

EQUATORIAL GUINEA

BUILDING LONG-TERM VALUE AND SUSTAINABILITY

For nearly two decades, Marathon Oil has operated our world-class Punta Europa integrated gas business in Equatorial Guinea (EG), West Africa.

We've established the largest petroleum sector facility in the country, including a liquefied natural gas processing facility and one of the largest methanol production facilities in Africa.

Since first investing in EG in 2002, we've developed a largely national workforce, contributed to local economic sustainability, and helped develop human capacity focused on community health and education. Our long-term commitment to eradicating endemic malaria on Bioko Island has improved public health and the quality of life. We've accomplished all of this with a focus on being a responsible, safe and ethical operator.

Now, as the country's currently developed natural gas and associated liquids production declines, we're working with the government of Equatorial Guinea and our partners on the next phase of our business. Together, we're creating the Gas Mega Hub in the Gulf of Guinea region, with Punta Europa as the center of the hub. It will process and liquefy gas from proximate fields in Equatorial Guinea and neighboring countries, starting with delivering wet gas from the offshore Alen Field by pipeline to Punta Europa for processing and liquefaction.

We're also pursuing other resource opportunities for future phases of development. Our goal is to keep all Punta Europa facilities operating at maximum capacity for the foreseeable future and maintain the economic and social benefits the business brings to the country.

Developing Our National Workforce

Through recruiting, training, workforce integration, and educational and vocational programs, we seek to increase the percentage of national citizens in our workforce in Equatorial Guinea. We're also developing and promoting Equatoguineans into supervisory and leadership roles. With over 750 national citizens employed directly or indirectly at Marathon EG Production Limited (MEGPL), Equatoguineans grew to be 84% of the total MEGPL workforce in 2019. In addition, Equatorial Guinea LNG Holdings Limited (EG LNG) and Atlantic Methanol Production Company (AMPCO) employ another 450 national workers.

84%

Percentage of
Equatoguineans in
MEGPL workforce*

*Year end 2019

Over the past five years, more than 80 Equatoguinean students attending universities within and outside of the country have received on-the-job experience through our internship programs during their academic breaks. Our partnerships with government educational institutions like “12 de Octubre” Technical College and the National University of Equatorial Guinea (UNGE) demonstrate our ongoing commitment to building local capacity in the oil and gas sector. In addition, four Equatoguineans are currently seeking degrees at the University of Houston and Prairie View A&M University in Texas, USA, on MEGPL scholarships. Two out of the four scholarship students will graduate in 2020 from this long-term program.

Strengthening Local Supply Chain

We contribute to economic sustainability in Equatorial Guinea by increasing local supplier capabilities in our operations. Since 2013, MEGPL has spent approximately U.S. \$1 billion with Equatoguinean vendors that are 35% to 100% locally owned, and in 2019, 84% of our contract services and 22% (compared to 12% in 2010) of purchased materials were awarded to locally owned contractors. To increase local purchasing, we have organized engagement programs and training sessions for local suppliers, and developed market baskets of frequently purchased items to present for bid to suppliers.

Our local procurement staff shares information on upcoming contracts at regular meetings with local vendors and provides a procurement plan to the Ministry of Mines and Hydrocarbons National Content Director twice per year. The distribution of procurement plans is followed by an interactive session with service providers and suppliers to answer questions and provide additional information for items listed in the procurement plan. In the same sessions, participants receive refresher training on the Punta Europa procurement and tendering process. We continue to work with the EG National Alliance of Hydrocarbons Services Company (NAHSCO) in all presentations, seminars and workshops.

To help local businesses through the process, MEGPL, EG LNG and AMPCO continue to collaborate through the Punta Europa National Content Committee. The committee offers a simplified new vendor set-up process across the three companies, identifies and consistently engages local providers of materials and services, and hosts seminars to discuss commercial processes and underscore each company’s commitment to health and safety. It also presents strategies to increase participation of Equatoguinean supplier and service providers. In February 2020, the Punta Europa companies, for the first time, jointly presented the procurement plan in both Malabo and Bata.



84%

Percentage of contract services awarded to locally owned contractors

Keeping Our Workforce Safe

We achieve world-class safety performance and minimize environmental impact in Equatorial Guinea by investing in health, environment and safety (HES) activities. MEGPL, EG LNG and AMPCO had a combined Total Recordable Incident Rate (TRIR) of 0.17 in 2019, with over 5 million hours worked. MEGPL achieved a full year without an OSHA recordable event or a Lost Time Incident (LTI) and no spills to the environment.

Our safety improvement efforts in 2019 included more than 1,200 leadership safety engagements and more than 5,000 behavior-based safety observations. We conducted an awareness campaign to reduce the potential for dropped objects – the most common cause of incidents and injuries.

In addition, our Workforce HES Committee, which serves as the safety link between management and employees, sponsored a safety campaign to raise awareness of fire safety at home. The committee engaged with the community and demonstrated the proper use of fire extinguishers to more than 200 children and their families, as well as shared the importance of escape plans and preparedness.

In 2019, MEGPL and EG LNG assessed continuous improvement opportunities in the implementation of the Responsible Operations Management System (ROMS) to inform action plans for 2020.

Improving Public Health and Quality of Life

MEGPL's primary social investment in Equatorial Guinea is the [Bioko Island Malaria Elimination Project \(BIMEP\)](#), a 16-year, multi-system public health program. The BIMEP, including a vaccine initiative, is implemented by Medical Care Development International, an American nongovernmental organization (NGO), and funded through a public-private partnership of Marathon Oil, Noble Energy, AMPCO and the Government of Equatorial Guinea.

The BIMEP combats the endemic mosquito-borne disease with a series of integrated malaria control measures centered on:

- distribution of long-lasting insecticide nets (LLIN), targeted indoor residual spraying and larval source management;
- intermittent preventive therapy for pregnant women and malaria case management;
- epidemiological surveillance and vector monitoring; and advocacy.

In addition to these standard malaria control efforts, BIMEP has introduced a malaria vaccine component. All BIMEP malaria control interventions are provided free of charge to all residents on Bioko Island. Through the BIMEP, we are striving to improve lives in line with two



Impact on the Ground

[Video](#): Learn about the Bioko Island Malaria Elimination Project from the people it impacts most

United Nations Sustainable Development Goals (SDG):

- SDG3: Ensure healthy lives and promote well-being for all at all ages
- SDG9: Build resilient infrastructure, promote sustainable industrialization and foster innovation

The BIMEP, in collaboration with the EG Ministry of Health and Social Welfare, has invested more than U.S. \$148 million in this effort since 2004.

Of the investment in the BIMEP, U.S. \$93 million has been applied to build national capacity with a malaria intervention team. Over 300 Equatoguineans are employed as spray team operators, case management and study doctors, laboratory technicians, entomology technicians, geographical information system technicians and community outreach workers dedicated to malaria education and behavioral change nationwide.

All economic sectors, the health sector and all socio-economic levels of Equatoguinean society, especially people with the least means, have realized positive impacts from the BIMEP. The project's major accomplishments in the fight against malaria include:

- 63% reduction in the malaria parasite prevalence (from 45% in 2004 to 16.6% in 2019)
- In excess of 63% reduction of all-cause mortality among children under 5 years old (largely attributed to malaria interventions)
- 97% reduction in severe anemia under 5 years old (from 15% in 2004 to 0.5% in 2019)
- 97% reduction in the rate of transmission of the parasite by the vectors (from more than 1,000 infected bites per person per year in 2004 to fewer than 26 potentially infected bites per person per year in 2019)
- Elimination of one of the three main malaria vector species (*An. funestus*)
- 77% reduction in anemia and 68% reduction in parasite prevalence in pregnant women
- Improved access to diagnostic services and malaria treatments
- Continued providing LLINs and intermittent preventive treatment to pregnant women visiting prenatal care facilities

63%

Reduction in child* mortality since 2004

*Among children under age 5

97%

Drop in malaria transmission*

*Transmission of the parasite by the vectors



BIMEP was the first project to win both the P3 Impact Award and the Audience Choice Award

In addition, the BIMEP won the overall [2019 P3 Impact Award and the Audience Choice Award](#) for being a leading cross-sector collaboration that features public, private, nonprofit or non-governmental organizations addressing societal challenges. BIMEP was the first project to win both the P3 Impact Award and the Audience Choice Award. The awards – presented by Concordia, the University of Virginia Darden School Institute for Business in Society and the U.S. Department of State’s Office of Global Partnerships – recognize a keystone of our commitment to our business in Equatorial Guinea.

These outcomes opened the door to fund development of a candidate vaccine that protects recipients from malaria infection. Marathon Oil and our BIMEP partners have invested U.S. \$51.7 million for the trials of a highly promising vaccine product to block malaria transmission in humans and mosquitos. Trials of the PfSPZ Vaccine® developed by the U.S. biotechnology company Sanaria, Inc., are underway.

The positive effects of the vaccine initiative continue to ripple through Equatorial Guinea. Over 100 Equatoguinean doctors, nurses, lab technicians, pharmacists and other support staff have been trained to run the vaccine trials. Infrastructure created by the BIMEP enables the Government of Equatorial Guinea to participate in the international medical science research arena. Equatorial Guinea established its first internationally recognized national ethics review committee, and instituted a food and drug regulatory office within the Equatoguinean Ministry of Health and Social Welfare.

In February 2019, the Ministry opened a reference laboratory in Baney, where the BIMEP research team trains and supports Equatoguinean laboratory and clinical professionals to carry out diagnostics and biological analytics at an international level. In the future, the lab will seek to become a World Health Organization (WHO) certified reference lab with the goal of serving Equatorial Guinea and the Central African

Economic and Monetary Community (CEMAC) region. The vaccine initiative embarked on the following key activities during 2019:

- Completion and unblinding of the EGSPZV3 vaccine trial seeking to collect data on safety, tolerability, immunogenicity and protection that indicate the best regimen(s) for further development of the vaccine.
- Completion of the Equatorial Guinea Malaria Epidemiology (EGMALEP) incidence study meant to establish a baseline malaria epidemiology in preparation for the Phase III EGSPZV4 vaccine trial on the island. The aim was to collect data on malaria incidence to be able to determine the sample sizes required for the Phase III trial.
- Recruitment and training of new staff for the EGRESPAR and EGSPZV4 studies. As part of the Phase III EGSPZV4 vaccine trial, a pilot study entitled “Study to optimize the procedures of recruitment and evaluation of participants for future clinical trials and create a registry of possible participants of research studies in the Island of Bioko, Equatorial Guinea” (EGRESPAR) began in the third quarter. A total of 36 new employees, including doctors, nurses, mobilizers, registrars and facilitators were recruited and given intensive trainings on the studies’ standard operating procedures/protocols, Good Clinical Practice (GCP) and Good Laboratory Practice (GLP).



In 2020, the BIMEP vaccine lab in Baney was endorsed by the World Health Organization to test and diagnose COVID-19 on behalf of the EG Ministry of Health. The MEGPL CSR team led the development of the lab as part of our capacity building efforts in EG.

Capacity Building for Health and Education

We invest in human capacity building focused on health and education in Equatorial Guinea. In 2018, MEGPL provided U.S. \$780,000 to fund a pediatric nurse training program in collaboration with the Foundation for Nursing Development, the EG Ministry of Health and Social Welfare and the National University of Equatorial Guinea (UNGE). The two-year program is training 55 nurses in the most up-to-date methods and skills required to practice pediatric nursing in a low-tech environment. The first academic year of the training program was completed with very good performance: 51 of the 55 trainees passed all required tests and were promoted to the second year of the training program. The

group is projected to graduate in July 2020. We decided to make this investment based on the success of our first experience with the program, which graduated 60 nurse midwives who went on to work with pre- and post-natal mothers and newborns in every health district in Equatorial Guinea. Evaluations of the first class of graduates have shown increased use of district health centers for prenatal and neonatal care.

In addition, we support smaller projects that benefit the community, such as the Books for Bioko program. Since 2004, Marathon Oil employees worldwide have raised over U.S. \$1 million for much-needed supplies for more than 6,000 students in nine Malabo schools.

A Clear Vision for Equatoguinean Youth

We're committed to helping Equatoguinean youth improve their academic and social opportunities. To ensure youth with eyesight issues get proper care and medical attention, MEGPL started the Ver Bien EG Project in 2017. Our corporate social responsibility staff is trained to screen children for eyesight issues in certain private and public primary schools on Bioko Island. After screening over 3,000 youth and delivering over 250 prescription eyeglasses, MEGPL decided it was time to expand Ver Bien nationally. To acquire additional resources needed to improve project coverage and impact, we began establishing partnerships with important organizations in the country interested in Ver Bien's goal.

In 2019, through collaboration with ONCIGE and Doctor Cruz Clinic, the MEGPL CSR team ran this year-round, school-based intervention of vision services for children attending primary and secondary schools on Bioko Island and Bata. The program provided early detection of visual impairment by diagnosing visual deficiencies through vision screening and clinical examination, as well as treatment with corrective eyeglasses. The project screened over 6,000 children for vision issues, provided over 600 clinical eye examinations and donated 450 prescription eyeglasses to youth in 2019. MEGPL will invest U.S. \$150,000 in 2020 to continue expanding Ver Bien's services and impact focusing on Bioko Island and Bata, where we expect to serve nearly 50% of the entire country's school age population.

\$1M

**Funds raised since
2004 for more than
6,000 students in EG**



The Future is Bright

[Video](#): Learn how we're helping children with eyesight issues get proper care and medical attention

Respecting Human Rights

We adhere to well-established and effective security and human rights policies, and have had no known security-related incidents resulting in a human rights violation in our operations since acquiring the asset. We employ a proprietary guard force to protect our onshore facilities and engage with the Navy of Equatorial Guinea to protect offshore facilities. In 2019, we worked with the Government of Equatorial Guinea and the U.S. Coast Guard to review the International Ship and Port Facility Security to enhance safety and security at the country's ports.

Supporting Transparency

Marathon Oil supports transparent reporting of revenue flows from oil and gas production as a means to strengthen governance and manage risk. In late 2019, Equatorial Guinea submitted its candidacy application to the International Secretariat of the Extractive Industries Transparency Initiative (EITI). The EITI Board welcomed the application to implement the EITI and progress made, tasking the International Secretariat with providing the necessary support going forward.

Marathon Oil's operations in Equatorial Guinea continue to demonstrate how an oil and gas company can run a safe and responsible enterprise, promote strong governance and build long-term shareholder value.