



# Marathon Oil Corporation

## Fourth Quarter 2021

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February 16, 2022

**Consolidated Statements of Income**  
**Marathon Oil Corporation**

<i>(In millions, except per share data)</i>	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
<b>REVENUES AND OTHER INCOME:</b>										
Revenues from contracts with customers	\$ 1,024	\$ 490	\$ 761	\$ 822	\$ 3,097	\$ 1,177	\$ 1,254	\$ 1,438	\$ 1,732	\$ 5,601
Net gain (loss) on commodity derivatives	202	(70)	(1)	(15)	116	(153)	(166)	(79)	15	(383)
Income (loss) from equity method investments	(12)	(152)	(10)	13	(161)	44	49	86	74	253
Net gain (loss) on disposal of assets	9	(2)	1	1	9	—	1	7	(27)	(19)
Other income	7	6	3	9	25	3	5	1	6	15
Total revenues and other income	1,230	272	754	830	3,086	1,071	1,143	1,453	1,800	5,467
<b>COSTS AND EXPENSES:</b>										
Production	160	129	129	137	555	121	126	131	156	534
Shipping, handling and other operating	144	105	183	164	596	152	167	219	189	727
Exploration	28	26	27	100	181	21	25	63	27	136
Depreciation, depletion and amortization	644	597	554	521	2,316	496	532	522	516	2,066
Impairments	97	—	1	46	144	1	46	13	—	60
Taxes other than income	66	30	49	55	200	74	74	88	109	345
General and administrative	76	88	53	57	274	89	68	70	64	291
Total costs and expenses	1,215	975	996	1,080	4,266	954	1,038	1,106	1,061	4,159
<b>Income (loss) from operations</b>	15	(703)	(242)	(250)	(1,180)	117	105	347	739	1,308
Net interest and other	(64)	(69)	(62)	(61)	(256)	(13)	(59)	(57)	(59)	(188)
Other net periodic benefit costs (credits)	—	7	(6)	(2)	(1)	3	(1)	—	3	5
Loss on early extinguishment of debt	—	—	—	(28)	(28)	—	(19)	(102)	—	(121)
<b>Income (loss) before income taxes</b>	(49)	(765)	(310)	(341)	(1,465)	107	26	188	683	1,004
Estimated income tax provision (benefit)										
Current	(2)	(2)	(6)	18	8	14	13	29	29	85
Deferred	(1)	(13)	13	(21)	(22)	(4)	(3)	(25)	5	(27)
Total provision (benefit) for income taxes	(3)	(15)	7	(3)	(14)	10	10	4	34	58
<b>NET INCOME (LOSS)</b>	<b>\$ (46)</b>	<b>\$ (750)</b>	<b>\$ (317)</b>	<b>\$ (338)</b>	<b>\$ (1,451)</b>	<b>\$ 97</b>	<b>\$ 16</b>	<b>\$ 184</b>	<b>\$ 649</b>	<b>\$ 946</b>
<i>Effective income tax rate</i>	6 %	2 %	(2)%	1 %	1 %	9 %	38 %	2 %	5 %	6 %
<b>Per common share data:</b>										
<b>Basic:</b>										
Weighted average shares (millions)	794	789	790	790	792	789	789	789	771	787
<b>NET INCOME (LOSS)</b>	<b>\$ (0.06)</b>	<b>\$ (0.95)</b>	<b>\$ (0.40)</b>	<b>\$ (0.43)</b>	<b>\$ (1.83)</b>	<b>\$ 0.12</b>	<b>\$ 0.02</b>	<b>\$ 0.23</b>	<b>\$ 0.84</b>	<b>\$ 1.20</b>
<b>Diluted:</b>										
Weighted average shares (millions)	794	789	790	790	792	789	789	789	773	788
<b>NET INCOME (LOSS)</b>	<b>\$ (0.06)</b>	<b>\$ (0.95)</b>	<b>\$ (0.40)</b>	<b>\$ (0.43)</b>	<b>\$ (1.83)</b>	<b>\$ 0.12</b>	<b>\$ 0.02</b>	<b>\$ 0.23</b>	<b>\$ 0.84</b>	<b>\$ 1.20</b>
<b>Dividends paid per common share</b>	<b>\$ 0.05</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 0.03</b>	<b>\$ 0.08</b>	<b>\$ 0.03</b>	<b>\$ 0.04</b>	<b>\$ 0.05</b>	<b>\$ 0.06</b>	<b>\$ 0.18</b>

**Consolidated Balance Sheets**  
**Marathon Oil Corporation**

<i>(In millions)</i>	Mar. 31 2020	June 30 2020	Sept. 30 2020	Dec. 31 2020	Mar. 31 2021	June 30 2021	Sept. 30 2021	Dec. 31 2021
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 817	\$ 522	\$ 1,119	\$ 742	\$ 1,125	\$ 970	\$ 485	\$ 580
Receivables less allowance for doubtful accounts	703	620	643	747	921	1,008	1,068	1,142
Inventories	78	77	77	76	78	78	77	77
Derivative assets	193	79	61	23	—	—	—	—
Other current assets	118	107	22	24	26	19	25	22
Total current assets	1,909	1,405	1,922	1,612	2,150	2,075	1,655	1,821
Equity method investments	628	476	467	447	460	458	489	450
Property, plant and equipment, net	16,903	16,424	16,029	15,638	15,313	15,019	14,734	14,499
Other noncurrent assets	275	262	245	259	310	248	283	224
Total assets	\$ 19,715	\$ 18,567	\$ 18,663	\$ 17,956	\$ 18,233	\$ 17,800	\$ 17,161	\$ 16,994
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	\$ 1,104	\$ 696	\$ 730	\$ 837	\$ 918	\$ 937	\$ 1,028	\$ 1,110
Payroll and benefits payable	68	76	72	57	37	49	64	74
Accrued taxes	72	77	45	72	78	95	131	157
Other current liabilities	198	216	219	247	366	461	417	260
Long-term debt due within one year	—	—	500	—	500	33	36	36
Total current liabilities	1,442	1,065	1,566	1,213	1,899	1,575	1,676	1,637
Long-term debt	5,502	5,503	5,405	5,404	4,905	4,875	3,977	3,978
Deferred tax liabilities	185	171	184	163	160	156	132	136
Defined benefit postretirement plan obligations	172	194	182	180	176	151	137	137
Asset retirement obligations	236	242	236	241	251	272	286	288
Deferred credits and other liabilities	220	217	198	194	171	137	157	132
Total liabilities	7,757	7,392	7,771	7,395	7,562	7,166	6,365	6,308
<b>TOTAL STOCKHOLDERS' EQUITY</b>	11,958	11,175	10,892	10,561	10,671	10,634	10,796	10,686
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$ 19,715	\$ 18,567	\$ 18,663	\$ 17,956	\$ 18,233	\$ 17,800	\$ 17,161	\$ 16,994
Common stock issued	937	937	937	937	937	937	937	937
Common stock held in treasury	146	147	147	148	149	148	148	194
Net shares outstanding at balance sheet date	791	790	790	789	788	789	789	743

**Consolidated Statements of Cash Flows (YTD)**

**Marathon Oil Corporation**

<i>(In millions)</i>	Mar. 31 2020	June 30 2020	Sept. 30 2020	Dec. 31 2020	Mar. 31 2021	June 30 2021	Sept. 30 2021	Dec. 31 2021
<b>OPERATING ACTIVITIES:</b>								
Net income (loss)	\$ (46)	\$ (796)	\$ (1,113)	\$ (1,451)	\$ 97	\$ 113	\$ 297	\$ 946
Adjustments to reconcile to net cash provided by operating activities:								
Depreciation, depletion and amortization	644	1,241	1,795	2,316	496	1,028	1,550	2,066
Impairments	97	97	98	144	1	47	60	60
Exploratory dry well costs and unproved property impairments	22	40	63	159	17	39	101	125
Net (gain) loss on disposal of assets	(9)	(7)	(8)	(9)	—	(1)	(8)	19
Loss on early extinguishment of debt	—	—	—	28	—	19	121	121
Deferred income taxes	(1)	(14)	(2)	(22)	(4)	(7)	(32)	(27)
Unrealized (gain) loss on derivative instruments	(171)	(75)	(39)	27	82	157	130	(16)
Pension and other post retirement benefits, net	(11)	(31)	(35)	(43)	(7)	(14)	(25)	(31)
Stock-based compensation	15	28	43	57	6	17	29	40
Equity method investments, net	28	180	189	210	(14)	(17)	(57)	(76)
Changes in:								
Current receivables	407	489	467	367	(175)	(253)	(313)	(389)
Inventories	(6)	(5)	(5)	(4)	(2)	(2)	(1)	(1)
Current accounts payable and accrued liabilities	(234)	(456)	(478)	(381)	101	121	228	369
Other current assets and liabilities	(16)	46	83	75	61	73	66	46
All other operating, net	(18)	(27)	(3)	—	(37)	(43)	(53)	(13)
<b>Net cash provided by operating activities</b>	<b>701</b>	<b>710</b>	<b>1,055</b>	<b>1,473</b>	<b>622</b>	<b>1,277</b>	<b>2,093</b>	<b>3,239</b>
<b>INVESTING ACTIVITIES:</b>								
Additions to property, plant and equipment	(620)	(946)	(1,090)	(1,343)	(209)	(483)	(772)	(1,046)
Additions to other assets	(1)	12	15	15	—	—	—	—
Acquisitions, net of cash acquired	—	3	(1)	(1)	—	—	—	(47)
Disposal of assets, net of cash transferred to the buyer	3	9	9	18	3	15	29	22
Equity method investments - return of capital	7	7	7	7	—	6	15	61
All other investing, net	—	—	—	1	(1)	(1)	—	—
<b>Net cash used in investing activities</b>	<b>(611)</b>	<b>(915)</b>	<b>(1,060)</b>	<b>(1,303)</b>	<b>(207)</b>	<b>(463)</b>	<b>(728)</b>	<b>(1,010)</b>
<b>FINANCING ACTIVITIES:</b>								
Borrowings	—	—	400	400	—	—	—	—
Debt repayments	—	—	—	(500)	—	(500)	(1,400)	(1,400)
Debt extinguishment costs	—	—	—	(27)	—	(19)	(117)	(117)
Purchases of common stock	(92)	(92)	(92)	(92)	(9)	(9)	(10)	(734)
Dividends paid	(40)	(40)	(40)	(64)	(23)	(55)	(94)	(141)
All other financing, net	1	1	(2)	(3)	—	(3)	(1)	1
<b>Net cash provided by (used in) financing activities</b>	<b>(131)</b>	<b>(131)</b>	<b>266</b>	<b>(286)</b>	<b>(32)</b>	<b>(586)</b>	<b>(1,622)</b>	<b>(2,391)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(41)</b>	<b>(336)</b>	<b>261</b>	<b>(116)</b>	<b>383</b>	<b>228</b>	<b>(257)</b>	<b>(162)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>858</b>	<b>858</b>	<b>858</b>	<b>858</b>	<b>742</b>	<b>742</b>	<b>742</b>	<b>742</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 817</b>	<b>\$ 522</b>	<b>\$ 1,119</b>	<b>\$ 742</b>	<b>\$ 1,125</b>	<b>\$ 970</b>	<b>\$ 485</b>	<b>\$ 580</b>

**Segment Income Summary**  
**Marathon Oil Corporation**

<i>(Dollars in millions)</i>	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
Segment income (loss)										
United States	\$ (20)	\$ (365)	\$ (135)	\$ (33)	\$ (553)	\$ 212	\$ 207	\$ 305	\$ 553	\$ 1,277
International	(1)	(6)	8	29	30	50	68	93	106	317
<b>Segment income (loss)</b>	<b>(21)</b>	<b>(371)</b>	<b>(127)</b>	<b>(4)</b>	<b>(523)</b>	<b>262</b>	<b>275</b>	<b>398</b>	<b>659</b>	<b>1,594</b>
Not allocated to segments - Corporate items:										
Net interest and other	(64)	(69)	(62)	(68)	(263)	(54)	(67)	(65)	(16)	(202)
Other net periodic benefit costs (credits)	3	4	3	3	13	3	4	3	4	14
General and administrative	(40)	(40)	(23)	(25)	(128)	(40)	(36)	(38)	(32)	(146)
Other income and costs	(5)	(5)	(6)	(4)	(20)	(5)	(5)	(5)	(9)	(24)
Income tax (provision) benefit	2	4	(4)	—	2	—	2	17	(14)	5
Not allocated to segments - Adjustments for special items:										
Net gain (loss) on disposal of assets	9	(2)	1	1	9	—	1	7	(27)	(19)
Proved property impairments	(2)	—	(1)	(46)	(49)	(1)	(46)	(13)	—	(60)
Exploratory dry well costs, unproved property impairments and other	—	—	(6)	(78)	(84)	—	(7)	(48)	(16)	(71)
Goodwill impairment	(95)	—	—	—	(95)	—	—	—	—	—
Pension settlement	(2)	(14)	(9)	(5)	(30)	—	(5)	(3)	(1)	(9)
Pension curtailment	—	17	—	—	17	—	—	—	—	—
Unrealized gain (loss) on derivative instruments	171	(96)	(36)	(66)	(27)	(82)	(75)	27	146	16
Unrealized gain on interest rate swaps (a)	—	—	—	12	12	41	8	8	(43)	14
Reduction in workforce (b)	—	(13)	(2)	(2)	(17)	(11)	(1)	—	—	(12)
Impairment of equity method investment	—	(152)	(18)	(1)	(171)	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	(28)	(28)	—	(19)	(102)	—	(121)
Other (c)	(2)	(13)	(28)	(27)	(70)	(16)	(13)	(2)	(5)	(36)
Benefit for income taxes related to special items	—	—	1	—	1	—	—	—	3	3
<b>Total special items</b>	<b>\$ 79</b>	<b>\$ (273)</b>	<b>\$ (98)</b>	<b>\$ (240)</b>	<b>\$ (532)</b>	<b>\$ (69)</b>	<b>\$ (157)</b>	<b>\$ (126)</b>	<b>\$ 57</b>	<b>\$ (295)</b>
Not allocated to segments - Total	\$ (25)	\$ (379)	\$ (190)	\$ (334)	\$ (928)	\$ (165)	\$ (259)	\$ (214)	\$ (10)	\$ (648)
<b>Net income (loss)</b>	<b>\$ (46)</b>	<b>\$ (750)</b>	<b>\$ (317)</b>	<b>\$ (338)</b>	<b>\$ (1,451)</b>	<b>\$ 97</b>	<b>\$ 16</b>	<b>\$ 184</b>	<b>\$ 649</b>	<b>\$ 946</b>

(a) Included within Net interest and other on our consolidated statements of income.

(b) Included within General and administrative on our consolidated statements of income.

(c) For the first quarter and year ended 2021, balances include \$13 million related to the termination of an aircraft lease agreement, which is included within General and administrative on our consolidated statements of income.

**United States Supplemental Financial Data**  
**Marathon Oil Corporation**

<i>(In millions, except per BOE statistics)</i>	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
Revenues from contracts with customers (a)	\$ 970	\$ 462	\$ 722	\$ 770	\$ 2,924	\$ 1,132	\$ 1,189	\$ 1,375	\$ 1,638	\$ 5,334
Net realized gain (loss) on commodity derivatives	31	26	35	51	143	(71)	(91)	(106)	(131)	(399)
Other income	4	3	1	7	15	1	3	—	3	7
<b>Less Costs and Expenses:</b>										
Production	143	114	118	119	494	111	113	119	137	480
Shipping, handling and other operating (b)	140	91	154	149	534	144	153	209	180	686
Exploration	28	26	21	22	97	21	18	15	11	65
DD&A	617	569	530	495	2,211	472	506	499	495	1,972
Taxes other than income	66	30	48	49	193	74	76	88	108	346
General and administrative	32	32	25	26	115	23	27	29	28	107
Income (loss) before taxes	(21)	(371)	(138)	(32)	(562)	217	208	310	551	1,286
Income tax provision (benefit)	(1)	(6)	(3)	1	(9)	5	1	5	(2)	9
<b>Segment income (loss)</b>	<b>\$ (20)</b>	<b>\$ (365)</b>	<b>\$ (135)</b>	<b>\$ (33)</b>	<b>\$ (553)</b>	<b>\$ 212</b>	<b>\$ 207</b>	<b>\$ 305</b>	<b>\$ 553</b>	<b>\$ 1,277</b>
Effective tax rate	5 %	2 %	2 %	(3)%	2 %	2 %	— %	2 %	— %	1 %
<b>Net sales volumes (mboed)</b>	<b>338</b>	<b>308</b>	<b>297</b>	<b>280</b>	<b>306</b>	<b>275</b>	<b>283</b>	<b>281</b>	<b>304</b>	<b>286</b>
<b>Costs and Expenses per BOE (c)</b>										
Production	\$ 4.63	\$ 4.09	\$ 4.32	\$ 4.62	\$ 4.42	\$ 4.46	\$ 4.41	\$ 4.59	\$ 4.90	\$ 4.60
Shipping, handling and other operating (d)	3.88	2.86	4.63	4.94	4.05	5.43	4.81	5.69	5.81	5.44
Exploration	0.91	1.20	0.77	0.84	0.86	0.86	0.69	0.57	0.41	0.63
DD&A	20.03	20.28	19.39	19.25	19.76	19.05	19.65	19.29	17.71	18.90
Taxes other than income	2.13	1.07	1.77	1.91	1.73	2.97	2.98	3.37	3.89	3.32
General and administrative	1.04	1.13	0.93	1.01	1.03	0.92	1.04	1.15	1.00	1.03

(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 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
Revenues from contracts with customers	\$ 54	\$ 28	\$ 39	\$ 52	\$ 173	\$ 45	\$ 65	\$ 63	\$ 94	\$ 267
Income (loss) from equity method investments	(12)	—	8	14	10	44	49	86	74	253
Other income	2	2	1	2	7	1	2	—	1	4
<b>Less Costs and Expenses:</b>										
Production	17	15	11	16	59	10	13	12	19	54
Shipping, handling and other operating	3	1	1	3	8	4	2	7	3	16
DD&A	21	22	19	20	82	19	18	17	14	68
General and administrative	4	3	3	4	14	2	4	3	4	13
Income (loss) before taxes	(1)	(11)	14	25	27	55	79	110	129	373
Income tax provision (benefit)	—	(5)	6	(4)	(3)	5	11	17	23	56
<b>Segment income (loss)</b>	<b>\$ (1)</b>	<b>\$ (6)</b>	<b>\$ 8</b>	<b>\$ 29</b>	<b>\$ 30</b>	<b>\$ 50</b>	<b>\$ 68</b>	<b>\$ 93</b>	<b>\$ 106</b>	<b>\$ 317</b>
Effective tax rate	— %	45 %	43 %	(16)%	(11)%	9 %	14 %	15 %	18 %	15 %
<b>Net sales volumes (mboed)</b>	<b>81</b>	<b>84</b>	<b>71</b>	<b>73</b>	<b>77</b>	<b>66</b>	<b>65</b>	<b>61</b>	<b>53</b>	<b>61</b>
<b>Costs and Expenses per BOE (a)</b>										
Production	\$ 2.35	\$ 1.88	\$ 1.76	\$ 2.49	\$ 2.12	\$ 1.68	\$ 2.17	\$ 2.17	\$ 4.05	\$ 2.45
Shipping, handling and other operating	0.43	0.09	0.15	0.51	0.29	0.72	0.34	1.23	0.54	0.71
DD&A	2.86	2.86	2.89	2.95	2.89	3.09	3.08	3.12	2.95	3.07
General and administrative	0.53	0.42	0.41	0.57	0.48	0.46	0.46	0.60	0.68	0.54
<b>Equatorial Guinea</b>										
EG - Income (loss) from equity method investments	\$ (12)	\$ —	\$ 8	\$ 14	\$ 10	\$ 44	\$ 49	\$ 86	\$ 74	\$ 253
EG - Net income (loss) excluding equity method investments	9	(5)	7	12	23	8	19	8	35	70
EG Total Net Income (Loss)	\$ (3)	\$ (5)	\$ 15	\$ 26	\$ 33	\$ 52	\$ 68	\$ 94	\$ 109	\$ 323
<b>EG Net Income before DD&amp;A, Tax, and Exploration (EBITDAX) (b)</b>	<b>\$ 34</b>	<b>\$ 22</b>	<b>\$ 48</b>	<b>\$ 59</b>	<b>\$ 163</b>	<b>\$ 94</b>	<b>\$ 118</b>	<b>\$ 155</b>	<b>\$ 166</b>	<b>\$ 533</b>

(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 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
<b>Net income (loss)</b>	\$ (46)	\$ (750)	\$ (317)	\$ (338)	\$ (1,451)	\$ 97	\$ 16	\$ 184	\$ 649	\$ 946
Adjustments for special items (pre-tax):										
Net (gain) loss on disposal of assets	(9)	2	(1)	(1)	(9)	—	(1)	(7)	27	19
Proved property impairments	2	—	1	46	49	1	46	13	—	60
Exploratory dry well costs, unproved property impairments and other	—	—	6	78	84	—	7	48	16	71
Goodwill impairment	95	—	—	—	95	—	—	—	—	—
Pension settlement	2	14	9	5	30	—	5	3	1	9
Pension curtailment	—	(17)	—	—	(17)	—	—	—	—	—
Unrealized (gain) loss on derivative instruments	(171)	96	36	66	27	82	75	(27)	(146)	(16)
Unrealized (gain) on interest rate swaps	—	—	—	(12)	(12)	(41)	(8)	(8)	43	(14)
Reduction in workforce	—	13	2	2	17	11	1	—	—	12
Impairment of equity method investment	—	152	18	1	171	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	28	28	—	19	102	—	121
Other	2	13	28	27	70	16	13	2	5	36
Benefit for income taxes related to special items	—	—	(1)	—	(1)	—	—	—	(3)	(3)
<b>Adjustments for special items</b>	(79)	273	98	240	532	69	157	126	(57)	295
<b>Adjusted net income (loss) (a)</b>	<b>\$ (125)</b>	<b>\$ (477)</b>	<b>\$ (219)</b>	<b>\$ (98)</b>	<b>\$ (919)</b>	<b>\$ 166</b>	<b>\$ 173</b>	<b>\$ 310</b>	<b>\$ 592</b>	<b>\$ 1,241</b>

  

<i>(In millions, except per share data)</i>	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
<b>Per common share data:</b>										
<b>Diluted:</b>										
Weighted average shares (millions)	794	789	790	790	792	789	789	789	773	788
Adjusted net income (loss) (a)	\$ (125)	\$ (477)	\$ (219)	\$ (98)	\$ (919)	\$ 166	\$ 173	\$ 310	\$ 592	\$ 1,241
<b>Adjusted net income (loss) per share (a)</b>	<b>\$ (0.16)</b>	<b>\$ (0.60)</b>	<b>\$ (0.28)</b>	<b>\$ (0.12)</b>	<b>\$ (1.16)</b>	<b>\$ 0.21</b>	<b>\$ 0.22</b>	<b>\$ 0.39</b>	<b>\$ 0.77</b>	<b>\$ 1.57</b>

(a) Non-GAAP financial measure.

Our presentation of adjusted net income (loss) and adjusted net income (loss) per share is a non-GAAP measure. Adjusted net income (loss) is defined as net income (loss) adjusted for gains/losses on dispositions, impairments of proved and certain unproved properties, goodwill and equity method investments, certain exploration expenses relating to a strategic decision to exit conventional exploration, unrealized derivative gain/loss on commodity and interest rate derivative instruments, effects of pension settlements and curtailments 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 (loss) and adjusted net income (loss) per share should not be considered in isolation or as an alternative to, or more meaningful than, net income (loss) or net income (loss) per share as determined in accordance with U.S. GAAP.



**Non-GAAP Reconciliations**  
**Marathon Oil Corporation**

<i>(In millions)</i>	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
Cash additions to Property, Plant, and Equipment	\$ 620	\$ 326	\$ 144	\$ 253	\$ 1,343	\$ 209	\$ 274	\$ 289	\$ 274	\$ 1,046
Change in working capital associated with PP&E	(52)	(187)	33	14	(192)	(25)	15	19	(23)	(14)
Additions to other assets	1	(13)	(3)	—	(15)	—	—	—	—	—
<b>Total Capital Expenditures (a)</b>	<b>\$ 569</b>	<b>\$ 126</b>	<b>\$ 174</b>	<b>\$ 267</b>	<b>\$ 1,136</b>	<b>\$ 184</b>	<b>\$ 289</b>	<b>\$ 308</b>	<b>\$ 251</b>	<b>\$ 1,032</b>

<i>(In millions)</i>	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
<b>Free Cash Flow</b>										
Net cash flow provided by operating activities	\$ 701	\$ 9	\$ 345	\$ 418	\$ 1,473	\$ 622	\$ 655	\$ 816	\$ 1,146	\$ 3,239
Adjustments:										
Changes in working capital	(151)	77	7	10	(57)	15	46	(41)	(45)	(25)
Capital expenditures	(569)	(126)	(174)	(267)	(1,136)	(184)	(289)	(308)	(251)	(1,032)
EG LNG return of capital and other	1	—	—	—	1	(10)	8	11	48	57
<b>Free Cash Flow (a)</b>	<b>\$ (18)</b>	<b>\$ (40)</b>	<b>\$ 178</b>	<b>\$ 161</b>	<b>\$ 281</b>	<b>\$ 443</b>	<b>\$ 420</b>	<b>\$ 478</b>	<b>\$ 898</b>	<b>\$ 2,239</b>

(a) Non-GAAP financial measure.

Our presentation of total capital expenditures is a non-GAAP measure. Total capital expenditures is defined as cash additions to property, plant and equipment adjusted for the change in working capital associated with property, plant and equipment, exploration costs other than well costs, M&S inventory and other, and additions to other assets. Management believes this is useful to investors as an indicator of Marathon's commitment to capital expenditure discipline by eliminating differences caused by the timing of certain working capital and other items. Total capital expenditures should not be considered in isolation or as an alternative to, or more meaningful than, cash additions to property, plant and equipment as determined in accordance with U.S. GAAP.

Our presentation of free cash flow is a non-GAAP measure. Free cash flow before dividend ("free cash flow" is defined as net cash provided by operating activities adjusted for working capital, exploration costs (other than well costs), capital expenditures, and EG LNG return of capital and other. Management believes this is useful to investors as a measure of Marathon's ability to fund its capital expenditure programs, service debt, and other distributions to stockholders. 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	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
<i>Cash Flows (QTD)</i>	2020	2020	2020	2020	2021	2021	2021	2021
<b>Changes in Working Capital</b>								
Current receivables	\$ 407	\$ 82	\$ (22)	\$ (100)	\$ (175)	\$ (78)	\$ (60)	\$ (76)
Inventories	(6)	1	—	1	(2)	—	1	—
Current accounts payable and accrued expenses	(234)	(222)	(22)	97	101	20	107	141
Other current assets and liabilities	(16)	62	37	(8)	61	12	(7)	(20)
<b>Total changes in operating working capital</b>	<b>\$ 151</b>	<b>\$ (77)</b>	<b>\$ (7)</b>	<b>\$ (10)</b>	<b>\$ (15)</b>	<b>\$ (46)</b>	<b>\$ 41</b>	<b>\$ 45</b>
<b>Changes in investing working capital</b>	<b>(52)</b>	<b>(187)</b>	<b>33</b>	<b>14</b>	<b>(25)</b>	<b>15</b>	<b>19</b>	<b>(23)</b>
<b>Total changes in working capital</b>	<b>\$ 99</b>	<b>\$ (264)</b>	<b>\$ 26</b>	<b>\$ 4</b>	<b>\$ (40)</b>	<b>\$ (31)</b>	<b>\$ 60</b>	<b>\$ 22</b>
Net cash provided by operating activities	\$ 701	\$ 9	\$ 345	\$ 418	\$ 622	\$ 655	\$ 816	\$ 1,146
Total changes in operating working capital	151	(77)	(7)	(10)	(15)	(46)	41	45
<b>Net cash provided by operating activities before changes in operating working capital (a)</b>	<b>\$ 550</b>	<b>\$ 86</b>	<b>\$ 352</b>	<b>\$ 428</b>	<b>\$ 637</b>	<b>\$ 701</b>	<b>\$ 775</b>	<b>\$ 1,101</b>

(a) Non-GAAP financial measure.

Our presentation of net cash provided by operations before changes in operating working capital and net cash provided by operations before changes in operating working capital and exploration costs are non-GAAP measures. 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 and net cash provided by operations before changes in working capital and exploration costs 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	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
	2020	2020	2020	2020	2020	2021	2021	2021	2021	2021
<b>Equatorial Guinea EBITDAX</b>										
EG - Income (loss) from equity method investments (a)	\$ (12)	\$ —	\$ 8	\$ 14	\$ 10	\$ 44	\$ 49	\$ 86	\$ 74	\$ 253
EG - Net income (loss) excluding equity method investments	9	(5)	7	12	23	8	19	8	35	70
EG Total Net Income (Loss)	(3)	(5)	15	26	33	52	68	94	109	323
Adjustments to EG total net income (loss):										
DD&A	37	30	29	28	124	27	28	28	25	108
Tax	—	(3)	4	5	6	15	22	33	32	102
<b>EG Net Income before DD&amp;A, Tax, and Exploration (EBITDAX) (b)</b>	<b>\$ 34</b>	<b>\$ 22</b>	<b>\$ 48</b>	<b>\$ 59</b>	<b>\$ 163</b>	<b>\$ 94</b>	<b>\$ 118</b>	<b>\$ 155</b>	<b>\$ 166</b>	<b>\$ 533</b>

(a) Excludes impairments of our investment in equity method investments, which are presented in the not allocated to segments column of the segment footnote within our 10-Q.

(b) 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 (loss) 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 (loss), which is a component of our International segment income (loss) as determined in accordance with U.S. GAAP.

**Non-GAAP Reconciliations**  
**Marathon Oil Corporation**

<i>(In millions)</i>	1st Qtr 2020	2nd Qtr 2020	3rd Qtr 2020	4th Qtr 2020	Year 2020	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021
<b>Net income (loss)</b>	\$ (46)	\$ (750)	\$ (317)	\$ (338)	\$ (1,451)	\$ 97	\$ 16	\$ 184	\$ 649	\$ 946
Adjustments to net income (loss):										
DD&A	644	597	554	521	2,316	496	532	522	516	2,066
Tax	(3)	(15)	7	(3)	(14)	10	10	4	34	58
Exploration	28	26	27	100	181	21	25	63	27	136
Net interest and other	64	69	62	61	256	13	59	57	59	188
<b>EBITDAX</b>	687	(73)	333	341	1,288	637	642	830	1,285	3,394
EBITDAX special items adjustments:										
Net (gain) loss on disposal of assets	(9)	2	(1)	(1)	(9)	—	(1)	(7)	27	19
Proved property impairments	2	—	1	46	49	1	46	13	—	60
Goodwill impairment	95	—	—	—	95	—	—	—	—	—
Pension settlement	2	14	9	5	30	—	5	3	1	9
Pension curtailment	—	(17)	—	—	(17)	—	—	—	—	—
Unrealized (gain) loss on derivative instruments	(171)	96	36	66	27	82	75	(27)	(146)	(16)
Reduction in workforce	—	13	2	2	17	11	1	—	—	12
Impairment of equity method investment	—	152	18	1	171	—	—	—	—	—
Loss on early extinguishment of debt	—	—	—	28	28	—	19	102	—	121
Other	2	13	28	16	59	16	13	3	6	38
<b>Adjustments for special items</b>	(79)	273	93	163	450	110	158	87	(112)	243
<b>Adjusted EBITDAX (a)</b>	<b>\$ 608</b>	<b>\$ 200</b>	<b>\$ 426</b>	<b>\$ 504</b>	<b>\$ 1,738</b>	<b>\$ 747</b>	<b>\$ 800</b>	<b>\$ 917</b>	<b>\$ 1,173</b>	<b>\$ 3,637</b>

(a) Non-GAAP financial measure.

Our presentation of Adjusted EBITDAX is a non-GAAP measure. Adjusted EBITDAX is defined as net income (loss) excluding net interest expense, taxes, DD&A, and exploration, further adjusted for gains/losses on dispositions, impairments of proved and certain unproved properties, goodwill and equity method investments, unrealized derivative gain/loss on commodity and interest rate derivative instruments, effects of pension settlements and curtailments 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 (loss) as determined in accordance with U.S. GAAP.