



## First Quarter 2018

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We closed on the sale of our Canadian oil sands business in second quarter 2017. The Canadian oil sands business is reflected as discontinued operations in all historical periods presented.

**Additional information regarding Investor Relations,  
Financial Highlights, and News Releases can be  
reviewed on our website at: [www.marathonoil.com](http://www.marathonoil.com)**

May 2, 2018

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

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

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

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

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

<i>(Dollars in millions except per share data)</i>	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018
<b>REVENUES AND OTHER INCOME:</b>						
Revenues from contracts with customers (a)	\$ 873	\$ 902	\$ 1,136	\$ 1,336	\$ 4,247	\$ 1,537
Net gain (loss) on commodity derivatives (a)	81	56	(22)	(151)	(36)	(102)
Marketing revenues (a)	34	35	48	45	162	—
Income from equity method investments	69	51	63	73	256	37
Net gain (loss) on disposal of assets	1	6	19	32	58	257
Other income (a)	14	9	8	47	78	4
Total revenues and other income	\$ 1,072	\$ 1,059	\$ 1,252	\$ 1,382	\$ 4,765	\$ 1,733
<b>COSTS AND EXPENSES:</b>						
Production (b)	153	178	197	188	716	217
Marketing, including purchases from related parties (a)	34	38	49	47	168	—
Other operating (a)	89	111	109	122	431	130
Exploration	28	30	294	57	409	52
Depreciation, depletion and amortization	556	592	641	583	2,372	590
Impairments	4	—	201	24	229	8
Taxes other than income	39	45	44	55	183	64
General and administrative (b)	97	90	89	95	371	100
Total costs and expenses	1,000	1,084	1,624	1,171	4,879	1,161
<b>Income (loss) from operations</b>	72	(25)	(372)	211	(114)	572
Net interest and other	(78)	(86)	(35)	(71)	(270)	(45)
Loss on early extinguishment of debt	—	—	(46)	(5)	(51)	—
Other net periodic benefit costs (b)	(10)	(1)	(5)	(3)	(19)	(3)
<b>Income (loss) from continuing operations before income taxes</b>	(16)	(112)	(458)	132	(454)	524
Estimated income tax provision (benefit)						
Current	20	17	135	265	437	199
Deferred	14	24	6	(105)	(61)	(31)
Total provision (benefit) for income taxes	34	41	141	160	376	168
<b>Income (loss) from continuing operations</b>	(50)	(153)	(599)	(28)	(830)	356
<b>Income (loss) from discontinued operations (c)</b>	(4,907)	14	—	—	(4,893)	—
<b>NET INCOME (LOSS)</b>	<b>\$ (4,957)</b>	<b>\$ (139)</b>	<b>\$ (599)</b>	<b>\$ (28)</b>	<b>\$ (5,723)</b>	<b>\$ 356</b>
<i>Effective tax rate on continuing operations</i>	(213)%	(37)%	(31)%	121%	(83)%	32%
<b>Per common share data:</b>						
<b>Basic:</b>						
Weighted average shares (millions)	849	850	850	850	850	851
Income (loss) from continuing operations	\$ (0.06)	\$ (0.18)	\$ (0.70)	\$ (0.03)	\$ (0.97)	\$ 0.42
Income (loss) from discontinued operations (c)	\$ (5.78)	\$ 0.02	\$ —	\$ —	\$ (5.76)	\$ —
<b>NET INCOME (LOSS)</b>	<b>\$ (5.84)</b>	<b>\$ (0.16)</b>	<b>\$ (0.70)</b>	<b>\$ (0.03)</b>	<b>\$ (6.73)</b>	<b>\$ 0.42</b>
<b>Diluted:</b>						
Weighted average shares (millions)	849	850	850	850	850	852
Income (loss) from continuing operations	\$ (0.06)	\$ (0.18)	\$ (0.70)	\$ (0.03)	\$ (0.97)	\$ 0.42
Income (loss) from discontinued operations (c)	\$ (5.78)	\$ 0.02	\$ —	\$ —	\$ (5.76)	\$ —
<b>NET INCOME (LOSS)</b>	<b>\$ (5.84)</b>	<b>\$ (0.16)</b>	<b>\$ (0.70)</b>	<b>\$ (0.03)</b>	<b>\$ (6.73)</b>	<b>\$ 0.42</b>
<b>ADJUSTED INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>\$ (0.13)</b>	<b>\$ (0.24)</b>	<b>\$ (0.08)</b>	<b>\$ 0.07</b>	<b>\$ (0.38)</b>	<b>\$ 0.18</b>
<b>ADJUSTED NET INCOME (LOSS)</b>	<b>\$ (0.07)</b>	<b>\$ (0.17)</b>	<b>\$ (0.08)</b>	<b>\$ 0.07</b>	<b>\$ (0.25)</b>	<b>\$ 0.18</b>
<b>Dividends paid per common share</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.05</b>	<b>\$ 0.20</b>	<b>\$ 0.05</b>

(a) Current period 2018 reflects adoption of new revenue recognition standard. Historical periods are unadjusted; reclassifications have been made to net gain (loss) on commodity derivatives to conform historical presentation to current presentation of revenue.

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

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

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

<i>(In millions)</i>	Mar. 31 2017	June 30 2017	Sept. 30 2017	Dec.31 2017	Mar. 31 2018
<b>ASSETS</b>					
Current assets:					
Cash & cash equivalents	\$ 2,490	\$ 2,614	\$ 1,795	\$ 563	\$ 1,613
Receivables less allowance for doubtful accounts	751	767	945	1,082	1,100
Notes receivable	—	742	745	748	—
Inventories	145	140	132	126	110
Other current assets	134	160	62	36	66
Current assets held for sale (a)	223	1	11	11	13
Total current assets	3,743	4,424	3,690	2,566	2,902
Equity method investments	906	821	836	847	806
Property, plant and equipment, net	16,533	18,337	17,645	17,665	16,931
Goodwill	115	115	115	115	98
Other noncurrent assets	698	543	607	764	849
Noncurrent assets held for sale (a)	2,542	1	54	55	48
Total assets	\$ 24,537	\$ 24,241	\$ 22,947	\$ 22,012	\$ 21,634
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable, including related party	\$ 1,081	\$ 1,158	\$ 1,313	\$ 1,395	\$ 1,335
Payroll and benefits payable	70	92	99	108	85
Accrued taxes	81	78	162	177	128
Long-term debt due within one year	1,541	548	—	—	—
Other current liabilities	222	206	188	288	359
Current liabilities held for sale (a)	104	—	—	—	2
Total current liabilities	3,099	2,082	1,762	1,968	1,909
Long-term debt	5,723	6,715	6,488	5,494	5,495
Deferred income taxes	800	839	844	833	221
Defined benefit postretirement plan obligations	365	340	330	362	331
Asset retirement obligations	1,622	1,642	1,522	1,428	1,445
Deferred credits and other liabilities	221	211	217	217	197
Noncurrent liabilities held for sale (a)	123	7	9	2	2
Total liabilities	11,953	11,836	11,172	10,304	9,600
<b>TOTAL STOCKHOLDERS' EQUITY</b>	12,584	12,405	11,775	11,708	12,034
<b>Total liabilities and stockholders' equity</b>	\$ 24,537	\$ 24,241	\$ 22,947	\$ 22,012	\$ 21,634
Common stock issued	937	937	937	937	937
Common stock held in treasury	87	87	87	87	84
Net shares outstanding at balance sheet date	850	850	850	850	853
Cash adjusted debt-to-capital ratio	28%	27%	28%	30%	24%

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

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

**Marathon Oil Corporation**

<i>(In millions)</i>	<b>Mar. 31 2017</b>	<b>June 30 2017</b>	<b>Sept. 30 2017</b>	<b>Dec.31 2017</b>	<b>Mar.31 2018</b>
<b>OPERATING ACTIVITIES:</b>					
Net income (loss)	\$ (4,957)	\$ (5,096)	\$ (5,695)	\$ (5,723)	\$ 356
Adjustments to reconcile to net cash provided from operating activities:					
Discontinued operations (a)	4,907	4,893	4,893	4,893	—
Depreciation, depletion and amortization	556	1,148	1,789	2,372	590
Impairments	4	4	205	229	8
Exploratory dry well costs and unproved property impairments	20	45	294	323	42
Net (gain) loss on disposal of assets	(1)	(7)	(26)	(58)	(257)
Deferred income taxes	14	38	44	(61)	(31)
Net (gain) loss on derivative instruments	(77)	(140)	(162)	(11)	102
Net settlement of derivative instruments	(7)	3	88	98	(59)
Stock based compensation	14	26	38	50	14
Equity method investments, net	13	61	46	20	32
Changes in:					
Current receivables	(1)	(15)	(192)	(334)	(130)
Inventories	(10)	(5)	4	10	(9)
Current accounts payable and accrued liabilities	(1)	(41)	189	297	81
All other operating, net	27	9	(28)	(117)	(90)
<b>Net cash provided by operating activities from continuing operations</b>	<b>501</b>	<b>923</b>	<b>1,487</b>	<b>1,988</b>	<b>649</b>
<b>INVESTING ACTIVITIES:</b>					
Additions to property, plant and equipment	(283)	(775)	(1,305)	(1,974)	(662)
Acquisitions, net of cash acquired	—	(1,828)	(1,828)	(1,891)	(4)
Deposits for acquisition	(180)	—	—	—	—
Disposal of assets, net of cash transferred to buyer	—	1,726	1,757	1,787	1,180
Equity method investments - return of capital	12	49	49	64	9
All other investing, net	1	(5)	(26)	(30)	(74)
<b>Net cash used in investing activities from continuing operations</b>	<b>(450)</b>	<b>(833)</b>	<b>(1,353)</b>	<b>(2,044)</b>	<b>449</b>
<b>FINANCING ACTIVITIES:</b>					
Borrowings	—	—	988	988	—
Debt repayments	—	(1)	(1,764)	(2,764)	—
Debt extinguishment costs	—	—	(46)	(46)	—
Purchases of common stock	(7)	(10)	(10)	(11)	(9)
Dividends paid	(42)	(85)	(128)	(170)	(42)
All other financing, net	(1)	—	—	—	2
<b>Net cash provided by (used in) financing activities</b>	<b>(50)</b>	<b>(96)</b>	<b>(960)</b>	<b>(2,003)</b>	<b>(49)</b>
<b>CASH FLOW FROM DISCONTINUED OPERATIONS: (a)</b>					
Operating activities	95	141	141	141	—
Investing activities	(9)	(13)	(13)	(13)	—
Changes in cash included in current assets held for sale	(86)	2	2	2	—
<b>Net increase (decrease) in cash and cash equivalents from discontinued operations</b>	<b>—</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>—</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>1</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2</b>	<b>126</b>	<b>(693)</b>	<b>(1,925)</b>	<b>1,050</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,488</b>	<b>2,488</b>	<b>2,488</b>	<b>2,488</b>	<b>563</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 2,490</b>	<b>\$ 2,614</b>	<b>\$ 1,795</b>	<b>\$ 563</b>	<b>\$ 1,613</b>

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

**Net Property, Plant and Equipment**  
**Marathon Oil Corporation**

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

United States E&P Supplemental Financial Data  
Marathon Oil Corporation

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

(a) DD&A expense and DD&A costs per BOE are based upon volumes sold.

(b) Includes accruals.

(c) Other operating expenses includes shipping and handling.

**United States E&P Sales Volumes**  
**Marathon Oil Corporation**

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

(a) Conventional onshore U.S. production.



**United States E&P Price Realizations**  
**Marathon Oil Corporation**

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

(a) Conventional onshore U.S. production.

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

**International E&P Supplemental Financial Data**  
Marathon Oil Corporation

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

(a) DD&A expense and DD&A costs per BOE are based upon volumes sold.

(b) Includes accruals.

(c) Other operating expenses includes shipping and handling.

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

(e) See "Non-GAAP Reconciliations".

**International E&P Sales Volumes**  
**Marathon Oil Corporation**

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

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

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

(c) LNG, methanol, and condensate & LPG sales from Equatorial Guinea are conducted through equity method investees.

**International E&P Price Realizations**  
**Marathon Oil Corporation**

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

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

**Non-GAAP Reconciliations  
Marathon Oil Corporation**

<i>(Dollars in millions)</i>	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018
Net income (loss) from continuing operations	\$ (50)	\$ (153)	\$ (599)	\$ (28)	\$ (830)	\$ 356
Adjustments for special items (pre-tax):						
Net (gain) loss on dispositions	—	(6)	(19)	(32)	(57)	(257)
Proved property impairments	—	—	201	24	225	8
Exploratory dry well costs, unproved property impairments and other	—	—	250	—	250	—
Pension settlement	14	3	8	7	32	4
Unrealized (gain) loss on derivative instruments	(77)	(43)	56	145	81	43
Gain on termination of interest rate swaps	—	—	(47)	—	(47)	—
Loss on extinguishment of debt	—	—	46	5	51	—
Other	1	(3)	(4)	(53)	(59)	—
Provision (benefit) for income taxes related to special items from continuing operations	—	—	(1)	(12)	(13)	—
Valuation allowance	—	—	41	—	41	—
<b>Adjustments for special items from continuing operations</b>	<b>\$ (62)</b>	<b>\$ (49)</b>	<b>\$ 531</b>	<b>\$ 84</b>	<b>\$ 504</b>	<b>\$ (202)</b>
<b>Adjusted net income from continuing operations (a)</b>	<b>\$ (112)</b>	<b>\$ (202)</b>	<b>\$ (68)</b>	<b>\$ 56</b>	<b>\$ (326)</b>	<b>\$ 154</b>
<i>(Dollars in millions)</i>						
Net income (loss)	\$ (4,957)	\$ (139)	\$ (599)	\$ (28)	\$ (5,723)	\$ 356
Adjustments for special items from continuing operations (pre-tax):						
Net (gain) loss on dispositions	—	(6)	(19)	(32)	(57)	(257)
Proved property impairments	—	—	201	24	225	8
Exploratory dry well costs, unproved property impairments and other	—	—	250	—	250	—
Pension settlement	14	3	8	7	32	4
Unrealized (gain) loss on derivative instruments	(77)	(43)	56	145	81	43
Gain on termination of interest rate swaps	—	—	(47)	—	(47)	—
Loss on extinguishment of debt	—	—	46	5	51	—
Other	1	(3)	(4)	(53)	(59)	—
Provision (benefit) for income taxes related to special items from continuing operations	—	—	(1)	(12)	(13)	—
Valuation allowance	—	—	41	—	41	—
<b>Adjustments for special items from continuing operations</b>	<b>\$ (62)</b>	<b>\$ (49)</b>	<b>\$ 531</b>	<b>\$ 84</b>	<b>\$ 504</b>	<b>\$ (202)</b>
Adjustments for special items from discontinued operations (pre-tax):						
Canadian oil sands business impairment (b)	6,636	—	—	—	6,636	—
Net (gain) loss on disposition (b)	—	43	—	—	43	—
Provision (benefit) for income taxes related to special items from discontinued operations	(1,674)	—	—	—	(1,674)	—
<b>Adjusted net income (a)</b>	<b>\$ (57)</b>	<b>\$ (145)</b>	<b>\$ (68)</b>	<b>\$ 56</b>	<b>\$ (214)</b>	<b>\$ 154</b>

(a) Non-GAAP financial measure.

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

**Non-GAAP Reconciliations  
Marathon Oil Corporation**

<i>(Dollars in millions)</i> <b>Cash Flows (YTD)</b>	<b>Mar. 31 2017</b>	<b>June 30 2017</b>	<b>Sept. 30 2017</b>	<b>Dec. 31 2017</b>	<b>Mar. 31 2018</b>
Net cash provided by operating activities from continuing operations	\$ 501	\$ 923	\$ 1,487	\$ 1,988	\$ 649
Changes in:					
Current receivables	(1)	(15)	(192)	(334)	(130)
Inventories	(10)	(5)	4	10	(9)
Current accounts payable and accrued expenses	(1)	(41)	189	297	81
Total changes in working capital	(12)	(61)	1	(27)	(58)
U.K. Tax Payment	—	—	—	(108)	—
<b>Net cash provided by operating activities from continuing operations before changes in working capital and the U.K. tax payment (a)</b>	<b>\$ 513</b>	<b>\$ 984</b>	<b>\$ 1,486</b>	<b>\$ 2,123</b>	<b>\$ 707</b>

	<b>Mar. 31 2018</b>
<b>Cash and cash equivalents at end of period</b>	\$ 1,613
Less:	
Acquisitions, net of cash acquired	(4)
Disposal of assets, net of cash transferred to buyer	1,180
Resource Capture (REx CAPEX)	(94)
<b>Cash and cash equivalents at end of period before Acquisitions, and REx CAPEX (a)</b>	<b>\$ 531</b>

	<b>Mar. 31 2018</b>
<b>Resource Capture (REx CAPEX) during the period (YTD)</b>	
Cash Flow expenditures for Resource Capture (REx CAPEX)	
All other investing, net - REx expenditures not yet included in PPE additions	\$ 72
Additions to PPE - REx expenditures	14
Net income - REx exploration expenditures	8
<b>Total Resource Capture (REx CAPEX)</b>	<b>\$ 94</b>

(a) Non-GAAP financial measure.

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

<i>(Dollars in millions)</i>	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018
<b>Equatorial Guinea EBITDAX</b>						
EG - Income from equity method investments	\$ 69	\$ 51	\$ 63	\$ 73	\$ 256	\$ 37
EG - Net income excl. equity method investments	18	7	22	23	70	20
EG Total Net Income	87	58	85	96	326	57
All Other International E&P Segment Income	6	1	19	22	48	75
Total International E&P Segment Income	93	59	104	118	374	132
EG Total Net Income	87	58	85	96	326	57
+ Depreciation, Depletion and Amortization	54	54	59	46	213	46
+Tax	20	22	39	44	125	20
+Exploration	—	—	—	—	—	1
<b>EG Net Income before DD&amp;A, Tax, and Exploration (EBITDAX) (a)</b>	<b>\$ 161</b>	<b>\$ 134</b>	<b>\$ 183</b>	<b>\$ 186</b>	<b>\$ 664</b>	<b>\$ 124</b>

	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018
<b>Total Company provision (benefit) for income taxes from continuing operations</b>	\$ 34	\$ 41	\$ 141	\$ 160	\$ 376	\$ 168
- Segment provision (benefit) for income taxes	50	46	106	171	373	173
- Provision (benefit) for income taxes related to special items from continuing operations	—	—	(1)	(12)	(13)	—
- Valuation Allowance (special item)	—	—	41	—	41	—
<b>Provision (benefit) for income taxes not allocated to segments excluding impacts of special items (a)</b>	<b>\$ (16)</b>	<b>\$ (5)</b>	<b>\$ (5)</b>	<b>\$ 1</b>	<b>\$ (25)</b>	<b>\$ (5)</b>

	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017	1st Qtr 2018
<b>Consolidated effective tax expense (benefit) rate on continuing operations</b>	213 %	37 %	31 %	121 %	83 %	32 %
Adjustments to consolidated effective tax rate:						
Impact of Libyan operations (b)	(229)%	(30)%	(24)%	(129)%	(78)%	(30)%
Valuation Allowance	—%	—%	(7)%	—%	(5)%	—%
<b>Consolidated effective tax expense (benefit) rate on continuing operations rate excluding Libya and valuation allowance (a)</b>	<b>(16)%</b>	<b>7 %</b>	<b>—%</b>	<b>8 %</b>	<b>—%</b>	<b>2 %</b>

(a) Non-GAAP financial measure.

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

E&P			
Average NYMEX Prompt WTI Oil Prices			
(\$/barrel)	2016	2017	2018
JAN	31.78	52.61	63.66
FEB	30.62	53.46	62.18
MARCH	37.96	49.67	62.77
APR	41.13	51.12	
MAY	46.80	48.54	
JUNE	48.85	45.20	
JULY	44.80	46.68	
AUG	44.80	48.06	
SEPT	45.23	49.88	
OCT	49.94	51.60	
NOV	45.76	56.66	
DEC	52.17	57.95	
AVG	43.47	50.85	62.89

E&P			
Average NYMEX Settlement Natural Gas Prices			
(\$/mmbtu)	2016	2017	2018
JAN	2.37	3.93	2.74
FEB	2.19	3.39	3.63
MARCH	1.71	2.63	2.64
APR	1.90	3.18	
MAY	2.00	3.14	
JUNE	1.96	3.24	
JULY	2.92	3.07	
AUG	2.67	2.97	
SEPT	2.85	2.96	
OCT	2.95	2.97	
NOV	2.76	2.75	
DEC	3.23	3.07	
AVG	2.46	3.11	3.00

E&P			
Average Brent (Europe) Oil Prices			
(\$/barrel)	2016	2017	2018
JAN	30.70	54.58	69.08
FEB	32.18	54.87	65.32
MARCH	38.21	51.59	66.02
APR	41.58	52.31	
MAY	46.74	50.33	
JUNE	48.25	46.37	
JULY	44.95	48.48	
AUG	45.84	51.70	
SEPT	46.57	56.15	
OCT	49.52	57.51	
NOV	44.73	62.71	
DEC	53.32	64.37	
AVG	43.55	54.25	66.81

E&P			
Average Bloomberg <sup>(a)</sup> Mont Belvieu Natural Gas Liquids Prices			
(\$/barrel)	2016	2017	2018
JAN	12.81	23.08	27.36
FEB	13.30	25.42	26.03
MARCH	15.53	20.75	25.38
APR	16.23	21.71	
MAY	17.85	21.41	
JUNE	18.46	19.95	
JULY	16.95	21.61	
AUG	16.47	23.90	
SEPT	17.76	26.23	
OCT	20.87	27.13	
NOV	18.92	27.81	
DEC	23.09	26.59	
AVG	17.40	23.76	26.26

E&P			
Average Bloomberg <sup>(a)</sup> Conway Natural Gas Liquids Prices			
(\$/barrel)	2016	2017	2018
JAN	12.19	24.20	24.89
FEB	12.46	23.37	22.27
MARCH	13.84	18.95	21.56
APR	15.29	20.23	
MAY	16.89	19.88	
JUNE	17.45	18.61	
JULY	15.28	20.19	
AUG	15.00	22.52	
SEPT	16.42	24.01	
OCT	20.01	24.79	
NOV	18.24	25.51	
DEC	22.72	25.16	
AVG	16.35	22.24	22.93

E&P			
Average Bloomberg <sup>(b)</sup> LLS St. James			
(\$/barrel)	2016	2017	2018
JAN	32.83	54.03	67.79
FEB	32.47	55.14	64.46
MARCH	40.08	51.39	65.12
APR	42.59	53.15	
MAY	48.72	50.57	
JUNE	50.60	47.22	
JULY	46.42	48.99	
AUG	46.32	51.04	
SEPT	46.83	54.88	
OCT	51.36	57.44	
NOV	46.69	62.51	
DEC	53.53	63.27	
AVG	45.02	54.04	65.83

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

(b) Bloomberg Finance LLP: LLS St. James