$ 480
Adjustments to net income (loss):										
DD&A	590	612	626	613	2,441	554	605	622	616	2,397
Tax	168	44	103	16	331	(147)	32	10	17	(88)
Exploration	52	65	56	116	289	59	26	22	42	149
Net interest and other	45	65	58	58	226	49	64	64	67	244
EBITDAX	1,211	882	1,097	1,193	4,383	689	888	883	722	3,182
Adjustments for special items:										
Net (gain) loss on disposal of assets	(257)	(50)	(16)	4	(319)	(42)	8	(22)	6	(50)
Proved property impairments	8	34	8	25	75	6	18	—	—	24
Pension settlement	4	2	10	5	21	—	2	—	10	12
Unrealized (gain) loss on derivative instruments	43	45	(19)	(336)	(267)	113	(11)	(33)	55	124
Reduction of U.K. ARO estimated costs	—	(8)	(113)	—	(121)	—	—	—	—	—
Other	—	—	—	6	6	12	11	1	4	28
Adjustments for special items	(202)	23	(130)	(296)	(605)	89	28	(54)	75	138
Adjusted EBITDAX (a)	\$ 1,009	\$ 905	\$ 967	\$ 897	\$ 3,778	\$ 778	\$ 916	\$ 829	\$ 797	\$ 3,320

(a) Non-GAAP financial measure.

Our presentation of Adjusted EBITDAX is a non-GAAP measure. Adjusted EBITDAX is defined as net income excluding net interest expense, taxes, DD&A, and exploration, further adjusted for gains or losses on dispositions, certain property impairments, unrealized gains or losses on commodity derivative instruments, pension settlements and other items that could be considered “non-operating” or “non-core” in nature. Management believes this provides useful information to investors in evaluating our operating and financial performance because it eliminates the impact of certain items affecting comparability from period to period. Adjusted EBITDAX should not be considered in isolation or as an alternative to, or more meaningful than, net income as determined in accordance with U.S. GAAP.

Reserve Calculations
Marathon Oil Corporation

Estimated Net Proved Reserves (mmboe)	Year 2018	Year 2019
Beginning balance	1,449	1,281
Additions	102	91
Revisions	84	1
Acquisitions	—	18
Dispositions	(201)	(35)
Production	(153)	(151)
Ending balance	1,281	1,205
Organic Changes in Reserves (excluding dispositions)	186	110
Production (excluding dispositions)	149	149
Reserve Replacement Ratio (excluding dispositions)	125%	74%
Organic Changes in Reserves (excluding dispositions and acquisitions)	186	92
Production (excluding dispositions)	149	149
Organic Reserve Replacement Ratio (excluding dispositions and acquisitions)	125%	62%

Finding Costs (In millions, except per BOE statistics)	Year 2018	Year 2019
Property Acquisition Costs - Proved	\$ 222	\$ 93
Property Acquisition Costs - Unproved	144	282
Exploration	921	862
Development	1,204	1,699
Total Company - Costs Incurred	2,491	2,936
Costs Incurred	2,491	2,936
Organic Changes in Reserves (excluding dispositions)	186	110
Finding and Development Costs per BOE	\$ 13.39	\$ 26.69
Costs Incurred	\$ 2,491	\$ 2,936
Property Acquisition Costs (Proved and Unproved)	(366)	(375)
Capitalized Asset Retirement Costs	183	(80)
Organic Finding and Development Costs (a)	\$ 2,308	\$ 2,481
Organic Changes in Reserves (excluding dispositions and acquisitions)	186	92
Organic Finding and Development Costs per BOE (a)	\$ 12.41	\$ 26.97

(a) Non-GAAP financial measure.

Our presentation of Organic Finding and Development Costs is a non-GAAP measure. Organic Finding and Development Costs is defined as exploration and development costs incurred (excluding asset retirement costs) divided by the amount of proved reserves added to the Company's reserve base during the year attributable to additions and revisions. Management believes this provides useful information to investors in evaluating the current year capital investment program. Organic Finding and Development Costs should not be considered in isolation or as an alternative to, or more meaningful than, Total Costs Incurred in Exploration and Development activities as determined in accordance with U.S. GAAP.