



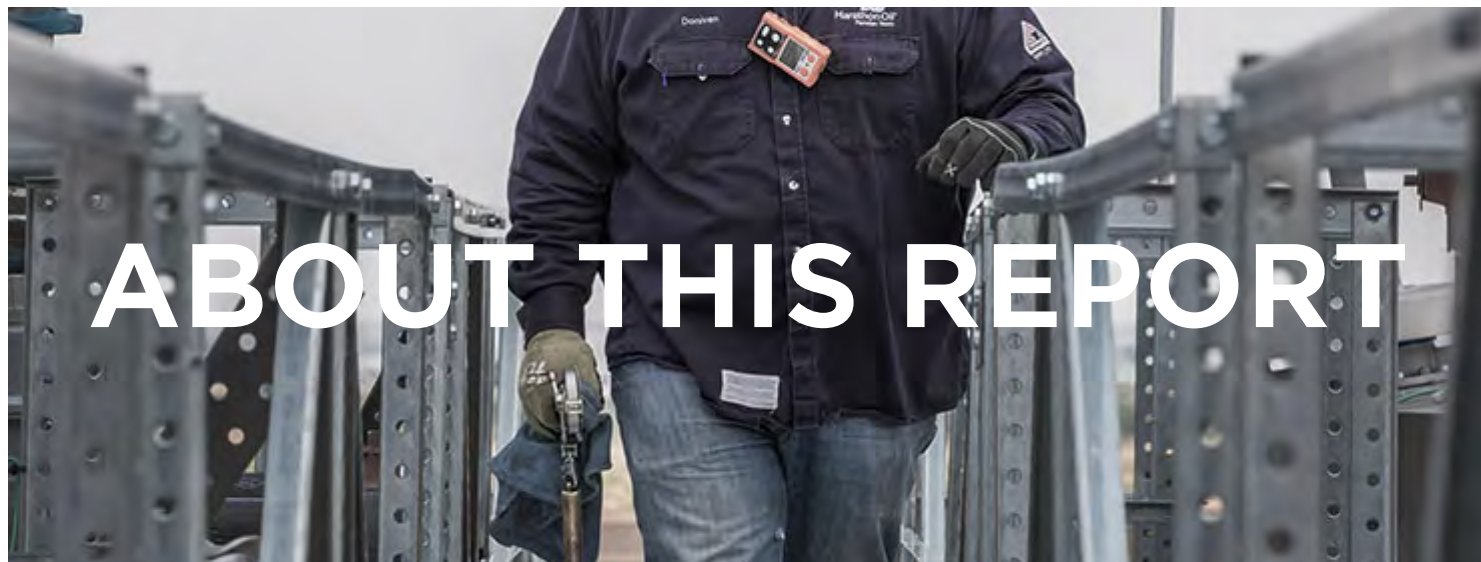
RESPONSIBLE, SAFE AND ETHICAL

Our Obligation to Stakeholders



2017 Corporate Sustainability Report

Marathon Oil Corporation's Corporate Sustainability Report is issued in a digital-only format. This allows stakeholders to assemble and print specific sections into a customized report that meets their individual information needs. As a result of this customization, PDFs that are created will not include a table of contents or page numbers. For the complete version of Marathon Oil's 2017 Sustainability Report, please visit: <https://www.marathonoil.com/lov2017/>



The Marathon Oil Corporation *2017 Living Our Values Corporate Sustainability Report* presents our policies and programs to further the economic, social and environmental sustainability of our business and the communities where we live and work.

In addition to highlighting our sustainability priorities, this report shares examples of how we drive progress and create business value by “Living Our Values” to collaborate, take ownership, be bold and deliver results.

All information and performance data relate to our operations, unless otherwise stated. We include some information on certain non-operated assets, such as Equatorial Guinea LNG Holdings Limited (EG LNG) that is material to our sustainability reporting.

We select performance indicators related to governance, society, the workplace and the environment using the [Oil & Gas Industry Guidance on Voluntary Sustainability Reporting](#). This joint publication of IPIECA, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (IOGP) provides a reporting framework for the petroleum industry. The [Global Reporting Initiative](#) (GRI) Sustainability Reporting Guidelines also inform our approach. To provide relevant and meaningful information about our operations and nonfinancial performance, we provide quantitative and qualitative metrics.

This report was reviewed by Marathon Oil subject-matter experts, legal and accounting staff, executives and the board of directors. The financial and operational highlights were excerpted from the [2017 Annual Report on Form 10-K](#). No third party or external assurance agency evaluated this report.

MATERIALITY DETERMINATION

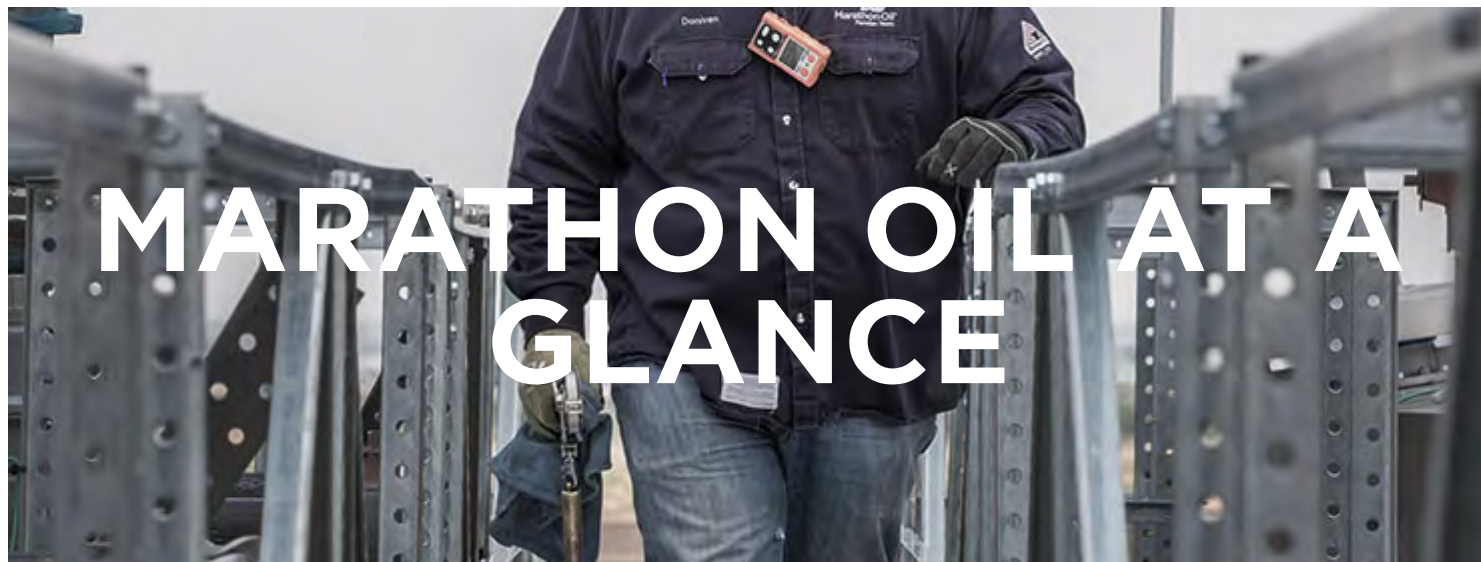
To identify risks and opportunities to include in this report, Marathon Oil considered internal and external perspectives on new and emerging issues, regulations, standards and practices, and a gap analysis performed by a third party. Materiality was determined based on a review of risks identified during our [Enterprise Risk Assessment](#) process and in discussions with Marathon Oil managers and subject-matter experts; socially responsible investors (SRI) and other investors; business partners, industry associations and nongovernmental organizations; and nonprofit and community partners. Additional information that informed our materiality determination came from investment reports, media coverage and a review of peer company reports to benchmark reporting practices.

INQUIRIES OR COMMENTS

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Sustainability Report Manager
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Houston, TX 77056-2723 USA

Email: CSRReport@marathonoil.com

Web: www.marathonoil.com



Marathon Oil Corporation (NYSE:MRO) is an independent global energy company operating in the United States (U.S.), Europe and Africa, with emphasis on U.S. unconventional resource plays.

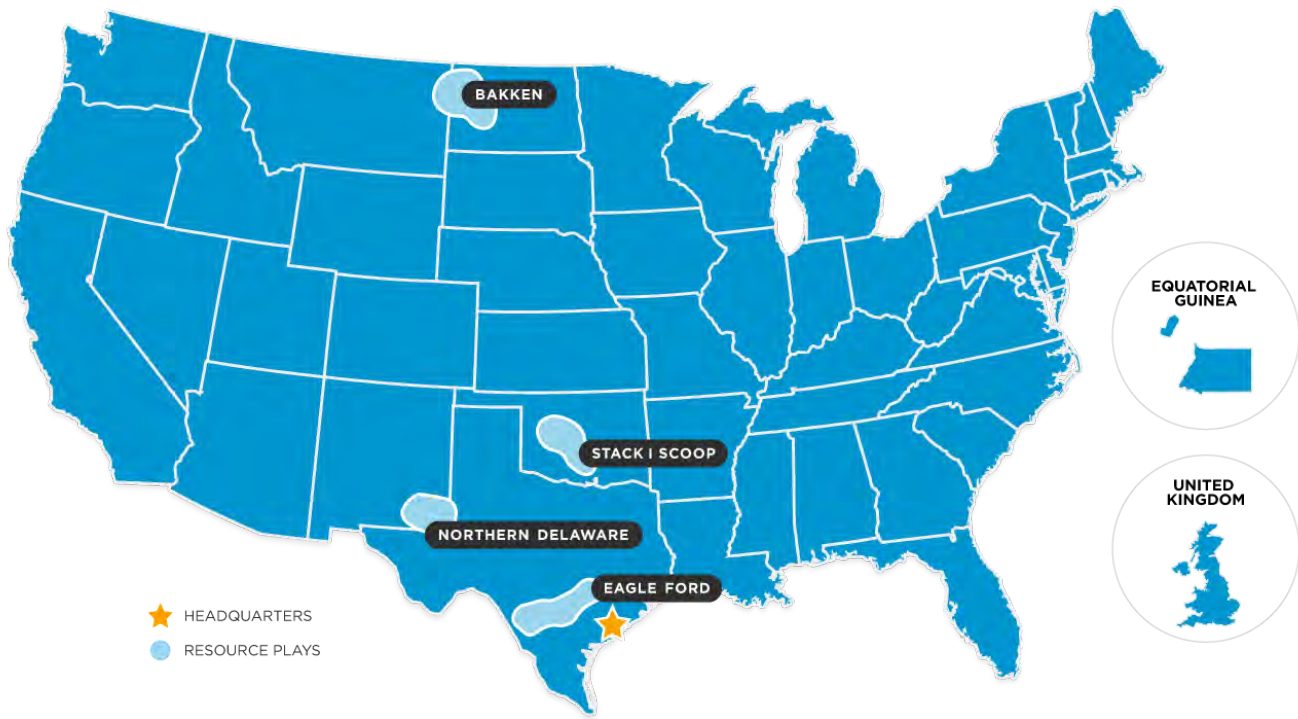
Based in Houston, Texas, the Company employs approximately 2,300 men and women worldwide who are committed to being responsible, safe and ethical.

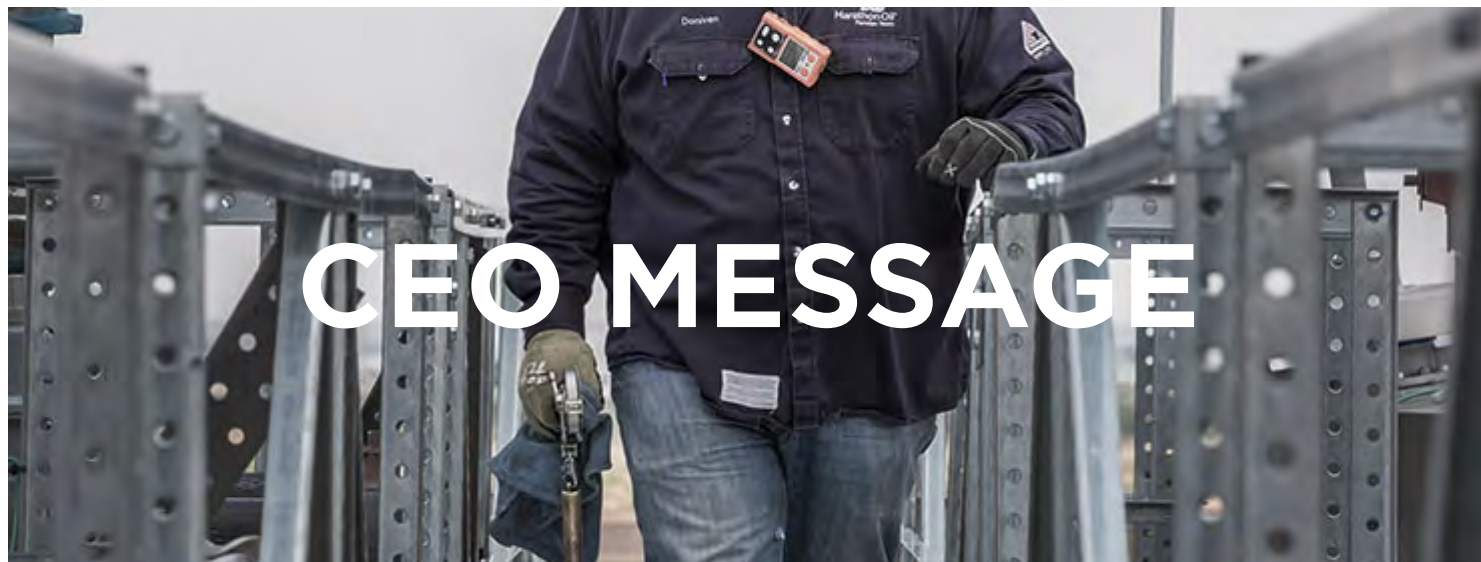
Our strategy focuses on low-cost, high-margin, liquids-rich U.S. resource plays. To achieve business sustainability, we work to strengthen our balance sheet, focus relentlessly on costs, simplify and concentrate our portfolio, and achieve profitable growth within cash flows at moderate oil pricing.

Marathon Oil reported 1.45 billion barrels of oil equivalent (BOE) of net proved reserves at year-end 2017, with average daily production of 383,000 net BOE in 2017.

The Company's reporting segments are organized and managed largely based upon geographic location and the nature of the products and services we offer:

- **U.S. Exploration and Production (E&P)** – explores for, produces and markets crude oil and condensate, natural gas liquids (NGLs) and natural gas in the U.S.
- **International E&P** – explores for, produces and markets crude oil and condensate, NGLs and natural gas outside of the U.S., and produces and markets products manufactured from natural gas, such as liquefied natural gas (LNG) and methanol, in Equatorial Guinea.





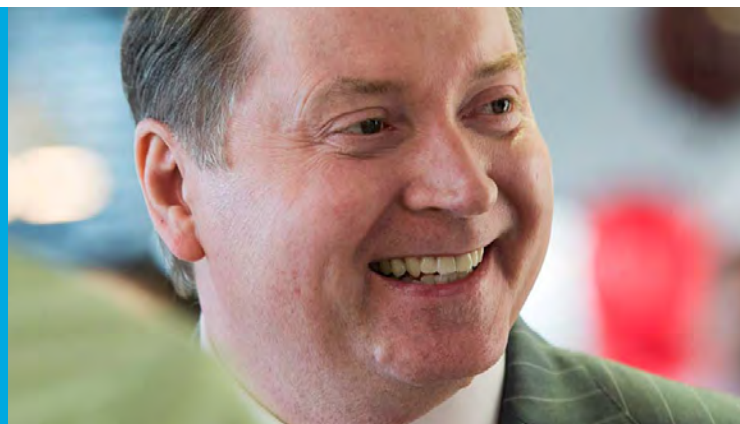
TO OUR STAKEHOLDERS

Sustainability is at the core of Marathon Oil's business strategy. As we pursued profitable and sustainable growth in 2017, we remained committed to responsible, safe and ethical operations.

We focused on meeting our obligations to key stakeholders, including addressing workplace safety, protecting the environment, making a difference in our communities and delivering returns to shareholders.

THE YEAR IN REVIEW

**LEE M. TILLMAN,
PRESIDENT AND CHIEF
EXECUTIVE OFFICER**



We Are Accountable for Our Nonfinancial Performance

We believe that the way we conduct our business is as important as our operational and financial results, and we are accountable to our stakeholders for our nonfinancial performance as well as our profitability.



This *2017 Living Our*

Values Corporate Sustainability Report presents Marathon Oil's progress in the areas of governance, society, workforce and the environment. It is only with a commitment to earn and keep our license to operate that Marathon Oil can execute our business plan, while addressing the concerns of investors, business partners, communities, governments and other stakeholders.

We Are Advancing Our Business Strategy

Marathon Oil initiated a strategic portfolio transformation five years ago, and advanced it further with the divestment of our Canadian oil sands business and entry into the Northern Delaware of the Permian Basin in 2017, and the sale of our interests in Libya in early 2018. Our strategy and capital are now concentrated on our core U.S. unconventional resource plays: the South Texas Eagle Ford, North Dakota Bakken, the Oklahoma STACK/SCOOP plays and the Permian Basin. To reinforce this shift and to realize our vision to be the premier independent exploration and production company, our collective focus is on strong and consistent operational execution, reliability and integrity management to meet our operational and financial obligations, and on creating long-term shareholder value.

We Are Addressing Safety, Environmental and Social Challenges



After our record 2016 performance as measured by the Total Recordable Incident Rate (TRIR), our 2017 safety performance was disappointing as we significantly ramped up activity and experienced an influx of new entrants, particularly in our contract service providers. To be blunt, simply too many contractors and employees were injured in Marathon Oil operations in 2017. I have made it clear to all Marathon Oil leaders and employees at every level and in every business unit, and to our contractors, that I expect this company to lead our industry in safety performance. I also expect Marathon Oil employees and contractors to take personal responsibility for their own safety and the safety of the people around them, slow down, ask questions and stop the job if necessary. No task is so important that it can't be done safely. We are taking a multifaceted approach to tackle this issue, and we will not hesitate to seek alternatives to contractors who do not share our safety culture and improve their safety performance.

Reducing our impact on the environment, and complying with laws and regulations, remains a constant driver of our operational activities. When we protect the air, water, land and wildlife, we fulfill our obligation of environmental stewardship and enable sustainability. We continued to apply technology and improve operational efficiency to reduce our emissions, and became a founding member of [The Environmental Partnership](#), which encourages continuous improvement in environmental performance throughout our industry. We also recognize that water is a valuable resource and constantly look for ways to manage water responsibly, including recycling and reusing water, and utilizing non-freshwater sources where practical.

Our growth in 2017 highlighted the value of our commitment to be a responsible operator and good corporate citizen. As we entered the Permian Basin, expanded our operations in Oklahoma, invested in increased activity in Bakken, continued improving well performance in the core of the Eagle Ford, and managed the impacts of [Hurricane Harvey](#) in Houston and Eagle Ford, we took care to foster and strengthen our community relationships. Our [social investment strategy](#) to create a pathway to success for children through education, training and community support continued to have a positive impact in our U.S. unconventional resources and in our integrated gas business in [Equatorial Guinea](#).

We Are Proud of Our Progress

Marathon Oil has demonstrated our ability to adjust and to respond to opportunities, challenges and changes in the marketplace. Our strategy is transparent, embedded across the enterprise and aligns fully with our Company performance metrics. Our compensation structure continues to hold Marathon Oil executives accountable for results, including more visibility on both returns and per-share metrics, not just production. In short, Marathon Oil is well prepared to create long-term value.

We are well positioned for sustainability because of the dedication of our employees and the commitment of our board of directors. The way Marathon Oil employees took care of each other, their communities and our business during and after Hurricane Harvey was truly inspiring and exemplified the core values that we hold paramount. Our board continued to guide our business strategy and enhance our approach to governance, while being responsive to our shareholders. We welcomed two new board members in March 2018, Doug Foshee and Lisa Hyland, who bring strong industry experience, diverse perspectives, demonstrated leadership and a strategic mindset to Marathon Oil.

In 2018, long-time board member Philip Lader retired from our board. As the chairman of our Health, Environmental, Safety and Corporate Responsibility (HES&CR) committee, his consistent leadership set the tone for Marathon Oil management's approach to nonfinancial performance and fostered transparency. I want to thank Phil for the high expectations and standards of sustainability he instilled in us, and I look forward to an equally beneficial relationship with Lisa Hyland, the new chair of the HES&CR committee.



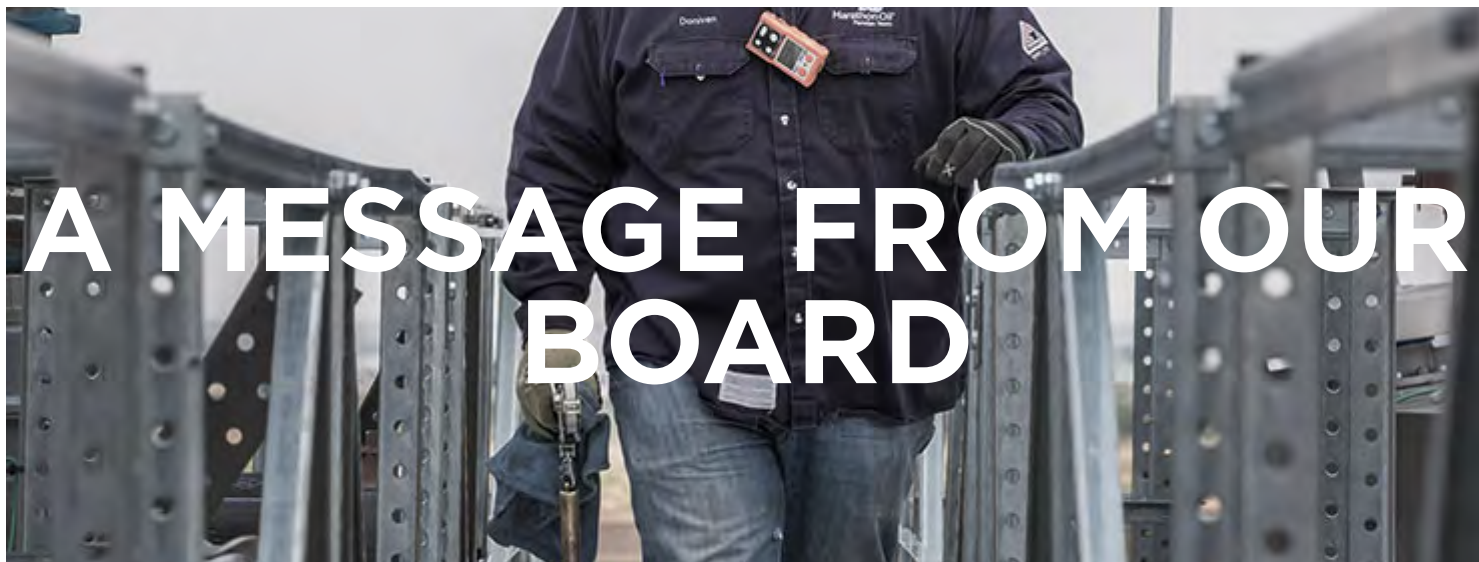
Thank you for your continuing interest in what Marathon Oil is doing to achieve sustainability in all aspects of our business.

Sincerely,

A handwritten signature in black ink that reads "Lee M. Tillman". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Lee Tillman
President and CEO





Every year, oil and natural gas producers face more challenges to growing profitably and creating value for shareholders, as well as rising calls for accountability to investors, employees, communities, governments and business partners for both financial and nonfinancial performance.



THE NEW HES&CR CHAIR
LISA HYLAND,
RETIRED SENIOR VICE
PRESIDENT
EQT CORPORATION

Given these challenges, I am honored to become the chair of the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of Marathon Oil's board of directors.

The HES&CR Committee ensures that Marathon Oil identifies and manages the health, environmental, safety, social, public policy, political issues and risks that affect our business today and could impact the Company's long-term sustainability. Committee members also analyze Marathon Oil's global reputation and strategic positioning.

The work of this committee is critical given heightened stakeholder expectations around corporate social responsibility. The HES&CR Committee will continue to challenge the Marathon Oil leadership team to do business with integrity, improve safety and environmental outcomes, build and reward a results-driven workforce, and contribute to a high quality of life in our communities. We recognize that strong nonfinancial performance is no longer optional - it is a requirement for sustainability.

In May 2018, Philip Lader retired from the Marathon Oil board and the chairmanship of the HES&CR Committee. Phil was a true champion of excellence in governance, society, workforce and the environment, and of Marathon Oil's commitment to publish an annual corporate sustainability report. I, too, understand our obligation to promote sustainability, and intend to build on his example.

On behalf of the HES&CR committee and the entire Marathon Oil board of directors, thank you for your interest in our nonfinancial performance. We encourage you to share your feedback on our efforts and effectiveness so that we can continue to improve.

Respectfully,

A handwritten signature in black ink that reads "Lisa Hyland". The signature is written in a cursive, flowing style.

Lisa Hyland
Chairman, HES&CR Committee
Marathon Oil Corporation Board of Directors



SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Category	2017	2016	Change
Fatalities (Employee and Contractor Workforce)	0	0	N/A
Global Safety Performance - Total Recordable Incident Rate (TRIR)	0.64	0.35	82.9%
Social Investments - Philanthropic and Sustainable (million dollars)	\$21.70	\$20.50	5.9%
Global Greenhouse Gas Emissions (million tonnes CO ₂ e) ^a	3.83	3.26	17.5%
Global Greenhouse Gas Intensity (tonnes CO ₂ e on a weighted basis/production) ^a	20.82	18.11	15.0%
Methane Emissions (million tonnes CO ₂ e) ^a	0.64	0.67	-4.5%
Methane Intensity (tonnes CO ₂ e on a weighted basis/production) ^a	3.50	3.71	-5.7%
Energy Use (trillion BTU)	43.70	49.40	-11.5%
Global Spill Events to the Environment ≥ 1 bbl - number ^b	35	29	20.7%
Global Spill Volumes to the Environment ≥ 1 bbl - barrels ^b	1,028	1,580	-34.9%
Employees - Minorities as a Percentage of Workforce (U.S.) ^{c, d}	30.12	24.54	22.7%
Employees - Females as a Percentage of Workforce (Global) ^c	26.14	25.42	2.8%

(a) Greenhouse Gas (GHG) carbon dioxide equivalent (CO₂e) emissions are based on carbon dioxide, methane and nitrous oxide from Marathon Oil-operated facilities only.

(b) Data includes spills outside of secondary containment ≥ 1 barrel.

(c) Workforce statistics reflect year-end data.

(d) As defined by U.S. Equal Employment Opportunity Commission.

FINANCIAL AND OPERATING HIGHLIGHTS
DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA

Category	2017	2016
Total Revenues and Other Income	\$ 4,765	\$ 3,787
Income (Loss) from Operations	\$ (133)	\$ (832)
Income Tax Expense (Benefit) on Continuing Operations	\$ 376	\$ 923
Income (Loss) from Continuing Operations	\$ (830)	\$ (2,087)
Discontinued Operations	\$ (4,893)	\$ (53)
Net Income (Loss)	\$ (5,723)	\$ (2,140)
Income (Loss) from Continuing Operations per share - Basic	\$ (0.97)	\$ (2.55)
Discontinued Operations per share - Basic	\$ (5.76)	\$ (0.06)
Net Income (Loss) per share - Basic	\$ (6.73)	\$ (2.61)
Dividends per share	\$ 0.20	\$ 0.20
Long-term Debt	\$ 5,494	\$ 6,581
Stockholders' Equity	\$ 11,708	\$ 17,541
Capital Expenditures ^{a, b}	\$ 2,150	\$ 1,036
Average Daily Net Sales:		
United States Exploration and Production Segment (mboed)	234	223
International Exploration and Production Segment (mboed) ^c	145	122
LNG (mtd) ^d	6,423	5,874
Methanol (mtd) ^d	1,374	1,358
Condensate and LPG (boed) ^d	14,501	13,430
Net Proved Reserves: ^b		
Crude Oil and Condensate, Natural Gas Liquids and Natural Gas (mmboe)	1,449	2,096
Number of Employees ^e	2,300	2,117

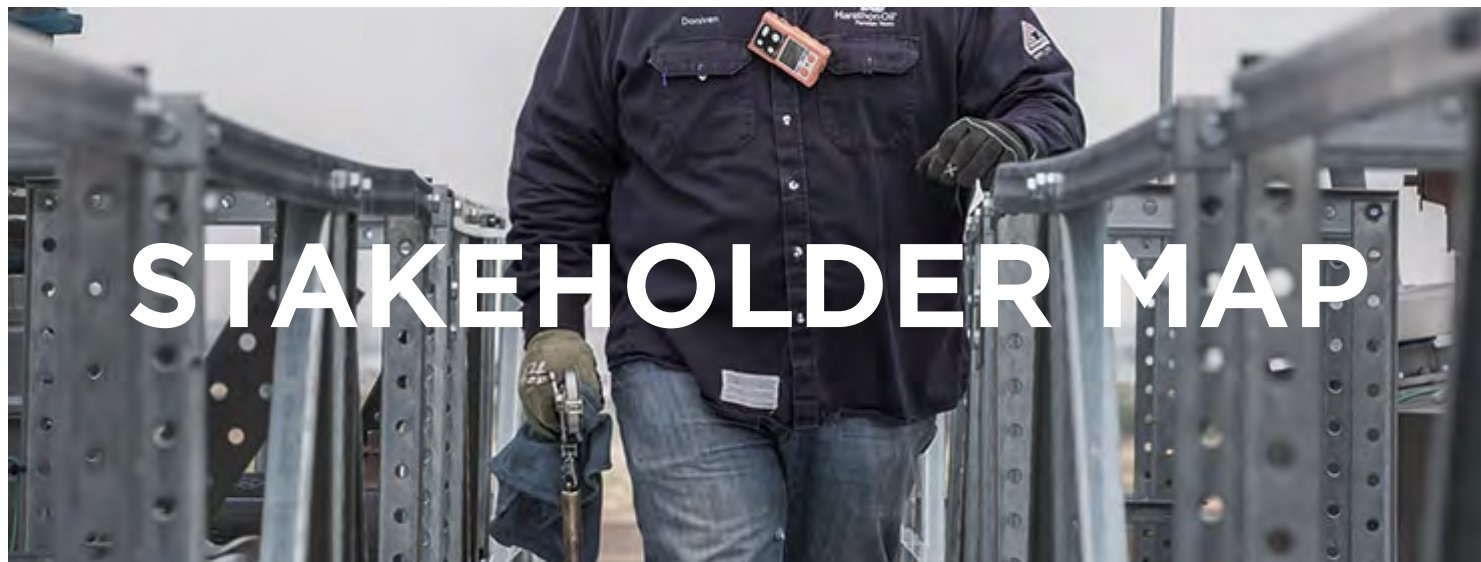
(a) Capital expenditures includes accruals.

(b) Excludes discontinued operations.

(c) Includes natural gas acquired for injection and subsequent resale.

(d) Reflects net share of equity method investee volumes

(a) Reflects year-end data.



Marathon Oil engages with stakeholders through formal and informal means. Our stakeholders voice concerns, provide suggestions and help us as we seek continuous improvement in conducting our business responsibly and productively. Below is a snapshot of the priorities and mechanisms we use to discuss and resolve issues.

	INVESTORS	GOVERNMENTS	COMMUNITIES	EMPLOYEES	NGOs	INDUSTRY
PRIORITIES	<ul style="list-style-type: none"> • PROFITABLE AND SUSTAINABLE GROWTH • FINANCIAL PERFORMANCE • RISK MANAGEMENT • ACCESS TO RESOURCES • LONG-TERM SHAREHOLDER VALUE • ENVIRONMENTAL PERFORMANCE 	<ul style="list-style-type: none"> • REGULATORY COMPLIANCE • TAXES AND ROYALTIES • ENERGY SUPPLY • ECONOMIC DEVELOPMENT • JOB CREATION AND NATIONAL CAPACITY 	<ul style="list-style-type: none"> • OPERATIONAL IMPACTS • LOCAL EMPLOYMENT • LOCAL SUPPLIER OPPORTUNITIES • LAND ACCESS AND COMPENSATION • COMMUNITY DEVELOPMENT • ADDRESSING EXISTING SOCIAL ISSUES 	<ul style="list-style-type: none"> • SAFETY AND HEALTH • PROFITABLE AND SUSTAINABLE GROWTH • COMPENSATION AND BENEFITS • JOB SECURITY • PROFESSIONAL DEVELOPMENT • CAREER ADVANCEMENT 	<ul style="list-style-type: none"> • AIR EMISSIONS • WATER IMPACTS • HYDRAULIC FRACTURING • SEISMICITY • HUMAN RIGHTS • NATIONAL CAPACITY • REVENUE TRANSPARENCY • SUSTAINABLE DEVELOPMENT 	<ul style="list-style-type: none"> • SAFETY, HEALTH AND ENVIRONMENT • ACCESS TO RESOURCES • REGULATORY OVERSIGHT • PUBLIC POLICY POSITIONS • CONTRACTOR MANAGEMENT • INNOVATION
CORPORATE ENGAGEMENT	<ul style="list-style-type: none"> • INVESTOR PRESENTATIONS, CONFERENCES AND WEBCASTS • INVESTOR DISCUSSIONS • SEC FILINGS 	<ul style="list-style-type: none"> • POLICY DEVELOPMENT • INDUSTRY AND TRADE ASSOCIATIONS • ADVOCACY • SOCIAL PROJECTS 	<ul style="list-style-type: none"> • CORPORATE WEBSITE, MEDIA AND SOCIAL MEDIA • SOCIAL INVESTMENT PROGRAMS • OWNER RELATIONS 	<ul style="list-style-type: none"> • PERFORMANCE MANAGEMENT • TRAINING AND DEVELOPMENT • INTERNAL COMMUNICATIONS • CODE OF BUSINESS CONDUCT AND INTEGRITY HELPLINE • PARTICIPATION ON INDUSTRY AND TRADE ASSOCIATION COMMITTEES 	<ul style="list-style-type: none"> • ENVIRONMENTAL MANAGEMENT PROGRAMS • RESPECT FOR HUMAN RIGHTS 	<ul style="list-style-type: none"> • TRADE ASSOCIATIONS • RESEARCH AND TECHNOLOGY CONSORTIA • EMERGENCY RESPONSE ORGANIZATIONS • INTERNATIONAL BUSINESS COUNCILS
OPERATIONS ENGAGEMENT	<ul style="list-style-type: none"> • TOURS 	<ul style="list-style-type: none"> • REGULATORY COMPLIANCE • PERMIT REVIEWS • REGULATORY AUDITS • REGIONAL DEVELOPMENT • TOURS • COLLABORATION ON SOCIAL INVESTMENT PROJECTS 	<ul style="list-style-type: none"> • EMPLOYMENT OPPORTUNITIES • LOCAL PROCUREMENT • COMMUNITY OUTREACH AND INVESTMENT • LAND OWNER AND TOWN HALL MEETINGS • MEDIA • FEEDBACK 	<ul style="list-style-type: none"> • MANAGEMENT SYSTEMS • SAFETY LEADERSHIP • REACHING PRODUCTION TARGETS AND INCREASING RESERVES • COST MANAGEMENT • VOLUNTEERING 	<ul style="list-style-type: none"> • NATIONAL TRAINING, EDUCATION AND SCHOLARSHIP PROGRAMS • RESPECT FOR HUMAN RIGHTS • SECURITY TRAINING • FEEDBACK 	<ul style="list-style-type: none"> • STATE AND REGIONAL ORGANIZATIONS • CHAMBER OF COMMERCE MEETINGS • PEER-TO-PEER ENGAGEMENT • COORDINATION ON BEST PRACTICES



Marathon Oil believes it is our obligation to do business with ethics and integrity, strong corporate governance, and open and transparent communications.

Management Approach

The Marathon Oil [board of directors](#) oversees our business and assesses risk to ensure high levels of governance, social, workplace and environmental performance for the benefit of our shareholders. Our [Corporate Governance Principles](#) describe the roles, responsibilities and functions of the board.

For proper oversight and effective corporate governance, Marathon Oil maintains an independent board in accordance with our principles and New York Stock Exchange rules. Directors are elected annually for a one-year term, with a majority of votes cast required for election. Our Corporate Governance Principles require that the board make an annual determination of each director's independence. In 2017, all of our board members except the CEO qualified as independent, and no former Marathon Oil CEOs served on our board.

The [Corporate Governance and Nominating Committee](#) of our board of directors, with input from the board chairman and CEO, is responsible for recommending new directors for shareholder election and filling director vacancies until shareholders vote on them. The chair and secretary of this committee, the secretary of the Compensation Committee and the CEO should work with a third-party professional search firm to review director candidates and their credentials before making a recommendation to the board. At least one member of the Corporate Governance and Nominating Committee, the Chairman of the Board and CEO should meet with the potential director candidate.



We seek board members with the background, experience and demonstrated capabilities to provide critical analysis and opinions in the best interest of Marathon Oil and our shareholders. In 2017, our board included two members from under-represented minorities, one of whom was also a woman. This represents 25 percent and 12 percent of our board, respectively. Directors cannot serve on our board beyond the last day of the board election term during which they reach 72 years of age. In 2017, our board members ranged in age from 56 to 71 years.

The Marathon Oil board met 12 times in 2017, with approximately 96 percent attendance for board and committee meetings, and non-employee directors held seven executive sessions at regularly scheduled board meetings.

Executive Compensation

Compensation of the Marathon Oil CEO and other executive officers is based on the Company's financial performance and operational results, and recommended by the board's [Compensation Committee](#). The primary objectives of our executive compensation program are to pay for performance, encourage creation of long-term stockholder value and pay competitively. By design, a significant portion of our executive officers' overall compensation, including annual cash bonuses and long-term incentive awards, is "performance-based," and the opportunity to earn value is largely dependent on Company and individual performance.

In 2017, our Compensation Committee demonstrated its continued commitment to corporate governance and sound compensation practices, further aligning the interests of executive officers with the long-term interests of stockholders. Based on the committee's review of our practices and on shareholder feedback, executive compensation in 2018 will include enhanced financial metrics for cash return on invested capital (CROIC) and cash flow per debt adjusted share (CFPDAS), double-trigger equity vesting and peer group refinements. For detailed information on how 2017 executive compensation was determined and our overall compensation practices, please see our [2018 Proxy Statement](#).

Performance

As a responsible operator, Marathon Oil continued to strengthen the systems, policies and ethical practices that guide our business and relationships.

- Completed [Responsible Operations Management System \(ROMS\)](#) implementation and standards at the corporate level, added regional vice presidents to the ROMS steering committee, and rolled out ROMS resources that helped to stand up our new Permian Basin asset more efficiently.
- Continued aligning our ethics and integrity efforts to address current risks and our increased operational focus on the U.S. This included updating our [Code of Business Conduct](#), an Anti-Corruption Compliance Policy and Receiving Hospitality from Third Parties Policy.
- Held a workshop and added a web-based computer access program to continuously improve business continuity plans across the Company.



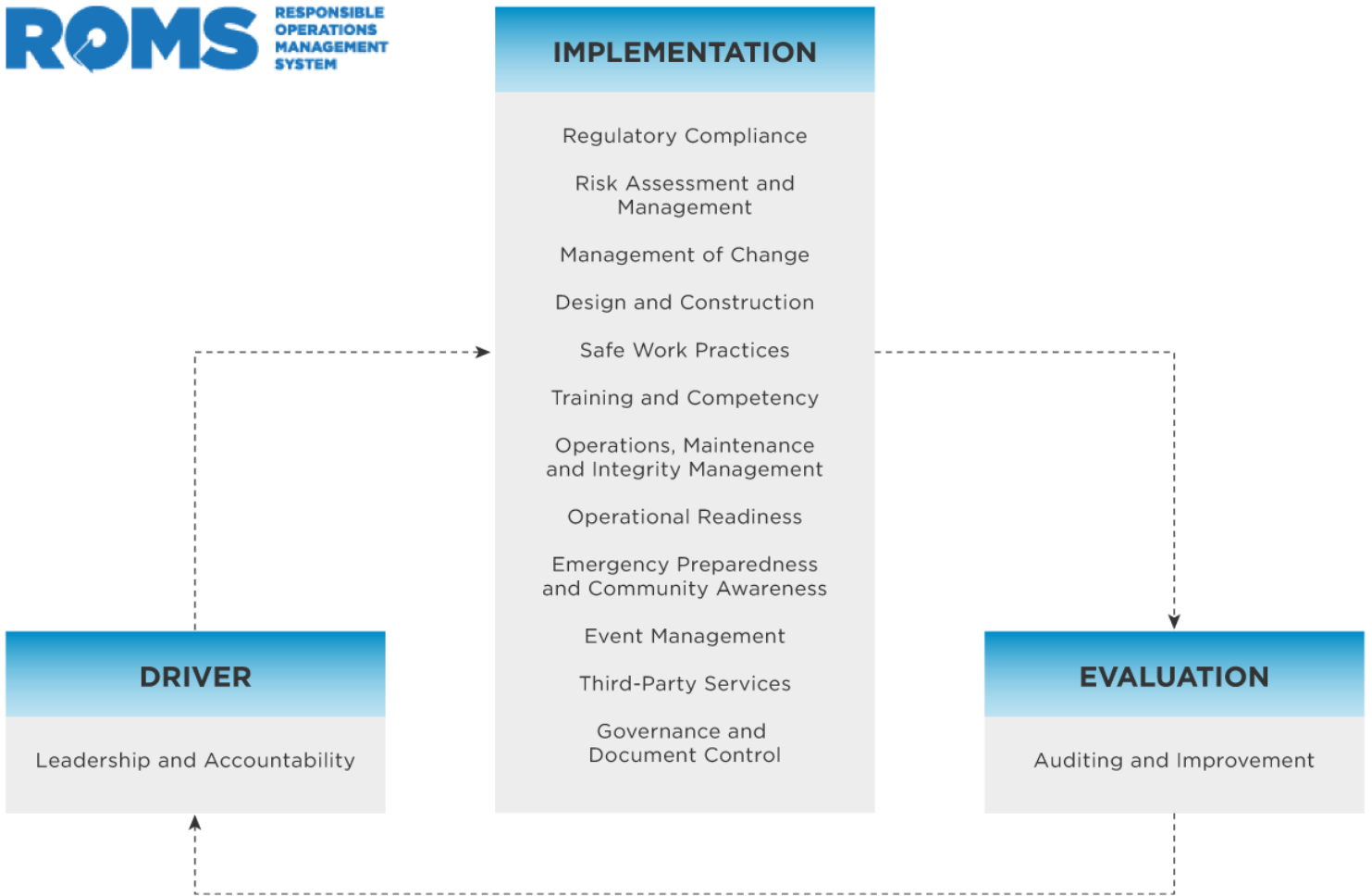


By raising awareness of risks to our enterprise, business units and operations, management systems enable Marathon Oil employees to prevent issues, leverage opportunities, drive continuous improvement and promote sustainability.

Marathon Oil's Enterprise Risk Management (ERM) process, overseen by our board of directors, provides a means to identify, evaluate and monitor our most significant enterprise risks and mitigation activities. Our [Responsible Operations Management System \(ROMS\)](#) drives continuous improvement and reduces operational risk across the enterprise.

The ERM process includes an annual assessment and mid-year review to identify current and emerging risks, evaluate them based on likelihood and consequence, and focus on managing the most significant risks. Information for the assessment comes from internal assessors and individual risk champions, as well as business unit and ROMS risk assessments. Material risk factors reported in our [2017 Annual Report on Form 10-K](#) included commodity prices; global supply and demand for hydrocarbon products; costs; production and price controls; non-OPEC production levels; industry activity levels; political instability; and weather patterns and climate change. In addition, in 2017, Marathon Oil formally approved standards for ERM, and worked to ensure the process and resulting mitigations are effective and add value.

Responsible Operations Management System



Marathon Oil’s ROMS is the framework to drive continuous improvement, ensure regulatory compliance and reduce operational risk throughout our Company. It sets minimum standards for business units to meet our high expectations of health, environmental, safety and security (HES&S) performance. ROMS provides flexibility to adapt to portfolio changes and asset needs, and can be scaled for asset-level implementation.

Marathon Oil completed our ROMS implementation and standards at the corporate level in 2017, and added the regional vice presidents to the steering committee to share their insights on how ROMS impacts our assets. We rolled out several ROMS resources, including a dashboard to track key performance indicators (KPI), a document management system, and ROMS workflow site to give employees quick and easy access to the tools and processes they need. These resources are enabling employees to share knowledge to stand up our new Permian Basin asset more efficiently.

Under ROMS, our assets must develop an audit plan every year. For example, in its 2017 audit, our Oklahoma team reviewed the federal permitting process, safe work practice program and environmental compliance program. The safe work practice review focused on Life Critical Processes such as safe driving, electrical safety and confined space entry. As a result of this audit, internal champions in the asset developed training materials, tools and resources for field employees to implement, and rolled out training tailored for specific groups.

In 2018, we will support operational execution by providing the right tools, workflows and training for the field workforce. The emphasis will be on the ROMS elements related to design and construction, operations maintenance and integrity management, and operational readiness. Using the KPI dashboard, we will start the first annual ROMS element health review to pinpoint activities that make our operations safer, cleaner and more efficient, and will focus on doing the most effective risk reduction activities well. For continuous improvement, the results and learnings from management system audits in our U.K. and Eagle Ford assets in 2017 will be leveraged to prepare ROMS audits in Equatorial Guinea and Oklahoma in 2018.

OPERATIONAL OVERSIGHT

ROMS ELEMENT	EXECUTIVE OWNER Sets priorities and expectations, and tracks and reports progress to Executive Steering Committee	TECHNICAL ADVISOR Facilitates element implementation and monitors progress
Leadership and Accountability	EVP, Operations	Resource Plays HES Manager
Regulatory Compliance	RVP, Permian	Environmental and Regulatory Manager
Risk Assessment and Management	RVP, Oklahoma	Enterprise Risk Manager
Management of Change	RVP, Equatorial Guinea	Bakken HES Manager
Design and Construction	RVP, Bakken	Technical Authority Manager
Safe Work Practices	Director, HES&S	Corporate Health and Safety Manager
Training and Competency	Director, HES&S	Eagle Ford HES Manager
Operations, Maintenance and Integrity Management	VP, Conventional	Non-Operated Assets Manager
Operational Readiness	VP, Resource Plays North	Resource Plays HES Manager
Emergency Preparedness and Community Awareness	VP, Resource Plays South	Corporate Security and Emergency Preparedness Manager
Event Management	RVP, Eagle Ford	Corporate Health and Safety Manager
Third-Party Services	VP, Resource Plays North	Oklahoma HES and Regulatory Manager
Governance and Document Control	Director, Conventional Wells	Resource Plays HES Manager
Audit and Improvement	VP, Resource Plays South	Corporate Health and Safety Manager

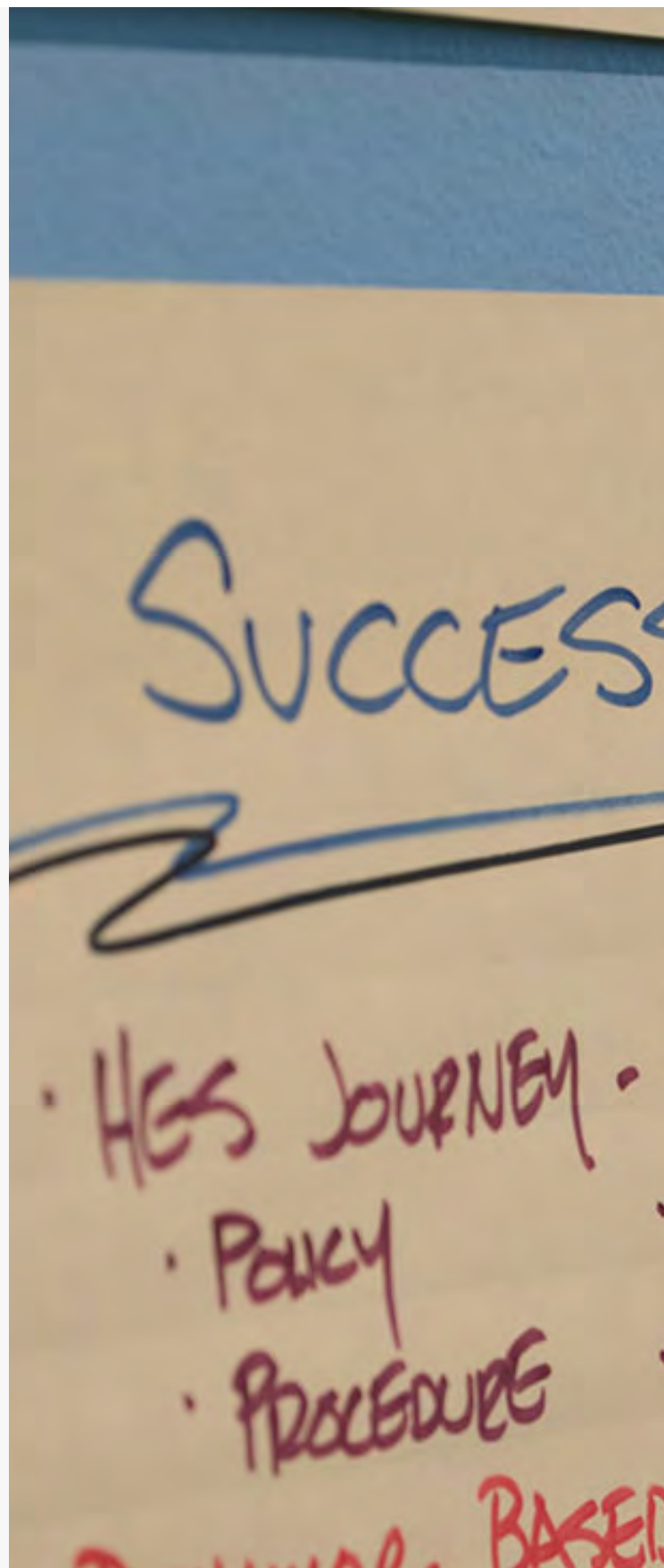
HES&S Policies, Standards, Practices and Audits

Marathon Oil drives organization-wide consistency, communicates expectations and sets performance requirements with mandatory HES&S policies and standards. They cover a range of activities including Stop Work Authority, Event Management, Control of Hazardous Energy and Hot Work. We update the standards as needed to reflect changes in laws or regulations, incorporate recommendations arising from audits and incident investigations, and continuously improve performance. Through programs such as Lessons Learned Sharing and Contractor Management, we raise awareness of our requirements among employees, contractors and suppliers.

The ROMS Auditing and Improvement element promotes adherence to our standards and regulatory compliance. Our tiered audit program focuses on:

- Physical condition of operational facilities and contractors at our locations
- Contractor safety management programs and performance
- Management system implementation and effectiveness

Business units develop plans to address audit findings, track the plans through completion of corrective actions and share lessons learned. Key audit findings and trends are communicated to HES&S leadership and executive management, who then set priorities to seek solutions for gaps or issues that are identified.





Marathon Oil acts to create enduring value for our shareholders, our people and our communities. We believe that to be sustainable, a business must deliver strong operational and financial performance, as well as address its responsibilities for governance, society, the environment and its workforce. We look beyond our office walls and operational facilities to consider how our decisions, actions and operations affect others, and how we can address our stakeholders' critical needs.

Attaining sustainability is a collaborative effort of our employees, managers and directors, and is informed by engagements with our investor, community, nonprofit, government and industry stakeholders. At the board level, the [Health, Environmental, Safety and Corporate Responsibility \(HES&CR\) Committee](#) identifies and monitors trends, issues, practices and concerns related to a wide range of matters. These include public policy; legislation; regulations; and political, charitable and educational contributions.

Marathon Oil provides resources to support our efforts to build a sustainable business. For example, our values – to collaborate, take ownership, be bold and deliver results – underpin our efforts. Corporate Sustainability Guidelines outline how we demonstrate our commitment to economic, environmental, safety and social sustainability in the communities where we operate. Marathon Oil employees are expected to incorporate sustainability processes and activities such as stakeholder engagement and capacity building when conducting our business. The guidelines work in concert with our [Responsible Operations Management System \(ROMS\)](#), which helps us make our operations safer, cleaner and more efficient.



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We have a commitment to being responsible, safe and ethical. Marathon Oil holds all employees, officers, directors and other parties who represent the Company responsible for adhering to our high standards of ethics and for doing business with integrity.

Our commitment to ethical business practices is reinforced in our [Code of Business Conduct](#), which we updated in 2017. Every active Marathon Oil employee received the Code, along with a supplemental reference guide, and was required to complete Code training in 2017. The revised Code includes new or enhanced language on a variety of risks, including bribery and corruption, anti-money laundering, data privacy and other matters. Our Code states that treating each other with dignity, respect and fairness is central to how Marathon Oil conducts business, and it prohibits harassment in the workplace.

Marathon Oil's ethics and integrity efforts, which are overseen by the board's independent Audit and Finance Committee, include:

- Policies and procedures related to compliance
- Reporting mechanisms
- Annual internal compliance audits
- Annual Code of Business Conduct Questionnaire and Certification for all active employees
- Enterprise Risk Management compliance assessment



Preventing Corruption and Bribery

Marathon Oil complies with all applicable anti-corruption and commercial bribery laws in the countries where we operate, including the U.S. Foreign Corrupt Practices Act (FCPA) and U.K. Bribery Act. Our anti-corruption compliance program aligns with U.S. Department of Justice recommendations for effectiveness. In 2017, we developed a new Anti-Corruption Compliance Policy that strengthened our efforts to prevent corruption and bribery. The Anti-Corruption Compliance Policy replaces the previous governing policy document.

We require designated employees with certain job responsibilities and/or working in certain locations to complete annual anti-corruption compliance training. We also have an international compliance audit program for our operations outside the U.S. and outside-operated interests in countries not in the Organization for Economic Cooperation and Development (OECD).

We have well-established processes for transparent reporting of revenue flows from oil and gas production to prevent bribery and corruption. Our internal monitoring systems to detect corruption include the [Integrity Helpline](#), audits and investigations. In addition, most interactions with foreign government officials require the approval of our Law Department. While we ended our participation in the Extractive Industries Transparency Initiative (EITI) because our business strategy shifted to focus on U.S. unconventional resource plays, we continue to engage in industry discussions regarding transparency of payments.

Supply Chain Monitoring

Marathon Oil will not do business with third parties that have a record of violating the law or applicable regulations related to employment, the environment, safety, anti-slavery measures and other matters. Our approach to preventing bribery by our business partners is governed by our Procurement and Contracting Standard and Anti-Corruption Compliance Policy. The board-approved policy makes our Global Supply Chain function responsible for conducting all contracting and procurement activities in an objective, ethical manner in accordance with the standard and applicable anti-corruption laws.

The Anti-Corruption Compliance Policy requires potential business partners that may pose a bribery risk to successfully complete due diligence and be approved by Marathon Oil's Law function before engagement by Global Supply Chain. If the high-risk third party is approved for use, Global Supply Chain and Law will either use Marathon Oil's standard anti-bribery and trade compliance contracting language or negotiate specific compliance language.

A high-risk third party with which we work may be required to participate in Marathon Oil anti-bribery training and/or undergo a contracts and compliance audit conducted by our Internal Audit function. In addition, all third parties, including those considered high risk, may report business ethics concerns to our [Integrity Helpline](#).

We recognize that slavery is a significant global human rights issue. To ensure that slavery and human trafficking do not exist in our supply chain, Marathon Oil conducts our operations in the U.K. in accordance with the [U.K.'s Modern Slavery Act](#).

Reporting Mechanisms

We want our employees to collaborate, take ownership, be bold and deliver results. To make this possible, Marathon Oil is committed to providing a safe workplace where everyone is treated with dignity, respect and fairness. We believe a diversity of people and ideas gives us a business advantage, and fosters openness and inclusion to allow diversity to flourish.

We prohibit all forms of harassment, including any actions or words that could reasonably be considered harassing or threatening to a fellow employee or person with whom we do business. Marathon Oil also prohibits discrimination against any employee or business partner on the basis of a legally protected status as detailed in our [Code](#).

To avoid grievances, we encourage employees to work with their supervisors and management to resolve issues. Employees may report questions or concerns through Human Resources, Audit, HES&S, Law, the Corporate Compliance function and other internal resources.

We also offer employees and third parties the [Integrity Helpline](#) for anonymous, confidential reporting of ethics and compliance questions and concerns at all times, by phone and online. Our Corporate Compliance and Ethics organization reviews submissions to the Helpline and takes action as necessary. Our Code and [Reporting Business Ethics Concerns Policy](#) forbid retaliation for good faith reporting of these concerns.



Marathon Oil encourages responsible energy development, and advocates for reasonable and balanced regulations. The Company continues to work with federal and state legislators and regulatory agencies on issues affecting our business and industry. For example, Company subject-matter experts in hydraulic fracturing, well integrity, drilling, completions, safety practices and water management review proposed regulations and legislation. They may provide testimony to legislative bodies, participate in industry working groups, and collaborate with stakeholder groups to address concerns through mutually acceptable solutions.

We promote responsible, reasonable regulations; safe and reliable infrastructure; tax regimes that encourage investment; and consistent and timely permitting processes. In addition, we conduct education sessions on oil and gas, as well as tours of our U.S. operations for legislators and regulators.

We also participate in the public policy process by contributing to candidates and organizations that support responsible energy development. In 2017, Marathon Oil made a direct corporate contribution of \$14,000 to five candidates in New Mexico, as allowed by state law.

Through the Marathon Oil Company Employees Political Action Committee (MEPAC), eligible employees can contribute to candidates for U.S. federal and state elected office. In 2017, MEPAC donated \$46,200 to 30 candidates, political party organizations and PACs. MEPAC is registered with the U.S. Federal Election Commission (FEC) and complies with all FEC, state and local rules and reporting requirements.

The Marathon Oil Company Political Action Committee of Texas (MOCPAC-TX) donated \$5,000 to one state candidate in Texas in 2017. MOCPAC-TX is registered with the Texas Ethics Commission and complies with all Texas rules and reporting requirements.

Both PACs are managed by a board of employee directors, with oversight from the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of the board of directors. All PAC contributions are based on a candidate's position on business issues and without regard for the political preferences of Company executives or PAC board members.

Marathon Oil makes payments to organizations and trade associations that engage in, among other things, lobbying activities. Through these trade associations, we participated in the U.S. public policy dialogue about critical environmental and energy policies, including rulemaking comment periods regarding climate change issues. We voluntarily report these payments, and our policies and procedures for lobbying and political activities, in the interest of good [governance](#) and transparency.

Our [2017 Report of Lobbying and Political Contributions](#) discloses corporate contributions made to all tax-exempt organizations, including 527s and 501(c)(4)s, that exceeded \$35,000. Based on information we received from our trade associations, the report also discloses the lobbying portion of our payments and dues made to trade organizations that, if made directly by the Company, would not be deductible under section 162(e) of the Internal Revenue Code and that exceed \$35,000.



Marathon Oil conducts our business with a high regard for our neighbors, communities, employees, contractors, suppliers and the environment.

Management Approach

To be a positive influence in our communities, we build strong relationships with stakeholders and make social investments targeting identified local issues. Our Corporate Sustainability



Guidelines demonstrate our commitment to economic, environmental, safety and social sustainability. The senior vice president, general counsel and secretary is accountable for Marathon Oil's social performance at the leadership level, with oversight from the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of the board of directors.



Performance

We work with stakeholders to understand how our operations impact local communities, and address existing social issues primarily related to education and health, in partnership with community organizations. Our activities in 2017 included:

- Engaging elected officials, regulators, business leaders, industry and other stakeholders in our U.S. unconventional resource plays to understand and mitigate issues related to increased industry activity levels.
- Connecting with landowners through our asset land professionals, who strive to communicate proactively and address issues quickly.
- Establishing and holding four meetings with our CAP (Citizen Advisory Panel) in the South Texas Eagle Ford play.
- Engaging with the Three Affiliated Tribes on the Fort Berthold Indian Reservation and other stakeholders in our North Dakota Bakken asset.
- Implementing a stakeholder relations plan and holding open houses in our Oklahoma Resource Basins asset.
- Helping create a pathway to success for children we hope can be a part of our future workforce. We focused our social investments on the Barbara Bush Houston Literacy Foundation, food banks in the communities where we live and work, Reasoning Mind, Communities in Schools and Books for Bioko.



Stakeholder engagement is an essential risk management process that strengthens our ability to manage community impacts, access new resources, operate efficiently and avoid project delays. Marathon Oil is committed to communicating appropriately with key internal and external stakeholders to address potential health, environmental, safety, security (HES&S) and social issues, and foster relationships of trust and mutual understanding about our operations.

Stakeholder Engagement Supports Growth in Resource Basins

While oil and gas activity can bring employment opportunities and other economic benefits to communities, industry activities can also challenge local resources and infrastructure. Connecting with community stakeholders was critical in 2017 as we increased drilling and production activity in our U.S. unconventional resource plays. To address community concerns around traffic and infrastructure stress, we worked with industry groups such as the Texas Oil and Gas Association ([TXOGA](#)), Oklahoma Oil and Gas Association ([OKOGA](#)), New Mexico Oil and Gas Association ([NMOGA](#)), South Texas Energy and Economic Roundtable ([STEER](#)) and the North Dakota Petroleum Council ([NDPC](#)). The industry has been able to alleviate some impacts through technology, such as minimizing our footprint by drilling more wells with far fewer rigs than in the past and using multiwell pads.

Marathon Oil land professionals kept in close touch with surface landowners to inform them of our plans and respond timely to their concerns. They also coordinated with our field workforce, contractors and Marathon Oil internal departments to anticipate and mitigate issues related to landowners' properties.

EAGLE FORD

Our South Texas Eagle Ford asset established a CAP (Citizen Advisory Panel) that met quarterly in 2017 to maintain open communications with community leaders. Marathon Oil shared our plans and answered questions from the 11 CAP members who include local landowners, elected officials, and business and health care leaders. To give Texas Railroad Commission (RRC) inspectors first-hand experience in our industry, in 2017 Marathon Oil hosted two site tours. For many of the inspectors, it was their first time to visit drilling and workover rigs, a central facility and well sites. Based on feedback that the information was applicable to inspectors' roles, Eagle Ford hopes to hold additional RRC tours in the future. The asset also continued to participate in STEER, with a focus on the organization's stakeholder relations committee and on providing basic safety awareness training developed by STEER for RRC inspectors.

BAKKEN

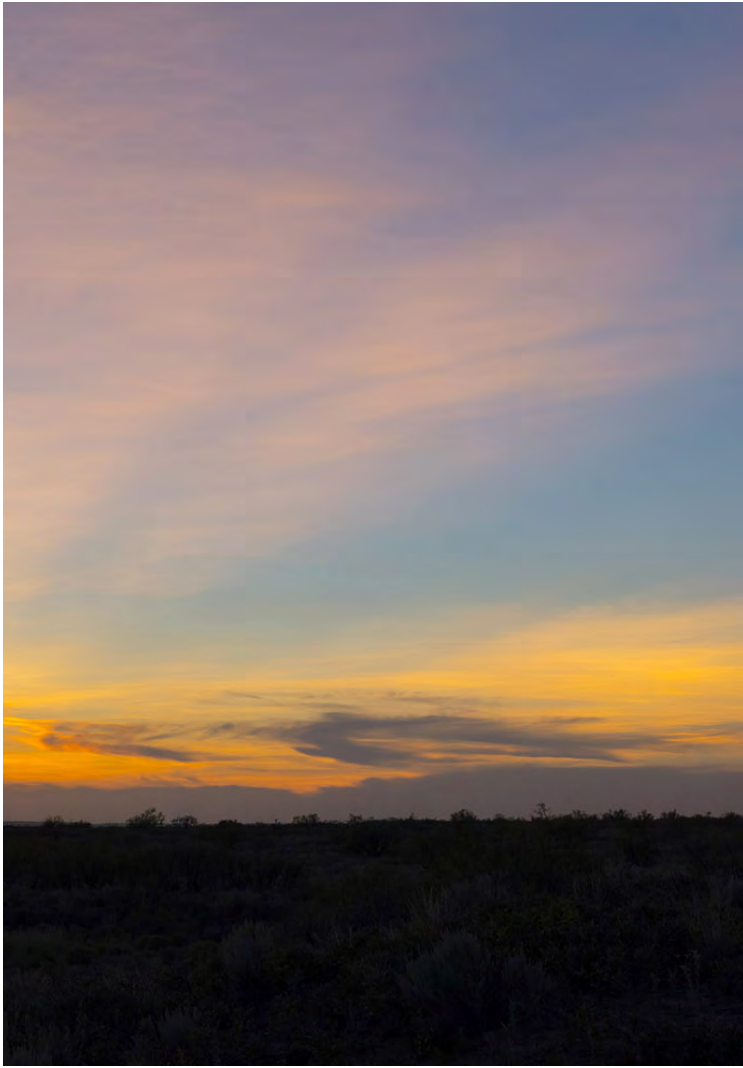
The Three Affiliated Tribes on the Fort Berthold Indian Reservation in North Dakota are important stakeholders for our Bakken team. Since becoming the first company to drill on the reservation in 2008, Marathon Oil has engaged the tribes on infrastructure and economic development, employment opportunities, operational impacts, permitting, land access, regulations and other issues. We comply with tribal regulations such as those set by the Tribal Employment Rights Office (TERO), which aims to strengthen business opportunities for companies owned 100 percent by a member of the tribes. Bakken employees attend tribal business council meetings, as well as county commissioner meetings, to listen to stakeholders and share our plans.

OKLAHOMA

Our Oklahoma team continued to implement an asset stakeholder relations plan in 2017. We invited stakeholders to open house meetings in Kingfisher and at our newly remodeled office in Watonga, with informational booths for our drilling and completions, health, environmental and safety (HES), production and land teams. In El Reno, a Marathon Oil drilling superintendent met proactively with the school superintendent to discuss rig activity near a local school. He explained our plans for abating noise and redirecting heavy traffic, and provided a direct means to share safety concerns. After ensuring the rig was safely installed, our employees invited students and teachers from several grades to visit the site, and delivered lessons on the science and engineering that goes into drilling and producing wells.

PERMIAN BASIN

Since entering the Permian Basin in New Mexico in mid-2017, our employees have been establishing relationships with elected officials, regulators, landowners and community leaders. We will implement a stakeholder engagement plan in 2018 to earn and maintain our license to operate, ensure emergency preparedness and response capabilities, and identify and use industry best practices in the asset.



Spurring Innovation

To drive operational excellence and create enduring value across our U.S. resource plays, in 2017 Marathon Oil helped fund the first year of multi-year research projects with the University of Oklahoma and Texas A&M University. The projects are focused on reservoir characterization research to advance new innovative approaches to unconventional reservoirs, particularly in emerging basins that are early in the development cycle. Research champions from our assets and technology teams will direct the projects and provide practical input, while the university participants will bring creative, theoretical insight. Teams of graduate students, post-doctoral students and faculty members from the universities will work on the projects, which offer recruiting potential for Marathon Oil. We will also gain proprietary use of any research findings for an initial time period.

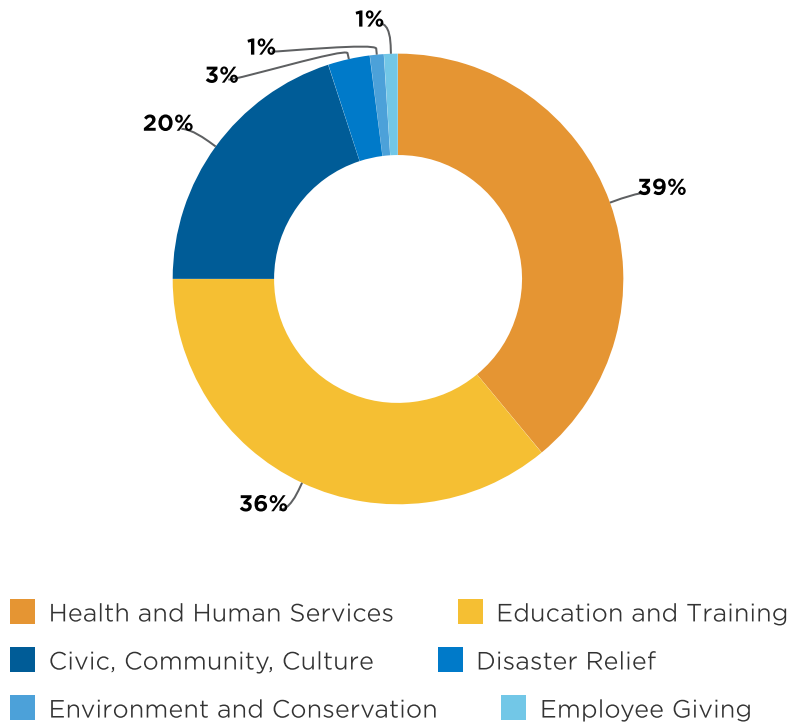


Through our social investment strategy, Marathon Oil works to enhance education in our communities, build sustainable economic growth and invest in the future oil and gas workforce. In 2017, we focused on increasing literacy and math competency, removing barriers to staying in school and increasing diversity at colleges where we recruit through scholarships. We also linked community partners together to amplify our programs.

MARATHON OIL SOCIAL INVESTMENTS BY GIVING AREA

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Total Social Investments: \$21.7 million



(a) Total Philanthropic Giving: \$4 million in corporate giving and \$.3 million in employee giving; Total Sustainable Investments: \$17.4 million.

Raising Literacy Levels among Disadvantaged Children

In our headquarters city of Houston, 80 percent of school children are economically disadvantaged and books are a luxury their families cannot afford. Yet, children who have access to books in their home achieve higher academic levels. Marathon Oil has supported the [Barbara Bush Houston Literacy Foundation](#) since 2013 to improve literacy and educational outcomes for local school children. In 2017, we sponsored two campaigns for the foundation's [My Home Library](#) program, including a pilot for the program at our adopted school, [Browning Elementary](#). Nearly 50 Marathon Oil employees volunteered for book selection, sorting and distribution. By the end of spring 2017, our employees donated more than 6,700 books that were distributed at Browning, with each of the 560 students receiving 12 books to start their own home library.

Almost 150 employees volunteered for the foundation's free summer literacy [Camp Adventure!](#) and a book sorting event, serving more than 2,200 disadvantaged elementary school children in all. In addition, for the 15th year Marathon Oil sponsored the annual A Celebration of Reading event that increases the Barbara Bush Houston Literacy Foundation's impact.

For 17 years, Marathon Oil employees have also enhanced financial literacy among Browning Elementary students through [Junior Achievement \(JA\)](#) programs. In 2017, 56 Company volunteers taught six JA courses that gave the students entrepreneurship skills and increased their financial literacy and work readiness. Students who participate in JA programs demonstrate a significant understanding of economics and business concepts.

Boosting Student Math Performance in the South Texas Eagle Ford Region

To encourage students to finish high school, pursue a post-secondary education and ultimately join the oil and gas workforce, we support science, technology, engineering and math (STEM) curriculum enhancements. Through a partnership with the math education nonprofit Reasoning Mind, Marathon Oil has positively impacted approximately 750 elementary and middle school students in the Karnes City and Kenedy independent school districts (ISD) in the Eagle Ford. Based on the results, we expanded the program to serve 135 students in pre-kindergarten through eighth grade in Pawnee ISD in the 2016-2017 academic year. In addition to math curriculum, participating teachers received ongoing program support, training and professional development for the program year.

In the 2016-2017 academic year, Kenedy and Sides elementary schools saw an increase in the percentage of students who improved their math performance on state standardized tests from the previous academic year.

STARR RESULTS

Percentage of Reasoning Mind program students who improved their performance on state standardized tests fr year.



Providing Nutrition for At-risk Children

Marathon Oil supports local food banks that lead the fight against hunger, one of the biggest barriers to learning. Children who receive proper nutrition are able to pay attention in class, process learned information and retain knowledge more easily than undernourished children. We continued our commitment to the [Houston Food Bank](#) in 2017, holding our [second volunteer day](#) and again sponsoring the Backpack Buddy program that provides reliable, nutritious food to children at-risk of hunger outside of school on the weekends. Through the Backpack Buddy program, almost 370,000 backpacks were distributed to participants in 625 Houston-area schools in 2017.

Empowering Children to Stay in School

Each day, 3,300 students across the U.S. drop out of high school, severely limiting their ability to support themselves and their families. These youths experience higher unemployment rates and earn less, resulting in a negative economic impact on communities. To address the dropout epidemic in the Houston area, Marathon Oil is a longtime contributor to Communities in Schools (CIS) and its on-campus integrated support that helps students succeed in pre-k through community college. CIS is highly effective in keeping kids in school, even those who face significant economic, language and cultural barriers. In 2017, over 3,400 students at two high schools we supported participated in CIS campuswide events and 149 students were served through CIS intensive case management services. Of CIS case-managed students in Houston in 2017, 92 percent were promoted to the next grade level and 91 percent of eligible seniors graduated from high school.

Marathon Oil was also a major donor to CIS for Hurricane Harvey relief on Houston-area campuses. CIS provided basic emergency needs, trauma-informed counseling to students and their families, and assistance to school staff and CIS staff who were directly impacted.



To develop a future workforce for the oil and gas industry, and increase the number of qualified diverse hires, we funded college scholarships in the U.S. totaling approximately \$390,000 for 41 students to study core disciplines in 2017. This included \$125,000 for six diverse students with a record of academic excellence studying engineering and geosciences at the University of Texas, Texas A&M University and the University of Houston. Four students from Equatorial Guinea attended the University of Houston and Prairie View A&M University, and five attended the Institute Technological National of Hydrocarbons Equatorial Guinea (ITNHGE).



Assisting First Responder Preparedness

We support first responders such as law enforcement agencies, hospitals, emergency medical services and volunteer fire departments to ensure they are prepared for emergencies in our communities. For example, in 2017 our Bakken team donated more than \$60,000 to six first responders to buy, repair and upgrade equipment and supplies. One grant assisted the West Dunn Rural Fire District's purchase of two new "quick attack" trucks, associated equipment and gear to respond to oil field emergencies and other incidents.

Helping Create a World Free of Heart Disease and Stroke

We are committed to the health and wellbeing of our employees, their families and the communities where we live and work. Through our long-standing partnership with the [American Heart Association \(AHA\)](#), Marathon Oil is helping the nonprofit prevent heart disease and stroke, the number 1 and number 5 killers of Americans, respectively. In the 10 years we have been the presenting sponsor of AHA's annual Paul "Bear" Bryant Awards, the event has raised over \$6.1 million for efforts such as training more than one million adults and teenagers in the Houston area in cardiopulmonary resuscitation (CPR), automated external defibrillator (AED) use and basic life-saving skills using AHA methods.

In 2018, Marathon Oil will continue our role as presenting sponsor of the Bear Bryant Awards to further AHA's research, advocacy and education programs and initiatives. We will also expand our partnership into Oklahoma. In Houston, we will provide CPR training and pilot AHA's blood pressure program with employees to manage a main contributor to heart disease and to the Company's medical coverage costs.



Marathon Oil wants to work with contractors and suppliers who share our commitment to safety, environmental stewardship, ethical business conduct, sound labor practices and human rights. Our standards, policies and procedures for contractors and suppliers primarily serving field operations are encompassed in the elements of our [Responsible Operations Management System \(ROMS\)](#) related to [third-party services and health, environment and safety \(HES\)](#). In addition, contracts address our expectations that contractors and suppliers align with our values, adhere to our policies, and comply with all applicable export, anti-corruption and anti-bribery laws and regulations.

Ensuring Safety and Best Practices through Compliance

Our Contractor Management Program, which is aligned with industry recognized practices such as those published by API and IOGP, focuses on contractors who perform higher-risk services with the potential to impact the safety of other workers, the public, environment or the facility. We evaluate and approve vendors before we start working with them. Those who provide personnel for safety-sensitive work in North America must register with ISNetworld, a global online source to manage, evaluate and qualify contractors based on Marathon Oil criteria.

Using risk-based criteria, Marathon Oil identifies suppliers to conduct formal invoice compliance audits approximately once every three years. Our HES team also conducts formal, structured safety leadership engagements with critical and new suppliers, and those with HES performance concerns. Safety leadership engagements may include a review of internal policies and procedures, interviews with contractor leaders and staff, and interviews with the contractor's field workforce to gauge their understanding of their employer's policies and programs. These engagements can result in corrective actions with deadlines and could lead to contract termination if performance does not improve.

We seek out suppliers that represent our diverse customer base and communities, while assuring products and services are acquired competitively. For example, in the North Dakota Bakken play, we strive to award business to companies that are 100 percent owned by the Three Affiliated Tribes in compliance with the Tribal Employment Rights Office (TERO) on the Fort Berthold Indian Reservation. We contract with these Tier One suppliers when they are available, and expect them to offer competitive pricing for goods and services, and meet our requirements for HES performance, insurance coverage and financial viability. At year-end 2017, we had contracts in place with 46 Tier One suppliers.

Bakken brought on a new critical supplier of oil hauling services on the reservation in 2017. As part of onboarding this Tier One company to our safety and operational requirements, we reviewed the [oil hauling standard](#) in ROMS to ensure the contractor's employees follow our procedures. During the year, the hauler performed well and we were able to expand our business with the company.

With increased demand for products and services during the industry activity surge, Marathon Oil's Global Supply Chain organization reorganized to drive cost competitiveness. After reviewing well fracturing services contracts, Supply Chain decided to self-source sand and most diesel fuel instead of keeping these commodities in bundled services. This decision resulted in considerable cost savings and access to resources, which lowered well costs. We are looking at self-sourcing chemicals in the future and investigating additional opportunities for supply chain sustainability.





Marathon Oil respects the human, cultural and legal rights of individuals and communities, while focusing on safe, responsible, ethical operations.

Our commitment is consistent with the [United Nations Universal Declaration of Human Rights \(UDHR\)](#) and the [International Labor Organization's \(ILO\) Declaration on Fundamental Principles and Rights at Work](#). We recognize the goals and principles of the UDHR within our business relationships, such as everyone's right to the protection of law and the right to freedom of expression. We also work to prevent abuses and advance human rights in the communities where we operate and discuss human rights in industry associations. No Marathon Oil employees were members of trade unions in 2017.

Under the Emergency Preparedness and Community Awareness element of our [Responsible Operations Management System \(ROMS\)](#), we identify and engage with local communities, government emergency responders and other stakeholders within or adjacent to our operations regarding potential risks and planned response measures. We assess compliance with security and human rights practices using the Marathon Oil three-tiered audit program. In addition, our Corporate Sustainability Guidelines support community activities related to human rights, stakeholder engagement and other processes.

To promote security cooperation among companies and host nation governments, we work with the IPIECA Responsible Security Task Force and observers of the Voluntary Principles on Security and Human Rights.

Marathon Oil has well-established and effective security and human rights policies in our operating areas outside of the U.S. In [Equatorial Guinea](#), we employ a proprietary guard force to protect our onshore facilities and engage with the Navy of Equatorial Guinea to protect our offshore facilities. Marathon Oil had no known security-related incidents that resulted in a human rights violation in 2017. To bolster safety and security at Equatoguinean ports, we worked with the government of Equatorial Guinea and the United States Coast Guard to review International Port Ship and Port Facility Security (ISPS). Two Marathon Oil employees are certified to serve as auditors for this annual regulatory review.

The Company assesses the security and social risks associated with our business activities when entering a new location. Based on risks we identify, we develop mitigation activities to promote business continuity, protect assets and personnel, and minimize potentially negative impacts on our operations and stakeholders. After completing a risk assessment of our new [Permian Basin](#) asset, Marathon Oil identified high-potential risks, developed an emergency preparedness and response plan, and put mitigations in place.



We believe protecting the environment is critical to operational excellence, and that compliance with regulations and laws is not negotiable.

Management Approach

We manage our environmental risks using the [Responsible Operations Management System](#) and strive to continuously improve our environmental performance. The executive vice president of operations has overall leadership accountability for our environmental performance, with oversight from the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of the board of directors.

To eliminate or reduce environmental impacts from our operations, we develop sound practices for local and regional management of emissions, water and waste. Through environmental management strategies and processes, we:

- Promote compliance with all applicable regulations. In the absence of fully developed regulatory structures, we follow World Bank Guidelines in effect at the time of facility design and project execution.
- Identify, evaluate and implement potential solutions to reduce air emissions, waste and freshwater use and to prevent spills.
- Track and report environmental performance data and management practices to internal and external stakeholders.



Performance

We are committed to reduce spills and releases to the air and water, minimize wastes, and promote responsible water management and land stewardship. Reducing our operational impact on the environment also can reduce costs, improve efficiency, allow employees to focus on producing oil and gas safely and cost-effectively, and have other business benefits.

In 2017, we:

- Served as a founding member of [The Environmental Partnership](#), which is committed to continuously improving the industry's environmental performance.
- Cut methane intensity by over 50 percent in our Oklahoma asset, meeting our target set in 2016.
- Promoted compliance by finalizing implementation of an electronic system for tracking applicable regulations and associated tasks.
- Increased water consumption from 29 million barrels in 2016 to 70 million barrels, primarily due to entry into the Permian Basin, higher activity levels in other U.S. resource plays and use of completion designs that required more water.
- Took action to reduce waste and minimize freshwater use in the Permian Basin, including building a 300,000-barrel produced water recycling facility within six months of entry, treating and reusing produced water in stimulation jobs within three months of entry, and working to make produced water an economic supply source during droughts.
- Recorded all-time low number of spills in our conventional assets in both count (8 spills) and total volume (66 barrels).
- Recorded lower spill volumes to the environment year over year in our established resource play assets - Bakken, Eagle Ford and Oklahoma.
- Increased solid waste disposal 63 percent due to higher volumes generated by the addition of our new Permian Basin asset, Brae Bravo decommissioning and incinerator ash in Equatorial Guinea.





Marathon Oil recognizes the concern about the impact of greenhouse gas (GHG) and other air emissions on global climate and air quality, and the market changes that could occur as a result of climate change regulations.

Additional climate change laws and regulations will continue to evolve as guided by U.S. policy and global agreements such as those adopted by the 2015 United Nations Climate Change Conference.

At the same time, we recognize the need for reliable and affordable energy and petrochemical feedstock to fuel global economic progress, and the important role oil and natural gas are projected to play in meeting long-term global demand. Marathon Oil's long-standing commitment to sustainability remains a core of our business strategy as we evaluate both shorter- and longer-term risks. To manage these risks, we work to quantify and mitigate our GHG emissions, use well-established business processes to evaluate climate change risk in our investment decisions, and engage with external stakeholders to understand their perspectives.

Marathon Oil's Strategy and Processes for Managing Risks

Marathon Oil continuously reviews the impact that future climate change regulation could have on our business decisions. We believe that oil and gas development and production will remain crucial to the world economy, and our business model is focused on continued operation in this space.



Our business strategy, which is overseen by the board of directors, is to be the lowest-cost, highest-margin U.S.-focused resource play operator. We use several complementary methods to monitor and mitigate risks to our business strategy posed by commodity price changes resulting from market forces, including global climate change policies. In 2017, Marathon Oil devoted 95 percent of our capital program to high-return resource plays. Our resource play capital expenditure decisions are typically made on a five-year basis. Marathon Oil makes capital investments after examining a variety of data, including commodity price forecasts prepared by IHS and Wood Mackenzie, that consider the impact of supply and demand in global markets, the market penetration of alternative fuels and potential climate policies, among other factors, on global commodity prices. We consider these third-party forecasts, along with Company-specific insights and guidance, to prepare the Marathon Oil forecast. Potential investments are stress tested at or below the lower range of available forecasts to ensure they are robust at lower price levels. Profitability and capital allocation are based on expected prices, and specific financial targets or strategic objectives must be met to sanction a project. Additionally, the cost of carbon is factored into expense and revenue models for assets in the U.K., where carbon trading regulations are in place. Marathon Oil exercises discipline in our capital expenditures and maintains a relentless focus on lowering costs, which further reduces our exposure to price fluctuations.

Through the [Enterprise Risk Management](#) process, overseen by our board of directors, we examine regulatory changes, commodity price fluctuations and other risks that could impact the Company beyond the current planning cycle. Marathon Oil is well positioned to act if a shift in strategy is warranted due to any market force. Our long history of strategic adaptation includes transforming from an integrated oil and gas company to an independent exploration and production company, and more recently shifting from conventional production to unconventional resource plays.



EMISSIONS METHODOLOGY, PERFORMANCE AND METRICS

We report our air emissions resulting from fuel combustion and venting, using methodologies based on the emissions source and the regulatory requirements in the country of origin.

Our Methodology

Our emissions reporting methodology varies depending on the emissions source and the regulatory requirements in the country of origin. Air emissions from the oil and gas industry can be divided into two primary categories: combustion and venting. Emissions from fuel combustion result from operating equipment such as engines, heaters and generators. Fuel combustion results in emissions of nitrogen oxides (NO_x), carbon monoxide (CO), sulfur dioxide (SO₂), particulate matter (PM), volatile organic compounds (VOCs) and carbon dioxide (CO₂). Venting primarily results in VOCs and methane (CH₄), generally from storage tanks, well venting, gas dehydrators and equipment leaks. Flares and other control equipment eliminate most of the VOCs and methane. Control equipment is the preferred method to lower VOCs and methane emissions if there are no operational or safety restrictions on their use.

In this report, we include direct emissions (Scope 1) and indirect emissions (Scope 2) as defined by the IPIECA/API/IOGP *Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions*, on an operated basis. We include emissions from contractors' equipment and activities (such as drilling and completions) and other temporary activities (such as well test flaring) when local regulations require it. Direct emissions are measured and/or estimated, recorded and reported in accordance with applicable regulatory requirements for the respective operations. Indirect emissions are estimated based on Company energy use.

For example, we use methodologies outlined in the Environmental Protection Agency's (EPA) GHG Mandatory Reporting Rule (MRR) to calculate emissions from U.S. oil and gas operations. Approximately 99 percent of our U.S. operations report to the EPA through this program on a barrel of oil equivalent basis. We use the same methodology for U.S. assets that are not required to report to the EPA under this regulation and include those emissions in this report. When no regulatory requirements apply, we calculate GHG emissions using the *API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry*. For indirect emissions, we track purchased electricity and calculate emissions using the API Compendium.

Air Emissions Performance

Marathon Oil evaluates our emissions performance on an absolute and rate basis. Our absolute emissions and rates of emissions are influenced by factors including activity levels and portfolio changes. We evaluate our performance using greenhouse gas (GHG) and methane emissions intensity, expressed as carbon dioxide equivalent (CO₂e) emissions per equivalent barrel of all hydrocarbon produced.

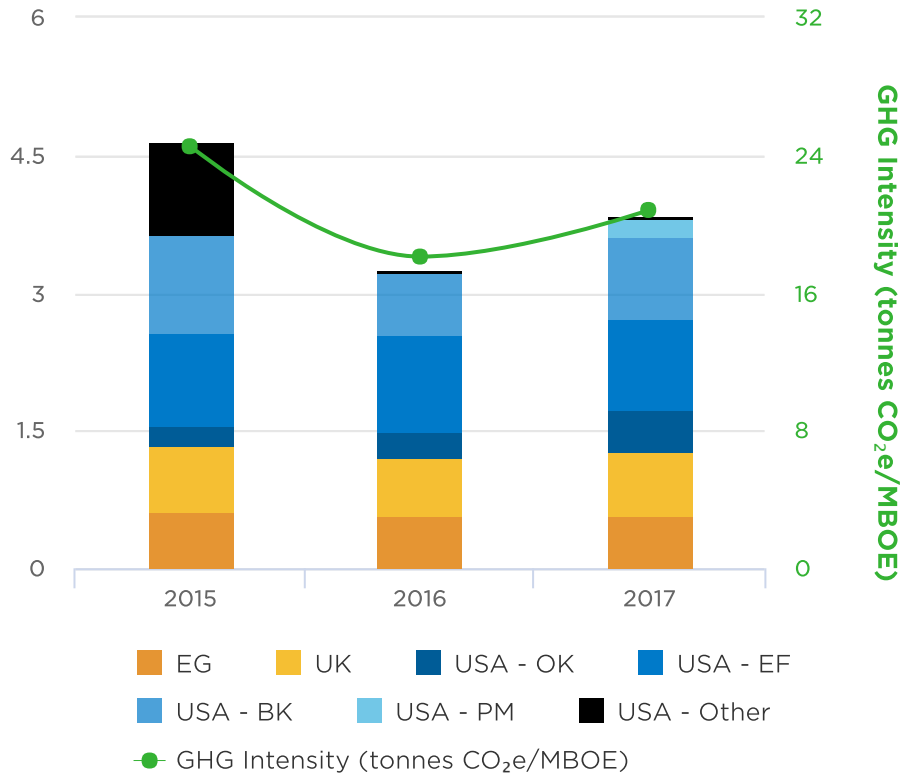
In 2017, global GHG emissions and intensity increased by 18 percent and 15 percent, respectively. The increases were primarily due to higher activity in Oklahoma and the North Dakota Bakken, and our entry into the Permian Basin. We identified all emissions sources in the Permian Basin and are integrating the asset into our management system. Our methane emissions and methane intensity decreased in 2017, primarily due to removal of high bleed pneumatic controllers in Oklahoma and divestiture of non-core assets.

We also measure total methane emissions as a percentage of total natural gas produced, even though we have a liquids-dominated portfolio, particularly in the U.S. Our overall methane emissions ratio decreased by 7 percent in 2017, primarily due to increased gas production from the Alba compression project in Equatorial Guinea, and increased activity in Oklahoma and the Bakken, along with the aforementioned methane emissions reductions.

GHG emissions and GHG emissions intensity in Bakken increased 36 percent and 31 percent, respectively. While we have connected 96 percent of the production facilities to third-party gas pipelines, constrained gas pipeline capacity in the region increased our GHG emissions from flaring of associated gas. Our strategies to continue reducing the amount of gas flared include enabling third-party gas gatherers to build gas infrastructure by providing our drilling plans, assisting with landowner right-of-way acquisitions and prioritizing connections to the gas infrastructure.

GHG EMISSIONS AND INTENSITY ^{a, b}

Million Tonnes CO₂e

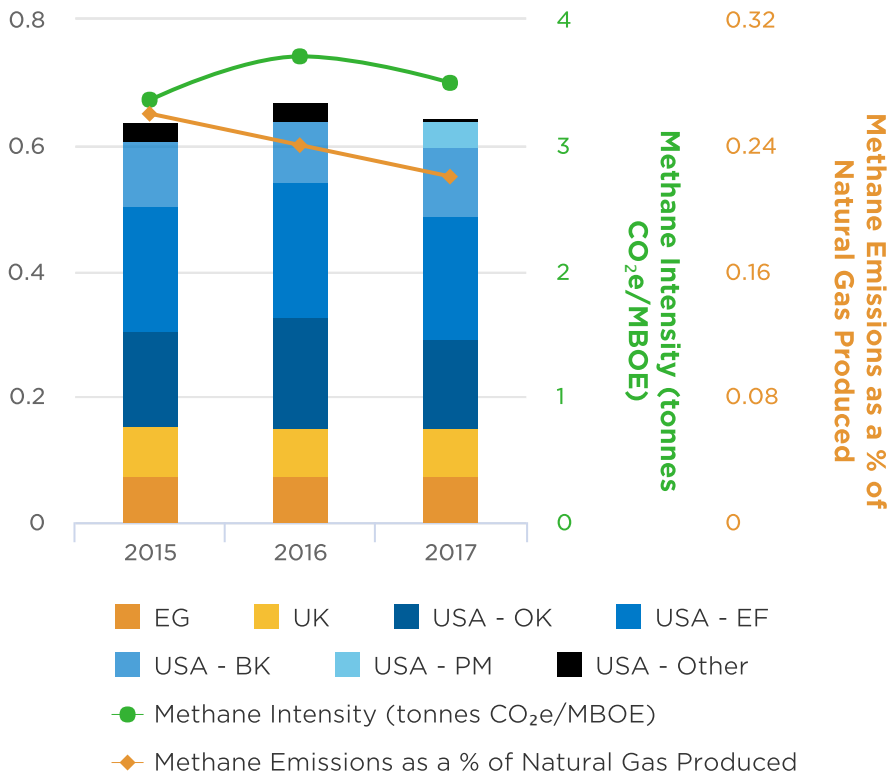


(a) Greenhouse Gas (GHG) carbon dioxide equivalent (CO₂e) emissions are based on carbon dioxide, methane and nitrous oxide from Marathon Oil-operated facilities only.

(b) Permian asset acquired in 2018

METHANE EMISSIONS AND INTENSITY ^a

Million Tonnes CO₂e



(a) Permian asset acquired in 2018

Air Emissions Reduction Strategies

Marathon Oil takes action to find and develop oil and natural gas safely and responsibly, including by reducing greenhouse gas (GHG) and other air emissions from our operations. Our efforts reduce our exposure to potential changes in climate change regulations, which could increase the costs of emitting GHGs or reduce demand for oil and gas over time. We continuously evaluate and implement strategies and technologies, and annually review cost-effective methods to reduce air emissions from our operations throughout the drilling and production lifecycle.

In 2017, we assisted in establishing [The Environmental Partnership](#) as a founding member. This voluntary group of U.S. natural gas and oil companies has a mission to continuously improve the industry's environmental performance by taking action, building knowledge and fostering collaboration among stakeholders. To that end, Marathon Oil enrolled in the partnership's environmental performance programs aimed at reducing emissions of methane and volatile organic compounds (VOCs):

- Phase-out of high-bleed pneumatic controllers
- Monitoring manual liquids unloading operations to minimize emissions
- Leak detection and repair

In early 2016, our Oklahoma asset set a goal to reduce methane intensity in the asset by at least 50 percent by 2020. We surpassed that goal by the end of 2017, reducing methane intensity by more than 54 percent from the total in 2015. This was achieved by replacing high-bleed pneumatic devices with low-bleed or non-bleeding mechanical controllers in all our Oklahoma facilities.

As part of our commitment to innovation, we implemented a project in 2017 that cut electricity costs and per-barrel production costs by reducing energy used by rod pumping units. This energy efficiency project uses solar technology to power the unit's motor. In six pilots in the Eagle Ford and Bakken, the technology offsets increases in electricity usage from higher activity. In addition, the system uses a solar panel to power the capacitor bank, which generates renewable energy for federal and Texas state tax credits on new installations. In 2017, Marathon Oil retrofitted approximately one-third of our existing pumping units with the technology, and we plan to install it on all new pumping units.

Our operations use infrared cameras to detect temperature differences that can indicate equipment leaks. Leaking equipment, if found, is repaired as soon as practicable. Some assets initiated a voluntary infrared camera program in 2014; however, all assets now regularly employ infrared camera inspections at operating facilities as required by state and federal requirements. Infrared camera monitoring, along with maintenance and operating practices, continue to minimize air emissions from company facilities.





Marathon Oil protects sensitive ecosystems, manages natural resources and minimizes impact to the environment to be good stewards of the land and promote biodiversity.

We engage with governing agencies and landowners at the early stage of project planning, and adjust development plans as needed to minimize impacts to:

- Threatened or endangered species or their critical habitat
- Watershed, wetlands and stream segments
- Environmentally sensitive areas
- Areas of cultural and/or historical significance



We build and maintain our facilities to prevent birds and other wildlife from accessing equipment stacks, vents or fluid impoundments. We screen each site for endangered species and United States Army Corps of Engineers jurisdictional wetlands and streams before construction and take mitigating actions as needed. To protect neighboring streams and wetlands, our facility designs and construction include erosion and sedimentation control systems, and use spill prevention measures. We inspect and maintain our sites, check disturbed areas routinely after significant storm events, and promptly repair the control systems.

In our Permian Basin asset, we signed U.S. Fish and Wildlife Service Candidate Conservation Agreements with Assurances (CCAA) to manage and preserve habitat in our development areas for three key species: the lesser prairie chicken, the dune sagebrush lizard and the Texas hornshell mussel. These voluntary agreements will help us address the conservation needs of these species by taking specific actions to remove or reduce impacts.

Marathon Oil develops reclamation plans and timelines to meet the expectations of the landowner and governing agency, and incorporates wildlife and habitat specific goals.



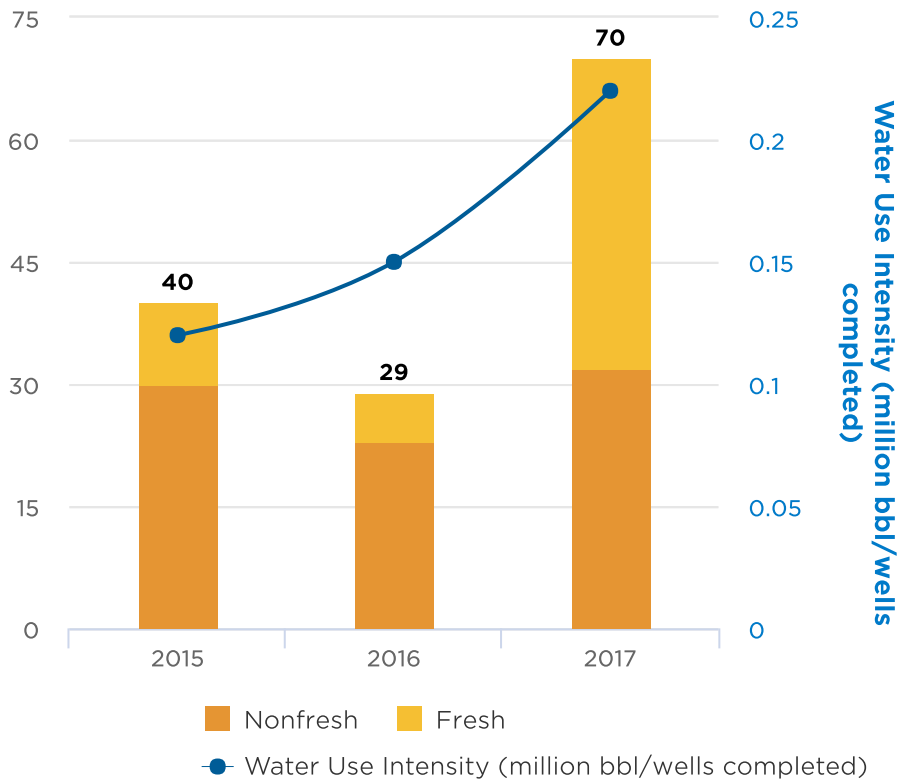
Water is a valuable resource that we share with the communities where we operate. Marathon Oil's water use is guided by water stewardship practices such as responsible sourcing, conservation, reuse, recycling and disposal.

Tracking the source and amount of water consumed in our operations is required by our Environmental Management Standard and the Regulatory Compliance element of our [Responsible Operations Management System \(ROMS\)](#). We have a corporate advisor for sustainable water management in our U.S. unconventional resource plays, with water management supervisors in specific assets. The advisor has leadership accountability for water management.

Across our U.S. resource plays, we leverage lessons learned, employ best practices, and participate in industry efforts to be good stewards of water resources and improve water management. We continuously seek cost-effective ways to reduce the impact of our operations on water resources. These include identifying sustainable water sources, and developing storage, treatment and infrastructure alternatives for water disposal. In addition, our Global Supply Chain team restructured to better support cost-effective water management.

U.S. WATER USE

Million barrels



Water consumption in our U.S. resource plays was 70 million barrels in 2017, up from 29 million barrels in 2016. The increase was related to completing or recompleting approximately 60 percent more wells in 2017 than 2016, using more extended laterals, modifying our completion design and entering the Permian Basin.

Marathon Oil assets are responsible for developing customized strategies and plans to minimize the impact of our operations on local water resources, and preserve freshwater for drinking and other community needs. Asset plans are based on local and regional sourcing options, capacity limitations, operational needs, and disposal and infrastructure alternatives.

Our freshwater use in the South Texas Eagle Ford depends on the water quality available for specific lease areas, completion design, landowner requirements and other factors. Our water management strategy includes using brackish water that would not meet U.S. drinking water standards, as well as produced water instead of freshwater whenever possible. In 2017, Eagle Ford sourced approximately 92 percent of its water from nonfresh sources, comparable to 2016. We have a permanent recycling system that produces clean brine for workover and production operations in the Kenedy and Pleasanton areas of Eagle Ford.

In the Permian Basin, where the industry faces challenges with sourcing water for hydraulic fracturing and disposing of produced water, Marathon Oil built a 300,000-barrel facility to treat and recycle produced water for fracturing in our Malaga acreage. We also treated and reused production water in stimulation jobs, and worked to make produced water an economic supply source during droughts.

Our Oklahoma strategy focuses on identifying sustainable water sources and managing constraints on produced water disposal and hauling. A study of brackish groundwater in our high-activity areas revealed the water quality was too poor for our use, so we continue to investigate the potential to reuse produced water in these areas. Marathon Oil seeks to dispose of water using pipelines instead of trucks whenever possible to reduce emissions and safety hazards, but widespread collection of produced water is challenging and not always feasible on our acreage.

Marathon Oil will continue to develop strategies to manage water sourcing, recycling, treatment, storage and disposal infrastructure throughout our assets.



To prevent spills and protect the environment, Marathon Oil designs, operates and maintains our facilities with mechanical safeguards, secondary containment systems and spill control plans. We invest in employee training, procedures, preventive maintenance and inspections for fluid-containing equipment and facilities.

If a spill does occur, we activate our comprehensive [preparedness and response capabilities](#) to contain the spill and protect the surrounding environment. We train local, regional and corporate response teams, and conduct drills and exercises to maintain their readiness. We also have a network of response contractors and consultants.

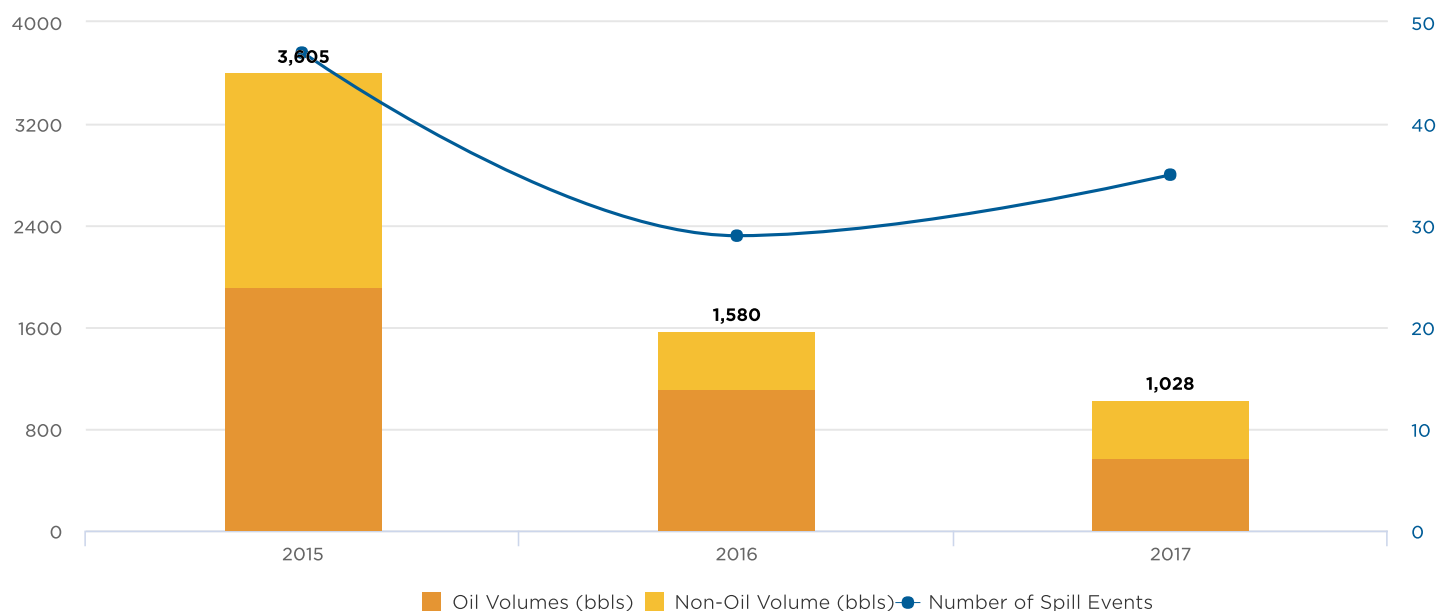
When investigating spills and discharges to identify their cause, we look at both the actual and potential spill severity. The Company takes incident-specific actions and, if necessary, broad corrective actions including remediation.

Across our operations in 2017, the total number of spill events to the environment greater than or equal to a barrel increased by 20 percent, largely due to the addition of the Permian Basin asset. To prevent spills in this asset, we started installing automated switches and valves in late 2017 and initiated a tank inspection program on our older, less productive facilities. We expect to complete these efforts by the end of 2018.

The associated spill volume in 2017 decreased by 35 percent year over year, primarily because of pipeline integrity programs in Eagle Ford that seek to improve asset reliability and reduce unplanned losses. After identifying microbial-influenced corrosion (MIC) as the primary cause of Eagle Ford pipeline leaks in 2014, we have reduced MIC damage through regular pigging, periodic biocide treatment and continuous corrosion inhibition. In 2017, Marathon Oil used advanced inspection technologies on 16 miles of pipeline, and conducted 11 low point digs and automated ultrasonic thickness inspections to maintain pipeline integrity in Eagle Ford. We plan to replace several short pipeline segments and use advanced inspection technologies on approximately 34 miles of pipelines in 2018.

SPILL EVENTS TO THE ENVIRONMENT \geq 1 BBL ^a

Barrels



(a) Data includes spills outside of secondary containment greater than or equal to 1 barrel.



Hydraulic fracturing is a key technology for producing oil and natural gas in unconventional resource plays. In combination with advanced horizontal drilling technology, hydraulic fracturing makes it possible to develop oil and gas resources that were previously inaccessible, providing energy resources to fuel economic prosperity in the U.S. and worldwide. These technologies have unlocked oil and gas deposits for Marathon Oil in the South Texas Eagle Ford shale, North Dakota Bakken shale, Oklahoma and New Mexico Permian Basin. In keeping with our commitment to environmental stewardship, we take steps to ensure well integrity, conserve water, reduce air emissions from flaring and other sources, and manage waste responsibly to minimize our impacts from hydraulic fracturing.

WELL INTEGRITY

Proper well construction is essential to protect the environment, particularly freshwater aquifers. We use steel casing and cement in the wellbore to create physical barriers and protect drinking water resources. During well construction, we use industry best practices and comply with state rules for drilling and completions.

WATER USE

Hydraulic fracturing involves pumping a mixture of mostly water and sand, and a small amount of additives, under high pressure into the reservoir to create fractures, or cracks, in the target rock formation. This increases the production rate and ultimate recovery of oil and natural gas from a well. Marathon Oil looks for ways to use less freshwater in our hydraulic fracturing operations without negatively impacting well performance and to minimize operational impacts on local watersheds. We pursue alternative sources for water, such as aquifers whose water supply does not meet standards for municipal or agricultural use, and evaluate technologies for recycling and treating produced water for reuse.

FLUIDS

To protect surface and groundwater resources and natural habitat, we manage and dispose of our produced fluid waste from hydraulically fractured wells in accordance with all federal, state and local regulations. Fluids are recovered and stored with care to minimize any spills or leaks. In addition, we reuse or dispose of these fluids at locations we have reviewed to verify vendors have proper permits and approvals to operate. Marathon Oil supports state-level disclosure of fracturing fluid components. We worked with other operators and trade organizations to implement [FracFocus](#), a voluntary online chemical registry for hydraulically fractured wells. Marathon Oil has entered all of our wells drilled and hydraulically fractured in the U.S. in FracFocus, a total of 2,504 wells through December 2017. We encourage service companies that work with us to disclose their fracturing fluid components as well.



Regulators and public sector groups are studying potential links between wastewater disposal and other aspects of oil and gas operations and increased seismic activity in Oklahoma and Texas. Marathon Oil currently does not own or operate any injection wells for wastewater disposal in targeted formations in Oklahoma, and we evaluate third-party water disposal sites to ensure they do not inject into formations that have been linked to seismic activity.

In Oklahoma, regulators have issued additional guidelines to oil and gas operators in some areas of the state for management of risks relating to potential anomalous seismicity. Marathon Oil is subject to these guidelines and has all necessary procedures in place to monitor our operations and ensure full compliance. We also continue to monitor regulatory efforts related to seismic activity in all of our operating areas, to assess their potential commercial and operational impacts.

We are evaluating asset-specific recycling and reuse of produced water, and actively working with states to determine any beneficial use of treated produced water. We continue to engage with state governments – both independently and through participation in organizations such as [API](#), the Oklahoma Oil and Gas Association ([OKOGA](#)), Texas Oil and Gas Association ([TXOGA](#)) and the American Exploration and Production Council ([AXPC](#)) – to establish regulations that promote recycling and reuse in our assets where feasible.

We also monitor relevant scientific research through our membership in the [Stanford Center for Induced and Triggered Seismicity](#) consortium. The mission of this consortium is to conduct fundamental research on the physical processes responsible for induced and triggered seismicity, and to develop a scientifically based framework for seismic risk assessment and risk management. This research is used by state governments to regulate the oil and gas industry.



Marathon Oil is planning for the decommissioning of the Brae Area facilities in the U.K. sector of the Central North Sea.

The scope of the decommissioning is considerable and it is estimated the process could take up to 20 years to complete. Our dedicated [Brae Area decommissioning website](#) keeps stakeholders informed and invites them to comment on our activities.

Marathon Oil will comply fully with the highly regulated framework that governs the Decommissioning Programmes in the U.K. We are planning and executing decommissioning activities with full regard for safety and the environment, while taking economic factors into account.

We are applying recognized industry good practice and continue to commit to full and transparent stakeholder engagement and collaboration. We have numerous stakeholders, including regulators, special interest groups, nongovernmental organizations (NGOs), trade organizations, partners, local and regional business groups and elected officials, government ministries and academic institutions.

Our stakeholder engagement timeline spanned three stages of the planning process: the overview of decommissioning proposals and timescale, further engagement and progress updates prior to the formal consultation period, and the formal consultation period. In addition to communicating through print and digital channels, we engaged with statutory stakeholders and interested parties in meetings, workshops and public consultations.

We continue to evaluate emerging technologies and solutions that fully comply with all regulations, while being safer, more efficient and less expensive than traditional approaches.

Our workforce and Brae Area partners continue to focus on the safe, environmentally responsible and cost-effective decommissioning of these North Sea assets, and ongoing engagement with our stakeholders.

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The value we hold most deeply is to send employees and contractors who work on one of our sites home safely and in the same condition they arrived in.

Management Approach

Marathon Oil believes that to be sustainable, a company must have both safety and operational excellence. The same skills, competency, commitment and focus are required to operate safely and to operate efficiently.

Our resources to manage health, environment, safety and security (HES&S) performance are the [Responsible Operations Management System \(ROMS\)](#), HES&S standards and policies, [Statement of HES&S Beliefs](#) and [Life Critical Expectations](#). We provide training to reinforce individual responsibility for safety, [safety leadership](#), and a focus on high-risk tasks, hazard identification and [emergency preparedness](#).

To prevent incidents, accidents and injuries, we set clear, non-negotiable expectations with employees and our large contractor workforce for analyzing and managing risk, reporting incidents and near misses, investigating incidents, implementing corrective actions and sharing lessons learned. Marathon Oil expects everyone to slow down, speak up, ask questions and stop the job if they have any concerns about safety.



Performance

Following our best safety performance ever in 2016, our total recordable incident rate (TRIR) for both employees and contractors increased to 0.64 in 2017. In addition, actual and potential serious events that could impact people, the environment and the Company increased, with our Serious Event Rate leading indicator increasing to 0.45 in 2017. There were multiple factors that impacted our 2017 safety performance, including a material ramp-up in U.S. resource play drilling and completion activity, as well as construction work that added new crews to our worksites. This resulted in a 38 percent year-over-year increase in exposure hours to 21.2 million hours, primarily for contract workers, many who were new to the industry.

Given this unacceptable year-over-year change, we developed a plan to improve performance. In the first quarter of 2018, we held safety forums for representatives of our U.S. unconventional assets. These forums resulted in a sharper focus on safety leadership and contractor management with strong emphasis on our life critical expectations. In 2018, we plan to hold workshops for over 800 personnel on effective safety conversations and safety leadership. We are also strengthening contractor management and holding contractors accountable for improving their performance. To work with Marathon Oil, contractors must demonstrate that they share our commitment to a safe workplace.

To benchmark our U.S. performance, we compare our TRIR to industry peers in the [American Exploration & Production Council \(AXPC\)](#), even though some of our peer companies do not include contractors in their numbers. Marathon Oil's U.S. recordable injury rate of 0.72 for both employees and contractors was above the AXPC average of 0.62.

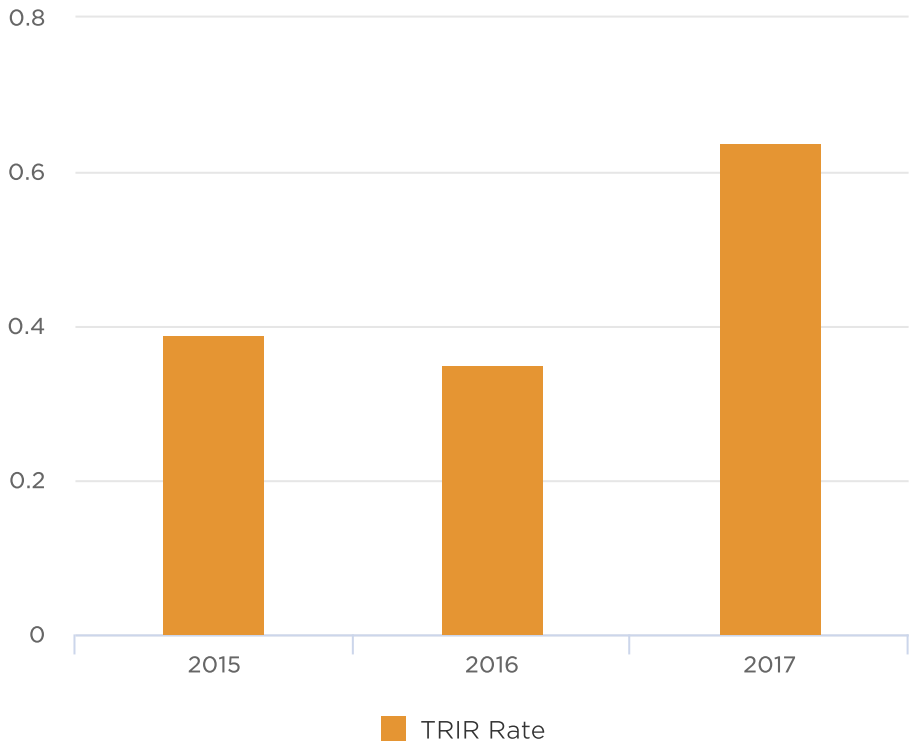
Additional actions we took in 2017 to manage safety risks and avoid incidents, injuries and accidents included:

- Assessing the safety of every rig we contracted for drilling with a third-party inspection.
- Voluntarily purchasing LIDAR (light detection and ranging) technology to detect structures on all Marathon Oil properties within 1,500 feet of a well or well pad and 660 feet of a pipeline. We will assess our affected wells and pipelines in 2018 to assure proper action is taken, including proper isolation and abandonment, and plan to review the data annually to identify any new structures on our properties.
- Shutting in, and later restarting, every well and facility in our South Texas Eagle Ford asset in advance of [Hurricane Harvey](#) with no recordable injuries, serious events or spills.
- Strengthening our [oil hauler awareness and audit program](#), and sharing it industrywide to make crude oil logistics and transportation operations safer.
- Held an annual corporate-level exercise of our emergency response procedures and conducted regional [emergency preparedness](#) drills across all our business units.



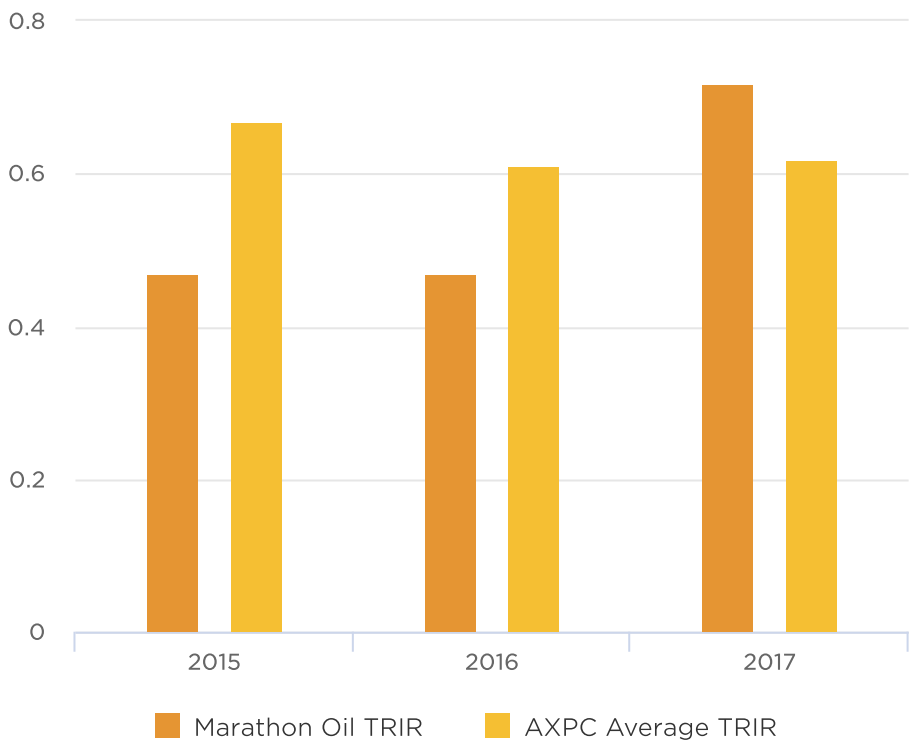
GLOBAL SAFETY PERFORMANCE

Combined Employee and Contractor Workforce Incidents per 200,000 work hours



U.S. SAFETY PERFORMANCE - AXPC BENCHMARK ^a

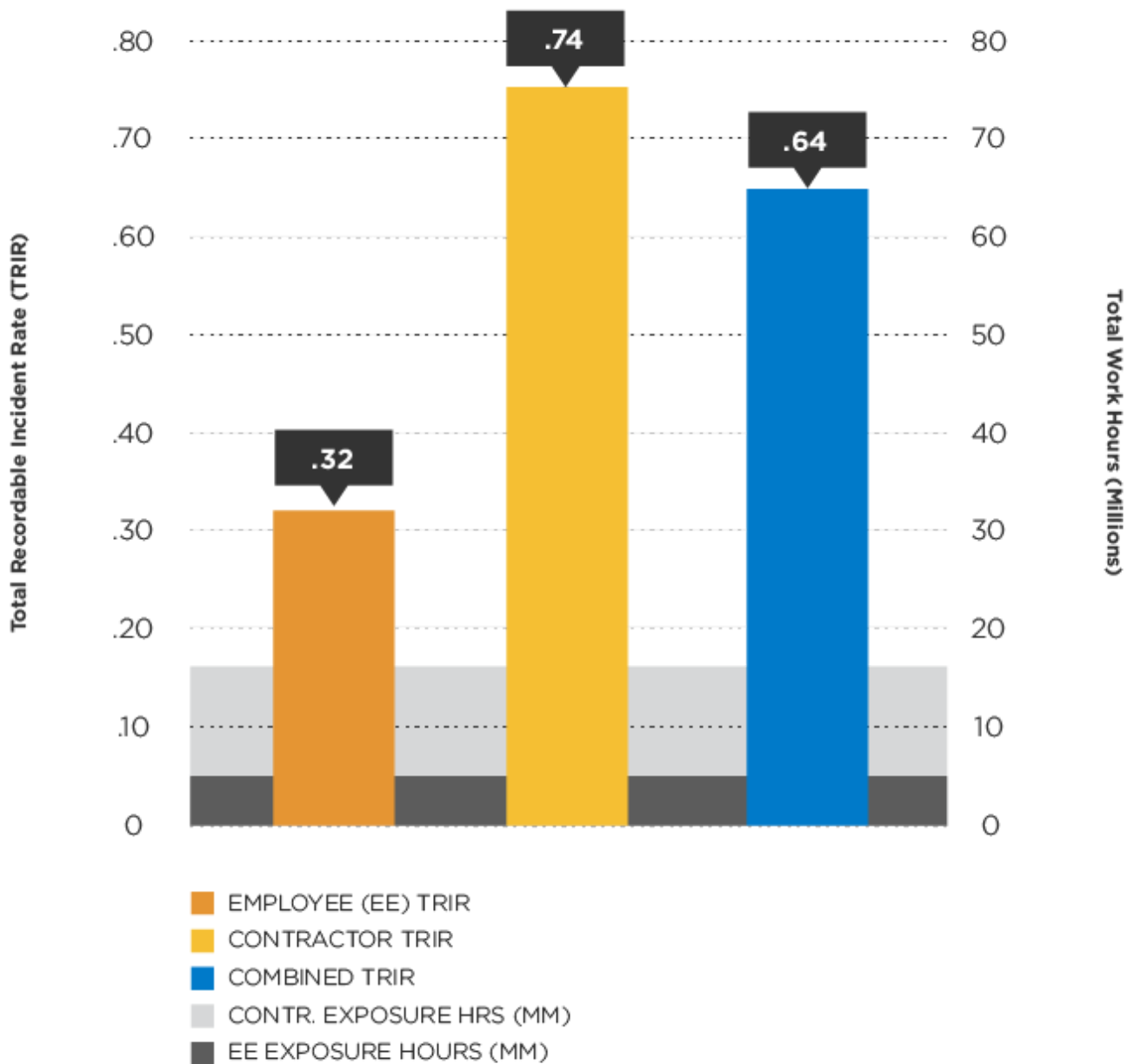
Contractor and Employee; Onshore and Offshore; Domestic Operations Only.



(a) Some comparator companies do not include contractor workforce

2017 IN-DEPTH GLOBAL SAFETY PERFORMANCE

Combined Employee and Contractor Workforce Incidents per 200,000 work hours





Empowering the Field Workforce to Own Safety Performance

To improve safety going forward, Marathon Oil is focusing on safety leadership engagements and contractor management. We held two safety leadership forums in the first quarter of 2018 for 90 field operations and health, environment and safety (HES) leaders at all levels of the organization in our U.S. unconventional resource plays. Participants discussed strengths and opportunities to improve our safety culture, learned safety leadership skills and developed asset-level safety commitments. Our CEO and senior operations leaders attended the forums to underscore Marathon Oil's moral obligation to keep people safe and for individuals to take personal responsibility for their own and their coworkers' safety. They emphasized that our workforce must take the time to do their jobs safely and stop the job if they have any concerns about safety.

We piloted safety leadership courses in our Oklahoma and North Dakota Bakken assets in the first quarter, and are conducting courses in effective safety conversations and safety leadership across our unconventional assets, with a goal of reaching over 800 field-facing supervisors by year-end 2018.

Customized contractor management plans developed by the asset teams, which were initiated at the forums, set expectations for safety leadership engagements and provide a risk-based approach for managing contractors. These plans identify the methods for improving contractor safety performance, such as the required number of safety leadership engagements, the frequency of contractor performance reviews, and the frequency and type of required contractor safety audits.

To measure contractor performance, we are tracking OSHA recordables, the Serious Event Rate for incidents with negative consequences and near misses, and the number of proactive safety observations, which is a leading indicator. If warranted, Marathon Oil will stop working with contractors who do not meet our expectations for safety.

Other steps we are taking in 2018 to improve safety are increasing Company oversight on production sites, and enhancing incident investigations through additional guidance to ensure consistency and proper root cause analysis. We believe through transparent reporting, thorough investigation and sharing of safety events, we can prevent recurrence.

Process Safety Management

Process safety encompasses programs to prevent hydrocarbon releases that have the potential to impact people, property and the environment. It is an integral component of Marathon Oil's [Responsible Operations Management System \(ROMS\)](#). Marathon Oil strives to improve our process safety culture and performance, track and investigate process safety incidents and near misses, develop corrective actions and share them throughout the Company. In 2017, we experienced no high- or medium-consequence process safety events at our designated facilities in U.S. unconventional resource plays, Marathon EG Production Limited (MEGPL), Equatorial Guinea LNG Holdings Limited (EG LNG) and the U.K. North Sea.

Product Stewardship

Marathon Oil produces or uses crude oil, natural gas, diesel fuel and other potentially hazardous materials. As a responsible operator, we supply information to, and work with, applicable parties to foster the safe use, handling, transportation, storage, recycling, reuse and disposal of materials, products and wastes.

Our product stewardship efforts include providing online [Safety Data Sheets \(SDS\)](#) with information on the health and safety aspects of the products we produce and use for employees, contractors, suppliers and others. SDSs for all chemicals at our well sites are available for use by our workforce and emergency services personnel. Additives and other fluid components used in hydraulic fracturing fluids in specific Marathon Oil wells are voluntarily disclosed on [FracFocus](#).





Efforts to identify and address key public health challenges in our operating areas are guided by our [Responsible Operations Management System \(ROMS\)](#).

Areas we address include:

- Occupational hygiene and exposure control
- Medical emergency management
- Fitness-for-duty and medical surveillance
- Public and community health impacts

Our exposure assessment process builds upon and aligns exposure risk management with the health, environment, safety and security (HES&S) risk assessment process. The focus is on identifying, recognizing, evaluating and controlling chemical, physical and biological exposure risks in our workplace. We use qualitative assessment techniques to identify and rank potential exposure hazards according to risk, and then apply quantitative industrial hygiene monitoring to ensure that hazards are adequately controlled.

To advance public health initiatives that promote the common good and protect the public in our operating areas, we collaborate with community leaders. For example, we partner with the [American Heart Association](#) to spread awareness about cardiovascular health, a major cause of death in regions where we operate. To reduce stress on community health facilities in our unconventional resource assets, we contract for telemedicine services for ill and injured workers, drug and alcohol testing, and other basic services for our employees and contractors.

Our public health programs in [Equatorial Guinea](#) emphasize capacity building. The primary program is the [Bioko Island Malaria Control Project](#), now in Phase III. As part of our focus on maternal and child health, we partnered with the Foundation for Nursing Development, the EG Ministry of Health and Social Welfare and the National University of Equatorial Guinea on a program that graduated 60 trained, university-certified midwives in 2017 who are now serving throughout the country. In addition, Marathon Oil started the [Ver Bien \(See Well\) project](#) in 2017 to screen children for vision problems and provide reduced-price eyeglasses to enhance their educational outcomes.

Making Midstream Logistics and Transportation Safer

Third-party haulers who transport crude oil, condensate and natural gas liquids (NGL) from oil and gas properties to unloading sites such as terminals are a vital logistics link for our industry. Many haulers hire truck drivers who become responsible for manually checking the level and quality of crude oil in storage tanks before they unload the product into their trucks. Known as tank gauging, this activity can be hazardous due to the potential for exposure to oxygen-deficient, hazardous and toxic atmospheres if safety precautions are not followed.

We developed a program to manage the HES&S risks of loading and transporting products at Marathon Oil's U.S. onshore unconventional resource plays. The program addresses hauler awareness, operational safety management and hazardous material transportation safety/environmental assurance. We share this standard with our oil buyers, transporters and industry peers, and in 2017 applied the program to approximately 50 crude oil transport companies.

Under the standard, Marathon Oil performs initial audits and vets each transporter's HES&S management system, regulatory compliance status, standard operating procedures (SOP) and Job Safety Analysis (JSA). Audits are repeated every three years. During audits and other leadership engagements, we communicate our safety culture and expectations, go over NIOSH (National Institute for Occupational Safety and Health) findings and recommendations for manual tank gauging, and identify opportunities for improvement. Emphasis is placed on engineering controls, augmented by procedures and personal protective equipment (PPE) to mitigate the risks.

Buyers and transporters must comply with our oil hauler standard and HES&S requirements, and ensure their drivers/tank gaugers have completed a business unit-specific HES&S orientation before first arrival on location. They must further ensure that drivers/tank gaugers dispatched to our sites have been issued a Marathon Oil product safety data sheet and have the training, procedures and equipment to comply with applicable federal and state regulations. A multi-gas personal alarm monitor must be worn continuously while gauging tanks and handling the product.



In addition, drivers/tank gaugers must comply with posted signage and safety rules at our sites, and follow their employer's SOPs and JSAs for onsite activities. We require that our buyers promptly respond to any unplanned release on or off a Marathon Oil property as a result of their activities.

Buyers and drivers alike have reacted positively to our efforts, and thanked Marathon Oil for making them aware of the potential hazards of their work and how to do it safely.



EMERGENCY PREPAREDNESS AND RESPONSE CAPABILITIES

Marathon Oil maintains comprehensive capabilities for emergency preparedness and response, and business continuity, to be a responsible operator and demonstrate good governance.

We maintain plans to protect personnel, facilities and neighbors in the event of incidents such as natural disasters and operational disruptions. The Emergency Preparedness and Community Awareness element of our [Responsible Operations Management System \(ROMS\)](#) provides a structured approach to tailor response plans to local operating conditions.



Marathon Oil's capabilities include:

- Local and regional emergency response teams and the Corporate Emergency Response Team (CERT) operating under the authority of the executive-level Crisis Management Team.
- Periodic training, drills and exercises for response teams, along with the invited or required participation of government agencies and key stakeholders.
- A network of response contractors and consultants.
- A full-time Corporate Security and Emergency Preparedness Group responsible for training, drills and participation in industry emergency response and mutual aid activities.
- Participation in industry associations to share lessons learned and drive improvements.

In August and September 2017, Marathon Oil teams executed divisional business continuity and asset-level emergency response plans during and after Hurricane Harvey. The response included voluntarily shutting down approximately 1,500 wells in our South Texas Eagle Ford asset with no spills, injuries or other impacts, and relocating critical financial functions to an alternate location. For more information on our response, please read the [Hurricane Harvey highlight](#).

Marathon Oil held annual field-level exercises required by regulations, regional drills required by ROMS and a corporate-level exercise in 2017. For example, our Watonga, Oklahoma, team initiated a field-level spill response drill for members of the state Department of Environmental Quality, local fire departments, the Oklahoma Corporation Commission and a number of peer companies. Participants deployed spill response equipment and discussed the notification process. In the U.K., our corporate-level response team supported a large government-initiated regional drill for our North Sea asset.

Based on a risk assessment of our entry into the Permian Basin in 2017, Marathon Oil developed an emergency response plan and put mitigations and contracts in place with third-party emergency response companies. We also trained local teams to activate the plan, with back-up assistance from our regional team in Houston. In 2018, we are donating an emergency response trailer for the mutual aid of 12 emergency management authorities and operators in the Permian Basin. Marathon Oil will fund a workshop to train all operators who will use the trailer, which will be stored in Eddy County, Texas.

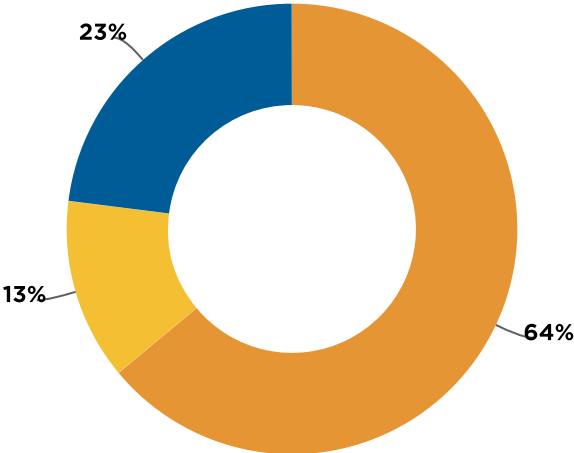


Marathon Oil is building a diverse and inclusive workforce that collaborates, takes ownership, acts boldly and delivers results to achieve sustainability and create value.

Marathon Oil had approximately 2,300 active, full-time employees worldwide at year-end 2017. We foster an inclusive work environment, free of discrimination and harassment, where everyone can feel comfortable sharing their ideas and is dedicated to growing our business. We have integrated programs and systems for recruiting, training, development, compensation, performance management and benefits to attract, develop and retain our workforce.

Our [Code of Business Conduct](#) and related policies prohibit workplace harassment, violence or discrimination against any employee or person we do business with based on race and other factors. If issues arise, we encourage employees to work directly with their supervisors and management. Employees may report questions or concerns through Human Resources, Audit, HES&S, Law, the Corporate Compliance function and other internal resources.

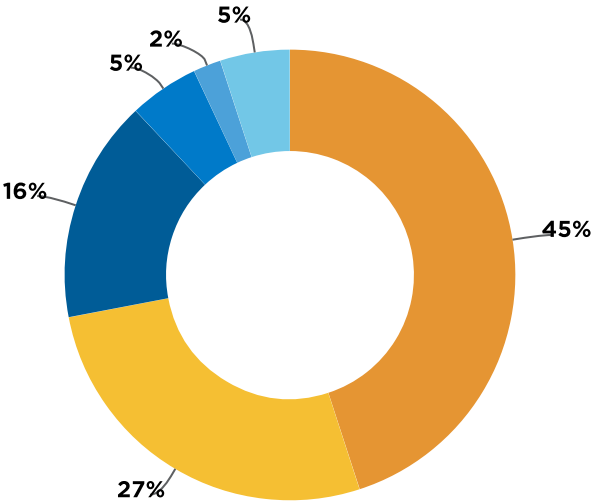
WHO WE ARE



North America Europe Africa

Asia represents <1% of total global workforce

YEARS OF SERVICE

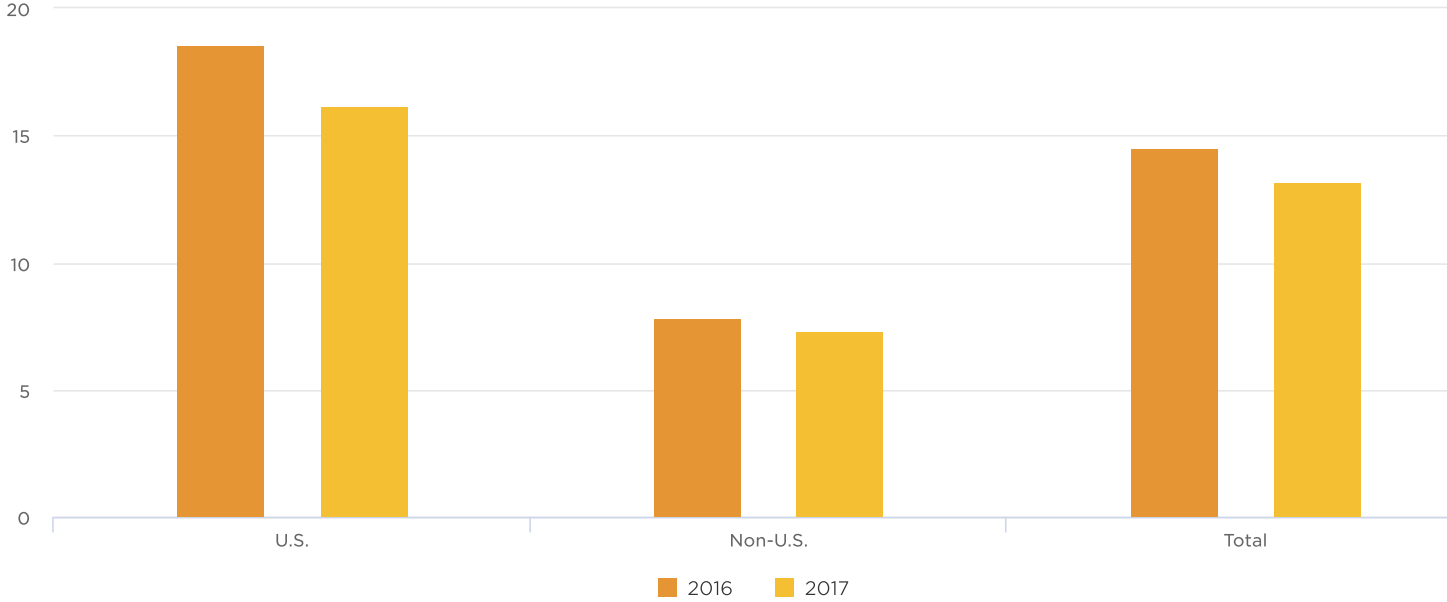


- <5
- 5 to 9
- 10 to 14
- 15-19
- 20-24
- 25+



COMPANY TURNOVER RATE ^{a, b}

Percentage



(a) Data does not include total retirement rates of 4.2 percent and 5.1 percent for 2017 and 2016, respectively.



Diverse, inclusive teams help Marathon Oil compete in our industry and achieve our ambitions. We respect, listen to, challenge, support and learn from each other and our differences. Diversity of thought also stimulates creativity and innovation, and makes Marathon Oil an attractive employer. In 2017, women and under-represented minorities accounted for approximately 26 percent and 30 percent of our U.S. workforce, respectively.

To foster a diverse and collaborative workplace, our leadership training program includes two optional courses to help employees understand diversity of thought and its impacts, and appreciate individual and cultural differences that can increase collaboration. For supervisors, we refreshed the diversity and inclusion (D&I) training in our Management Essentials course in early 2018 and will include the D&I information in all future courses related to soft skills.

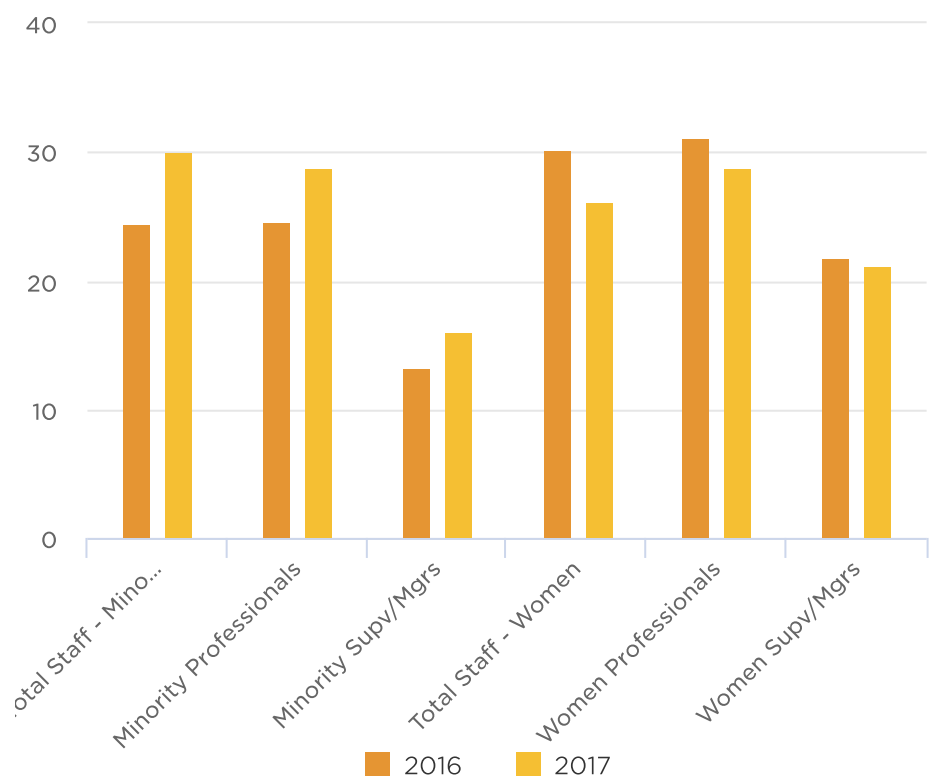
The majority of our leadership positions require a degree in science, technology, engineering or math (STEM). We compete with a variety of companies and industries to attract and retain a diverse workforce from the available STEM graduates. According to a [2017 U.S. Department of Commerce Economics and Statistics Administration report](#), women held 47 percent of all U.S. jobs in 2015, but only 24 percent of STEM jobs. In addition, women made up about 30 percent of all STEM degree holders, but only 19 percent of workers holding engineering degrees. API reported in 2016 that the oil and gas and petrochemical industries will offer nearly 1.3 million job opportunities by 2025 and nearly 1.9 million by 2035. Of these, 38 percent will be filled by African American and Hispanic workers and 16 percent by women by 2035.

Given these and other findings on gender and minority representation in STEM fields, we partner with organizations such as [Women in Energy](#), [Pink Petro](#), [Hispanic Alliance for Career Advancement \(HACE\)](#), [Hispanic IT Executive Council \(HITEC\)](#) and [Human Rights Campaign](#) to raise awareness about opportunities at Marathon Oil. These relationships also provide networking and development opportunities for our employees. In addition, we identified experienced, diverse talent at career fairs and networking events in specific asset areas and those targeting military veterans.

In the U.K., where we have operations in the North Sea, Marathon Oil complied with the government's requirement to publish information on our [gender pay gap](#). Our data reflected fewer women in engineering, geoscience, offshore and higher-salary leadership roles requiring engineering and geoscience backgrounds in Marathon Oil, as well as our industry and in the U.K. generally. To close the gap, we are focused on flexible and home working policies, balanced talent pipelines and career progression for women, and training.

U.S. WORKFORCE ^{a, b}

Percentage by major categories: total staff, professionals and superviso

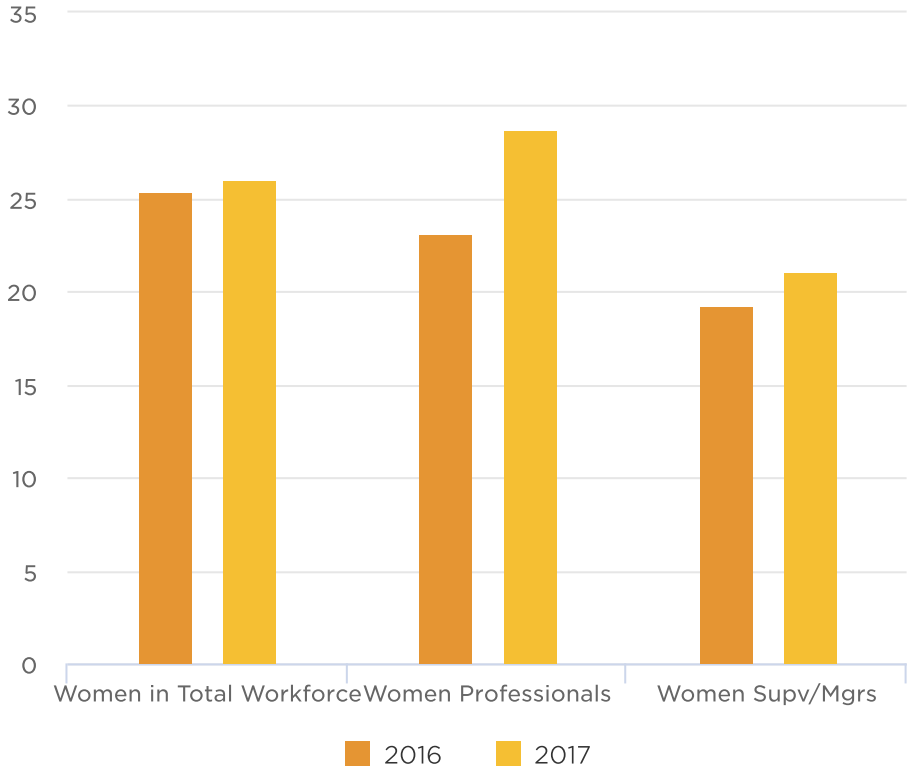


(a) Workforce statistics reflect year-end data.

(b) As defined by U.S. Equal Employment Opportunity Commission

GLOBAL WORKFORCE - WOMEN ^a

Percentage by major categories: total staff, professionals and superviso



(a) Workforce statistics reflect year-end data.



We create a workforce capable of running a responsible, safe and ethical company with on-the-job development and technical training, formal training and development programs, and ongoing education opportunities. In 2017, employees recorded 61,145 hours of training in our Learning Management System.

We drive consistent, standardized training for our operations workforce through the Training and Competency element of our [Responsible Operations Management System \(ROMS\)](#). This training enables employees to safely and efficiently adapt to changes in our drilling and production activity and portfolio, with a focus on competency to prevent spills, releases and safety incidents, as well as to increase productivity and operational reliability.

In 2017, we finalized our HES&S and Competency Training Standard and the Competency Management System. These resources helped us forecast needs and manage our field workforce as it grew along with our activity level. All employees in selected safety sensitive roles, as well as certain contractors, received on-the-job and instructor-led training to close gaps prioritized by risk to safety, the environment and equipment reliability. All of these employees and contractors completed their qualifications. New hires and employees entering new roles must complete the competency and qualification process, and employees must become competent and qualified to use new equipment and new processes.

Contract services workers who are not covered by our competency standard and system are required to complete Marathon Oil's web-based safety orientation.

Petrotechnical Training

Petrotechnical employees responsible for resource exploration, development and production are critical to Marathon Oil's success. To ensure they have the technical skills to make the best technical decisions, we have a team dedicated to their training and development. In 2017, our petrotechs received training through in-house courses taught by our subject-matter experts, external instructor-led courses, virtual classes and short courses at industry technical conferences.

We introduced the Catalyst training and development program in 2017 to help early-career engineers and geoscientists accelerate their cross-disciplinary technical knowledge and business skills. Catalyst participants complete 200 hours of formal training over eight months. Technical content includes geology, geophysics, petrophysics, drilling, completions, production, facilities and reservoir engineering. Additionally, the program teaches leadership skills and the Company's corporate functions.

In addition to the formal training program their first year, Marathon Oil strives to expose participants to diverse assignments in their first five years in the industry to attract and develop early-career petrotechnical professionals.

Aligning Our Culture to Our Business Strategy

Leadership at Marathon Oil means living our values every day, in everything we do. Working responsibly, safely and ethically, and delivering results are our core values. Based on employee feedback on how we need to work to become the premier independent exploration and production company, we introduced three refreshed values in 2017: we are bold, we take ownership and we are one team. Some of the ways we are aligning our culture with our strategy include our Leadership Development Program, tailored training for specific groups such as field supervisors and a course for Marathon Oil leaders. Our 2018 employee engagement survey will help us gauge our progress.

Leadership Development Program

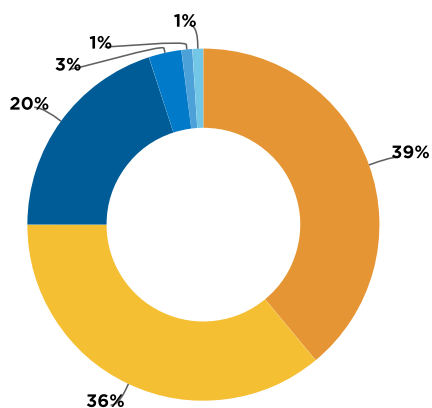
Our instructor-led Leadership Development Program gives employees skills to lead themselves, lead together, lead others and lead the business. The Field Leadership portion of this program offers topics customized for field employees, such as influential leadership and leading a high performance team. The scenario-based training received high scores from approximately 450 employees who took it in 2017. In addition, employees take our HES&S training to understand how to act safely and responsibly to earn and keep our license to operate.



SOCIETY METRICS

MARATHON OIL SOCIAL INVESTMENTS BY GIVING AREA ^a

Total Social Investments: \$21.7 million



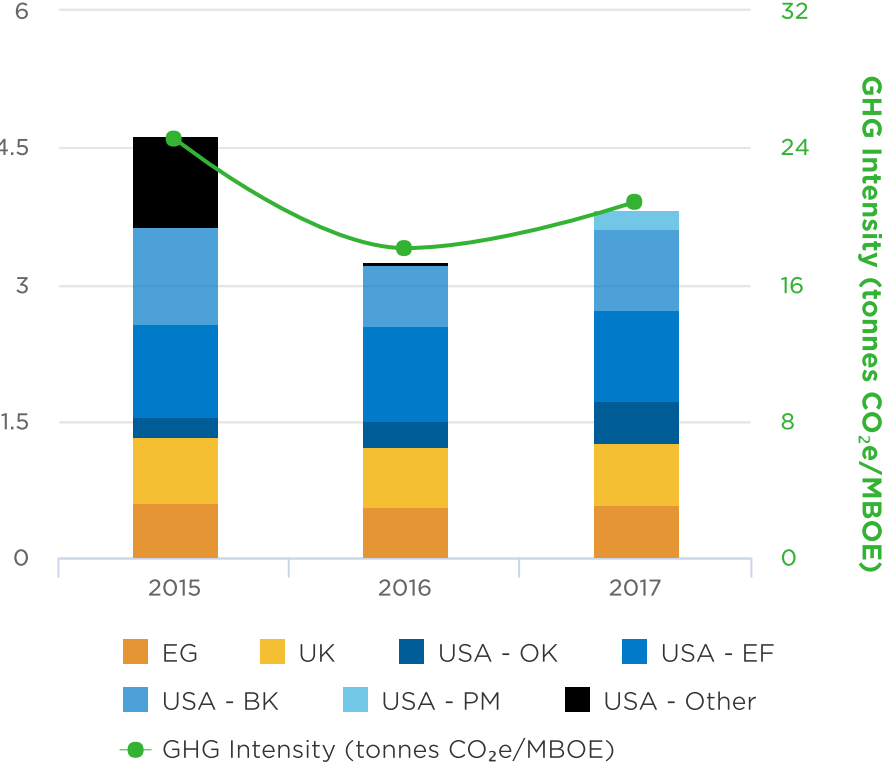
■ Health and Human Services
 ■ Education and Training
 ■ Civic, Community, Culture
 ■ Disaster Relief
■ Environment and Conservation
 ■ Employee Giving

(a) Total Philanthropic Giving: \$4 million in corporate giving and \$.3 million in employee giving; Total Sustainable Investments: \$17.4 million.

ENVIRONMENT METRICS

GHG EMISSIONS AND INTENSITY ^{a, b}

Million Tonnes CO₂e

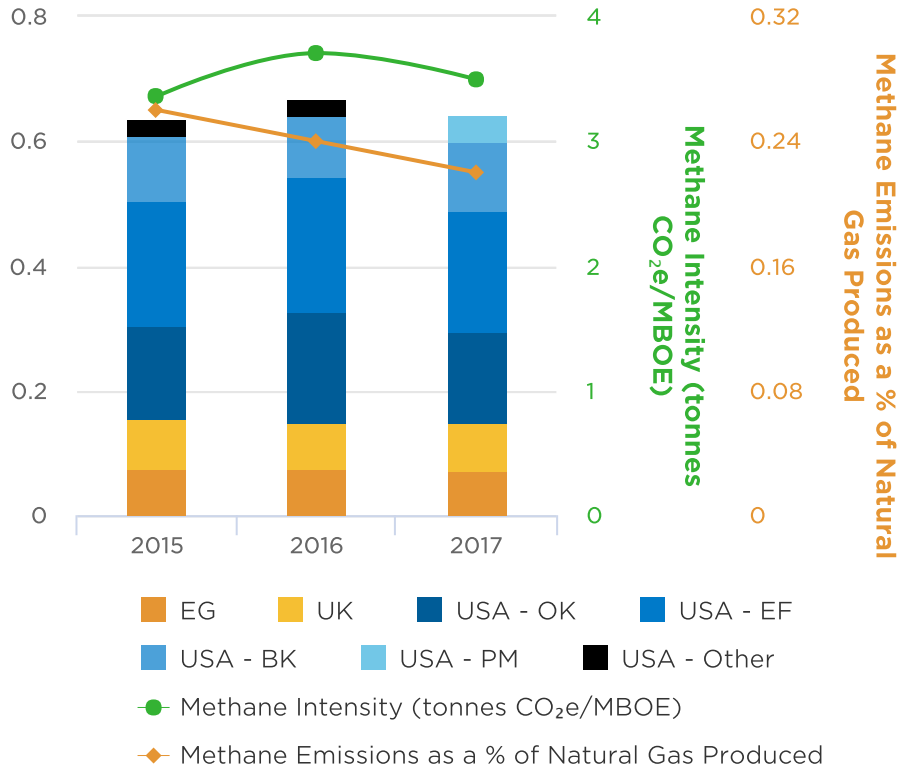


(a) Greenhouse Gas (GHG) carbon dioxide equivalent (CO₂e) emissions are based on carbon dioxide, methane and nitrous oxide from Marathon Oil-operated facilities only.

(b) Permian asset acquired in 2018

METHANE EMISSIONS AND INTENSITY ^a

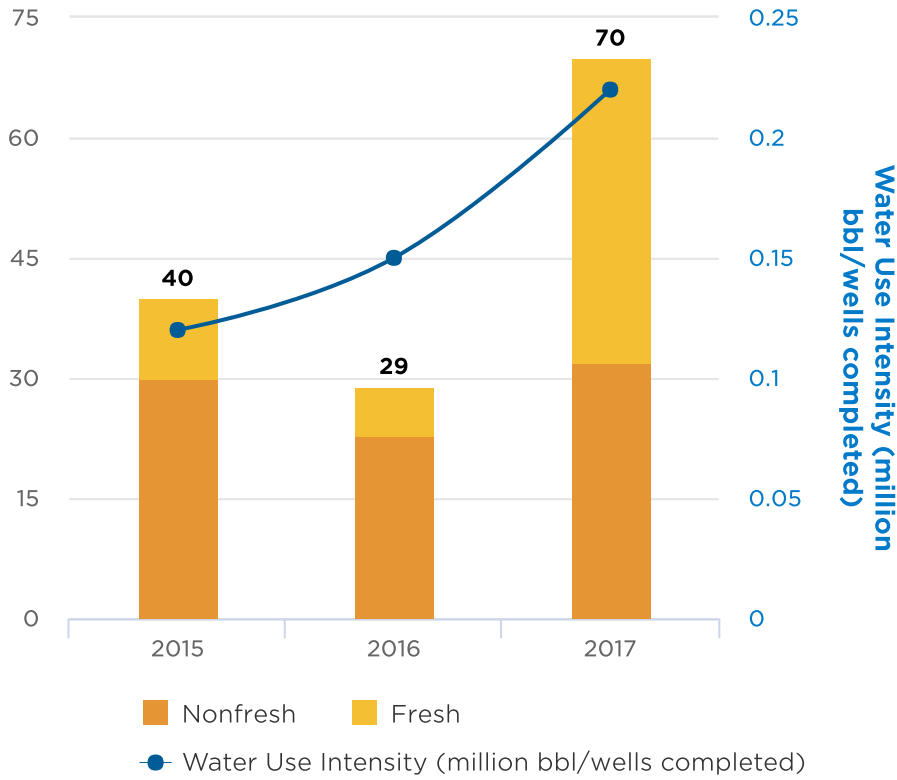
Million Tonnes CO₂e



(a) Permian asset acquired in 2018

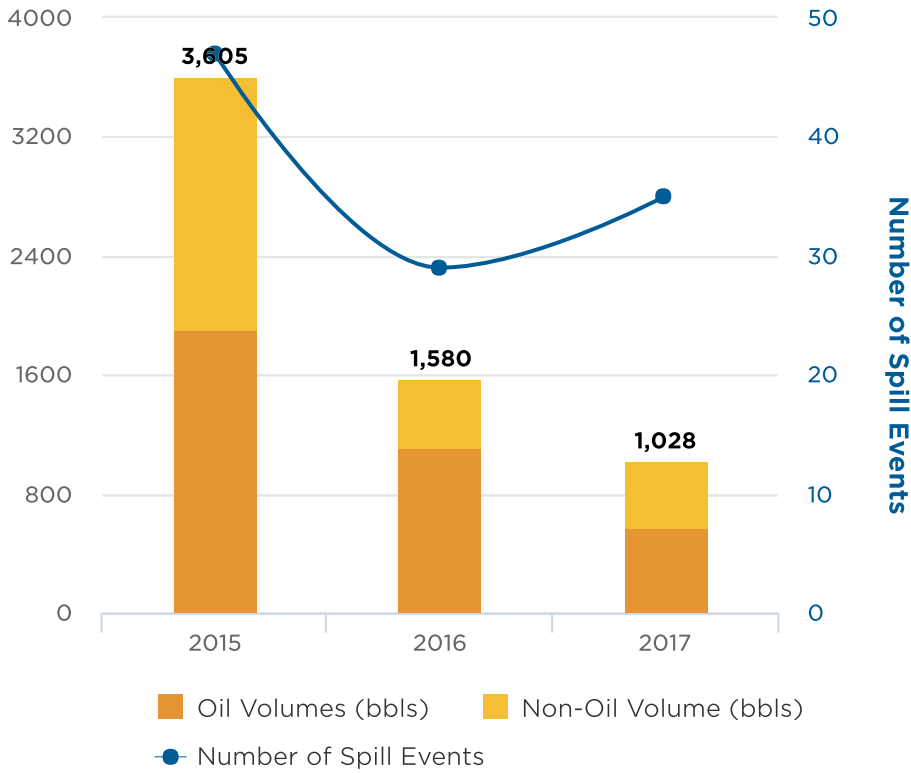
U.S. WATER USE

Million barrels



SPILL EVENTS TO THE ENVIRONMENT ≥ 1 BBL ^a

Barrels

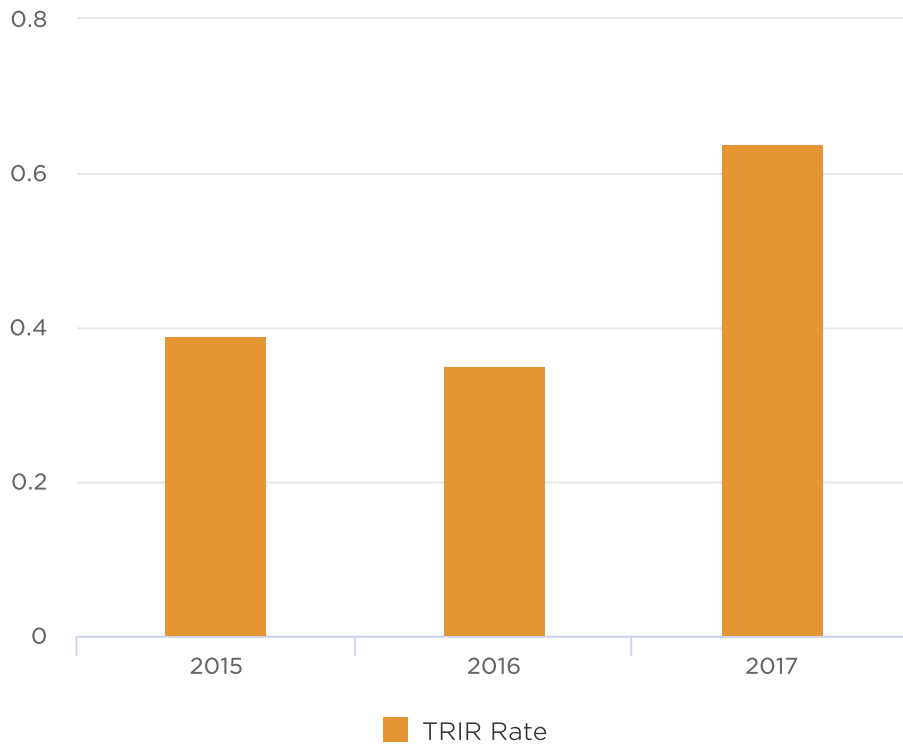


(a) Data includes spills outside of secondary containment greater than or equal to 1 barrel.

SAFETY METRICS

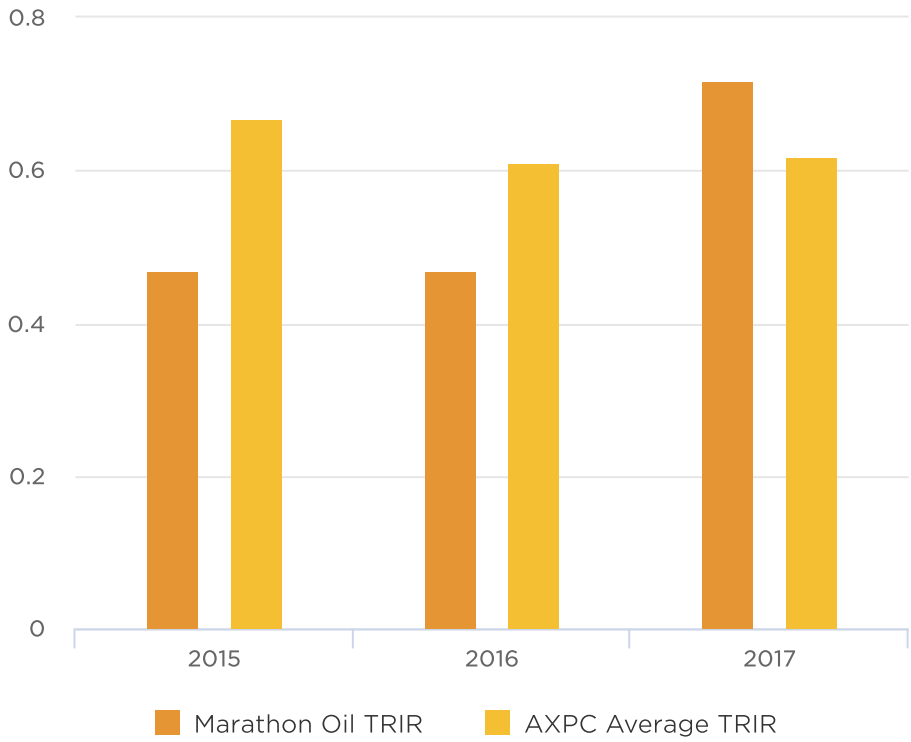
GLOBAL SAFETY PERFORMANCE

Combined Employee and Contractor Workforce Incidents per 200,000 work hours



U.S. SAFETY PERFORMANCE - AXPC BENCHMARK ^a

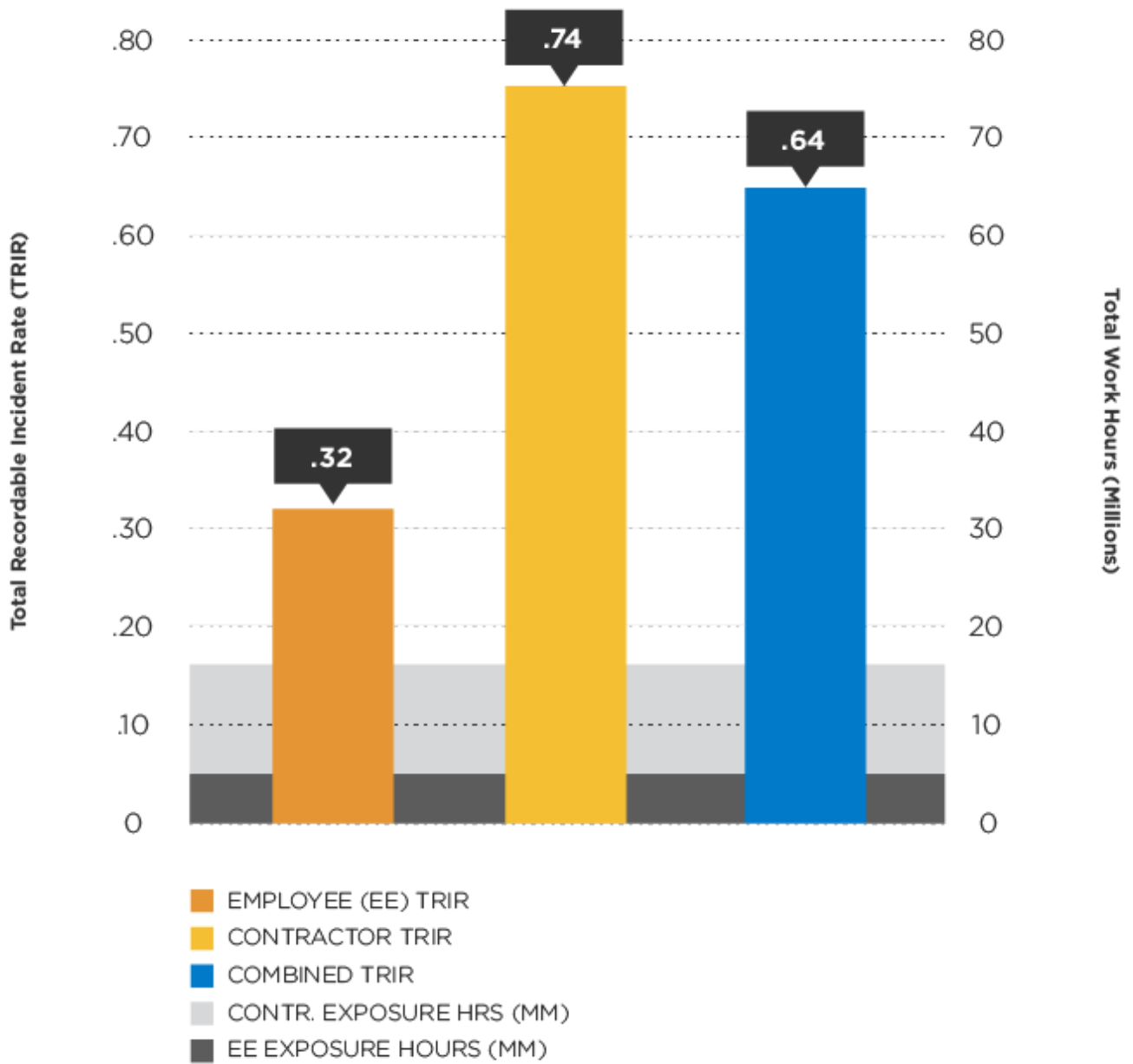
Contractor and Employee; Onshore and Offshore; Domestic Operations Only.



(a) Some comparator companies do not include contractor workforce

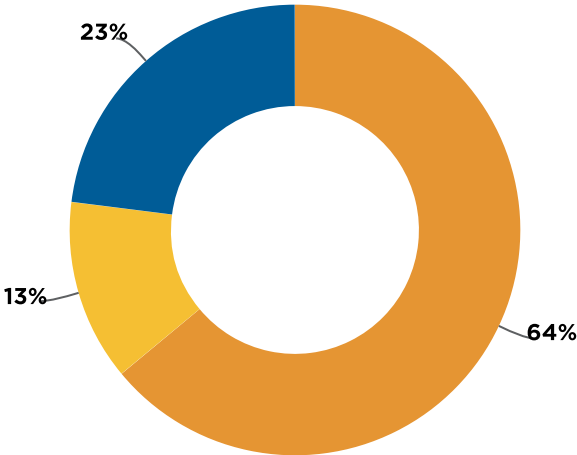
2017 IN-DEPTH GLOBAL SAFETY PERFORMANCE

Combined Employee and Contractor Workforce Incidents per 200,000 work hours



WORKFORCE METRICS

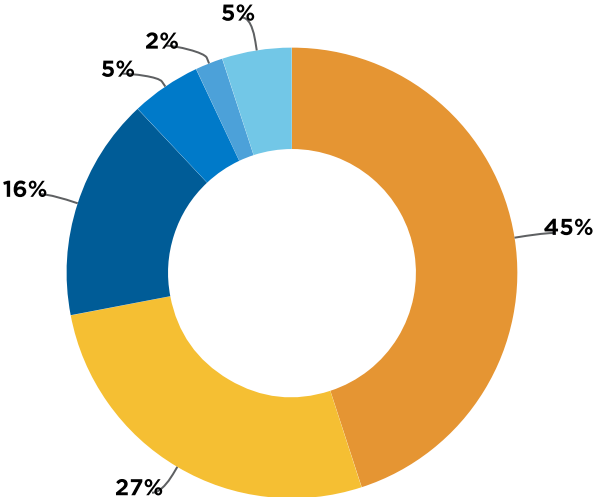
WHO WE ARE



North America Europe Africa

Asia represents <1% of total global workforce

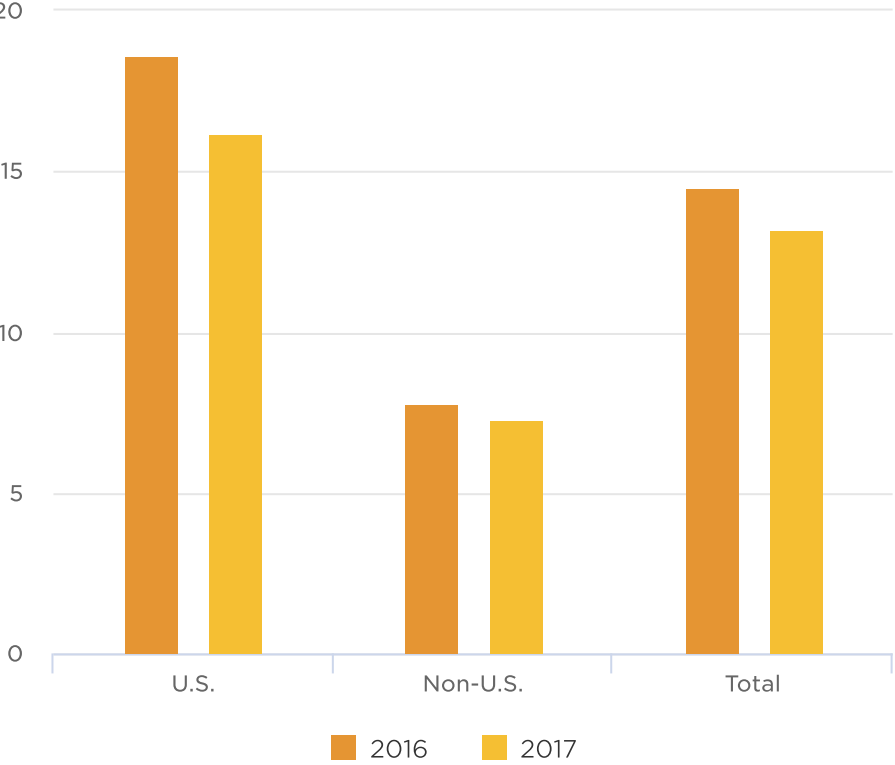
YEARS OF SERVICE



- <5
 - 5 to 9
 - 10 to 14
 - 15-19
 - 20-24
 - 25+
-

COMPANY TURNOVER RATE ^{a, b}

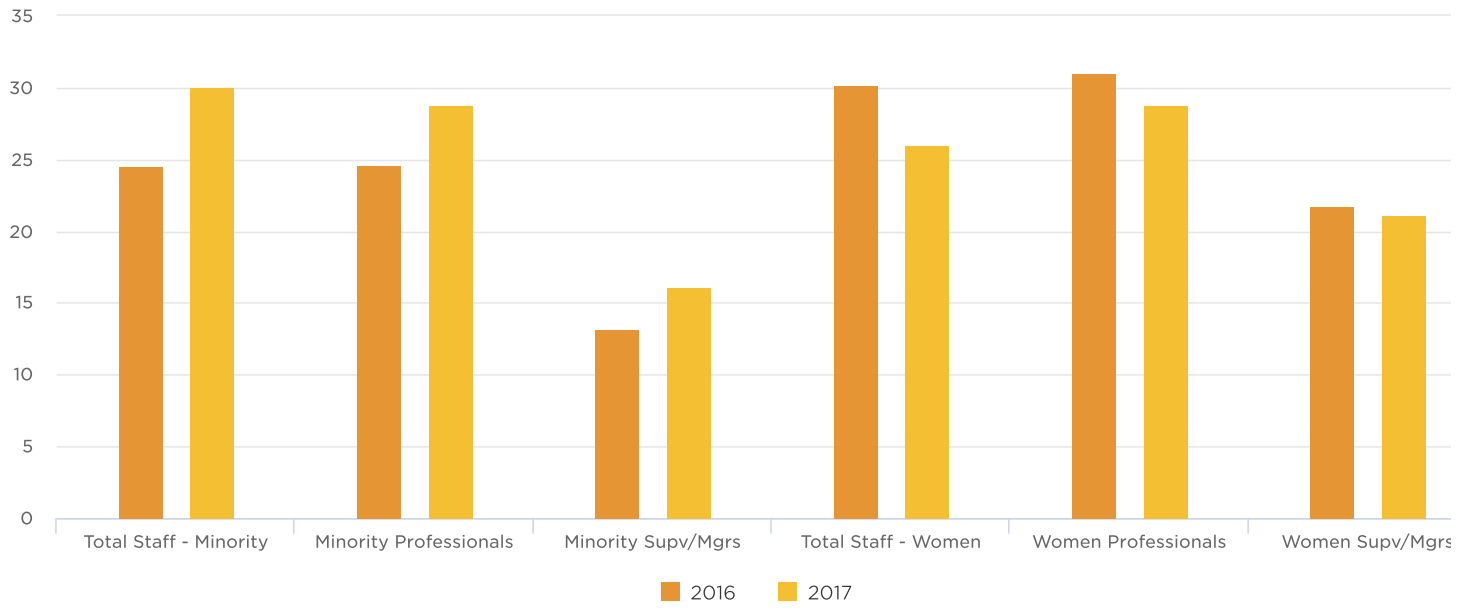
Percentage



(a) Data does not include total retirement rates of 4.2 percent and 5.1 percent for 2017 and 2016, respectively.

U.S. WORKFORCE ^{a, b}

Percentage by major categories: total staff, professionals and supervisors/managers

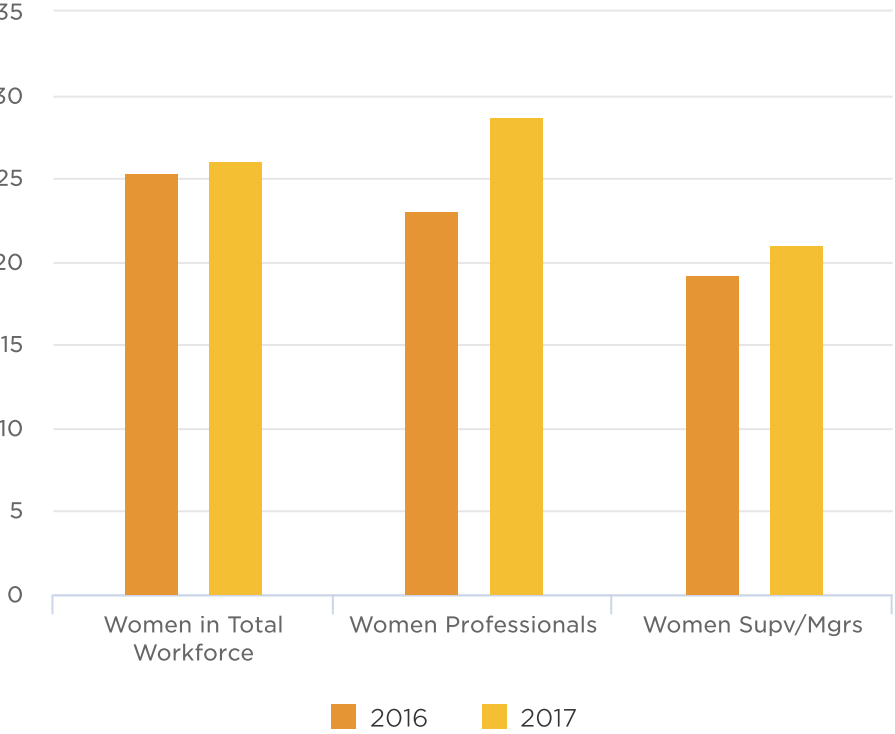


(a) Workforce statistics reflect year-end data.

(b) As defined by U.S. Equal Employment Opportunity Commission

GLOBAL WORKFORCE - WOMEN ^a

Percentage by major categories: total staff, professionals and supervisors/managers



(a) Workforce statistics reflect year-end data.

THREE YEAR PERFORMANCE DATA

Governance	2017	2016	2015
Independent Board Members - percent	89	89	89
Political Contributions - thousand dollars ^a	65	194	165

Society	2017	2016	2015
Social Investments - million dollars	21.7	20.5	24.2

Environment	2017	2016	2015
GHG Emissions (Global) ^b			
Direct Emissions - million tonnes CO ₂ e	3.68	3.07	3.58
Indirect Emissions - million tonnes CO ₂ e	0.16	0.19	1.06
Total GHG Emissions - million tonnes CO ₂ e	3.83	3.26	4.64
Total Methane Emissions - million tonnes CO ₂ e	0.64	0.67	0.64
GHG Intensity - tonnes CO ₂ e on a weighted basis/production (MBOE)	20.82	18.11	24.52
Total Methane Intensity - tonnes CO ₂ e on a weighted basis/production (MBOE)	3.50	3.71	3.36
Methane Emissions as a % of Natural Gas Produced	0.22	0.24	0.26
Energy Use - trillion BTU	43.7	49.4	56.1
Other Operational Air Emissions (Global)			
Sulfur Dioxide (SO _x) - tons	538.12	104.5	497.6
Nitrogen Oxides (NO _x) - tons	28,215	23,733	23,295
Volatile Organic Compounds (VOCs) - tons ^c	22,274	16,226	11,127
U.S. Onshore Water Usage - million barrels used	70	29	40
Global Spill Events to the Environment ≥ 1 bbl - number ^d	35	29	47
Global Spill Volumes to the Environment ≥ 1 bbl - barrels ^d	1,028	1,580	3,605
Total Off-Site Waste Disposal (thousand tons)	26	16	126

Safety & Workforce	2017	2016	2015
Safety – Global (combined employee and contractor) ^e			
Fatalities - number	0	0	0
Total Recordable Incident Rate (TRIR) - incidents/200,000 work hours	0.64	0.35	0.39
Process Safety Management			
Tier 1 Process Safety Events - number	0	0	1
Tier 2 Process Safety Events - number	0	0	2
Tier 3 Process Safety Events - number	31	22	19
Employees (Global) - number ^e	2,345	2,302	2,610
Turnover - percent ^{e, f}	13.2	14.5	19.8
Minority Employees (U.S.) - percent ^{e, g}	30.1	24.5	23.8
Minority Professionals (U.S.) - percent ^{e, g}	28.8	24.6	24.0
Minority Supervisors/Managers (U.S.) - percent ^{e, g}	16.1	13.2	13.9
Female Employees (Global) - percent ^e	26.1	25.4	25.2
Female Professionals (Global) - percent ^e	28.7	23.1	27.7
Female Supervisors/Managers (Global) - percent ^e	21.1	19.4	20.9

(a) Includes political action committee and corporate contributions.

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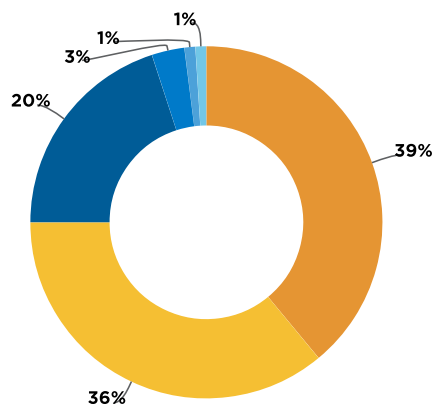
(g) As defined by U.S. Equal Employment Opportunity Commission.



SOCIETY METRICS

MARATHON OIL SOCIAL INVESTMENTS BY GIVING AREA ^a

Total Social Investments: \$21.7 million



■ Health and Human Service
 ■ Education and Training
 ■ Civic, Community, Culture
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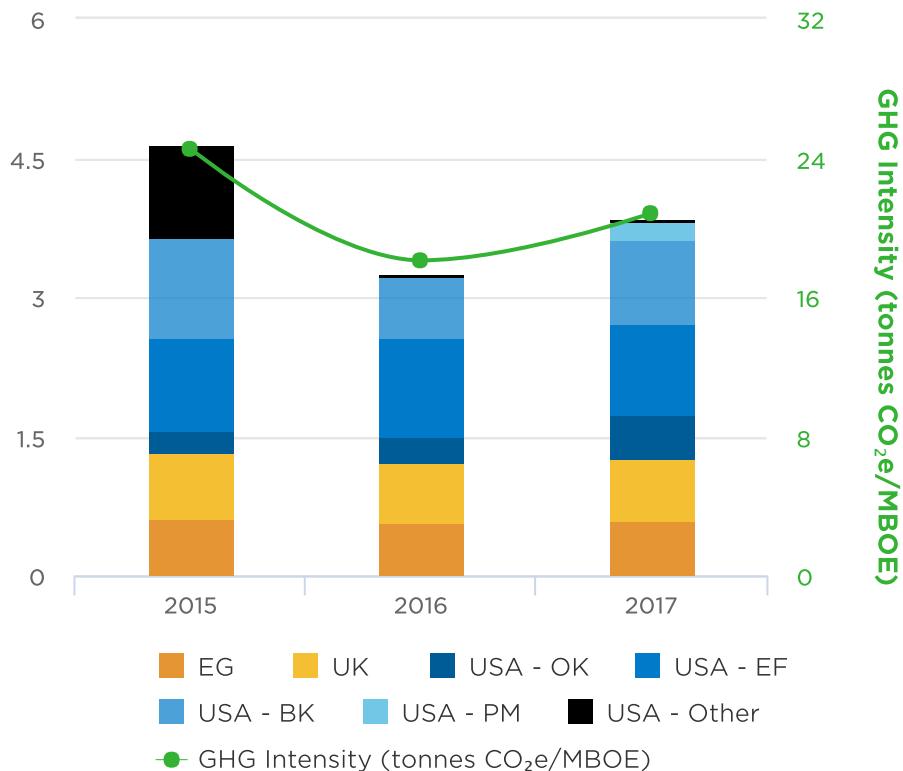
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ENVIRONMENT METRICS

GHG EMISSIONS AND INTENSITY ^{a, b}

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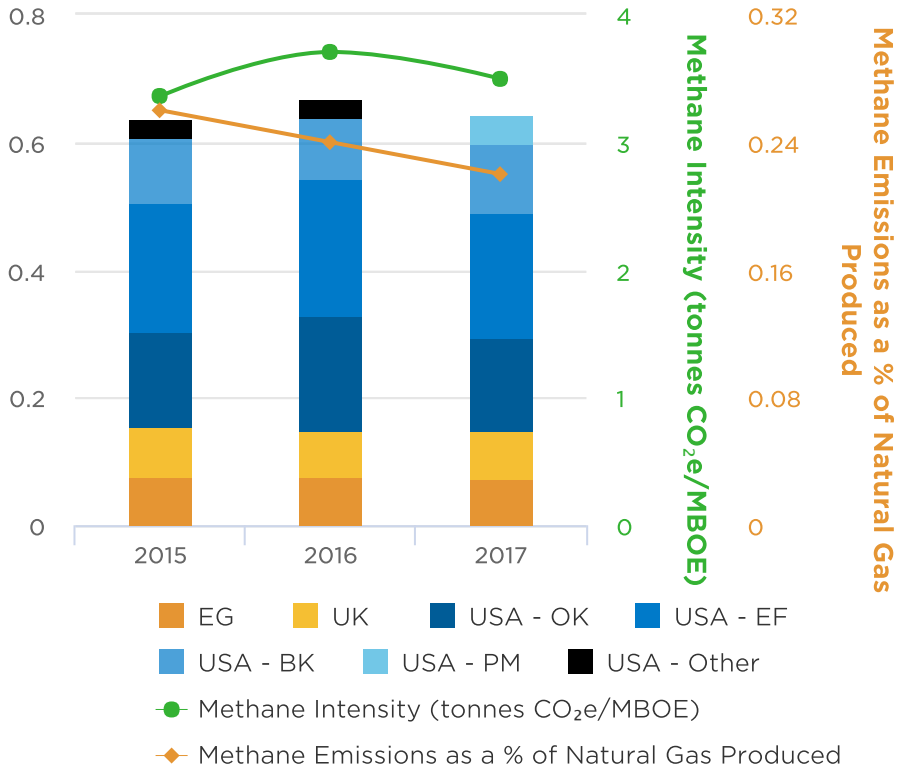


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(b) Permian asset acquired in 2018

METHANE EMISSIONS AND INTENSITY ^a

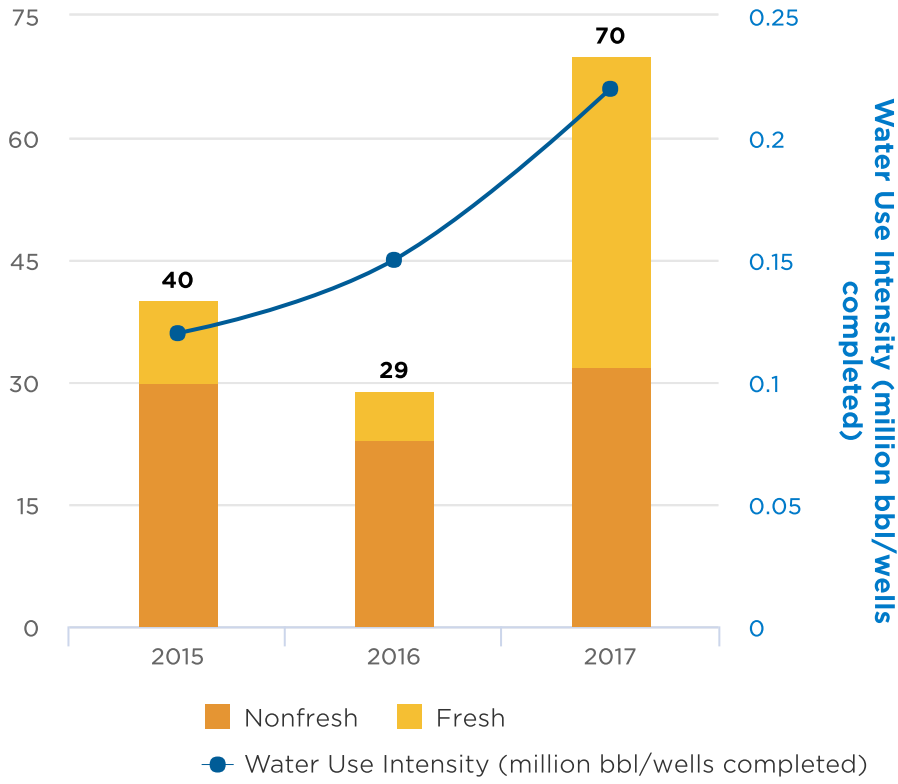
Million Tonnes CO₂e



(a) Permian asset acquired in 2018

U.S. WATER USE

Million barrels

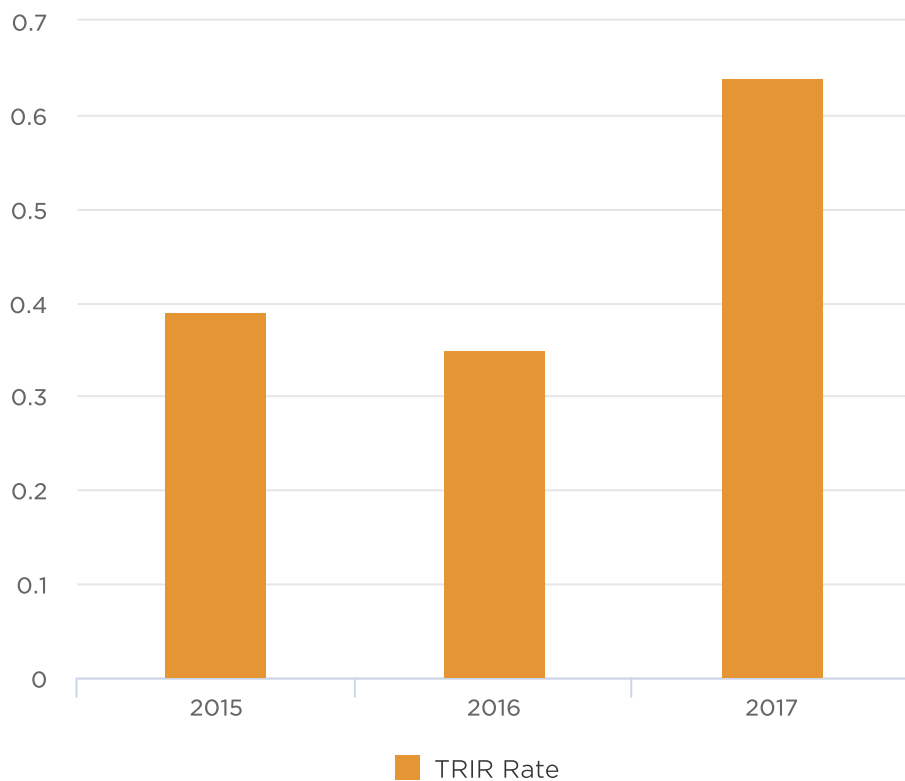


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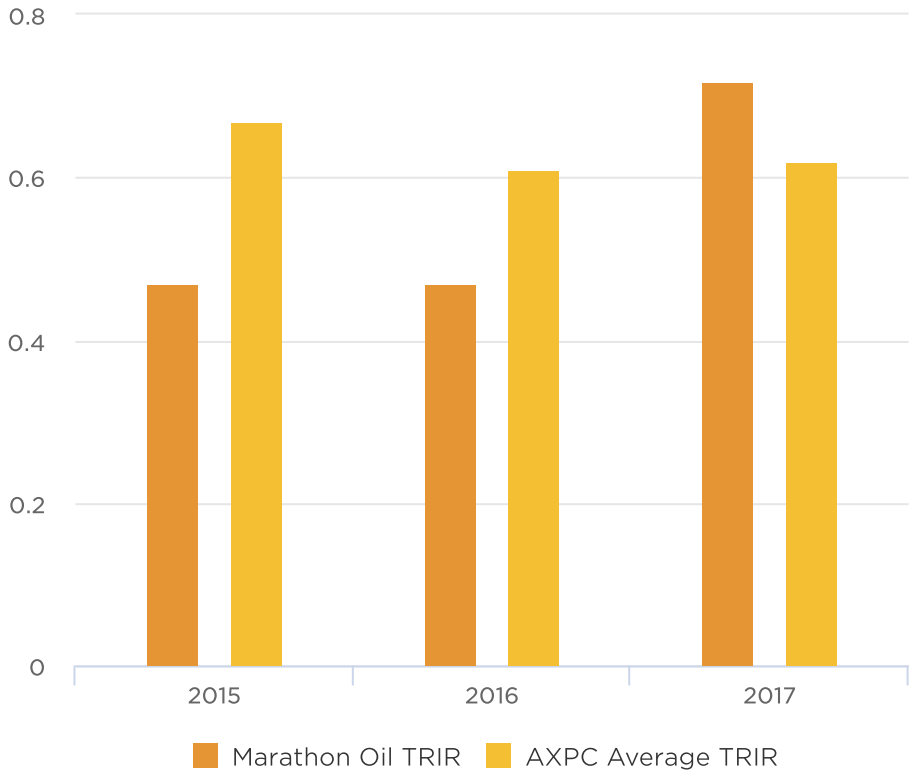
GLOBAL SAFETY PERFORMANCE

Combined Employee and Contractor Workforce Incidents per 200,000



U.S. SAFETY PERFORMANCE - AXPC BENCHMARK ^a

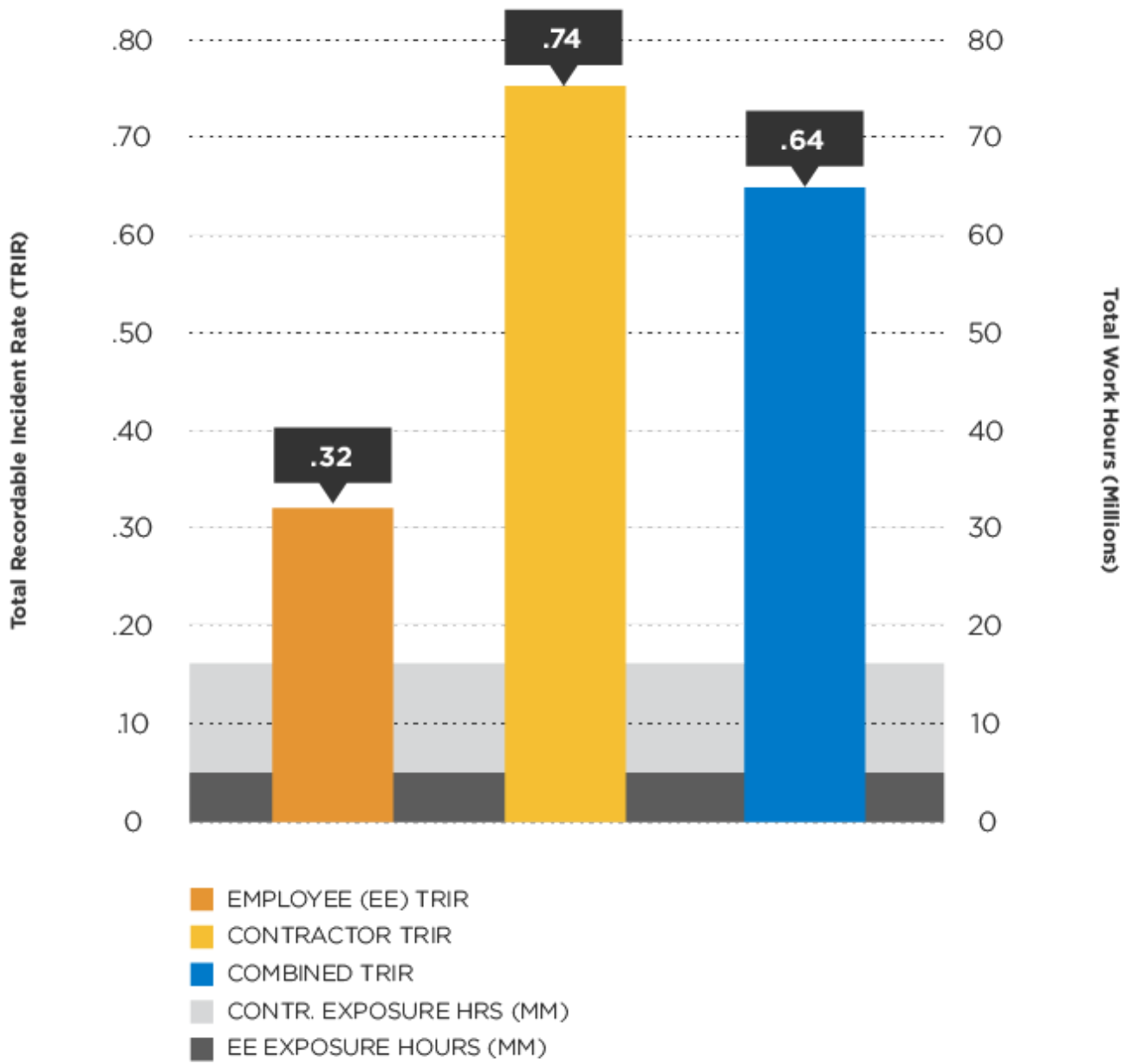
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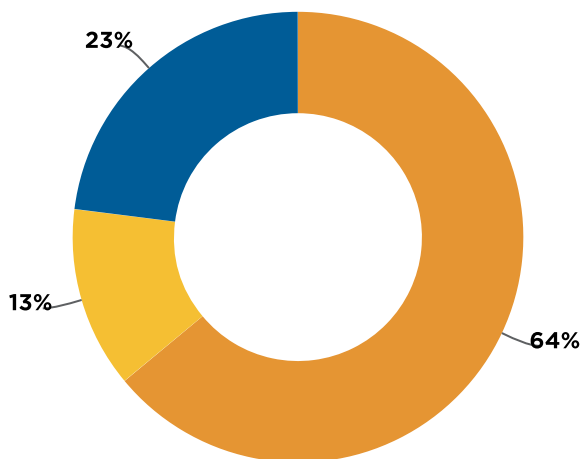
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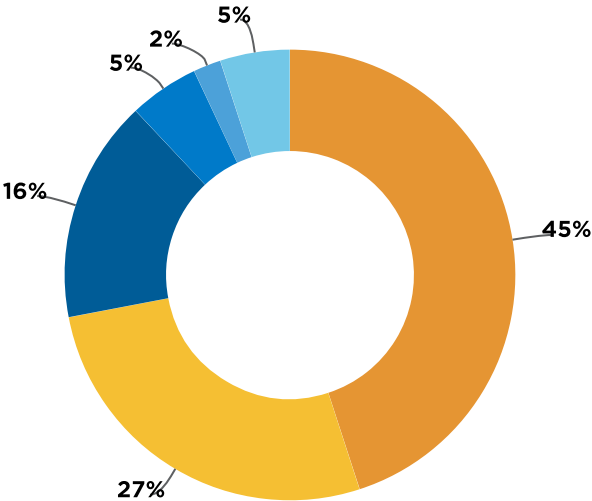
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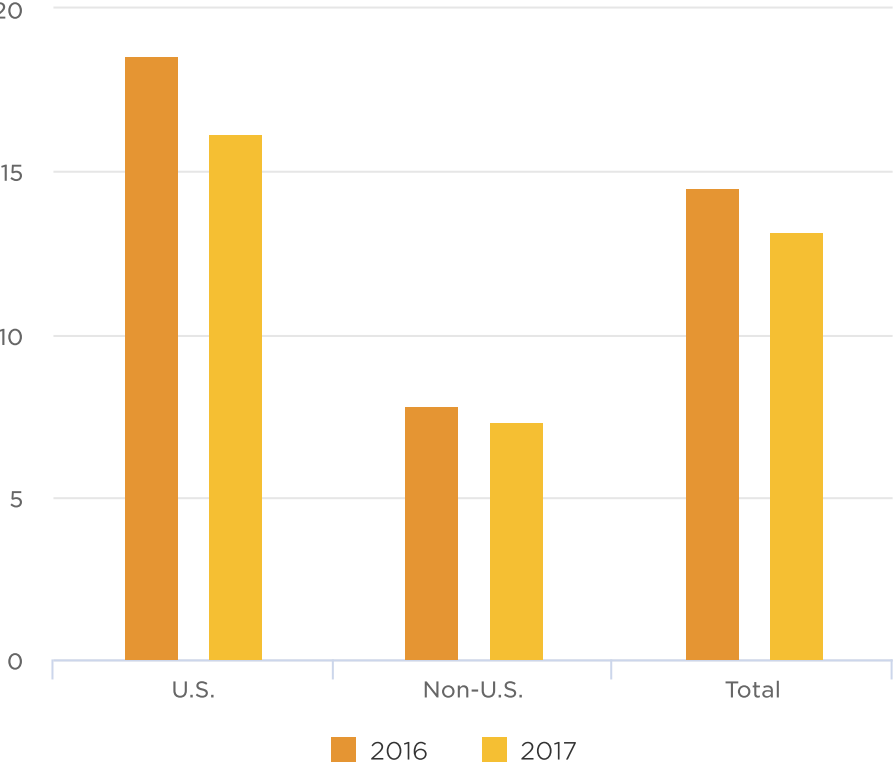


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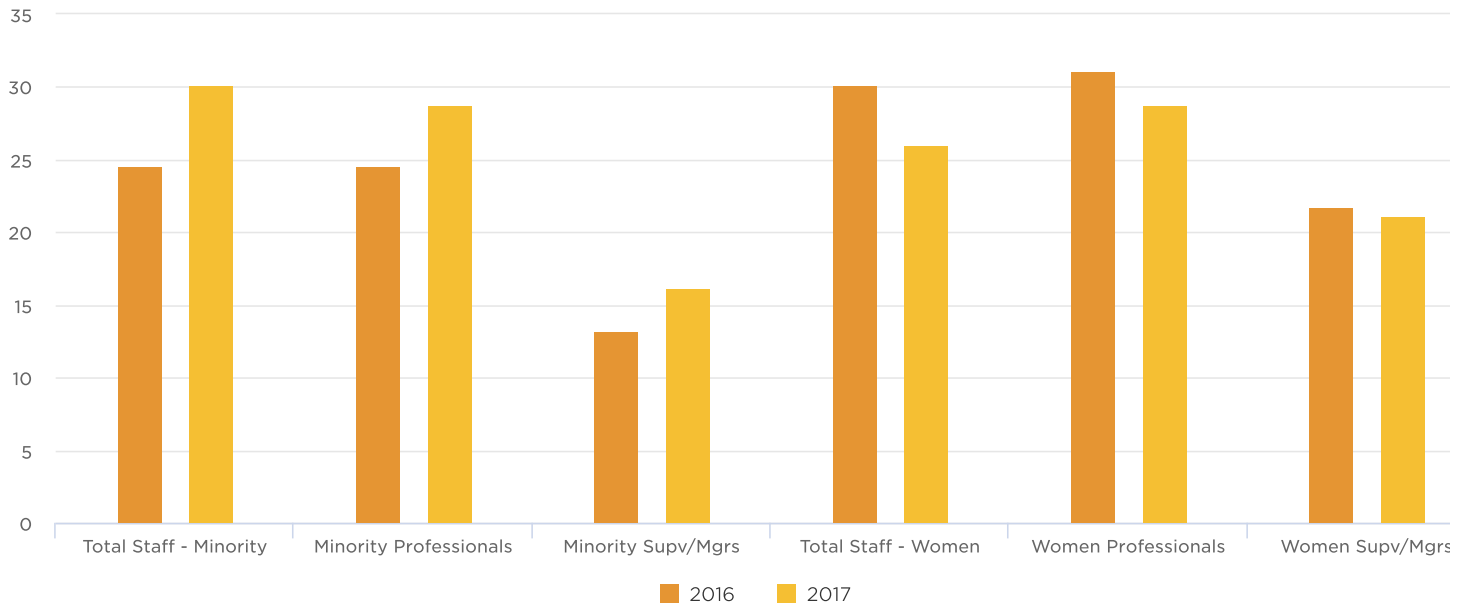
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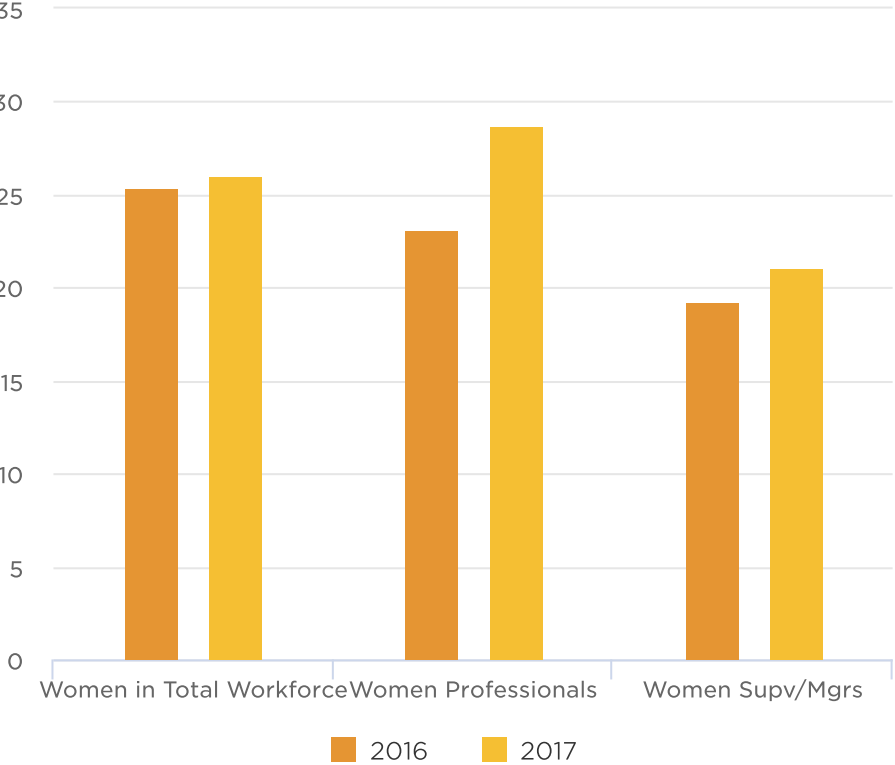


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This table contains data relevant to Marathon Oil's governance, society, environmental and workplace performance. We understand that the accuracy of the data is inherently constrained by differing reporting rules, definitions, estimating methods and other factors. Marathon Oil endeavors to strengthen global data reporting systems and methodologies but recognizes as accuracy is improved, corrections will be needed periodically. In this table, some totals may not equal the sum of their components and separate calculations of other data may be affected due to independent rounding. The metrics above are for operations under direct Marathon Oil management and operational control. Greenhouse gas (GHG) emissions are estimated using industry guidelines (*API's Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry* and the *IPIECA/API/IOGP Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions*). Except as noted, metrics in this table represent global performance.

IPIECA/API/IOGP AND GRI INDEX

This report is based on the IPIECA/API/IOGP *Oil & Gas Industry Guidance on Voluntary Sustainability Reporting* with additional indicators informed by the Global Reporting Initiative (GRI) *G4 Sustainability Reporting Guidelines*. The index below lists indicators on which we have fully or partially reported.

	IPIECA/API/IOGP INDICATORS	GRI G4 INDICATORS
OVERVIEW		
About This Report		G4-2, G4-7, G4-20, G4-22, G4-28, G4-29, G4-30, G4-31, G4-33
Marathon Oil at a Glance		G4-3, G4-4, G4-5, G4-6, G4-8, G4-9, G4-17
CEO Message	E6, E8, HS1, HS3, SE1, SE4	G4-1, G4-2, G4-13
A Message from our Board		G4-1, G4-2, G4-48
Performance Summary	E1, E2, E9, HS3, SE4, SE15	G4-9, G4-22, G4-EC1, G4-LA12
Performance Metrics	E1, E2, E6, E9, HS3, HS5, SE4, SE14, SE15	G4-10, G4-22, G4-EN5, G4-EN8, G4-EN15, G4-EN16, G4-EN18, G4-EN21, G4-EN24, G4-LA6, G4-LA12, G4-SO6
Stakeholder Engagement Map	SE1, SE4, SE5, SE6, SE7, SE8, SE10, SE13, SE14, SE17, SE18, HS1, HS2, E6, E8	G4-24, G4-26, G4-27
Management Systems	HS1, HS2	G4-34, G4-46, G4-47
IPIECA/API/IOGP and GRI Index		G4-32
GOVERNANCE		
Management Approach		G4-DMA, G4-34, G4-37, G4-38, G4-39, G4-40, G4-41, G4-45, G4-49, G4-51, G4-53
Performance	SE11, SE14	
Ethical Business Practices	SE9, SE11, SE12, SE13, SE18	G4-56, G4-57, G4-58, G4-SO3, G4-SO4
Political Contributions and Lobbying Activities	SE14	G4-16, G4-SO6
Sustainability Oversight	SE1	G4-26, G4-34, G4-35, G4-36, G4-42, G4-43, G4-44, G4-46, G4-48
SOCIETY		
Management Approach	SE1, SE4	G4-DMA
Performance	SE1, SE4	G4-26
Local Content: Procurement	SE5, SE6, SE7, HS1, HS2	G4-EC8, G4LA-10
Security and Human Rights	SE1, SE8	G4-15
Social Investment	SE1, SE4, HS2	G4-EC7
Stakeholder Engagement	SE1, SE5, SE7	G4-25, G4-26, G4-SO1
ENVIRONMENT		
Management Approach	E6, E8, E9, SE1	G4-DMA, G4-26
Performance	E1	G4-EN3, G4-EN15, G4-EN16
Climate Change and Emissions Management	E1, E4, E8	G4-EN5, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN21
Decommissioning	E11, SE1	
Emissions Methodology, Performance and Metrics	E1, E2, E4, E8	
Land Stewardship	E5	
Oil Spill Prevention and Response	E9	G4-EN24

	IPECA/API/IOGP INDICATORS	GRI G4 INDICATORS
Water Management	E6	G4-EN8, G4-EN10
Hydraulic Fracturing	E1, E4, E6, E10, HS4	G4-15, G4-27, G4-EN27
Seismicity	E10, HS4, SE1	G4-DMA
SAFETY AND WORKFORCE		
Management Approach	HS1	G4-DMA, G4-LA11
Performance	HS1, HS3	G4-LA6
Safety Programs	HS1, HS2, HS3, HS4, HS5, SE17	G4-LA6, GR-PR3
Workforce Health	HS1, HS2, HS4, SE1, SE4	G4-LA7
Emergency Preparedness and Response Capabilities	HS1, SE1	G4-16
Workforce	SE15, SE17, SE18	G4-10, G4-LA1
Diversity and Inclusion	SE15	G4-LA12
Training and Development	SE16, SE17, HS1	
FEATURE STORIES		
Climate Change and Emissions Management	E1, E4, E8	G4-EN5, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN21
Hurricane Harvey Response	SE1, SE4	
Digital Oilfield Capabilities	SE6, SE17	
Bringing Progress to Equatorial Guinea	SE1, SE4, SE5, SE6, SE7, SE10, SE13, HS1, HS2, HS3, HS5, E9, E10	G4-LA7, G4-S02, G4-EC1



Our feature stories describe how Marathon Oil's commitment to governance, society, the environment, safety and our workforce translate to our day-to-day business.



ENVIRONMENT

CLIMATE CHANGE

Marathon Oil uses well-established business processes to evaluate climate change risk in our investment decisions and engages with external stakeholders to understand their perspectives.

→ [EXPLORE](#)

TECHNOLOGY

DIGITAL OILFIELD CAPABILITIES

We're expanding digital oilfield capabilities throughout our U.S. unconventional resource plays. They're allowing us to automate field operations, transmit and manage large amounts of data, perform site and equipment surveillance remotely, and analyze and optimize operations.

→ [EXPLORE](#)



CORPORATE STEWARDSHIP

HURRICANE HARVEY

Marathon Oil and our workforce were deeply affected by the record-shattering storm. But we cared for each other, our neighbors and communities, while continuing critical business functions and safeguarding our South Texas Eagle Ford asset.

→ [EXPLORE](#)

BETTERING COMMUNITIES

EQUATORIAL GUINEA

Since 2002, Marathon Oil has been the operator of a world-class integrated gas business in Equatorial Guinea. We're striving to bring progress, opportunities and national capacity to the community and host nation, while building long-term shareholder value.

→ [EXPLORE](#)





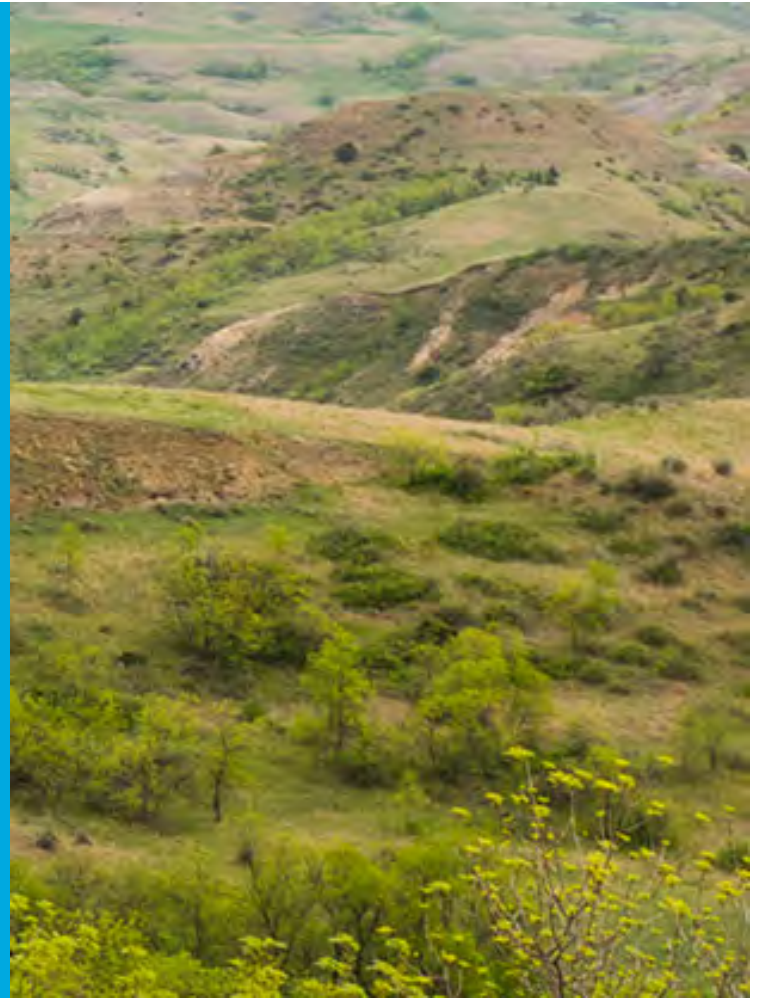
ENVIRONMENT

CLIMATE CHANGE AND EMISSIONS MANAGEMENT

Marathon Oil recognizes the concern about the impact of greenhouse gas (GHG) and other air emissions on global climate and air quality, and the market changes that could occur as a result of climate change regulations.

Additional climate change laws and regulations will continue to evolve as guided by U.S. policy and global agreements such as those adopted by the 2015 United Nations Climate Change Conference.

At the same time, we recognize the need for reliable and affordable energy and petrochemical feedstock to fuel global economic progress, and the important role oil and natural gas are projected to play in meeting long-term global demand. Marathon Oil's long-standing commitment to sustainability remains a core of our business strategy as we evaluate both shorter- and longer-term risks. To manage these risks, we work to quantify and mitigate our GHG emissions, use well-established business processes to evaluate climate change risk in our investment decisions, and engage with external stakeholders to understand their perspectives.



Marathon Oil's Strategy and Processes for Managing Risks

Marathon Oil continuously reviews the impact that future climate change regulation could have on our business decisions. We believe that oil and gas development and production will remain crucial to the world economy, and our business model is focused on continued operation in this space.

Our business strategy, which is overseen by the board of directors, is to be the lowest-cost, highest-margin U.S.-focused resource play operator. We use several complementary methods to monitor and mitigate risks to our business strategy posed by commodity price changes resulting from market forces, including global climate change policies.

In 2017, Marathon Oil devoted 95 percent of our capital program to high-return resource plays. Our resource play capital expenditure decisions are typically made on a five-year basis. Marathon Oil makes capital investments after examining a variety of data, including commodity price forecasts prepared by IHS and Wood Mackenzie, that consider the impact of supply and demand in global markets, the market penetration of alternative fuels and potential climate policies, among other factors, on global commodity prices. We consider these third-party forecasts, along with Company-specific insights and guidance, to prepare the Marathon Oil forecast. Potential investments are stress tested at or below the lower range of available forecasts to ensure they are robust at lower price levels. Profitability and capital allocation are based on expected prices, and specific financial targets or strategic objectives must be met to sanction a project. Additionally, the cost of carbon is factored into expense and revenue models for assets in the U.K., where carbon trading regulations are in place. Marathon Oil exercises discipline in our capital expenditures and maintains a relentless focus on lowering costs, which further reduces our exposure to price fluctuations.

Through the [Enterprise Risk Management](#) process, overseen by our board of directors, we examine regulatory changes, commodity price fluctuations and other risks that could impact the Company beyond the current planning cycle. Marathon Oil is well positioned to act if a shift in strategy is warranted due to any market force. Our long history of strategic adaptation includes transforming from an integrated oil and gas company to an independent exploration and production company, and more recently shifting from conventional production to unconventional resource plays.



CORPORATE STEWARDSHIP

RISING TO THE CHALLENGES OF HURRICANE HARVEY

Hurricane Harvey devastated Texas and Louisiana Gulf Coast communities from August 25-30, 2017, dumping an estimated 1.2 trillion gallons of water on Harris County, Texas, alone. The Houston region averaged 40 inches of rainfall in less than a week, nearly as much as the annual rainfall average of 49.2 inches. According to the [Greater Houston Partnership](#), the hurricane damaged or destroyed over 97,000 single-family homes in the Houston metropolitan area, and impacted approximately 7 percent of the region's housing.

Like others in the region, Marathon Oil and our workforce were deeply affected by the record-shattering storm, including some employees who were forced to evacuate or suffered flood damage to their homes. Many Company employees, as well as those throughout the oil and gas industry, responded with time and resources to help those in need. To assist in storm relief and rebuilding efforts, Marathon Oil donated approximately \$600,000 to the [American Red Cross](#), the [Greater Houston Community Foundation](#), the [United Way](#), [Communities in Schools](#) and other organizations.

To continue critical business functions, Marathon Oil executed our business continuity plan and communicated regularly with employees, including those working remotely during the closure of our Houston office. Our emergency response team put an incident command system in place, communicated with government authorities and kept the business continuity team informed about each phase of the storm's progression. Company emergency responders received calls, texts and emails from employees requesting help, coordinated aid with government agencies and individuals, and assisted with the evacuation of a number of employees and their families.



Many employees stepped up to help their coworkers and others clean up and begin the long recovery process from Hurricane Harvey. In response to community needs, employees volunteered at shelters, churches and aid organizations attending to storm victims. One Houston employee, impacted by prior flooding, transformed her home into a command center where people could easily access meals and supplies. Eventually, she organized over 50 volunteers to take requests from families in need and help the community in any way possible.

An employee from our Oklahoma City office and his wife made their way to Houston with their boat to assist with water rescues. After learning his boat was too big, the employee bought another boat and rescued about a dozen people. A team of employees from our South Texas Eagle Ford office in Gonzales brought truckloads of supplies and food to small coastal towns like Seadrift. They went door to door helping people who were affected, especially the elderly.

In advance of the storm, Marathon Oil suspended operations in our Eagle Ford asset. Due to our business continuity planning, equipment and infrastructure integrity, and a health, environmental and safety (HES) focus, employees shut down and subsequently restarted approximately 1,500 producing wells and multiple facilities with zero spills, injuries and incidents. Even though some of our employees faced personal impacts from the storm, our Eagle Ford team was able to achieve third quarter production in line with second quarter production levels.

Marathon Oil employees have always been resilient and adaptable, so the actions they took to prepare for and recover from Hurricane Harvey were not a surprise. We are proud of the way they managed our business and contributed to our communities during one of the worst natural disasters ever to hit the Texas Gulf Coast.



TECHNOLOGY

OUR DIGITAL OILFIELD CAPABILITIES ARE EXPANDING

Marathon Oil launched digital oilfield capabilities in our South Texas Eagle Ford asset in 2016 to boost operational reliability, production for sale and team efficiency. In 2017, Eagle Ford achieved production gains, efficiency improvements and other benefits from the digital oilfield.

Using lessons learned in Eagle Ford, our North Dakota Bakken and Oklahoma teams opened control centers as coordinating hubs for daily operations in late 2017 and early 2018, respectively. We are standardizing digital oilfield facilities, equipment and tools whenever possible to manage costs and enable employees to adapt easily if they transfer to a different asset. Digital technologies and solutions are pilot tested and rolled out in one asset, and then transferred to the other assets.

The digital oilfield allows us to automate field operations, transmit and manage large amounts of operational data, perform site and equipment surveillance remotely, and analyze and optimize operations. In the control centers, operators monitor and analyze a continuous stream of well data, with the aid of dashboards that help them visualize data and quickly interpret large amounts of information. Operators can adjust valves and pumps remotely to limit downtime and upsets, optimize well productivity, and observe trends that help them predict and prevent issues.

Machine learning has the potential to enable devices like controllers to operate autonomously to manage performance. For example, in 2017, Eagle Ford conducted a pilot program that involved putting controllers on gas lift wells to manage flow capacity, eliminating the need to manually shut down wells experiencing flow issues and restart the wells.

The pilot on one 25-well facility resulted in reducing deferred production and increasing efficiency. Based on the positive outcomes, Eagle Ford installed controllers on approximately 85 wells at a second facility. The asset is considering expanding controller use and other assets are planning pilots to adopt the technology.

One goal of the digital oilfield is to reduce the need to visit wells daily, as well as for unscheduled activities like manual well shutdowns. This lowers risk from driving and wellsite hazards, and allows operators to focus on high-priority locations and tasks based on well downtime, deferred production and HES risks. In addition, all Eagle Ford central facilities are outfitted with fixed security cameras for real-time monitoring, investigating alarms or reviewing events.



Due to the technology, managing the digital oilfield requires fewer, but more skilled employees. We promote many of our best field employees into higher-skilled jobs at control centers and provide them with extensive on-the-job training. Through ongoing collaboration, control center supervisors and board operators have developed standard tools, dashboards, geographic information system (GIS) maps and processes for many tasks common to all of our control centers. To further support employee development, Marathon Oil is developing a knowledge library and establishing sustainable processes for new hire onboarding, refresher training and cross-asset collaboration.

Finally, to drive sustainability in the digital oilfield, we are defining and monitoring key performance indicators (KPI) such as production increases, operator efficiency, dashboard and tool utilization rates, and business cost reductions.

As we progress in 2018, we will continue to expand our capabilities in Eagle Ford, Bakken and Oklahoma while starting to plan the digital oilfield for our Permian Basin asset.



BETTERING COMMUNITIES

OPERATING A WORLD-CLASS BUSINESS AND BRINGING PROGRESS TO EQUATORIAL GUINEA

Since 2002, Marathon Oil has been the operator of a world-class integrated gas business at Punta Europa on Bioko Island, Equatorial Guinea. We have invested significantly to improve our facilities and capabilities in this West African asset, most recently completing a major compression project that extends the life of our Alba offshore field beyond 2030.

We are committed to being a responsible, safe and ethical operator in Equatorial Guinea. Our focus is to continuously optimize operational efficiency and reliability, nationalize our staff, use more national suppliers, and maintain high standards for health, environment, safety and security (HES&S) performance. Marathon Oil's continuous improvement efforts in Equatorial Guinea are grounded in our [Responsible Operations Management Systems \(ROMS\)](#). We continue to invest in a long-term malaria control program and a related vaccine initiative, while shifting our social investment focus from infrastructure to human capacity building.

Nationalizing Our Workforce and Advancing Education

We seek to increase the number of national citizens in our workforce in Equatorial Guinea through recruiting, training, workforce integration, and educational and vocational programs. Equatoguineans grew to be 79 percent of the total workforce of Marathon EG Production Limited (MEGPL) in 2017, when we employed over 700 national citizens, directly and indirectly, in our operations.

During the past five years, our internship program has provided 80 Equatoguineans with on-the-job experience in our facilities. This program is possible through our partnerships with local technical education institutes like “12 de Octubre” Technical College and the National University of Equatorial Guinea (UNGE). Internship opportunities are offered to students attending universities outside of the country during academic breaks. In addition, four Equatoguineans are seeking degrees at the University of Houston and Prairie View A&M University in Texas, USA, on Marathon Oil scholarships.



Building a Sustainable Local Economy

To contribute to a sustainable local economy in Equatorial Guinea, Marathon Oil has increased local content in our operations. Since 2013, we have spent nearly U.S. \$783 million with Equatoguinean vendors that are 35 to 100 percent locally owned.

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 each year. In 2017, MEGPL hosted 180 local business owners through national content workshops to inform them about our bidding process and national laws and regulations for doing business with the petroleum industry. Half of these vendors have active contracts with Marathon Oil for goods and services.

To work with us, prospective vendors must submit questionnaires focused on their company structure and ownership and, if applicable, their safety systems and capabilities for safety sensitive work. We review these questionnaires and either approve or reject them. Our contracts address the U.S. Foreign Corrupt Practices Act (FCPA), ethical business conduct and labor.

Marathon Oil's Punta Europa companies - MEGPL, our liquefied natural gas production facility (EG LNG) and Atlantic Methanol Production Company (AMPCO) - are making it easier for local businesses to work with us. The three companies have created the Punta Europa National Content Committee (PENCC) to identify and consistently engage potential local service and materials providers. PENCC simplified the new vendor set-up process across the three companies, and offers seminars to discuss commercial processes and underscore the Company's commitment to health and safety. In 2018, PENCC will standardize the vendor disclosure questionnaire to facilitate registration and increase opportunities to develop contracts on Punta Europa.



Maintaining Strong Safety and Environmental Performance

Marathon Oil invests in health, environmental and safety (HES) activities in Equatorial Guinea to improve safety performance and minimize environmental impact. MEGPL, EG LNG and AMPCO had a combined Total Recordable Incident Rate (TRIR) of 0.17 in 2017, with over 4.7 million hours worked, compared to a TRIR of 0.04 during more than 5.1 million hours worked in 2016. EG LNG achieved a milestone of zero recordables in over 737,000 hours worked.

Our operations in Equatorial Guinea conducted more than 600 leadership safety engagements and more than 5,000 behavior-based safety observations in 2017, as well as awareness campaigns. MEGPL and EG LNG addressed a key safety risk by implementing hands-free tools to prevent employee hand injuries during lifting activities, and delivered safe driving principles and training for employees who drive personal and Company vehicles in Punta Europa. The National HES Committee that serves as the link for safety between management and national employees held a safety week, trained members on key processes and prepared a process safety management (PSM) awareness project.

No effluent discharges or spills greater than 1 barrel outside of secondary containment, both onshore and offshore, were recorded in our Equatorial Guinea operations in 2017. We attribute this performance to plant reliability of approximately 94 percent, and strong inspection and preventive maintenance programs. In addition, Marathon Oil recycled almost 830 tons of industrial waste in 2017, compared to 485 tons in 2016. The increase in volume was primarily due to recycling more oil waste that was previously incinerated and recycling scrap metals from facility maintenance. The Company is evaluating recycling opportunities for domestic waste.

Improving Public Health through Malaria Control

Malaria is an endemic disease in Equatorial Guinea. Our primary social investment is the [Bioko Island Malaria Control Project \(BIMCP\)](#), a 14-year, multi-system public health program striving to eliminate malaria on Bioko Island and throughout the country. All BIMCP malaria control interventions are provided free of charge to all residents.



The BIMCP and the Equato-Guinean Malaria Vaccine Initiative (EGMVI), in partnership with the EG Ministry of Health and Social Welfare (EGMHSW), have invested more than U.S. \$120 million in this effort since 2004. The two projects are funded through a public-private partnership of Marathon Oil, Noble Energy, AMPCO and the Government of Equatorial Guinea. Of the investment in the BIMCP, U.S. \$83.5 million has been applied to build national capacity with a malaria intervention team employing over 190 Equatoguineans as spray team members, case management doctors, entomology technicians, and community outreach workers dedicated to malaria education and behavioral change nationwide. The BIMCP has resulted in positive impacts on all economic sectors and socio-economic levels of Equatoguinean society, especially people with the least means.

During this time, through BIMCP's efforts, malaria infection for 2 to 14 year olds has dropped over 75 percent to 11 percent of youth on the island; under 5 (years old) mortality has decreased by 85 percent; both malaria infection and anemia in pregnant women have been reduced to just 5.5 percent with parasitemia and 1.5 percent with anemia, net reductions of 68 percent and 77 percent respectfully; and infected mosquito biting is now just 5 infected bites per year per person, compared to 1,000 infected bites per year per person in 2004.

These outcomes opened the door to fund development of a candidate vaccine that protects recipients from malaria infection. Marathon Oil and our BIMCP partners are investing U.S. \$41.5 million for three trials of a highly promising vaccine product to block malaria transmission in humans and mosquitos. The PfSPZ Vaccine[®] was developed by the U.S. biotechnology company Sanaria, Inc. In two safety trials in Equatorial Guinea and two in Tanzania, 171 volunteers received the vaccine.

Over 25 Equatoguinean doctors, nurses, lab technicians, pharmacists and other support staff have been trained to run the vaccine trials. The project has created infrastructure that 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 EGMHSW. The EGMHSW is opening a reference laboratory where the EGMVI research team will train and support Equatoguinean laboratory and clinical professionals to carry out diagnostics and biological analytics at an international level. The lab will then seek to become a World Health Organization (WHO) certified reference lab with the aim of serving Equatorial Guinea and the Central African Economic and Monetary Community (CEMAC) region.

MEGPL Invests In Human Capacity

MEGPL invests in human capacity development focused on health and education. In 2017, 60 nurse midwives graduated from an 18-month training program we sponsored in partnership with the Foundation for Nursing Development (FUDEN), the EG Ministry of Health and Social Welfare and UNGE. The program provided in-depth training in the most up-to-date methods and skills required to practice midwifery in a low-tech environment. A post-graduation survey found that all of the nurse midwives were working with pre- and post-natal mothers and newborns. We expect later evaluations to show increased use of district health centers to provide prenatal and neonatal care, and a decrease in newborn and maternal deaths. Based on the success of this program, MEGPL will invest U.S. \$780,000 in 2018 to support the FUDEN/UNGE partnership and train 70 additional nurse midwives projected to graduate in June 2020.

In addition, we support a host of smaller projects that benefit the community, such as the employee-driven Books for Bioko program. Since 2004, employees worldwide have raised almost \$1 million for much-needed books and supplies for more than 6,000 students in nine Malabo schools.

To further develop human capacity, MEGPL hosted two workshops to train local nongovernmental organizations (NGO) to write effective grant proposals and budgets focused on the change they want to make in their community. The workshops are helping us shift our funding from infrastructure to human capacity building projects. We anticipate hosting additional workshops in 2018 for NGOs that want to submit proposals for 2019 projects.

Helping Children See the Future

MEGPL also launched the Ver Bien EG project in 2017 to ensure that youth with eyesight issues get proper care and medical attention, thereby improving their academic and social opportunities. Our corporate social responsibility staff was trained to screen children in certain private schools affiliated with our Books for Bioko program and public primary schools on Bioko Island. MEGPL negotiated a contract with a local optometrist to offer free eye exams and subsidized lens prescriptions to youth screened through Ver Bien EG. MEGPL, Books for Bioko and the Punta Europa Tennis Organization fund 80 percent of the cost of eyeglasses and frames and parents pay the remaining 20 percent. In 2017, 1,880 youth were screened and 90 received subsidized eyeglasses. Ver Bien EG also provides eyeglasses to public school teachers who need corrective lenses. In 2018, Ver Bien EG and the Equatoguinean National Association of the Blind and Visually Impaired will expand the screenings and eye exams to youth living in rural areas of Bioko Island and plan a project to impact children across Equatorial Guinea in 2019.



Respecting Human Rights

Marathon Oil adheres to well-established and effective security and human rights policies in Equatorial Guinea, and we 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 2017, we worked with the Government of Equatorial Guinea and the United States Coast Guard to review the International Ship and Port Facility Security (ISPS) to enhance safety and security at the country's ports. While we ended our participation in the Extractive Industries Transparency Initiative (EITI) because our business strategy shifted to focus on U.S. unconventional resource plays, we continue to engage in industry discussions regarding transparency of payments.

Running a World-class Enterprise

Our operations in Equatorial Guinea encompass the largest petroleum sector facility in the country and the largest methanol producer on the African continent. Marathon Oil is demonstrating how an oil and gas company can run a world-class enterprise and bring economic progress, educational and employment opportunities, and sustainable social programs to the community and host nation, while building long-term shareholder value.