



Marathon Oil Corporation

Fourth Quarter 2023

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February 21, 2024

Consolidated Statements of Income
Marathon Oil Corporation

<i>(In millions, except per share data)</i>	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
REVENUES AND OTHER INCOME:										
Revenues from contracts with customers	\$ 1,761	\$ 2,168	\$ 2,008	\$ 1,603	\$ 7,540	\$ 1,567	\$ 1,484	\$ 1,771	\$ 1,585	\$ 6,407
Net gain (loss) on commodity derivatives	(143)	(27)	41	15	(114)	15	3	1	23	42
Income from equity method investments	127	152	190	144	613	80	22	38	45	185
Net gain (loss) on disposal of assets	—	(1)	2	(39)	(38)	5	—	1	11	17
Other income	8	11	6	10	35	13	4	2	27	46
Total revenues and other income	1,753	2,303	2,247	1,733	8,036	1,680	1,513	1,813	1,691	6,697
COSTS AND EXPENSES:										
Production	152	164	193	181	690	201	214	192	221	828
Shipping, handling and other operating	185	191	199	158	733	162	161	164	202	689
Exploration	11	8	73	18	110	15	11	20	13	59
Depreciation, depletion and amortization	423	436	460	434	1,753	520	559	583	549	2,211
Impairments	—	2	2	3	7	—	—	—	2	2
Taxes other than income	104	140	137	103	484	95	43	113	112	363
General and administrative	73	68	79	88	308	82	71	72	72	297
Total costs and expenses	948	1,009	1,143	985	4,085	1,075	1,059	1,144	1,171	4,449
Income from operations	805	1,294	1,104	748	3,951	605	454	669	520	2,248
Net interest and other	(22)	(54)	(52)	(60)	(188)	(82)	(92)	(94)	(84)	(352)
Other net periodic benefit credits	4	5	5	2	16	3	3	5	4	15
Income before income taxes	787	1,245	1,057	690	3,779	526	365	580	440	1,911
Estimated income tax provision (benefit)										
Current	31	50	58	45	184	24	8	18	8	58
Deferred	(548)	229	182	120	(17)	85	70	109	35	299
Total provision (benefit) for income taxes	(517)	279	240	165	167	109	78	127	43	357
NET INCOME	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612	\$ 417	\$ 287	\$ 453	\$ 397	\$ 1,554
<i>Effective income tax rate</i>	(66)%	22 %	23 %	24 %	4 %	21 %	21 %	22 %	10 %	19 %
Per common share data:										
Basic:										
Weighted average shares (millions)	730	703	670	635	685	628	614	603	583	607
NET INCOME	\$ 1.79	\$ 1.37	\$ 1.22	\$ 0.83	\$ 5.27	\$ 0.66	\$ 0.47	\$ 0.75	\$ 0.68	\$ 2.56
Diluted:										
Weighted average shares (millions)	732	705	672	637	687	629	615	604	584	608
NET INCOME	\$ 1.78	\$ 1.37	\$ 1.22	\$ 0.82	\$ 5.26	\$ 0.66	\$ 0.47	\$ 0.75	\$ 0.68	\$ 2.56
Dividends paid per common share	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.32	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.11	\$ 0.41

Consolidated Balance Sheets
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2022	June 30 2022	Sept. 30 2022	Dec. 31 2022	Mar. 31 2023	June 30 2023	Sept. 30 2023	Dec. 31 2023
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 681	\$ 1,162	\$ 1,109	\$ 334	\$ 178	\$ 215	\$ 174	\$ 155
Receivables, net	1,443	1,512	1,358	1,146	1,215	1,294	1,434	1,152
Inventories	78	93	103	125	136	136	174	186
Other current assets	28	41	66	66	77	58	66	76
Total current assets	2,230	2,808	2,636	1,671	1,606	1,703	1,848	1,569
Equity method investments	522	528	568	577	657	430	421	433
Property, plant and equipment, net	14,422	14,357	14,245	17,377	17,463	17,524	17,411	17,213
Other noncurrent assets	807	593	409	315	286	262	239	360
Total assets	\$ 17,981	\$ 18,286	\$ 17,858	\$ 19,940	\$ 20,012	\$ 19,919	\$ 19,919	\$ 19,575
LIABILITIES								
Current liabilities:								
Accounts payable	\$ 1,299	\$ 1,523	\$ 1,480	\$ 1,279	\$ 1,480	\$ 1,537	\$ 1,582	\$ 1,364
Commercial paper	—	—	—	—	—	—	450	450
Payroll and benefits payable	42	50	76	90	41	50	67	70
Accrued taxes	169	143	168	171	176	102	128	126
Other current liabilities	405	388	305	364	318	305	279	312
Long-term debt due within one year	106	273	402	402	131	131	400	1,600
Total current liabilities	2,021	2,377	2,431	2,306	2,146	2,125	2,906	3,922
Long-term debt	3,908	3,709	3,579	5,521	5,723	5,724	4,876	3,378
Deferred tax liabilities	144	146	159	167	209	278	386	419
Defined benefit postretirement plan obligations	132	124	117	100	99	105	94	93
Asset retirement obligations	296	278	283	295	296	299	308	326
Deferred credits and other liabilities	114	120	102	154	151	144	123	232
Total liabilities	6,615	6,754	6,671	8,543	8,624	8,675	8,693	8,370
TOTAL STOCKHOLDERS' EQUITY	11,366	11,532	11,187	11,397	11,388	11,244	11,226	11,205
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 17,981	\$ 18,286	\$ 17,858	\$ 19,940	\$ 20,012	\$ 19,919	\$ 19,919	\$ 19,575
Common stock issued	937	937	937	937	937	937	937	937
Common stock held in treasury	220	248	294	304	315	331	347	360
Net shares outstanding at balance sheet date	717	689	643	633	622	606	590	577

Consolidated Statements of Cash Flows (YTD)

Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31 2022	June 30 2022	Sept. 30 2022	Dec. 31 2022	Mar. 31 2023	June 30 2023	Sept. 30 2023	Dec. 31 2023
OPERATING ACTIVITIES:								
Net income	\$ 1,304	\$ 2,270	\$ 3,087	\$ 3,612	\$ 417	\$ 704	\$ 1,157	\$ 1,554
Adjustments to reconcile to net cash provided by operating activities:								
Depreciation, depletion and amortization	423	859	1,319	1,753	520	1,079	1,662	2,211
Impairments	—	2	4	7	—	—	—	2
Exploratory dry well costs and unproved property impairments	8	14	85	101	14	24	41	53
Net (gain) loss on disposal of assets	—	1	(1)	38	(5)	(5)	(6)	(17)
Deferred income taxes	(548)	(319)	(137)	(17)	85	155	264	299
Unrealized (gain) loss on derivative instruments, net	114	71	4	(18)	(2)	2	8	(13)
Pension and other post retirement benefits, net	(9)	(16)	(28)	(35)	(7)	(11)	(27)	(33)
Stock-based compensation	9	18	28	38	10	21	32	43
Equity method investments, net	(79)	(85)	(130)	(139)	(80)	113	99	83
Changes in:								
Current receivables	(307)	(376)	(221)	9	(86)	(158)	(298)	(21)
Inventories	(2)	(16)	(27)	(45)	(12)	(11)	(51)	(64)
Current accounts payable and accrued liabilities	101	278	300	101	30	37	166	(10)
Other current assets and liabilities	(5)	(7)	(57)	(47)	(9)	10	(17)	(5)
All other operating, net	58	51	75	70	(10)	(19)	(23)	5
Net cash provided by operating activities	1,067	2,745	4,301	5,428	865	1,941	3,007	4,087
INVESTING ACTIVITIES:								
Capital expenditures	(348)	(723)	(1,136)	(1,480)	(601)	(1,224)	(1,673)	(2,033)
Change in capital accrual	16	36	19	30	69	58	14	(25)
Acquisitions, net of cash acquired	—	2	2	(3,177)	11	9	(15)	(12)
Disposal of assets, net of cash transferred to the buyer	2	4	8	11	(1)	(1)	(7)	3
Equity method investments - return of capital	7	7	12	12	—	34	57	61
All other investing, net	—	—	—	(1)	—	(1)	—	—
Net cash used in investing activities	(323)	(674)	(1,095)	(4,605)	(522)	(1,125)	(1,624)	(2,006)
FINANCING ACTIVITIES:								
Borrowings	—	—	—	1,500	—	200	200	200
Proceeds from revolving credit facility	—	—	—	450	175	980	1,018	1,248
Repayments of revolving credit facility	—	—	—	—	(175)	(980)	(1,468)	(1,698)
Proceeds from commercial paper borrowings, net	—	—	—	—	—	—	450	450
Debt repayments	—	(32)	(35)	(35)	(70)	(270)	(401)	(701)
Shares repurchased under buyback programs	(592)	(1,352)	(2,474)	(2,754)	(334)	(706)	(1,121)	(1,473)
Dividends paid	(52)	(108)	(162)	(220)	(63)	(125)	(186)	(251)
Withholding tax on stock-based incentive awards	(21)	(21)	(21)	(22)	(30)	(30)	(31)	(31)
All other financing, net	22	24	15	12	(2)	(4)	(4)	(4)
Net cash used in financing activities	(643)	(1,489)	(2,677)	(1,069)	(499)	(935)	(1,543)	(2,260)
Net increase (decrease) in cash and cash equivalents	101	582	529	(246)	(156)	(119)	(160)	(179)
Cash and cash equivalents at beginning of period	580	580	580	580	334	334	334	334
Cash and cash equivalents at end of period	\$ 681	\$ 1,162	\$ 1,109	\$ 334	\$ 178	\$ 215	\$ 174	\$ 155

Segment Income Summary
Marathon Oil Corporation

<i>(In millions)</i>	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Segment income										
United States	\$ 661	\$ 846	\$ 723	\$ 510	\$ 2,740	\$ 425	\$ 365	\$ 505	\$ 468	\$ 1,763
International	115	160	181	129	585	89	30	62	51	232
Segment income	776	1,006	904	639	3,325	514	395	567	519	1,995
Not allocated to segments - Corporate items:										
Net interest and other	4	(53)	(52)	(52)	(153)	(82)	(92)	(94)	(84)	(352)
Other net periodic benefit credits	4	5	5	4	18	4	3	5	4	16
General and administrative	(40)	(38)	(38)	(38)	(154)	(43)	(37)	(36)	(35)	(151)
Other income and costs	(6)	(4)	(5)	(7)	(22)	(1)	(1)	(1)	(3)	(6)
Income tax benefit	11	18	18	17	64	28	27	25	5	85
Not allocated to segments - Adjustments for special items:										
Net gain (loss) on disposal of assets	—	(1)	2	(39)	(38)	5	—	1	11	17
Proved property impairments	—	(2)	(2)	(3)	(7)	—	—	—	(2)	(2)
Exploratory dry well costs, unproved property impairments and other	—	—	(62)	(12)	(74)	(10)	(5)	(11)	(4)	(30)
Pension settlement	—	—	—	(2)	(2)	(1)	—	—	—	(1)
Unrealized gain (loss) on derivative instruments	(114)	43	67	22	18	2	(4)	(6)	21	13
Unrealized loss on interest rate swaps (a)	(26)	(1)	—	—	(27)	—	—	—	—	—
Acquisition transaction costs	—	—	—	(18)	(18)	(1)	—	(1)	—	(2)
Other	(27)	2	(23)	2	(46)	1	(1)	—	(37)	(37)
Provision (benefit) for income taxes related to special items	37	(9)	3	12	43	1	2	4	2	9
Valuation allowance	685	—	—	—	685	—	—	—	—	—
Total special items	\$ 555	\$ 32	\$ (15)	\$ (38)	\$ 534	\$ (3)	\$ (8)	\$ (13)	\$ (9)	\$ (33)
Not allocated to segments - Total	\$ 528	\$ (40)	\$ (87)	\$ (114)	\$ 287	\$ (97)	\$ (108)	\$ (114)	\$ (122)	\$ (441)
Net income	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612	\$ 417	\$ 287	\$ 453	\$ 397	\$ 1,554

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

United States Supplemental Financial Data
Marathon Oil Corporation

	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
<i>(In millions, except per BOE statistics)</i>										
Revenues from contracts with customers (a)	\$ 1,714	\$ 2,089	\$ 1,927	\$ 1,538	\$ 7,268	\$ 1,503	\$ 1,440	\$ 1,700	\$ 1,556	\$ 6,199
Net realized gain (loss) on commodity derivatives	(29)	(70)	(26)	(7)	(132)	13	7	7	2	29
Other income	4	2	4	9	19	11	1	—	9	21
Less Costs and Expenses:										
Production	141	150	173	161	625	178	191	173	211	753
Shipping, handling and other operating (b)	150	187	171	157	665	159	161	162	165	647
Exploration	11	8	11	6	36	5	6	8	8	27
DD&A	404	415	441	415	1,675	505	547	570	534	2,156
Taxes other than income	99	139	136	101	475	97	43	112	112	364
General and administrative	30	27	37	37	131	35	31	32	33	131
Income before taxes	854	1,095	936	663	3,548	548	469	650	504	2,171
Income tax provision	193	249	213	153	808	123	104	145	36	408
Segment income	\$ 661	\$ 846	\$ 723	\$ 510	\$ 2,740	\$ 425	\$ 365	\$ 505	\$ 468	\$ 1,763
<i>Effective tax rate</i>	<i>23 %</i>	<i>23 %</i>	<i>23 %</i>	<i>23 %</i>	<i>23 %</i>	<i>22 %</i>	<i>22 %</i>	<i>22 %</i>	<i>7 %</i>	<i>19 %</i>
Net sales volumes (mboed)	280	283	295	277	284	341	356	369	352	355
Costs and Expenses per BOE (c)										
Production	\$ 5.59	\$ 5.80	\$ 6.40	\$ 6.29	\$ 6.03	\$ 5.82	\$ 5.88	\$ 5.07	\$ 6.51	\$ 5.81
Shipping, handling and other operating (d)	5.77	5.45	5.58	5.60	5.60	4.92	4.93	4.75	4.98	4.89
Exploration	0.44	0.30	0.40	0.24	0.35	0.17	0.15	0.23	0.28	0.21
DD&A	16.02	16.11	16.20	16.29	16.16	16.46	16.88	16.74	16.52	16.66
Taxes other than income	3.93	5.39	4.98	3.98	4.58	3.15	1.31	3.33	3.43	2.81
General and administrative	1.18	1.07	1.36	1.43	1.26	1.13	0.97	0.94	1.01	1.01

(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

	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
<i>(In millions, except per BOE statistics)</i>										
Revenues from contracts with customers	\$ 47	\$ 79	\$ 81	\$ 65	\$ 272	\$ 64	\$ 44	\$ 71	\$ 29	\$ 208
Income from equity method investments	127	152	190	144	613	80	22	38	45	185
Other income	2	2	1	2	7	1	3	1	16	21
Less Costs and Expenses:										
Production	11	14	20	20	65	23	23	19	10	75
Shipping, handling and other operating	9	1	5	3	18	3	—	2	—	5
Exploration	—	—	—	—	—	—	—	1	1	2
DD&A	15	16	14	15	60	12	10	12	10	44
General and administrative	3	3	4	3	13	3	3	3	4	13
Income before taxes	138	199	229	170	736	104	33	73	65	275
Income tax provision	23	39	48	41	151	15	3	11	14	43
Segment income	\$ 115	\$ 160	\$ 181	\$ 129	\$ 585	\$ 89	\$ 30	\$ 62	\$ 51	\$ 232
<i>Effective tax rate</i>	<i>17 %</i>	<i>20 %</i>	<i>21 %</i>	<i>24 %</i>	<i>21 %</i>	<i>14 %</i>	<i>9 %</i>	<i>15 %</i>	<i>22 %</i>	<i>16 %</i>
Net sales volumes (mboed)	61	60	58	56	59	56	44	53	48	50
Costs and Expenses per BOE (a)										
Production	\$ 1.92	\$ 2.83	\$ 3.55	\$ 3.94	\$ 3.04	\$ 4.54	\$ 5.72	\$ 3.99	\$ 2.30	\$ 4.11
Shipping, handling and other operating	1.61	0.07	1.13	0.39	0.80	0.64	0.16	0.16	0.13	0.29
Exploration	—	—	—	—	—	—	0.04	0.20	0.14	0.09
DD&A	2.80	2.80	2.82	2.88	2.82	2.41	2.42	2.39	2.49	2.43
General and administrative	0.49	0.59	0.68	0.73	0.62	0.63	0.69	0.66	0.82	0.70
Equatorial Guinea										
Dividends	\$ 47	\$ 146	\$ 145	\$ 136	\$ 474	\$ —	\$ 215	\$ 24	\$ 29	\$ 268
Return of capital	7	—	5	—	12	—	34	23	4	61
Total cash distributions	\$ 54	\$ 146	\$ 150	\$ 136	\$ 486	\$ —	\$ 249	\$ 47	\$ 33	\$ 329
Income from equity method investments	\$ 127	\$ 152	\$ 190	\$ 144	\$ 613	\$ 80	\$ 22	\$ 38	\$ 45	\$ 185

(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 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Net income	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612	\$ 417	\$ 287	\$ 453	\$ 397	\$ 1,554
Adjustments for special items (pre-tax):										
Net (gain) loss on disposal of assets	—	1	(2)	39	38	(5)	—	(1)	(11)	(17)
Proved property impairments	—	2	2	3	7	—	—	—	2	2
Exploratory dry well costs, unproved property impairments and other	—	—	62	12	74	10	5	11	4	30
Pension settlement	—	—	—	2	2	1	—	—	—	1
Unrealized (gain) loss on derivative instruments	114	(43)	(67)	(22)	(18)	(2)	4	6	(21)	(13)
Unrealized loss on interest rate swaps	26	1	—	—	27	—	—	—	—	—
Acquisition transaction costs	—	—	—	18	18	1	—	1	—	2
Other	27	(2)	23	(2)	46	(1)	1	—	37	37
Provision (benefit) for income taxes related to special items	(37)	9	(3)	(12)	(43)	(1)	(2)	(4)	(2)	(9)
Valuation allowance	(685)	—	—	—	(685)	—	—	—	—	—
Adjustments for special items	(555)	(32)	15	38	(534)	3	8	13	9	33
Adjusted net income (a)	\$ 749	\$ 934	\$ 832	\$ 563	\$ 3,078	\$ 420	\$ 295	\$ 466	\$ 406	\$ 1,587

<i>(In millions, except per share data)</i>	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Per common share data:										
Diluted:										
Weighted average shares (millions)	732	705	672	637	687	629	615	604	584	608
Adjusted net income (a)	\$ 749	\$ 934	\$ 832	\$ 563	\$ 3,078	\$ 420	\$ 295	\$ 466	\$ 406	\$ 1,587
Adjusted net income per share (a)	\$ 1.02	\$ 1.32	\$ 1.24	\$ 0.88	\$ 4.48	\$ 0.67	\$ 0.48	\$ 0.77	\$ 0.69	\$ 2.61

(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 or losses on dispositions, impairments of proved and certain unproved properties, changes in our valuation allowance, unrealized derivative gain or 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 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Adjusted Net Income Per Diluted Share										
Net income	\$ 1.78	\$ 1.37	\$ 1.22	\$ 0.82	\$ 5.26	\$ 0.66	\$ 0.47	\$ 0.75	\$ 0.68	\$ 2.56
Adjustments for special items (pre-tax):										
Net (gain) loss on disposal of assets	—	—	—	0.06	0.06	(0.01)	—	—	(0.02)	(0.03)
Proved property impairments	—	—	—	—	0.01	—	—	—	—	—
Exploratory dry well costs, unproved property impairments and other	—	—	0.09	0.02	0.11	0.02	0.01	0.01	0.01	0.05
Unrealized (gain) loss on derivative instruments	0.16	(0.06)	(0.10)	(0.03)	(0.03)	—	—	0.01	(0.03)	(0.02)
Unrealized loss on interest rate swaps	0.04	—	—	—	0.04	—	—	—	—	—
Acquisition transaction costs	—	—	—	0.03	0.03	—	—	—	—	—
Other	0.03	—	0.03	—	0.06	—	—	—	0.05	0.05
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	(0.76)	(0.05)	0.02	0.06	(0.78)	0.01	0.01	0.02	0.01	0.05
Adjusted net income (a)	\$ 1.02	\$ 1.32	\$ 1.24	\$ 0.88	\$ 4.48	\$ 0.67	\$ 0.48	\$ 0.77	\$ 0.69	\$ 2.61

(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 or losses on dispositions, impairments of proved and certain unproved properties, changes in our valuation allowance, unrealized derivative gain or 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 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Adjusted Free Cash Flow (a)										
Net cash provided by operating activities	\$ 1,067	\$ 1,678	\$ 1,556	\$ 1,127	\$ 5,428	\$ 865	\$ 1,076	\$ 1,066	\$ 1,080	\$ 4,087
Adjustments:										
Changes in working capital	213	(92)	(116)	(23)	(18)	77	45	78	(100)	100
Capital expenditures	(348)	(375)	(413)	(344)	(1,480)	(601)	(623)	(449)	(360)	(2,033)
EG return of capital and other	8	2	4	3	17	(32)	33	23	4	28
Adjusted Free Cash Flow (a)	\$ 940	\$ 1,213	\$ 1,031	\$ 763	\$ 3,947	\$ 309	\$ 531	\$ 718	\$ 624	\$ 2,182

(a) Non-GAAP financial measure.

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, and EG return of capital and other financing. 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	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
Adjusted CFO (QTD)	2022	2022	2022	2022	2023	2023	2023	2023
Net cash provided by operating activities	\$ 1,067	\$ 1,678	\$ 1,556	\$ 1,127	\$ 865	\$ 1,076	\$ 1,066	\$ 1,080
Current receivables	(307)	(69)	155	230	(86)	(72)	(140)	277
Inventories	(2)	(14)	(11)	(18)	(12)	1	(40)	(13)
Current accounts payable and accrued expenses	101	177	22	(199)	30	7	129	(176)
Other current assets and liabilities	(5)	(2)	(50)	10	(9)	19	(27)	12
Changes in working capital	(213)	92	116	23	(77)	(45)	(78)	100
Adjusted CFO (a)	\$ 1,280	\$ 1,586	\$ 1,440	\$ 1,104	\$ 942	\$ 1,121	\$ 1,144	\$ 980

<i>(In millions)</i>	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Reinvestment rate (a)										
Adjusted CFO (a)	\$ 1,280	\$ 1,586	\$ 1,440	\$ 1,104	\$ 5,410	\$ 942	\$ 1,121	\$ 1,144	\$ 980	\$ 4,187
EG return of capital and other	8	2	4	3	17	(32)	33	23	4	28
Sources of cash	1,288	1,588	1,444	1,107	5,427	910	1,154	1,167	984	4,215
Capital expenditures	\$ 348	\$ 375	\$ 413	\$ 344	\$ 1,480	\$ 601	\$ 623	\$ 449	\$ 360	\$ 2,033
Reinvestment rate (a)	27 %	24 %	29 %	31 %	27 %	66 %	54 %	38 %	37 %	48 %

(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 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 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Net income	\$ 1,304	\$ 966	\$ 817	\$ 525	\$ 3,612	\$ 417	\$ 287	\$ 453	\$ 397	\$ 1,554
Adjustments to net income:										
DD&A	423	436	460	434	1,753	520	559	583	549	2,211
Tax	(517)	279	240	165	167	109	78	127	43	357
Exploration	11	8	73	18	110	15	11	20	13	59
Net interest and other	22	54	52	60	188	82	92	94	84	352
EBITDAX	1,243	1,743	1,642	1,202	5,830	1,143	1,027	1,277	1,086	4,533
EBITDAX special items adjustments:										
Net (gain) loss on disposal of assets	—	1	(2)	39	38	(5)	—	(1)	(11)	(17)
Proved property impairments	—	2	2	3	7	—	—	—	2	2
Pension settlement	—	—	—	2	2	1	—	—	—	1
Unrealized (gain) loss on derivative instruments	114	(43)	(67)	(22)	(18)	(2)	4	6	(21)	(13)
Acquisition transaction costs	—	—	—	10	10	1	—	1	—	2
Other	27	(4)	23	(3)	43	(1)	1	—	37	37
Adjustments for special items	141	(44)	(44)	29	82	(6)	5	6	7	12
Adjusted EBITDAX (a)	\$ 1,384	\$ 1,699	\$ 1,598	\$ 1,231	\$ 5,912	\$ 1,137	\$ 1,032	\$ 1,283	\$ 1,093	\$ 4,545

<i>(In millions)</i>	1st Qtr 2022	2nd Qtr 2022	3rd Qtr 2022	4th Qtr 2022	Year 2022	1st Qtr 2023	2nd Qtr 2023	3rd Qtr 2023	4th Qtr 2023	Year 2023
Equatorial Guinea EBITDAX										
International segment income	\$ 115	\$ 160	\$ 181	\$ 129	\$ 585	\$ 89	\$ 30	\$ 62	\$ 51	\$ 232
Adjustments:										
DD&A	25	24	23	23	95	22	15	22	19	78
Tax	35	54	59	52	200	26	8	20	21	75
Exploration	—	—	—	—	—	—	—	—	1	1
Net interest and other	—	1	—	(2)	(1)	—	—	(2)	3	1
E.G. EBITDAX (a)	\$ 175	\$ 239	\$ 263	\$ 202	\$ 879	\$ 137	\$ 53	\$ 102	\$ 95	\$ 387

(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 or losses on dispositions, impairments of proved and certain unproved properties, unrealized derivative gain or 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 International segment income (loss) excluding net interest expense and other, 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, International segment income (loss) as determined in accordance with U.S. GAAP.