



Marathon Oil Corporation

Fourth Quarter 2022

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February 15, 2023

Consolidated Statements of Income
Marathon Oil Corporation

<i>(In millions, except per share data)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
REVENUES AND OTHER INCOME:										
Revenues from contracts with customers	\$ 1,177	\$ 1,254	\$ 1,438	\$ 1,732	\$ 5,601	\$ 1,761	\$ 2,168	\$ 2,008	\$ 1,603	\$ 7,540
Net gain (loss) on commodity derivatives	(153)	(166)	(79)	15	(383)	(143)	(27)	41	15	(114)
Income (loss) from equity method investments	44	49	86	74	253	127	152	190	144	613
Net gain (loss) on disposal of assets	—	1	7	(27)	(19)	—	(1)	2	(39)	(38)
Other income	3	5	1	6	15	8	11	6	10	35
Total revenues and other income	1,071	1,143	1,453	1,800	5,467	1,753	2,303	2,247	1,733	8,036
COSTS AND EXPENSES:										
Production	121	126	131	156	534	152	164	193	181	690
Shipping, handling and other operating	152	167	219	189	727	185	191	199	158	733
Exploration	21	25	63	27	136	11	8	73	18	110
Depreciation, depletion and amortization	496	532	522	516	2,066	423	436	460	434	1,753
Impairments	1	46	13	—	60	—	2	2	3	7
Taxes other than income	74	74	88	109	345	104	140	137	103	484
General and administrative	89	68	70	64	291	73	68	79	88	308
Total costs and expenses	954	1,038	1,106	1,061	4,159	948	1,009	1,143	985	4,085
Income (loss) from operations	117	105	347	739	1,308	805	1,294	1,104	748	3,951
Net interest and other	(13)	(59)	(57)	(59)	(188)	(22)	(54)	(52)	(60)	(188)
Other net periodic benefit (costs) credits	3	(1)	—	3	5	4	5	5	2	16
Loss on early extinguishment of debt	—	(19)	(102)	—	(121)	—	—	—	—	—
Income (loss) before income taxes	107	26	188	683	1,004	787	1,245	1,057	690	3,779
Estimated income tax provision (benefit)										
Current	14	13	29	29	85	31	50	58	45	184
Deferred	(4)	(3)	(25)	5	(27)	(548)	229	182	120	(17)
Total provision (benefit) for income taxes	10	10	4	34	58	(517)	279	240	165	167
NET INCOME (LOSS)	\$ 97	\$ 16	\$ 184	\$ 649	\$ 946	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612
<i>Effective income tax rate</i>	9 %	38 %	2 %	5 %	6 %	(66)%	22 %	23 %	24 %	4 %
Per common share data:										
Basic:										
Weighted average shares (millions)	789	789	789	771	787	730	703	670	635	685
NET INCOME (LOSS)	\$ 0.12	\$ 0.02	\$ 0.23	\$ 0.84	\$ 1.20	\$ 1.79	\$ 1.37	\$ 1.22	\$ 0.83	\$ 5.27
Diluted:										
Weighted average shares (millions)	789	789	789	773	788	732	705	672	637	687
NET INCOME (LOSS)	\$ 0.12	\$ 0.02	\$ 0.23	\$ 0.84	\$ 1.20	\$ 1.78	\$ 1.37	\$ 1.22	\$ 0.82	\$ 5.26
Dividends paid per common share	\$ 0.03	\$ 0.04	\$ 0.05	\$ 0.06	\$ 0.18	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.32

Consolidated Balance Sheets
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2021	June 30 2021	Sept. 30 2021	Dec. 31 2021	Mar. 31 2022	June 30 2022	Sept. 30 2022	Dec. 31 2022
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 1,125	\$ 970	\$ 485	\$ 580	\$ 681	\$ 1,162	\$ 1,109	\$ 334
Receivables, net	921	1,008	1,068	1,142	1,443	1,512	1,358	1,146
Inventories	78	78	77	77	78	93	103	125
Other current assets	26	19	25	22	28	41	66	66
Total current assets	2,150	2,075	1,655	1,821	2,230	2,808	2,636	1,671
Equity method investments	460	458	489	450	522	528	568	577
Property, plant and equipment, net	15,313	15,019	14,734	14,499	14,422	14,357	14,245	17,377
Other noncurrent assets	310	248	283	224	807	593	409	315
Total assets	\$ 18,233	\$ 17,800	\$ 17,161	\$ 16,994	\$ 17,981	\$ 18,286	\$ 17,858	\$ 19,940
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 918	\$ 937	\$ 1,028	\$ 1,110	\$ 1,299	\$ 1,523	\$ 1,480	\$ 1,279
Payroll and benefits payable	37	49	64	74	42	50	76	90
Accrued taxes	78	95	131	157	169	143	168	171
Other current liabilities	366	461	417	260	405	388	305	364
Long-term debt due within one year	500	33	36	36	106	273	402	402
Total current liabilities	1,899	1,575	1,676	1,637	2,021	2,377	2,431	2,306
Long-term debt	4,905	4,875	3,977	3,978	3,908	3,709	3,579	5,521
Deferred tax liabilities	160	156	132	136	144	146	159	167
Defined benefit postretirement plan obligations	176	151	137	137	132	124	117	100
Asset retirement obligations	251	272	286	288	296	278	283	295
Deferred credits and other liabilities	171	137	157	132	114	120	102	154
Total liabilities	7,562	7,166	6,365	6,308	6,615	6,754	6,671	8,543
TOTAL STOCKHOLDERS' EQUITY	10,671	10,634	10,796	10,686	11,366	11,532	11,187	11,397
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 18,233	\$ 17,800	\$ 17,161	\$ 16,994	\$ 17,981	\$ 18,286	\$ 17,858	\$ 19,940
Common stock issued	937	937	937	937	937	937	937	937
Common stock held in treasury	149	148	148	194	220	248	294	304
Net shares outstanding at balance sheet date	788	789	789	743	717	689	643	633

Consolidated Statements of Cash Flows (YTD)

Marathon Oil Corporation

	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
	2021	2021	2021	2021	2022	2022	2022	2022
<i>(In millions)</i>								
OPERATING ACTIVITIES:								
Net income (loss)	\$ 97	\$ 113	\$ 297	\$ 946	\$ 1,304	\$ 2,270	\$ 3,087	\$ 3,612
Adjustments to reconcile to net cash provided by operating activities:								
Depreciation, depletion and amortization	496	1,028	1,550	2,066	423	859	1,319	1,753
Impairments	1	47	60	60	—	2	4	7
Exploratory dry well costs and unproved property impairments	17	39	101	125	8	14	85	101
Net (gain) loss on disposal of assets	—	(1)	(8)	19	—	1	(1)	38
Loss on early extinguishment of debt	—	19	121	121	—	—	—	—
Deferred income taxes	(4)	(7)	(32)	(27)	(548)	(319)	(137)	(17)
Unrealized (gain) loss on derivative instruments, net	82	157	130	(16)	114	71	4	(18)
Pension and other post retirement benefits, net	(7)	(14)	(25)	(31)	(9)	(16)	(28)	(35)
Stock-based compensation	6	17	29	40	9	18	28	38
Equity method investments, net	(14)	(17)	(57)	(76)	(79)	(85)	(130)	(139)
Changes in:								
Current receivables	(175)	(253)	(313)	(389)	(307)	(376)	(221)	9
Inventories	(2)	(2)	(1)	(1)	(2)	(16)	(27)	(45)
Current accounts payable and accrued liabilities	101	121	228	369	101	278	300	101
Other current assets and liabilities	61	73	66	46	(5)	(7)	(57)	(47)
All other operating, net	(37)	(43)	(53)	(13)	58	51	75	70
Net cash provided by operating activities	622	1,277	2,093	3,239	1,067	2,745	4,301	5,428
INVESTING ACTIVITIES:								
Additions to property, plant and equipment	(209)	(483)	(772)	(1,046)	(332)	(687)	(1,117)	(1,450)
Acquisitions, net of cash acquired	—	—	—	(47)	—	2	2	(3,177)
Disposal of assets, net of cash transferred to the buyer	3	15	29	22	2	4	8	11
Equity method investments - return of capital	—	6	15	61	7	7	12	12
All other investing, net	(1)	(1)	—	—	—	—	—	(1)
Net cash used in investing activities	(207)	(463)	(728)	(1,010)	(323)	(674)	(1,095)	(4,605)
FINANCING ACTIVITIES:								
Borrowings	—	—	—	—	—	—	—	1,500
Proceeds from revolving credit facility	—	—	—	—	—	—	—	450
Debt repayments	—	(500)	(1,400)	(1,400)	—	(32)	(35)	(35)
Debt extinguishment costs	—	(19)	(117)	(117)	—	—	—	—
Shares repurchased under buyback programs	—	—	—	(724)	(592)	(1,352)	(2,474)	(2,754)
Dividends paid	(23)	(55)	(94)	(141)	(52)	(108)	(162)	(220)
Purchases of shares for tax withholding obligations	(9)	(9)	(10)	(10)	(21)	(21)	(21)	(22)
All other financing, net	—	(3)	(1)	1	22	24	15	12
Net cash used in financing activities	(32)	(586)	(1,622)	(2,391)	(643)	(1,489)	(2,677)	(1,069)
Net increase (decrease) in cash and cash equivalents	383	228	(257)	(162)	101	582	529	(246)
Cash and cash equivalents at beginning of period	742	742	742	742	580	580	580	580
Cash and cash equivalents at end of period	\$ 1,125	\$ 970	\$ 485	\$ 580	\$ 681	\$ 1,162	\$ 1,109	\$ 334

Segment Income Summary
Marathon Oil Corporation

<i>(Dollars in millions)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Segment income (loss)										
United States	\$ 212	\$ 207	\$ 305	\$ 553	\$ 1,277	\$ 661	\$ 846	\$ 723	\$ 510	\$ 2,740
International	50	68	93	106	317	115	160	181	129	585
Segment income (loss)	262	275	398	659	1,594	776	1,006	904	639	3,325
Not allocated to segments - Corporate items:										
Net interest and other	(54)	(67)	(65)	(16)	(202)	4	(53)	(52)	(52)	(153)
Other net periodic benefit (costs) credits	3	4	3	4	14	4	5	5	4	18
General and administrative	(40)	(36)	(38)	(32)	(146)	(40)	(38)	(38)	(38)	(154)
Other income and costs	(5)	(5)	(5)	(6)	(21)	(6)	(4)	(5)	(7)	(22)
Income tax (provision) benefit	—	2	17	(17)	2	11	18	18	17	64
Not allocated to segments - Adjustments for special items:										
Net gain (loss) on disposal of assets	—	1	7	(27)	(19)	—	(1)	2	(39)	(38)
Proved property impairments	(1)	(46)	(13)	—	(60)	—	(2)	(2)	(3)	(7)
Exploratory dry well costs, unproved property impairments and other	—	(7)	(48)	(16)	(71)	—	—	(62)	(12)	(74)
Pension settlement	—	(5)	(3)	(1)	(9)	—	—	—	(2)	(2)
Unrealized gain (loss) on derivative instruments	(82)	(75)	27	146	16	(114)	43	67	22	18
Unrealized gain (loss) on interest rate swaps (a)	41	8	8	(43)	14	(26)	(1)	—	—	(27)
Reduction in workforce (b)	(11)	(1)	—	—	(12)	—	—	—	—	—
Loss on early extinguishment of debt	—	(19)	(102)	—	(121)	—	—	—	—	—
Acquisition transaction costs	—	—	—	—	—	—	—	—	(18)	(18)
Other (c)	(16)	(13)	(2)	(5)	(36)	(27)	2	(23)	2	(46)
Provision (benefit) for income taxes related to special items	—	—	—	3	3	37	(9)	3	12	43
Valuation allowance	—	—	—	—	—	685	—	—	—	685
Total special items	\$ (69)	\$ (157)	\$ (126)	\$ 57	\$ (295)	\$ 555	\$ 32	\$ (15)	\$ (38)	\$ 534
Not allocated to segments - Total	\$ (165)	\$ (259)	\$ (214)	\$ (10)	\$ (648)	\$ 528	\$ (40)	\$ (87)	\$ (114)	\$ 287
Net income (loss)	\$ 97	\$ 16	\$ 184	\$ 649	\$ 946	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612

(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 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Revenues from contracts with customers (a)	\$ 1,132	\$ 1,189	\$ 1,375	\$ 1,638	\$ 5,334	\$ 1,714	\$ 2,089	\$ 1,927	\$ 1,538	\$ 7,268
Net realized gain (loss) on commodity derivatives	(71)	(91)	(106)	(131)	(399)	(29)	(70)	(26)	(7)	(132)
Other income	1	3	—	3	7	4	2	4	9	19
Less Costs and Expenses:										
Production	111	113	119	137	480	141	150	173	161	625
Shipping, handling and other operating (b)	144	153	209	180	686	150	187	171	157	665
Exploration	21	18	15	11	65	11	8	11	6	36
DD&A	472	506	499	495	1,972	404	415	441	415	1,675
Taxes other than income	74	76	88	108	346	99	139	136	101	475
General and administrative	23	27	29	28	107	30	27	37	37	131
Income (loss) before taxes	217	208	310	551	1,286	854	1,095	936	663	3,548
Income tax provision (benefit)	5	1	5	(2)	9	193	249	213	153	808
Segment income (loss)	\$ 212	\$ 207	\$ 305	\$ 553	\$ 1,277	\$ 661	\$ 846	\$ 723	\$ 510	\$ 2,740
Effective tax rate	2 %	— %	2 %	— %	1 %	23 %	23 %	23 %	23 %	23 %
Net sales volumes (mboed)	275	283	281	304	286	280	283	295	277	284
Costs and Expenses per BOE (c)										
Production	\$ 4.46	\$ 4.41	\$ 4.59	\$ 4.90	\$ 4.60	\$ 5.59	\$ 5.80	\$ 6.40	\$ 6.29	\$ 6.03
Shipping, handling and other operating (d)	5.43	4.81	5.69	5.81	5.44	5.77	5.45	5.58	5.60	5.60
Exploration	0.86	0.69	0.57	0.41	0.63	0.44	0.30	0.40	0.24	0.35
DD&A	19.05	19.65	19.29	17.71	18.90	16.02	16.11	16.20	16.29	16.16
Taxes other than income	2.97	2.98	3.37	3.89	3.32	3.93	5.39	4.98	3.98	4.58
General and administrative	0.92	1.04	1.15	1.00	1.03	1.18	1.07	1.36	1.43	1.26

(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 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Revenues from contracts with customers	\$ 45	\$ 65	\$ 63	\$ 94	\$ 267	\$ 47	\$ 79	\$ 81	\$ 65	\$ 272
Income (loss) from equity method investments	44	49	86	74	253	127	152	190	144	613
Other income	1	2	—	1	4	2	2	1	2	7
Less Costs and Expenses:										
Production	10	13	12	19	54	11	14	20	20	65
Shipping, handling and other operating	4	2	7	3	16	9	1	5	3	18
DD&A	19	18	17	14	68	15	16	14	15	60
General and administrative	2	4	3	4	13	3	3	4	3	13
Income (loss) before taxes	55	79	110	129	373	138	199	229	170	736
Income tax provision (benefit)	5	11	17	23	56	23	39	48	41	151
Segment income (loss)	\$ 50	\$ 68	\$ 93	\$ 106	\$ 317	\$ 115	\$ 160	\$ 181	\$ 129	\$ 585
Effective tax rate	9 %	14 %	15 %	18 %	15 %	17 %	20 %	21 %	24 %	21 %
Net sales volumes (mboed)	66	65	61	53	61	61	60	58	56	59
Costs and Expenses per BOE (a)										
Production	\$ 1.68	\$ 2.17	\$ 2.17	\$ 4.05	\$ 2.45	\$ 1.92	\$ 2.83	\$ 3.55	\$ 3.94	\$ 3.04
Shipping, handling and other operating	0.72	0.34	1.23	0.54	0.71	1.61	0.07	1.13	0.39	0.80
DD&A	3.09	3.08	3.12	2.95	3.07	2.80	2.80	2.82	2.88	2.82
General and administrative	0.46	0.46	0.60	0.68	0.54	0.49	0.59	0.68	0.73	0.62
Equatorial Guinea										
Dividends	\$ 31	\$ 44	\$ 47	\$ 55	\$ 177	\$ 47	\$ 146	\$ 145	\$ 136	\$ 474
Return of capital	—	6	9	46	61	7	—	5	—	12
Total cash distributions	\$ 31	\$ 50	\$ 56	\$ 101	\$ 238	\$ 54	\$ 146	\$ 150	\$ 136	\$ 486
Income (loss) from equity method investments	\$ 44	\$ 49	\$ 86	\$ 74	\$ 253	\$ 127	\$ 152	\$ 190	\$ 144	\$ 613

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

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 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Net income (loss)	\$ 97	\$ 16	\$ 184	\$ 649	\$ 946	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612
Adjustments for special items (pre-tax):										
Net (gain) loss on disposal of assets	—	(1)	(7)	27	19	—	1	(2)	39	38
Proved property impairments	1	46	13	—	60	—	2	2	3	7
Exploratory dry well costs, unproved property impairments and other	—	7	48	16	71	—	—	62	12	74
Pension settlement	—	5	3	1	9	—	—	—	2	2
Unrealized (gain) loss on derivative instruments	82	75	(27)	(146)	(16)	114	(43)	(67)	(22)	(18)
Unrealized (gain) loss on interest rate swaps	(41)	(8)	(8)	43	(14)	26	1	—	—	27
Reduction in workforce	11	1	—	—	12	—	—	—	—	—
Loss on early extinguishment of debt	—	19	102	—	121	—	—	—	—	—
Acquisition transaction costs	—	—	—	—	—	—	—	—	18	18
Other	16	13	2	5	36	27	(2)	23	(2)	46
Provision (benefit) for income taxes related to special items	—	—	—	(3)	(3)	(37)	9	(3)	(12)	(43)
Valuation allowance	—	—	—	—	—	(685)	—	—	—	(685)
Adjustments for special items	69	157	126	(57)	295	(555)	(32)	15	38	(534)
Adjusted net income (loss) (a)	\$ 166	\$ 173	\$ 310	\$ 592	\$ 1,241	\$ 749	\$ 934	\$ 832	\$ 563	\$ 3,078

<i>(In millions, except per share data)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Per common share data:										
Diluted:										
Weighted average shares (millions)	789	789	789	773	788	732	705	672	637	687
Adjusted net income (loss) (a)	\$ 166	\$ 173	\$ 310	\$ 592	\$ 1,241	\$ 749	\$ 934	\$ 832	\$ 563	\$ 3,078
Adjusted net income (loss) per share (a)	\$ 0.21	\$ 0.22	\$ 0.39	\$ 0.77	\$ 1.57	\$ 1.02	\$ 1.32	\$ 1.24	\$ 0.88	\$ 4.48

(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, changes in our valuation allowance, 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>(Per share)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Adjusted Net Income (Loss) Per Diluted Share										
Net income (loss)	\$ 0.12	\$ 0.02	\$ 0.23	\$ 0.84	\$ 1.20	\$ 1.78	\$ 1.37	\$ 1.22	\$ 0.82	\$ 5.26
Adjustments for special items (pre-tax):										
Net (gain) loss on disposal of assets	—	—	(0.01)	0.03	0.02	—	—	—	0.06	0.06
Proved property impairments	—	0.06	0.02	—	0.08	—	—	—	—	0.01
Exploratory dry well costs, unproved property impairments and other	—	0.01	0.06	0.02	0.09	—	—	0.09	0.02	0.11
Pension settlement	—	0.01	—	—	0.01	—	—	—	—	—
Unrealized (gain) loss on derivative instruments	0.10	0.10	(0.03)	(0.19)	(0.02)	0.16	(0.06)	(0.10)	(0.03)	(0.03)
Unrealized (gain) loss on interest rate swaps	(0.05)	(0.01)	(0.01)	0.06	(0.02)	0.04	—	—	—	0.04
Reduction in workforce	0.01	—	—	—	0.02	—	—	—	—	—
Loss on early extinguishment of debt	—	0.02	0.13	—	0.15	—	—	—	—	—
Acquisition transaction costs	—	—	—	—	—	—	—	—	0.03	0.03
Other	0.03	0.01	—	0.01	0.04	0.03	—	0.03	—	0.06
Provision (benefit) for income taxes related to special items	—	—	—	—	—	(0.05)	0.01	—	(0.02)	(0.06)
Valuation allowance	—	—	—	—	—	(0.94)	—	—	—	(1.00)
Adjustments for special items	0.09	0.20	0.16	(0.07)	0.37	(0.76)	(0.05)	0.02	0.06	(0.78)
Adjusted net income (loss) (a)	\$ 0.21	\$ 0.22	\$ 0.39	\$ 0.77	\$ 1.57	\$ 1.02	\$ 1.32	\$ 1.24	\$ 0.88	\$ 4.48

(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, changes in our valuation allowance, 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 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Cash additions to Property, Plant, and Equipment	\$ 209	\$ 274	\$ 289	\$ 274	\$ 1,046	\$ 332	\$ 355	\$ 430	\$ 333	\$ 1,450
Change in capital accrual	(25)	15	19	(23)	(14)	16	20	(17)	11	30
Additions to other assets	—	—	—	—	—	—	—	—	—	—
Capital Expenditures (accrued) (a)	\$ 184	\$ 289	\$ 308	\$ 251	\$ 1,032	\$ 348	\$ 375	\$ 413	\$ 344	\$ 1,480

<i>(In millions)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Adjusted Free Cash Flow (a)										
Net cash provided by operating activities	\$ 622	\$ 655	\$ 816	\$ 1,146	\$ 3,239	\$ 1,067	\$ 1,678	\$ 1,556	\$ 1,127	\$ 5,428
Adjustments:										
Changes in working capital	15	46	(41)	(45)	(25)	213	(92)	(116)	(23)	(18)
Capital expenditures (accrued) (a)	(184)	(289)	(308)	(251)	(1,032)	(348)	(375)	(413)	(344)	(1,480)
EG return of capital and other	(10)	8	11	48	57	8	2	4	3	17
Adjusted Free Cash Flow (a)	\$ 443	\$ 420	\$ 478	\$ 898	\$ 2,239	\$ 940	\$ 1,213	\$ 1,031	\$ 763	\$ 3,947

(a) Non-GAAP financial measure.

Our presentation of capital expenditures (accrued) is a non-GAAP measure. Capital expenditures (accrued) is defined as cash additions to property, plant and equipment adjusted for the change in capital accrual 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 capital accrual and other items. Capital expenditures (accrued) 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 adjusted free cash flow is a non-GAAP measure. Adjusted free cash flow before dividend ("adjusted free cash flow") is defined as net cash provided by operating activities before changes in working capital (adjusted CFO), capital expenditures (accrued), and EG 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. Adjusted 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 2021	June 30 2021	Sept. 30 2021	Dec. 31 2021	Mar. 31 2022	June 30 2022	Sept. 30 2022	Dec. 31 2022
Adjusted CFO (QTD)								
Net cash provided by operating activities	\$ 622	\$ 655	\$ 816	\$ 1,146	\$ 1,067	\$ 1,678	\$ 1,556	\$ 1,127
Current receivables	(175)	(78)	(60)	(76)	(307)	(69)	155	230
Inventories	(2)	—	1	—	(2)	(14)	(11)	(18)
Current accounts payable and accrued expenses	101	20	107	141	101	177	22	(199)
Other current assets and liabilities	61	12	(7)	(20)	(5)	(2)	(50)	10
Changes in working capital	(15)	(46)	41	45	(213)	92	116	23
Adjusted CFO (a)	\$ 637	\$ 701	\$ 775	\$ 1,101	\$ 1,280	\$ 1,586	\$ 1,440	\$ 1,104

<i>(In millions)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Reinvestment rate (a)										
Adjusted CFO (a)	\$ 637	\$ 701	\$ 775	\$ 1,101	\$ 3,214	\$ 1,280	\$ 1,586	\$ 1,440	\$ 1,104	\$ 5,410
EG return of capital and other	(10)	8	11	48	57	8	2	4	3	17
Sources of cash	627	709	786	1,149	3,271	1,288	1,588	1,444	1,107	5,427
Capital expenditures (accrued) (a)	\$ 184	\$ 289	\$ 308	\$ 251	\$ 1,032	\$ 348	\$ 375	\$ 413	\$ 344	\$ 1,480
Reinvestment rate (a)	29 %	41 %	39 %	22 %	32 %	27 %	24 %	29 %	31 %	27 %

(a) Non-GAAP financial measure.

Our presentation of Adjusted CFO is a non-GAAP measure. Adjusted CFO is defined as net cash provided by operating activities adjusted for changes in working capital. 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. Adjusted CFO 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.

Our presentation of reinvestment rate is a non-GAAP measure. The reinvestment rate is defined as total capital expenditures (accrued) divided by adjusted CFO and EG return of capital and other. Management believes the reinvestment rate is useful to investors to demonstrate the Company's commitment to generating cash for use towards investor-friendly purposes (which includes balance sheet enhancement, base dividend and other return of capital).

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(In millions)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Net income (loss)	\$ 97	\$ 16	\$ 184	\$ 649	\$ 946	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612
Adjustments to net income (loss):										
DD&A	496	532	522	516	2,066	423	436	460	434	1,753
Tax	10	10	4	34	58	(517)	279	240	165	167
Exploration	21	25	63	27	136	11	8	73	18	110
Net interest and other	13	59	57	59	188	22	54	52	60	188
EBITDAX	637	642	830	1,285	3,394	1,243	1,743	1,642	1,202	5,830
EBITDAX special items adjustments:										
Net (gain) loss on disposal of assets	—	(1)	(7)	27	19	—	1	(2)	39	38
Proved property impairments	1	46	13	—	60	—	2	2	3	7
Pension settlement	—	5	3	1	9	—	—	—	2	2
Unrealized (gain) loss on derivative instruments	82	75	(27)	(146)	(16)	114	(43)	(67)	(22)	(18)
Reduction in workforce	11	1	—	—	12	—	—	—	—	—
Loss on early extinguishment of debt	—	19	102	—	121	—	—	—	—	—
Acquisition transaction costs	—	—	—	—	—	—	—	—	10	10
Other	16	13	3	6	38	27	(4)	23	(3)	43
Adjustments for special items	110	158	87	(112)	243	141	(44)	(44)	29	82
Adjusted EBITDAX (a)	\$ 747	\$ 800	\$ 917	\$ 1,173	\$ 3,637	\$ 1,384	\$ 1,699	\$ 1,598	\$ 1,231	\$ 5,912

<i>(In millions)</i>	1st Qtr 2021	2nd Qtr 2021	3rd Qtr 2021	4th Qtr 2021	Year 2021	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022
Equatorial Guinea EBITDAX										
EG - Income (loss) from equity method investments	\$ 44	\$ 49	\$ 86	\$ 74	\$ 253	\$ 127	\$ 152	\$ 190	\$ 144	\$ 613
EG - Net income (loss) excluding equity method investments	8	19	8	35	70	(14)	(4)	(9)	(8)	(35)
EG Total Net Income (Loss)	52	68	94	109	323	113	148	181	136	578
Adjustments to EG total net income (loss):										
DD&A	27	28	28	25	108	25	24	23	23	95
Tax	15	22	33	32	102	37	66	59	45	207
Exploration	—	—	—	—	—	—	—	—	—	—
Net interest	—	—	—	—	—	—	1	—	(2)	(1)
EG Net Income before DD&A, Tax, and Exploration (EBITDAX) (a)	\$ 94	\$ 118	\$ 155	\$ 166	\$ 533	\$ 175	\$ 239	\$ 263	\$ 202	\$ 879

(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 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.

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.