



Fourth Quarter 2017

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We closed on the sale of our Canadian oil sands business in the second quarter of 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation of the Canadian oil sands business has not yet been audited; therefore, reported values are preliminary.

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

Segment Income Summary
Marathon Oil Corporation

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
United States E&P										
Income (loss) before taxes	\$ (307)	\$ (111)	\$ (89)	\$ (136)	\$ (643)	\$ (79)	\$ (107)	\$ (38)	\$ 77	\$ (147)
Income tax provision (benefit)	(112)	(41)	(30)	(45)	(228)	—	—	—	1	1
Segment income (loss)	(195)	(70)	(59)	(91)	(415)	(79)	(107)	(38)	76	(148)
<i>Effective tax rate</i>	36%	37%	34%	33%	35%	—%	—%	—%	1%	(1)%
International E&P										
Income (loss) before taxes	(8)	53	78	154	277	143	105	210	288	746
Income tax provision (benefit)	(12)	(2)	19	44	49	50	46	106	170	372
Segment income	4	55	59	110	228	93	59	104	118	374
<i>Effective tax rate</i>	150%	(4)%	24%	29%	18%	35%	44%	50%	59%	50%
SEGMENT TOTAL										
Income (loss) before taxes	(315)	(58)	(11)	18	(366)	64	(2)	172	365	599
Income tax provision (benefit)	(124)	(43)	(11)	(1)	(179)	50	46	106	171	373
Segment income (loss)	\$ (191)	\$ (15)	\$ —	\$ 19	\$ (187)	\$ 14	\$ (48)	\$ 66	\$ 194	\$ 226
Segment income (loss) before taxes	\$ (315)	\$ (58)	\$ (11)	\$ 18	\$ (366)	\$ 64	\$ (2)	\$ 172	\$ 365	\$ 599
Not allocated to segments - Corporate items										
Net interest and other	(79)	(88)	(89)	(80)	(336)	(78)	(89)	(82)	(71)	(320)
General and administrative	(65)	(63)	(61)	(52)	(241)	(55)	(51)	(51)	(59)	(216)
Other costs and income	(13)	(24)	(4)	(13)	(54)	(9)	(19)	(6)	(7)	(41)
Items not allocated to segments, before income taxes:										
Net gain (loss) on dispositions	(63)	296	38	108	379	—	6	19	32	57
Proved property impairments	—	—	(47)	—	(47)	—	—	(201)	(24)	(225)
Exploratory dry well costs, unproved property impairments and other	—	(118)	—	—	(118)	—	—	(250)	—	(250)
Pension settlement	(48)	(31)	(14)	(10)	(103)	(14)	(3)	(8)	(7)	(32)
Unrealized gain (loss) on derivative instruments	(23)	(91)	25	(21)	(110)	77	43	(56)	(145)	(81)
Gain on termination of interest rate swaps	—	—	—	—	—	—	—	47	—	47
Loss on extinguishment of debt	—	—	—	—	—	—	—	(46)	(5)	(51)
Reduction in workforce	(7)	(1)	—	—	(8)	—	—	—	—	—
Rig termination payment	—	—	(113)	—	(113)	—	—	—	—	—
Other	—	(14)	(37)	4	(47)	(1)	3	4	53	59
Income (loss) from continuing operations before income taxes	(613)	(192)	(313)	(46)	(1,164)	(16)	(112)	(458)	132	(454)
Benefit (provision) for income taxes before special items	202	69	54	32	357	(34)	(41)	(101)	(172)	(348)
Valuation Allowance	—	—	—	(1,346)	(1,346)	—	—	(41)	—	(41)
Benefit (provision) for income taxes related to special items from continuing operations	51	(15)	53	(23)	66	—	—	1	12	13
Benefit (provision) for income taxes	253	54	107	(1,337)	(923)	(34)	(41)	(141)	(160)	(376)
Income (loss) from continuing operations	(360)	(138)	(206)	(1,383)	(2,087)	(50)	(153)	(599)	(28)	(830)
Income (loss) from discontinued operations (a)	(47)	(32)	14	12	(53)	(4,907)	14	—	—	(4,893)
Net income (loss)	\$ (407)	\$ (170)	\$ (192)	\$ (1,371)	\$ (2,140)	\$ (4,957)	\$ (139)	\$ (599)	\$ (28)	\$ (5,723)

(a) The Company closed on its sale of the Canadian oil sands business in the second quarter of 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

Consolidated Statements of Income
Marathon Oil Corporation

	2016					2017				
	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
<i>(Dollars in millions except per share data)</i>										
REVENUES AND OTHER INCOME:										
Sales and other revenues, including related party	\$ 566	\$ 685	\$ 781	\$ 898	\$ 2,930	\$ 954	\$ 958	\$ 1,114	\$ 1,185	\$ 4,211
Marketing revenues	46	76	80	38	240	34	35	48	45	162
Income from equity method investments	14	37	59	65	175	69	51	63	73	256
Net gain (loss) on disposal of assets	(60)	294	47	108	389	1	6	19	32	58
Other income	4	11	23	15	53	14	9	8	47	78
Total revenues and other income	\$ 570	\$ 1,103	\$ 990	\$ 1,124	\$ 3,787	\$ 1,072	\$ 1,059	\$ 1,252	\$ 1,382	\$ 4,765
COSTS AND EXPENSES:										
Production	187	185	160	180	712	151	176	194	185	706
Marketing, including purchases from related parties	46	75	80	44	245	34	38	49	47	168
Other operating	103	87	183	111	484	89	111	109	122	431
Exploration	24	182	83	34	323	28	30	294	57	409
Depreciation, depletion and amortization	549	512	522	573	2,156	556	592	641	583	2,372
Impairments	1	—	47	19	67	4	—	201	24	229
Taxes other than income	43	35	35	38	151	39	45	44	55	183
General and administrative	151	131	104	95	481	109	93	97	101	400
Total costs and expenses	1,104	1,207	1,214	1,094	4,619	1,010	1,085	1,629	1,174	4,898
Income (loss) from operations	(534)	(104)	(224)	30	(832)	62	(26)	(377)	208	(133)
Net interest and other	(79)	(88)	(89)	(76)	(332)	(78)	(86)	(35)	(71)	(270)
Loss on early extinguishment of debt	—	—	—	—	—	—	—	(46)	(5)	(51)
Income (loss) from continuing operations before income taxes	(613)	(192)	(313)	(46)	(1,164)	(16)	(112)	(458)	132	(454)
Estimated income tax provision (benefit)										
Current	42	3	17	33	95	20	17	135	265	437
Deferred	(295)	(57)	(124)	1,304	828	14	24	6	(105)	(61)
Total provision (benefit) for income taxes	(253)	(54)	(107)	1,337	923	34	41	141	160	376
Income (loss) from continuing operations	(360)	(138)	(206)	(1,383)	(2,087)	(50)	(153)	(599)	(28)	(830)
Income (loss) from discontinued operations (a)	(47)	(32)	14	12	(53)	(4,907)	14	—	—	(4,893)
NET INCOME (LOSS)	(407)	(170)	(192)	(1,371)	(2,140)	(4,957)	(139)	(599)	(28)	(5,723)
Effective tax rate on continuing operations	41%	28%	34%	(2,907)%	(79)%	(213)%	(37)%	(31)%	121%	(83)%
Per common share data:										
Basic:										
Weighted average shares (millions)	730	848	847	847	819	849	850	850	850	850
Income (loss) from continuing operations	\$ (0.49)	\$ (0.16)	\$ (0.24)	\$ (1.63)	\$ (2.55)	\$ (0.06)	\$ (0.18)	\$ (0.70)	\$ (0.03)	\$ (0.97)
Income (loss) from discontinued operations (a)	\$ (0.07)	\$ (0.04)	\$ 0.01	\$ 0.01	\$ (0.06)	\$ (5.78)	\$ 0.02	\$ —	\$ —	\$ (5.76)
NET INCOME (LOSS)	\$ (0.56)	\$ (0.20)	\$ (0.23)	\$ (1.62)	\$ (2.61)	\$ (5.84)	\$ (0.16)	\$ (0.70)	\$ (0.03)	\$ (6.73)
Diluted:										
Weighted average shares (millions)	730	848	847	847	819	849	850	850	850	850
Income (loss) from continuing operations	\$ (0.49)	\$ (0.16)	\$ (0.24)	\$ (1.63)	\$ (2.55)	\$ (0.06)	\$ (0.18)	\$ (0.70)	\$ (0.03)	\$ (0.97)
Income (loss) from discontinued operations (a)	\$ (0.07)	\$ (0.04)	\$ 0.01	\$ 0.01	\$ (0.06)	\$ (5.78)	\$ 0.02	\$ —	\$ —	\$ (5.76)
NET INCOME (LOSS)	\$ (0.56)	\$ (0.20)	\$ (0.23)	\$ (1.62)	\$ (2.61)	\$ (5.84)	\$ (0.16)	\$ (0.70)	\$ (0.03)	\$ (6.73)
ADJUSTED INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ (0.37)	\$ (0.19)	\$ (0.13)	\$ (0.11)	\$ (0.78)	\$ (0.13)	\$ (0.24)	\$ (0.08)	\$ 0.07	\$ (0.38)
ADJUSTED NET INCOME (LOSS)	\$ (0.43)	\$ (0.23)	\$ (0.11)	\$ (0.10)	\$ (0.85)	\$ (0.07)	\$ (0.17)	\$ (0.08)	\$ 0.07	\$ (0.25)
Dividends paid per common share	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.20	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.20

(a) The Company closed on its sale of the Canadian oil sands business in the second quarter of 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

Consolidated Balance Sheets
Marathon Oil Corporation

<i>(In millions)</i>
ASSETS
Current assets:
Cash & cash equivalents
Receivables less allowance for doubtful accounts
Notes receivable
Inventories
Other current assets
Current assets held for sale (a)
Total current assets
Equity method investments
Property, plant and equipment, net
Goodwill
Other noncurrent assets
Noncurrent assets held for sale (a)
Total assets
LIABILITIES
Current liabilities:
Accounts payable, including related party
Payroll and benefits payable
Accrued taxes
Long-term debt due within one year
Other current liabilities
Current liabilities held for sale (a)
Total current liabilities
Long-term debt
Deferred income taxes
Defined benefit postretirement plan obligations
Asset retirement obligations
Deferred credits and other liabilities
Noncurrent liabilities held for sale (a)
Total liabilities
TOTAL STOCKHOLDERS' EQUITY
Total liabilities and stockholders' equity

Mar. 31	June 30	Sept. 30	Dec.31
2016	2016	2016	2016
\$ 1,978	\$ 2,518	\$ 1,788	\$ 2,488
694	706	687	748
—	—	—	—
205	174	131	136
106	63	74	66
285	293	362	227
3,268	3,754	3,042	3,665
959	944	931	931
17,589	16,555	16,933	16,727
115	115	115	115
1,666	1,818	1,841	558
9,271	9,341	9,448	9,098
\$ 32,868	\$ 32,527	\$ 32,310	\$ 31,094
\$ 986	\$ 852	\$ 878	\$ 967
79	114	121	129
149	82	66	94
1	1	1	686
206	221	245	243
105	112	97	121
1,526	1,382	1,408	2,240
7,272	7,272	7,269	6,581
695	719	721	769
446	409	400	345
1,521	1,503	1,512	1,602
261	289	269	225
1,796	1,800	1,809	1,791
13,517	13,374	13,388	13,553
19,351	19,153	18,922	17,541
\$ 32,868	\$ 32,527	\$ 32,310	\$ 31,094

Mar.31	June 30	Sept. 30	Dec. 31
2017	2017	2017	2017
\$ 2,490	\$ 2,614	\$ 1,795	\$ 563
751	767	945	1,082
—	742	745	748
145	140	132	126
134	160	62	36
223	1	11	11
3,743	4,424	3,690	2,566
906	821	836	847
16,533	18,337	17,645	17,665
115	115	115	115
698	543	607	764
2,542	1	54	55
\$ 24,537	\$ 24,241	\$ 22,947	\$ 22,012
\$ 1,081	\$ 1,158	\$ 1,313	\$ 1,395
70	92	99	108
81	78	162	177
1,541	548	—	—
222	206	188	288
104	—	—	—
3,099	2,082	1,762	1,968
5,723	6,715	6,488	5,494
800	839	844	833
365	340	330	362
1,622	1,642	1,522	1,428
221	211	217	217
123	7	9	2
11,953	11,836	11,172	10,304
12,584	12,405	11,775	11,708
\$ 24,537	\$ 24,241	\$ 22,947	\$ 22,012

Common stock issued
Common stock held in treasury
Net shares outstanding at balance sheet date
Cash adjusted debt-to-capital ratio

937	937	937	937
89	89	90	90
848	848	847	847
21%	20%	22%	21%

937	937	937	937
87	87	87	87
850	850	850	850
28%	27%	28%	30%

(a) The Company closed on its sale of the Canadian oil sands business in the second quarter of 2017. Assets and liabilities of our Canadian business are presented as held for sale in the historical consolidated balance sheets in all periods presented. The assets held for sale presentation has not yet been audited; therefore, reported values are preliminary.

Consolidated Statements of Cash Flows (YTD)
Marathon Oil Corporation

<i>(In millions)</i>	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
	2016	2016	2016	2016	2017	2017	2017	2017
OPERATING ACTIVITIES:								
Net income (loss)	\$ (407)	\$ (577)	\$ (769)	\$ (2,140)	\$ (4,957)	\$ (5,096)	\$ (5,695)	\$ (5,723)
Adjustments to reconcile to net cash provided from operating activities:								
Discontinued operations (a)	47	79	65	53	4,907	4,893	4,893	4,893
Depreciation, depletion and amortization	549	1,061	1,583	2,156	556	1,148	1,789	2,372
Impairments	1	1	48	67	4	4	205	229
Exploratory dry well costs and unproved property impairments	11	159	196	220	20	45	294	323
Net (gain) loss on disposal of assets	60	(234)	(281)	(389)	(1)	(7)	(26)	(58)
Deferred income taxes	(295)	(352)	(476)	828	14	38	44	(61)
Net (gain) loss on derivative instruments	2	90	48	63	(77)	(140)	(162)	(11)
Net cash received (paid) in settlement of derivative instruments	32	44	51	61	(7)	3	88	98
Stock based compensation	13	26	37	48	14	26	38	50
Equity method investments, net	30	22	26	17	13	61	46	20
Changes in:								
Current receivables	106	92	125	67	(1)	(15)	(192)	(334)
Inventories	4	25	69	64	(10)	(5)	4	10
Current accounts payable and accrued liabilities	(107)	(207)	(212)	(137)	(1)	(41)	189	297
All other operating, net	23	38	16	(77)	27	9	(28)	(117)
Net cash provided by operating activities from continuing operations	69	267	526	901	501	923	1,487	1,988
INVESTING ACTIVITIES:								
Additions to property, plant and equipment	(441)	(728)	(949)	(1,204)	(283)	(775)	(1,305)	(1,974)
Acquisitions, net of cash acquired	—	—	(902)	(902)	—	(1,828)	(1,828)	(1,891)
Deposits for acquisition	—	(89)	—	—	(180)	—	—	—
Disposal of assets, net of cash transferred to buyer	17	758	837	1,219	—	1,726	1,757	1,787
Equity method investments - return of capital	14	37	47	55	12	49	49	64
All other investing, net	2	2	2	(1)	1	(5)	(26)	(30)
Net cash used in investing activities from continuing operations	(408)	(20)	(965)	(833)	(450)	(833)	(1,353)	(2,044)
FINANCING ACTIVITIES:								
Borrowings	—	—	—	—	—	—	988	988
Debt repayments	—	—	(1)	(1)	—	(1)	(1,764)	(2,764)
Debt extinguishment costs	—	—	—	—	—	—	(46)	(46)
Common stock issuance	1,232	1,236	1,236	1,236	—	—	—	—
Purchases of common stock	—	(4)	(5)	(6)	(7)	(10)	(10)	(11)
Dividends paid	(34)	(77)	(119)	(162)	(42)	(85)	(128)	(170)
All other financing, net	—	—	—	1	(1)	—	—	—
Net cash provided by (used in) financing activities	1,198	1,155	1,111	1,068	(50)	(96)	(960)	(2,003)
CASH FLOW FROM DISCONTINUED OPERATIONS: (a)								
Operating activities	5	(11)	97	177	95	141	141	141
Investing activities	(13)	(25)	(34)	(41)	(9)	(13)	(13)	(13)
Changes in cash included in current assets held for sale	8	36	(63)	100	(86)	2	2	2
Net increase (decrease) in cash and cash equivalents from discontinued operations	—	—	—	236	—	130	130	130
Effect of exchange rate on cash and cash equivalents	—	(3)	(3)	(3)	1	2	3	4
Net increase (decrease) in cash and cash equivalents	859	1,399	669	1,369	2	126	(693)	(1,925)
Cash and cash equivalents at beginning of period	1,119	1,119	1,119	1,119	2,488	2,488	2,488	2,488
Cash and cash equivalents at end of period	\$ 1,978	\$ 2,518	\$ 1,788	\$ 2,488	\$ 2,490	\$ 2,614	\$ 1,795	\$ 563

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Net Property, Plant and Equipment
Marathon Oil Corporation

<i>(In millions)</i>	Dec. 31	Mar.31	June 30	Sept. 30	Dec. 31
	2016	2017	2017	2017	2017
United States E&P	\$ 14,158	\$ 14,025	\$ 15,888	\$ 15,783	\$ 15,867
International E&P	2,470	2,419	2,358	1,772	1,710
Corporate	99	89	91	90	88
Net property, plant and equipment	\$ 16,727	\$ 16,533	\$ 18,337	\$ 17,645	\$ 17,665

United States E&P Supplemental Financial Data
Marathon Oil Corporation

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
	2016	2016	2016	2016	2016	2017	2017	2017	2017	2017
<i>(Dollars in millions except per BOE statistics)</i>										
Sales and Other Operating Revenues	\$ 493	\$ 617	\$ 604	\$ 661	\$ 2,375	\$ 674	\$ 695	\$ 806	\$ 963	\$ 3,138
Segment Income (Loss)	(195)	(70)	(59)	(91)	(415)	(79)	(107)	(38)	76	(148)
DD&A (a)	487	433	443	472	1,835	472	495	531	513	2,011
Capital Expenditures (b)	315	153	216	252	936	349	575	541	616	2,081
Exploration Expense										
Exploratory dry well costs and unproved property impairments	11	28	30	29	98	20	25	35	29	109
G&G and Other	7	9	5	8	29	6	5	6	28	45
Total exploration expense	18	37	35	37	127	26	30	41	57	154
Costs and Expenses per BOE										
Production	\$ 6.17	\$ 6.28	\$ 5.70	\$ 5.66	\$ 5.96	\$ 5.79	\$ 5.86	\$ 5.38	\$ 5.33	\$ 5.57
Other operating (c)	5.38	4.80	4.29	6.25	5.18	5.75	6.19	4.84	5.43	5.53
Taxes other than income	1.95	1.69	1.75	1.94	1.83	2.07	1.63	1.96	2.35	2.01
Exploration	0.82	1.82	1.80	1.86	1.56	1.41	1.46	1.80	2.35	1.79
DD&A (a)	22.39	21.16	22.37	24.12	22.49	25.15	24.49	23.64	21.28	23.51
United States E&P income (loss) per BOE	\$ (8.97)	\$ (3.44)	\$ (2.97)	\$ (4.57)	\$ (5.07)	\$ (4.23)	\$ (5.28)	\$ (1.67)	\$ 3.16	\$ (1.72)

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

(b) Includes accruals.

(c) Includes Shipping and Handling, General and Administrative, and Other Operating expenses.

United States E&P Sales Volumes
Marathon Oil Corporation

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Net liquid hydrocarbon sales (mmbld)										
Crude oil and condensate										
Oklahoma	5	6	11	13	9	12	14	17	16	15
Eagle Ford	70	61	54	54	60	59	59	58	61	59
Bakken	47	44	44	41	44	39	39	49	58	46
Northern Delaware	—	—	—	—	—	—	2	6	8	4
All other United States (a)	25	24	13	13	18	8	11	9	7	9
Total crude oil and condensate	147	135	122	121	131	118	125	139	150	133
Natural gas liquids										
Oklahoma	7	8	11	11	9	13	12	14	18	14
Eagle Ford	25	23	22	20	22	20	20	22	23	21
Bakken	6	5	6	6	6	5	6	6	6	6
Northern Delaware	—	—	—	—	—	—	1	—	1	1
All other United States (a)	1	2	3	2	3	2	1	2	1	1
Total natural gas liquids	39	38	42	39	40	40	40	44	49	43
Total liquid hydrocarbons										
Oklahoma	12	14	22	24	18	25	26	31	34	29
Eagle Ford	95	84	76	74	82	79	79	80	84	80
Bakken	53	49	50	47	50	44	45	55	64	52
Northern Delaware	—	—	—	—	—	—	3	6	9	5
All other United States (a)	26	26	16	15	21	10	12	11	8	10
Total liquid hydrocarbons	186	173	164	160	171	158	165	183	199	176
Net natural gas sales (mmcf)										
Oklahoma	89	82	116	123	102	115	138	161	180	149
Eagle Ford	154	150	127	119	137	122	127	126	127	125
Bakken	25	24	25	26	25	21	25	26	26	25
Northern Delaware	—	—	—	—	—	—	7	15	14	9
All other United States (a)	47	54	47	47	50	46	44	41	29	40
Total natural gas	315	310	315	315	314	304	341	369	376	348
Total net sales (mboed)	239	224	216	212	223	208	222	244	262	234

(a) Conventional onshore U.S. production.

United States E&P Price Realizations
Marathon Oil Corporation

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Average price realizations (excluding hedging)										
Liquid hydrocarbon price realizations (\$ per bbl)										
Crude oil and condensate										
Oklahoma	\$ 29.74	\$ 41.55	\$ 42.04	\$ 46.30	\$ 41.78	\$ 49.07	\$ 45.42	\$ 46.39	\$ 53.90	\$ 48.79
Eagle Ford	28.65	41.21	41.67	45.96	38.76	48.18	45.75	47.56	57.82	49.93
Bakken	28.78	42.00	41.25	46.28	39.25	48.75	46.20	46.06	54.42	49.28
Northern Delaware	—	—	—	—	—	—	43.38	44.49	53.74	48.84
All other United States (a)	25.66	37.27	39.89	43.78	34.93	48.24	45.71	45.83	48.87	46.98
United States crude oil and condensate	28.21	40.77	41.35	45.89	38.57	48.46	45.81	46.65	55.46	49.35
Natural gas liquids										
Oklahoma	\$ 11.86	\$ 14.88	\$ 13.87	\$ 20.79	\$ 15.84	\$ 22.59	\$ 19.63	\$ 23.58	\$ 24.16	\$ 22.74
Eagle Ford	7.05	15.68	11.45	16.34	12.40	18.12	16.63	19.52	22.54	19.32
Bakken	3.47	7.73	10.63	11.97	8.56	15.35	15.16	17.89	24.09	18.38
Northern Delaware	—	—	—	—	—	—	17.54	30.23	26.79	24.04
All other United States (a)	23.47	23.64	22.50	24.56	23.51	21.52	23.78	24.94	30.06	24.61
United States natural gas liquids	8.12	14.84	12.44	17.31	13.15	19.33	17.61	20.86	23.60	20.55
Total liquid hydrocarbons										
Oklahoma	\$ 19.41	\$ 25.57	\$ 27.60	\$ 34.28	\$ 28.15	\$ 35.47	\$ 33.78	\$ 35.84	\$ 38.41	\$ 36.07
Eagle Ford	23.02	34.31	32.81	38.16	31.61	40.49	38.35	39.87	48.32	41.86
Bakken	26.00	38.38	37.33	41.96	35.65	44.79	42.22	43.09	51.38	45.83
Northern Delaware	—	—	—	—	—	—	37.58	44.00	50.35	46.08
All other United States (a)	25.51	36.27	37.91	41.69	33.96	43.81	42.72	43.23	46.26	43.82
United States liquid hydrocarbons	24.00	35.07	34.00	39.00	32.71	41.13	39.00	40.48	47.61	42.31
Realized gain (loss) on crude oil commodity derivatives per barrel of liquid hydrocarbon sold	\$ 1.64	\$ 0.12	\$ 1.55	\$ 0.32	\$ 0.92	\$ 0.34	\$ 1.07	\$ 2.42	\$ (0.76)	\$ 0.75
Natural gas price realizations (\$ per mcf)										
Oklahoma	2.03	1.92	2.74	2.90	2.47	3.16	3.07	2.69	2.54	2.82
Eagle Ford	1.98	2.02	2.72	2.91	2.37	2.85	3.06	2.83	2.82	2.89
Bakken	2.09	1.77	1.95	2.63	2.12	3.27	3.14	2.08	2.82	2.80
Northern Delaware	—	—	—	—	—	—	2.72	3.00	2.37	2.70
All other United States (a)	2.10	1.95	2.73	2.82	2.38	3.03	2.92	2.67	2.56	2.82
United States natural gas	2.02	1.96	2.67	2.87	2.38	3.02	3.05	2.71	2.65	2.84
United States average price realizations (\$ per boe)	\$ 21.39	\$ 29.70	\$ 29.58	\$ 33.61	\$ 28.39	\$ 35.54	\$ 33.70	\$ 34.38	\$ 40.01	\$ 36.06
Market prices										
NYMEX prompt WTI oil (\$/bbl)	\$ 33.63	\$ 45.64	\$ 44.94	\$ 49.29	\$ 43.47	\$ 51.78	\$ 48.15	\$ 48.20	\$ 55.30	\$ 50.85
NYMEX settlement natural gas (\$/mcf)	2.09	1.95	2.81	2.98	2.46	3.32	3.18	3.00	2.93	3.11
Bloomberg Mont Belvieu NGL (\$/bbl) (b)	13.95	17.52	17.04	20.96	17.40	22.93	20.99	23.91	27.18	23.76

(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

	2016					2017				
	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
<i>(Dollars in millions except per BOE statistics)</i>										
Sales and Other Operating Revenues	\$ 96	\$ 159	\$ 152	\$ 258	\$ 665	\$ 203	\$ 220	\$ 364	\$ 367	\$ 1,154
Segment Income	4	55	59	110	228	93	59	104	118	374
DD&A (a)	50	68	66	92	276	75	89	102	62	328
Capital Expenditures(b)	32	12	18	20	82	9	14	4	15	42
Exploration Expense										
Exploratory dry well costs and unproved property impairments	—	2	7	(6)	3	—	—	—	—	—
G&G & Other	6	2	3	3	14	2	—	3	—	5
Total exploration expense	6	4	10	(3)	17	2	—	3	—	5
Costs and Expenses per BOE, from Operations										
Production	\$ 6.08	\$ 5.09	\$ 4.05	\$ 5.23	\$ 5.05	\$ 3.72	\$ 4.68	\$ 4.82	\$ 3.98	\$ 4.33
Other operating (c)	1.79	2.08	1.58	1.59	1.75	1.87	1.74	2.63	1.93	2.08
Exploration	0.70	0.38	0.85	(0.23)	0.38	0.12	0.02	0.22	—	0.09
DD&A (a)	5.68	6.22	5.72	6.96	6.21	6.61	7.23	6.68	4.40	6.19
International E&P income per BOE	\$ 0.44	\$ 5.10	\$ 5.13	\$ 8.14	\$ 5.11	\$ 8.12	\$ 4.89	\$ 6.79	\$ 8.39	\$ 7.06
Equatorial Guinea										
EG Income before DD&A, Tax, and Exploration (d)	\$ 69	\$ 126	\$ 174	\$ 163	\$ 532	\$ 161	\$ 134	\$ 183	\$ 186	\$ 664

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

(b) Includes accruals.

(c) Includes Shipping and Handling, General and Administrative, and Other Operating expenses.

(d) See "Non-GAAP Reconciliations".

International E&P Sales Volumes
Marathon Oil Corporation

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Net liquid hydrocarbon sales (mmbld)										
Crude oil and condensate										
Equatorial Guinea	16	19	26	20	20	18	18	27	20	21
Libya	—	—	—	10	3	12	11	23	29	19
United Kingdom	7	14	6	22	12	6	13	15	5	10
Other International	—	—	—	—	—	1	1	3	4	2
Total crude oil and condensate	23	33	32	52	35	37	43	68	58	52
Natural gas liquids										
Equatorial Guinea	9	11	12	12	11	12	12	12	12	11
United Kingdom	—	—	—	—	—	1	—	1	1	1
Total natural gas liquids	9	11	12	12	11	13	12	13	13	12
Total liquid hydrocarbon										
Equatorial Guinea	25	30	38	32	31	29	30	39	32	32
Libya	—	—	—	10	3	12	11	23	29	19
United Kingdom	7	14	6	22	12	7	13	16	6	11
Other International	—	—	—	—	—	2	1	3	4	2
Total liquid hydrocarbon liftings	32	44	44	64	46	50	55	81	71	64
Net natural gas sales (mmcf)										
Equatorial Guinea	351	430	462	454	425	438	452	482	464	459
Libya	—	—	—	—	—	—	—	—	14	4
United Kingdom (a)	31	27	27	28	28	23	26	25	15	22
Total natural gas	382	457	489	482	453	461	478	507	493	485
Total international net sales (mboed)	96	120	126	145	122	126	135	165	153	145
Net sales volumes of Equity Method Investees (b)										
LNG (mtd)	4,322	5,797	6,620	6,743	5,874	6,147	6,243	6,943	6,353	6,423
Methanol (mtd)	1,280	1,303	1,529	1,316	1,358	1,307	1,182	1,366	1,637	1,374
Condensate & LPG (boed)	10,208	11,306	16,766	15,381	13,430	14,546	11,608	17,216	14,605	14,501

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

(b) 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 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Average price realizations										
Liquid hydrocarbon price realizations (\$ per bbl)										
Crude oil and condensate										
Equatorial Guinea	\$ 30.93	\$ 41.46	\$ 39.70	\$ 41.60	\$ 38.85	\$ 43.27	\$ 39.73	\$ 46.91	\$ 52.92	\$ 46.02
Libya	—	—	—	57.69	57.69	58.36	50.94	56.93	68.31	60.72
United Kingdom	30.72	43.25	49.82	45.18	43.21	56.51	54.15	51.72	61.94	54.51
Other International	—	—	—	—	—	44.70	40.64	40.67	48.89	44.73
International crude oil and condensate	30.95	42.21	41.45	46.14	41.70	50.41	47.04	51.23	61.32	53.05
Natural gas liquids										
Equatorial Guinea	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
United Kingdom	23.56	25.99	26.36	32.58	26.41	38.99	32.33	32.58	45.71	39.65
International natural gas liquids	2.20	2.65	1.93	1.72	2.11	3.86	1.77	2.25	4.66	3.15
Total liquid hydrocarbons										
Equatorial Guinea	\$ 20.43	\$ 27.28	\$ 27.44	\$ 26.60	\$ 25.78	\$ 26.52	\$ 24.30	\$ 32.78	\$ 33.56	\$ 29.62
Libya	—	—	—	57.69	57.69	58.36	50.94	56.93	68.31	60.72
United Kingdom	30.20	42.32	48.01	45.02	42.52	53.98	53.66	51.12	59.11	53.52
Other International	—	—	—	—	—	44.70	40.64	40.67	48.89	44.73
Total International liquid hydrocarbons	22.66	32.11	30.40	37.85	32.10	38.64	37.11	43.69	51.13	43.36
Natural gas price realizations (\$ per mcf)										
Equatorial Guinea	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
Libya	—	—	—	—	—	—	—	—	5.03	5.03
United Kingdom	4.61	5.06	4.19	5.39	4.80	6.33	6.27	5.71	7.20	6.28
International natural gas	0.60	0.53	0.46	0.53	0.52	0.55	0.57	0.51	0.59	0.55
International average price realizations (\$ per boe)	\$ 10.00	\$ 13.74	\$ 12.48	\$ 18.76	\$ 14.19	\$ 17.15	\$ 17.23	\$ 22.90	\$ 25.48	\$ 21.03
Market prices										
Brent (Europe) Oil (\$/bbl)	\$ 33.70	\$ 45.52	\$ 45.79	\$ 49.19	\$ 43.55	\$ 53.68	\$ 49.67	\$ 52.11	\$ 61.53	\$ 54.25

Discontinued Operations - Canadian Oil Sands Business
Marathon Oil Corporation

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Sales and Other Revenues (a)	\$ 160	\$ 199	\$ 239	\$ 265	\$ 863	\$ 258	\$ 173	\$ —	\$ —	\$ 431
Net gain (loss) on disposal of assets	—	—	—	—	—	—	(43)	—	—	(43)
Total revenues and other income (a)	160	199	239	265	863	258	130	—	—	388
Costs and Expenses (a)										
Production	141	165	135	160	601	151	103	—	—	254
Depreciation, depletion and amortization	60	49	72	58	239	39	1	—	—	40
Impairments	—	—	—	—	—	6,636	—	—	—	6,636
Other	29	31	9	25	94	13	12	—	—	25
Total Costs and Expenses	230	245	216	243	934	6,839	116	—	—	6,955
Pretax income (loss) from discontinued operations (a)	(70)	(46)	23	22	(71)	(6,581)	14	—	—	(6,567)
Provision (benefit) for income taxes (a)	(23)	(14)	9	10	(18)	(1,674)	—	—	—	(1,674)
Income (loss) from discontinued operations (a)	(47)	(32)	14	12	(53)	(4,907)	14	—	—	(4,893)
Net synthetic crude oil production (mbbl/d) (b)	49	40	58	47	48	45	29	—	—	18
Net synthetic crude oil sales (mbbl/d) (b)	59	49	65	62	59	60	39	—	—	24

(a) The Company closed on its sale of the Canadian oil sands business in the second quarter of 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

(b) The effective date of the above transaction is January 1, 2017.

**Non-GAAP Reconciliations
Marathon Oil Corporation**

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016
Net income (loss) from continuing operations	\$ (360)	\$ (138)	\$ (206)	\$ (1,383)	\$ (2,087)
Adjustments for special items (pre-tax):					
Net (gain) loss on dispositions	63	(296)	(38)	(108)	(379)
Proved property impairments	—	—	47	—	47
Exploratory dry well costs, unproved property impairments and other	—	118	—	—	118
Pension settlement	48	31	14	10	103
Unrealized (gain) loss on derivative instruments	23	91	(25)	21	110
Gain on termination of interest rate swaps	—	—	—	—	—
Loss on extinguishment of debt	—	—	—	—	—
Reduction in workforce	7	1	—	—	8
Rig termination payment	—	—	113	—	113
Other	—	14	37	(4)	47
Provision (benefit) for income taxes related to special items from continuing operations	(51)	15	(53)	23	(66)
Valuation allowance	—	—	—	1,346	1,346
Adjustments for special items from continuing operations	\$ 90	\$ (26)	\$ 95	\$ 1,288	\$ 1,447
Adjusted net income from continuing operations (a)	\$ (270)	\$ (164)	\$ (111)	\$ (95)	\$ (640)

<i>(Dollars in millions)</i>	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Net income (loss) from continuing operations	\$ (50)	\$ (153)	\$ (599)	\$ (28)	\$ (830)
Adjustments for special items (pre-tax):					
Net (gain) loss on dispositions	—	(6)	(19)	(32)	(57)
Proved property impairments	—	—	201	24	225
Exploratory dry well costs, unproved property impairments and other	—	—	250	—	250
Pension settlement	14	3	8	7	32
Unrealized (gain) loss on derivative instruments	(77)	(43)	56	145	81
Gain on termination of interest rate swaps	—	—	(47)	—	(47)
Loss on extinguishment of debt	—	—	46	5	51
Reduction in workforce	—	—	—	—	—
Rig termination payment	—	—	—	—	—
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
Adjustments for special items from continuing operations	\$ (62)	\$ (49)	\$ 531	\$ 84	\$ 504
Adjusted net income from continuing operations (a)	\$ (112)	\$ (202)	\$ (68)	\$ 56	\$ (326)

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016
Net income (loss)	\$ (407)	\$ (170)	\$ (192)	\$ (1,371)	\$ (2,140)
Adjustments for special items from continuing operations (pre-tax):					
Net (gain) loss on dispositions	63	(296)	(38)	(108)	(379)
Proved property impairments	—	—	47	—	47
Exploratory dry well costs, unproved property impairments and other	—	118	—	—	118
Pension settlement	48	31	14	10	103
Unrealized (gain) loss on derivative instruments	23	91	(25)	21	110
Gain on termination of interest rate swaps	—	—	—	—	—
Loss on extinguishment of debt	—	—	—	—	—
Reduction in workforce	7	1	—	—	8
Rig termination payment	—	—	113	—	113
Other	—	14	37	(4)	47
Provision (benefit) for income taxes related to special items from continuing operations	(51)	15	(53)	23	(66)
Valuation allowance	—	—	—	1,346	1,346
Adjustments for special items from continuing operations	\$ 90	\$ (26)	\$ 95	\$ 1,288	\$ 1,447
Adjustments for special items from discontinued operations (pre-tax):					
Canadian oil sands business impairment (b)	—	—	—	—	—
Net (gain) loss on disposition (b)	—	—	—	—	—
Provision (benefit) for income taxes related to special items from discontinued operations	—	—	—	—	—
Adjusted net income (a)	\$ (317)	\$ (196)	\$ (97)	\$ (83)	\$ (693)

<i>(Dollars in millions)</i>	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Net income (loss)	\$ (4,957)	\$ (139)	\$ (599)	\$ (28)	\$ (5,723)
Adjustments for special items (pre-tax):					
Net (gain) loss on dispositions	—	(6)	(19)	(32)	(57)
Proved property impairments	—	—	201	24	225
Exploratory dry well costs, unproved property impairments and other	—	—	250	—	250
Pension settlement	14	3	8	7	32
Unrealized (gain) loss on derivative instruments	(77)	(43)	56	145	81
Gain on termination of interest rate swaps	—	—	(47)	—	(47)
Loss on extinguishment of debt	—	—	46	5	51
Reduction in workforce	—	—	—	—	—
Rig termination payment	—	—	—	—	—
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
Adjustments for special items from continuing operations	\$ (62)	\$ (49)	\$ 531	\$ 84	\$ 504
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)
Adjusted net income (a)	\$ (57)	\$ (145)	\$ (68)	\$ 56	\$ (214)

(a) Non-GAAP financial measure.

(b) The Company closed on its sale of the Canadian oil sands business in the second quarter of 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(Dollars in millions)</i>	Mar. 31 2016	June 30 2016	Sept. 30 2016	Dec. 31 2016	Mar. 31 2017	June 30 2017	Sept. 30 2017	Dec. 31 2017
Cash Flows (YTD)								
Net cash provided by operating activities from continuing operations	\$ 69	\$ 267	\$ 526	\$ 901	\$ 501	\$ 923	\$ 1,487	\$ 1,988
Changes in:								
Current receivables	106	92	125	67	(1)	(15)	(192)	(334)
Inventories	4	25	69	64	(10)	(5)	4	10
Current accounts payable and accrued expenses	(107)	(207)	(212)	(137)	(1)	(41)	189	297
U.K. Tax Payment	—	—	—	—	—	—	—	(108)
Net cash provided by operating activities from continuing operations before changes in working capital and the U.K. tax payment (a)	\$ 66	\$ 357	\$ 544	\$ 907	\$ 513	\$ 984	\$ 1,486	\$ 2,123
Cash and cash equivalents at end of period	\$ 1,978	\$ 2,518	\$ 1,788	\$ 2,488	\$ 2,490	\$ 2,614	\$ 1,795	\$ 563
Less:								
Borrowings	—	—	—	—	—	—	988	988
Debt repayments	—	—	(1)	(1)	—	(1)	(1,764)	(2,764)
Debt extinguishment costs	—	—	—	—	—	—	(46)	(46)
Acquisitions, net of cash acquired	—	—	(902)	(902)	—	(1,828)	(1,828)	(1,891)
Deposits for acquisition	—	(89)	—	—	(180)	—	—	—
Disposal of assets, net of cash transferred to buyer (b)	17	758	837	1,219	—	1,726	1,757	1,787
Net increase (decrease) in cash and cash equivalents from discontinued operations (b)	—	—	—	236	—	130	130	130
U.K. Tax Payment	—	—	—	—	—	—	—	(108)
Cash and cash equivalents at end of period before Acquisitions, Dispositions, Borrowings, Debt Repayments, and the U.K. tax payment (a)	\$ 1,961	\$ 1,849	\$ 1,854	\$ 1,936	\$ 2,670	\$ 2,587	\$ 2,558	\$ 2,467
Adjusted G&A								
<i>(Dollars in millions)</i>								
Total Company G&A expenses	651	588	481	400				
Adjustments to G&A expenses								
Pension settlement	99	119	103	32				
Reduction in workforce	—	55	8	—				
Other	—	—	—	1				
Adjusted G&A expenses (a)	552	414	370	367				

(a) Non-GAAP financial measure.

(b) The Company closed on its sale of the Canadian oil sands business in the second quarter of 2017. The Canadian oil sands business is reflected as discontinued operations in all periods presented. The discontinued operations presentation has not yet been audited; therefore, reported values are preliminary.

Non-GAAP Reconciliations
Marathon Oil Corporation

<i>(Dollars in millions)</i>	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Equatorial Guinea EBITDAX										
EG - Income from equity method investments	\$ 14	\$ 37	\$ 59	\$ 65	\$ 175	\$ 69	\$ 51	\$ 63	\$ 73	\$ 256
EG - Net income excl. equity method investments	4	26	31	16	77	18	7	22	23	70
EG Total Net Income	18	63	90	81	252	87	58	85	96	326
All Other International E&P Segment Income	(14)	(8)	(31)	29	(24)	6	1	19	22	48
Total International E&P Segment Income	4	55	59	110	228	93	59	104	118	374
EG Total Net Income	18	63	90	81	252	87	58	85	96	326
+ Depreciation, Depletion and Amortization	44	49	60	59	212	54	54	59	46	213
+Tax	6	14	24	23	67	20	22	39	44	125
+Exploration	1	—	—	—	1	—	—	—	—	—
EG Net Income before DD&A, Tax, and Exploration (EBITDAX) (a)	\$ 69	\$ 126	\$ 174	\$ 163	\$ 532	\$ 161	\$ 134	\$ 183	\$ 186	\$ 664

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	Year 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	Year 2017
Total Company provision (benefit) for income taxes from continuing operations	\$ (253)	\$ (54)	\$ (107)	\$ 1,337	\$ 923	\$ 34	\$ 41	\$ 141	\$ 160	\$ 376
- Segment provision (benefit) for income taxes	(124)	(43)	(11)	(1)	(179)	50	46	106	171	373
- Provision (benefit) for income taxes related to special items from continuing operations	(51)	15	(53)	23	(66)	—	—	(1)	(12)	(13)
- Valuation Allowance (special item)	—	—	—	1,346	1,346	—	—	41	—	41
Provision (benefit) for Income Taxes not allocated to Segments excluding impacts of Special Items (a)	\$ (78)	\$ (26)	\$ (43)	\$ (31)	\$ (178)	\$ (16)	\$ (5)	\$ (5)	\$ 1	\$ (25)

	1st Qtr 2016	2nd Qtr 2016	3rd Qtr 2016	4th Qtr 2016	YTD 2016	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	4th Qtr 2017	YTD 2017
Consolidated effective tax expense (benefit) rate on continuing operations	(41)%	(28)%	(34)%	2,907 %	79 %	213 %	37 %	31 %	121 %	83 %
Adjustments to consolidated effective tax rate:										
Impact of Libyan operations	1 %	3 %	3 %	(1,444)%	—%	(229)%	(30)%	(24)%	(129)%	(78)%
Valuation Allowance	—%	—%	—%	(1,512)%	(115)%	—%	—%	(7)%	—%	(5)%
Consolidated effective tax expense (benefit) rate on continuing operations rate excluding Libya and Valuation Allowance (a)	(40)%	(25)%	(31)%	(49)%	(36)%	(16)%	7 %	— %	8 %	— %

(a) Non-GAAP financial measure.

Non-GAAP Performance Metrics
Marathon Oil Corporation

Components of CROIC and CFPDAS	2017
<i>(In millions, except for share price)</i>	
Net cash provided by operating activities from continuing operations	\$ 1,988
Changes in:	
Current receivables	(334)
Inventories	10
Current accounts payable and accrued expenses	297
Net cash provided by operating activities from continuing operations before changes in working capital	\$ 2,015
Interest expense	\$ 327
Interest Income	(34)
Capitalized Interest	(3)
Net interest (before-tax)	290
Tax on net interest	—
Net interest (after-tax)	\$ 290
Operating cash flow before working capital and net interest after tax	\$ 2,305
Stockholder's equity as of December 31, 2016	\$ 17,541
Stockholder's equity as of December 31, 2017	11,708
Average stockholder's equity for 2017	\$ 14,625
Long-term debt (including current portion) as of December 31, 2016	\$ 7,267
Less: Cash and cash equivalents as of December 31, 2016	(2,488)
Net debt as of December 31, 2016 (a)	\$ 4,779
Long-term debt (including current portion) as of December 31, 2017	\$ 5,494
Less: Cash and cash equivalents as of December 31, 2017	(563)
Net debt as of December 31, 2017 (b)	\$ 4,931
Average net debt for 2017: (c) = (a + b) / 2	\$ 4,855
Average MRO closing share price in 2017 (d)	\$ 14.27
Debt shares = (c) / (d)	340
Diluted weighted average shares	850
Total shares including debt shares	1,190

Definitions

CROIC - Cash return on invested capital; calculated by taking cash flow (operating cash flow before working capital + net interest after tax) divided by (average stockholder's equity + average net debt).

CFPDAS - Cash flow per debt adjusted share; calculated by taking cash flow (operating cash flow before working capital + net interest after tax) divided by total shares including debt shares. Debt shares is the average net debt during a calendar year divided by the average annual stock price.

Management cannot reliably predict certain of the necessary components of CROIC and CFPDAS for future years, such as net cash provided by operating activities, working capital, cash and cash equivalents, average share price. Accordingly, Marathon Oil is unable to present a quantitative reconciliation of any forward-looking non-GAAP performance metric to its most directly comparable forward-looking GAAP measure.

Non-GAAP Reserve Calculation
Marathon Oil Corporation

Estimated Net Proved Reserves from Continuing Operations (mmbob)	Year 2016	Year 2017
Beginning balance:	1,465	1,404
Additions (incl. improved recovery)	60	116
Revisions	55	49
Acquisitions	34	28
Dispositions	(84)	(10)
Production	(126)	(138)
Ending balance:	1,404	1,449
Changes in Reserves (excluding dispositions)	149	193
Production	126	138
Reserve Replacement Ratio (excluding dispositions)	118%	140%
Organic Changes in Reserves (excluding acquisitions, dispositions)	115	165
Production (excl. acquisitions)	124	136
Organic Reserve Replacement Ratio (excluding acquisitions, dispositions)	93%	121%

Costs Incurred from Continuing Operations (Dollars in millions; except per boe data)	Year 2016	Year 2017
Property Acquisition Costs - Proved	276	192
Property Acquisition Costs - Unproved	632	1,747
Exploration	539	923
Development	635	993
Costs Incurred from Continuing Operations	2,082	3,855
Finding and Development Costs	2,082	3,855
Changes in Reserves (excluding dispositions)	149	193
Finding and development costs per BOE	13.97	19.97
Finding and Development Costs	\$ 2,082	\$ 3,855
Property Acquisition Costs	(908)	(1,939)
Capitalized Asset Retirement Costs	(111)	197
Adjusted Finding and Development costs	\$ 1,063	\$ 2,113
Organic Changes in Reserves (excluding acquisitions, dispositions)	115	165
Adjusted Finding and development costs per BOE	\$ 9.24	\$ 12.81

E&P			
Average NYMEX			
Prompt WTI Oil Prices			
(\$/barrel)	2015	2016	2017
JAN	47.33	31.78	52.61
FEB	50.73	30.62	53.46
MARCH	47.85	37.96	49.67
APR	54.63	41.13	51.12
MAY	59.37	46.80	48.54
JUNE	59.83	48.85	45.20
JULY	50.93	44.80	46.68
AUG	42.89	44.80	48.06
SEPT	45.47	45.23	49.88
OCT	46.29	49.94	51.60
NOV	42.92	45.76	56.66
DEC	37.33	52.17	57.95
AVG	48.76	43.47	50.85

E&P			
Average NYMEX			
Settlement Natural Gas Prices			
(\$/mmbtu)	2015	2016	2017
JAN	3.19	2.37	3.93
FEB	2.87	2.19	3.39
MARCH	2.89	1.71	2.63
APR	2.59	1.90	3.18
MAY	2.52	2.00	3.14
JUNE	2.82	1.96	3.24
JULY	2.77	2.92	3.07
AUG	2.89	2.67	2.97
SEPT	2.64	2.85	2.96
OCT	2.56	2.95	2.97
NOV	2.03	2.76	2.75
DEC	2.21	3.23	3.07
AVG	2.66	2.46	3.11

E&P			
Average Brent (Europe)			
Oil Prices			
(\$/barrel)	2015	2016	2017
JAN	47.76	30.70	54.58
FEB	58.10	32.18	54.87
MARCH	55.89	38.21	51.59
APR	59.52	41.58	52.31
MAY	64.08	46.74	50.33
JUNE	61.48	48.25	46.37
JULY	56.56	44.95	48.48
AUG	46.52	45.84	51.70
SEPT	47.62	46.57	56.15
OCT	48.43	49.52	57.51
NOV	44.27	44.73	62.71
DEC	37.97	53.32	64.37
AVG	52.35	43.55	54.25

E&P			
Average Bloomberg ^(a)			
Mont Belvieu Natural Gas Liquids Prices			
(\$/barrel)	2015	2016	2017
JAN	17.29	12.81	23.08
FEB	19.20	13.30	25.42
MARCH	18.68	15.53	20.75
APR	18.83	16.23	21.71
MAY	17.90	17.85	21.41
JUNE	16.30	18.46	19.95
JULY	15.96	16.95	21.61
AUG	15.14	16.47	23.90
SEPT	16.47	17.76	26.23
OCT	16.89	20.87	27.13
NOV	16.35	18.92	27.81
DEC	14.61	23.09	26.59
AVG	16.94	17.40	23.76

E&P			
Average Bloomberg ^(a)			
Conway Natural Gas Liquids Prices			
(\$/barrel)	2015	2016	2017
JAN	16.93	12.19	24.20
FEB	18.60	12.46	23.37
MARCH	17.67	13.84	18.95
APR	17.20	15.29	20.23
MAY	16.12	16.89	19.88
JUNE	14.79	17.45	18.61
JULY	13.93	15.28	20.19
AUG	13.68	15.00	22.52
SEPT	15.50	16.42	24.01
OCT	15.82	20.01	24.79
NOV	15.10	18.24	25.51
DEC	13.57	22.72	25.16
AVG	15.70	16.35	22.24

E&P			
Average Bloomberg ^(b)			
LLS St. James			
(\$/barrel)	2015	2016	2017
JAN	48.82	32.83	54.03
FEB	55.30	32.47	55.14
MARCH	54.38	40.08	51.39
APR	60.70	42.59	53.15
MAY	64.96	48.72	50.57
JUNE	63.24	50.60	47.22
JULY	54.72	46.42	48.99
AUG	47.12	46.32	51.04
SEPT	48.62	46.83	54.88
OCT	47.33	51.36	57.44
NOV	44.39	46.69	62.51
DEC	38.90	53.53	63.27
AVG	52.33	45.02	54.04

(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