



# MEETING GLOBAL ENERGY DEMAND WITH ESG EXCELLENCE

**January 2022**

# Forward-Looking Statements and Other Matters

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, including without limitation statements regarding the Company's future capital budgets and allocations, GHG emissions and methane intensity reduction initiatives, targets or goals, natural gas capture targets and goals, flaring reduction initiatives, future performance, business strategy and other plans and objectives for future operations, are forward-looking statements. Words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "future," "goal," "guidance," "intend," "may," "outlook," "plan," "positioned," "project," "seek," "should," "target," "will," "would," or similar words may be used to identify forward-looking statements; however, the absence of these words does not mean that the statements are not forward-looking.

While the Company believes its assumptions concerning future events are reasonable, a number of factors could cause actual results to differ materially from those projected, including, but not limited to: conditions in the oil and gas industry, including supply/demand levels for crude oil and condensate, NGLs and natural gas and the resulting impact on price; changes in expected reserve or production levels; changes in political or economic conditions in the U.S. and Equatorial Guinea, including changes in foreign currency exchange rates, interest rates, inflation rates; actions taken by the members of the Organization of the Petroleum Exporting Countries (OPEC) and Russia affecting the production and pricing of crude oil; and other global and domestic political, economic or diplomatic developments; capital available for exploration and development; risks related to the Company's hedging activities; voluntary or involuntary curtailments, delays or cancellations of certain drilling activities; well production timing; liability or corrective actions resulting from litigation or other proceedings and investigations; drilling and operating risks; lack of, or disruption in, access to storage capacity, pipelines or other transportation methods; availability of drilling rigs, materials and labor, including the costs associated therewith; difficulty in obtaining necessary approvals and permits; non-performance by third parties of contractual or legal obligations, including due to bankruptcy; changes in our credit ratings; hazards such as weather conditions, a health pandemic (including COVID-19), acts of war or terrorist acts and the government or military response thereto; security threats, including cybersecurity threats and disruptions to our business and operations from breaches of our information technology systems, or breaches of the information technology systems, facilities and infrastructure of third parties with which we transact business; changes in safety, health, environmental, tax and other regulations, requirements or initiatives, including initiatives addressing the impact of global climate change, air emissions, or water management; other geological, operating and economic considerations; and the risk factors, forward-looking statements and challenges and uncertainties described in the Company's 2020 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases, available at <https://ir.marathonoil.com/>. Except as required by law, the Company undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

Methodology and definitions for key environmental performance indicators are based on information from the Company's 2020 Sustainability Report that can be found on the Company's website. Marathon Oil reports direct (Scope 1) and indirect (Scope 2) GHG emissions, with emissions intensity measured by metric tonnes carbon dioxide equivalent (CO2e) emissions per thousand barrels of oil equivalent of hydrocarbons produced from Marathon Oil-operated facilities.

# Meeting Global Energy Demand with ESG Excellence

*“The ongoing pursuit of **environmental, social, and governance excellence** is foundational to our framework for success.*

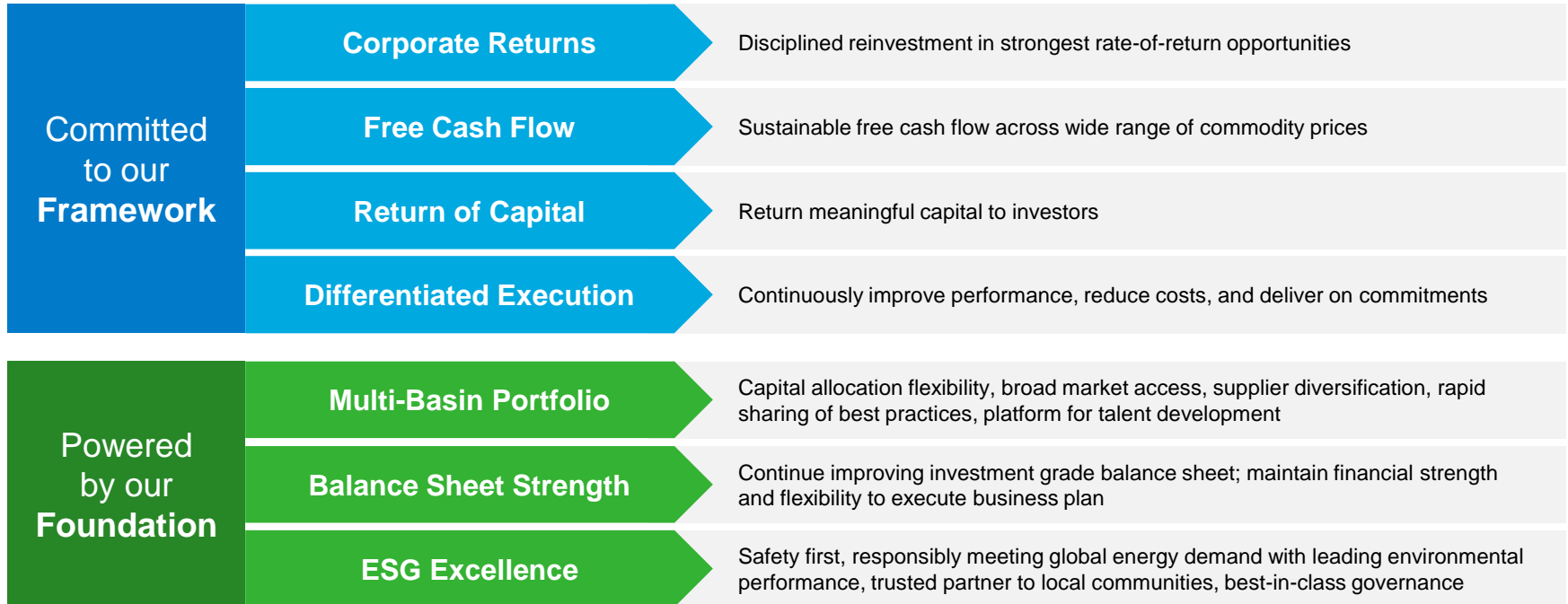
*We are **committed to putting safety first**, serving as a **trusted partner to our local communities**, and **maintaining best-in-class corporate governance standards**. Additionally, we know how important it is to deliver reliable and affordable energy to the world while prioritizing all facets of ESG.*

*To underscore our commitment to **meeting the world’s energy needs with leading environmental performance**, we are announcing a **comprehensive set of new objectives** intended to drive further improvement to our **GHG intensity, methane intensity, and natural gas capture**. I am proud of the progress we have made thus far and even more excited about how we are positioned for the road ahead as we maintain our focus on **corporate returns, sustainable free cash flow generation, delivering leading cash returns to our shareholders** through the commodity price cycle, and **comprehensive ESG excellence**.”*

**Lee Tillman**  
Chairman, President & CEO

# Framework for Success





Committed to delivering financial and ESG excellence



# Marathon Oil ESG Progress Report

Recap of 2021 highlights and new forward objectives

## Meeting the world's energy needs while prioritizing all elements of ESG performance

 <b>Safety</b>	<ul style="list-style-type: none"><li>• <b>0.29 TRIR<sup>1</sup></b> in 2021, <b>second strongest safety performance</b> since becoming independent E&amp;P</li><li>• Safety performance for employees and contractors remains integrated in <b>executive compensation scorecard</b></li></ul>
 <b>Environmental</b>	<ul style="list-style-type: none"><li>• Achieved <b>2021</b> target to reduce <b>GHG intensity</b> by <b>at least 30%*</b></li><li>• GHG intensity remains integrated in <b>executive compensation scorecard</b></li><li>• Improved 2021 total Company <b>gas capture</b> to <b>98.8%</b></li><li>• Introduced <b>new quantitative objectives</b> covering <b>GHG intensity</b>, <b>methane intensity</b>, and <b>natural gas capture</b></li></ul>
 <b>Social</b>	<ul style="list-style-type: none"><li>• Supported <b>E.G. Malaria Elimination Project</b>, expanded <b>My Home Library</b> program with <b>Barbara Bush Houston Literacy Foundation</b>, launched <b>Unconventional Thinking in Teaching</b> program, supported <b>remote learning</b></li><li>• Increased <b>female</b> and <b>people of color</b> workforce representation to <b>33%</b> and <b>30%</b> vs. 25% for both 5 years ago</li></ul>
 <b>Governance</b>	<ul style="list-style-type: none"><li>• <b>Proactively aligned</b> 2021 <b>compensation scorecards</b> with key drivers of <b>shareholder value</b></li><li>• Appointed <b>2 new Directors</b> and <b>new Lead Director</b> in 2021</li><li>• <b>3 of 8</b> Directors are female, including <b>Lead Director</b> and <b>Chairs</b> of both <b>Audit &amp; Finance</b> and <b>Health, Environment, Safety, &amp; Corporate Responsibility Committees (HESCR)</b>; <b>2</b> Directors self-identify as ethnicity other than white</li></ul>

<sup>1</sup>Relative to 2019 baseline  
See Appendix for definitions and footnotes

# Environmental Objectives Significantly Enhanced

Expanding to include gas capture<sup>1</sup>, methane intensity, and 2030 long-term goals



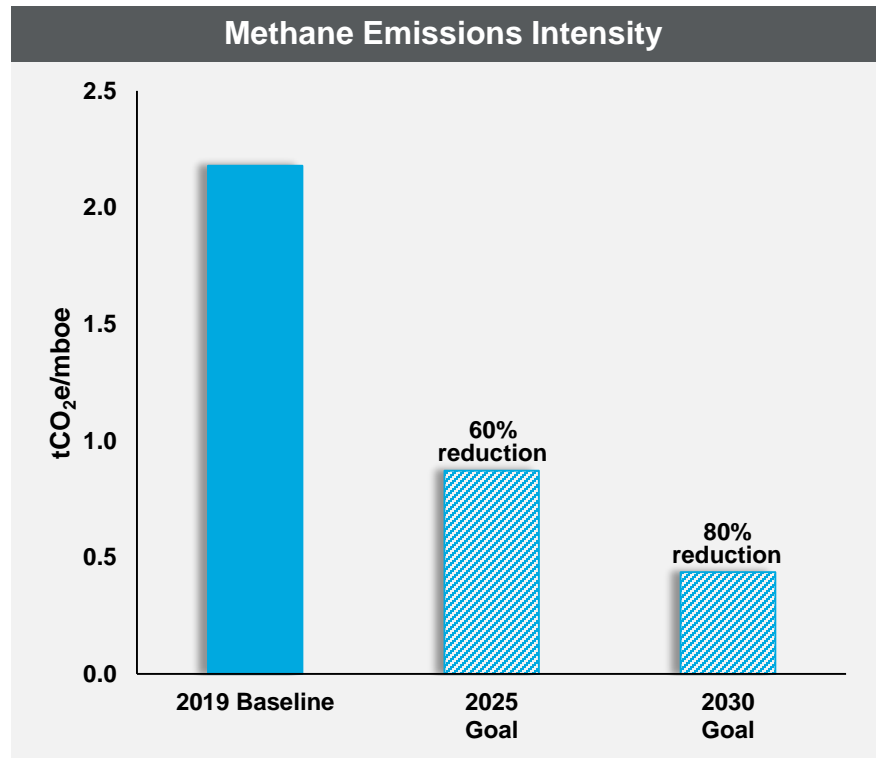
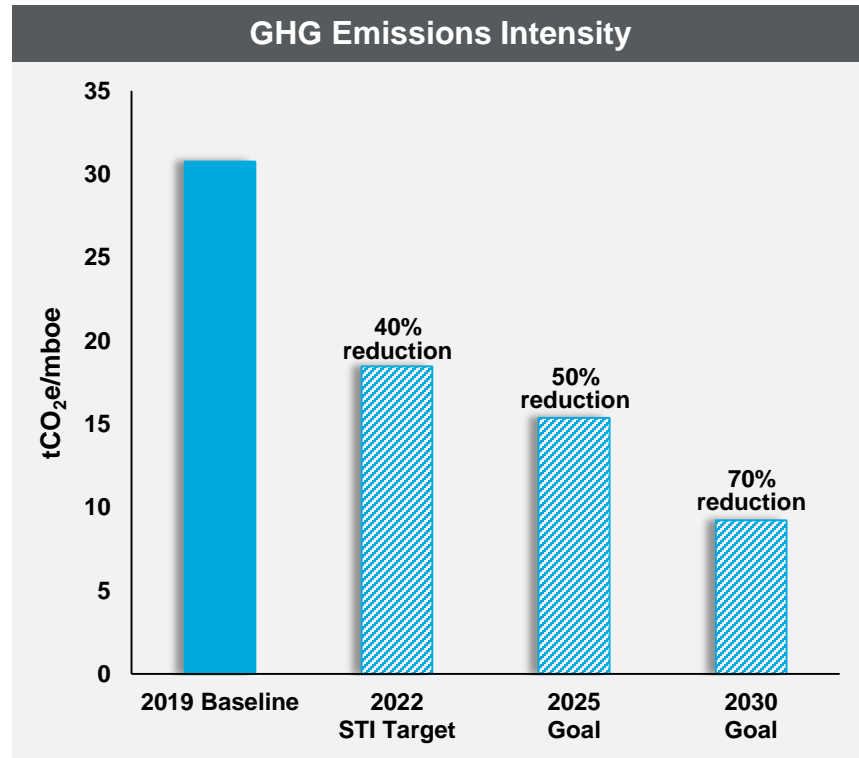
New goals promote *transparency* and *accountability* while enhancing *alignment* and *innovation*

Near-term (2022)	Medium-term (2025)	Long-term (2030)
<ul style="list-style-type: none"><li>• <b>40%</b> GHG intensity<sup>2</sup> reduction – <b>compensation linked</b></li><li>• <b>99%</b> gas capture<sup>1</sup> – <b>new</b></li></ul>	<ul style="list-style-type: none"><li>• <b>50%</b> GHG intensity<sup>2</sup> reduction - <b>reiterated</b></li><li>• <b>60%</b> methane intensity<sup>2</sup> reduction – <b>new</b></li></ul>	<ul style="list-style-type: none"><li>• <b>70%</b> GHG intensity<sup>2</sup> reduction – <b>new</b></li><li>• <b>80%</b> methane intensity<sup>2</sup> reduction – <b>new</b></li><li>• World Bank <b>Zero Routine Flaring</b> commitment – <b>new</b></li></ul>

\*All percentage reductions are relative to 2019 baseline

# Significant GHG and Methane Emissions Reductions

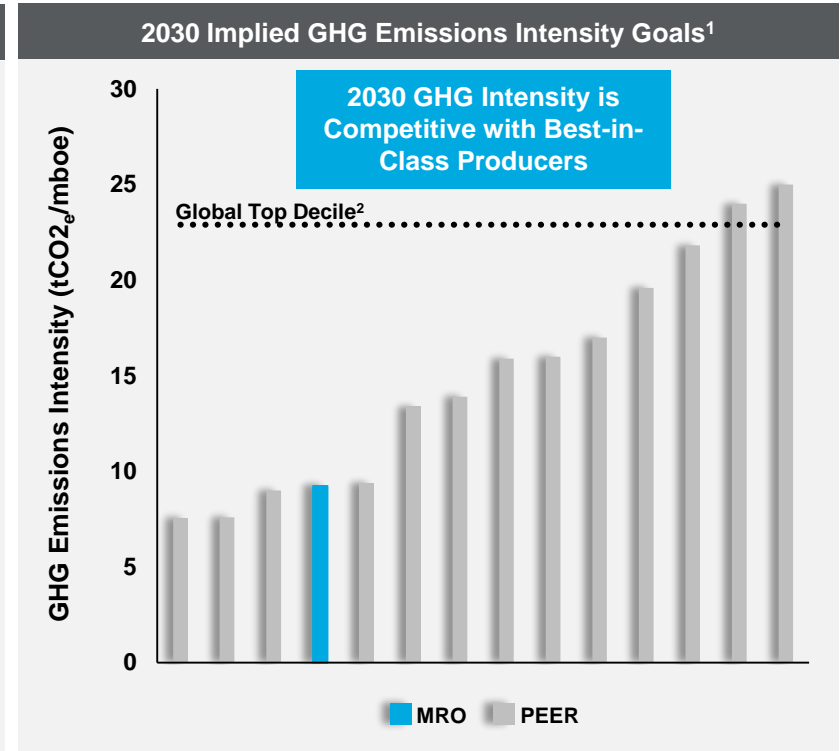
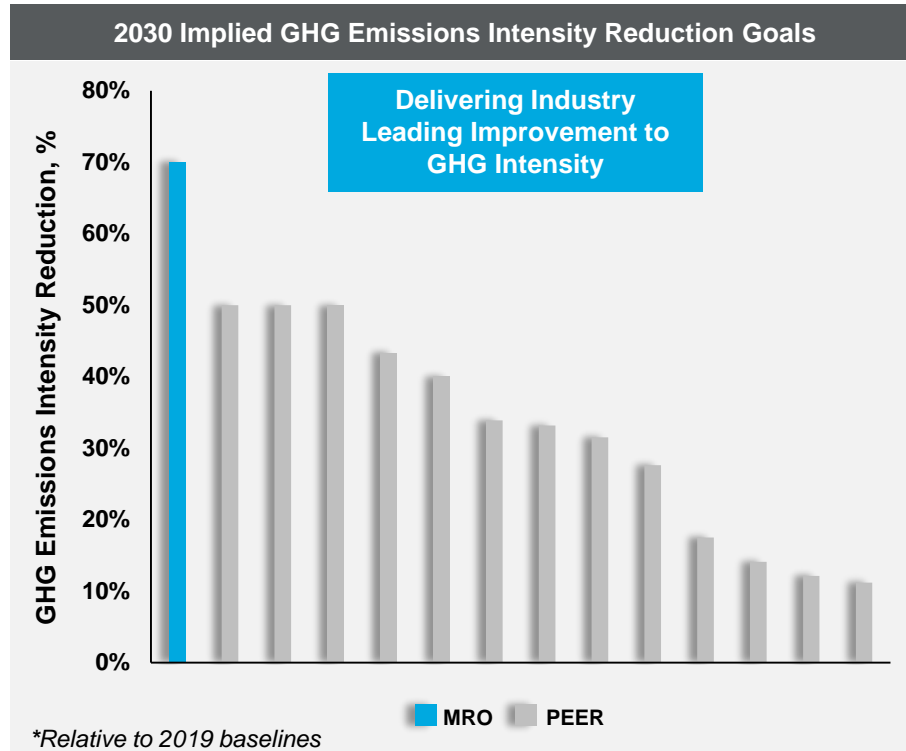
Reducing GHG emissions intensity by 70% and methane intensity by 80% by 2030



\*All percentage reductions are relative to 2019 baseline

# Meeting Global Energy Demand with Top Decile GHG Intensity

Driving significant improvement and delivering strong absolute and relative performance









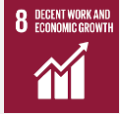


Peer companies include: APA, CLR, COP, CVX, DVN, EOG, FANG, HES, MUR, OVV, OXY, PXD, XOM



# Producing Energy in a Socially Responsible Way

Building strong networks based on integrity and trust

Goal	Investment Areas	Related UN Sustainable Development Goals	Select 2021 Highlights
Build <b>healthier and safer communities</b> by addressing infrastructure stressors	<ul style="list-style-type: none"> <li>Hunger</li> <li>Road Safety</li> <li>First responders</li> <li>Healthcare</li> <li>Human Trafficking</li> </ul>	    	<ul style="list-style-type: none"> <li>18<sup>th</sup> year of support for <b>Bioko Island Malaria Elimination</b> Program in E.G. – contributed to <b>&gt;60% reduction in all-cause mortality</b> among children under age 5 since 2004</li> <li>Entered partnership with <b>Permian Road Safety Coalition</b>, which helped contribute to a <b>35%</b> reduction in Permian Basin roadway fatalities during first 30 months of existence</li> </ul>
Build <b>more resilient communities</b> by protecting and restoring natural resources	<ul style="list-style-type: none"> <li>Water</li> <li>Land and Air</li> <li>Research &amp; Education</li> </ul>	 	<ul style="list-style-type: none"> <li>Awarded two-year grant to <b>National Fish and Wildlife Foundation's Northern Great Plains program</b></li> </ul>
Build <b>stronger communities</b> by ensuring inclusive and equitable quality education for all	<ul style="list-style-type: none"> <li>Students</li> <li>Teachers</li> <li>Career Readiness</li> </ul>	 	<ul style="list-style-type: none"> <li>Expanded <b>My Home Library</b> distribution events with <b>Barbara Bush Houston Literacy Foundation</b> to MRO area of operations</li> <li>Launched <b>Unconventional Thinking in Teaching Program</b>, awarding grants to 14 teachers</li> <li>Donated <b>100</b> laptops and <b>750</b> monitors to <b>support remote learning</b> programs</li> </ul>

# Compensation Framework is Key to Strong Governance

Committed to alignment with shareholders

- CEO comp<sup>1</sup> reduced **25%** and mix further aligned with broader industry norms; LTI incentive award reduced **35%**
- **Growth metrics eliminated** from compensation scorecards
- **STI framework** aligned with key **financial and ESG priorities** that drive **shareholder value**
- **LTI framework** promotes **strong performance vs. broader market** and incentivizes **FCF generation**, with **all vehicles denominated in shares**

Short-term Incentive (STI) Compensation Overview	
Key Focus Area	Compensation Metric
Safety	TRIR
ESG Excellence	GHG Emissions Intensity
Capital Efficiency / FCF	Corporate FCF Breakeven
Capital Discipline / FCF	Reinvestment Rate
Financial Returns / Balance Sheet	Cash Flow per Debt Adjusted Share

Long-term Incentive (LTI) Compensation Overview	
Description	Objective
Three LTI Vehicles (RSUs, TSR PSUs, FCF PSUs), all denominated in shares <sup>2</sup>	Further diversifies LTI Metrics; tied to share performance & ownership
S&P 500 and S&P Energy added to peer group for TSR PSUs	Mitigates overreliance on TSR vs. E&P peers; promotes strong performance vs. broader market
Unique inclusion of FCF PSUs	Underscores commitment to sustainable FCF

See Appendix for definitions and footnotes

# Corporate Governance Aligned With Best Practices

Board of Directors characterized by independence, strong refreshment, and diversity

## Board Independence

- 7 of 8 Directors are independent
- All committees made up of entirely independent Directors
- Regular executive sessions for non-employee Directors

## Board Tenure & Diversity

- 5 Directors added since 2018, including 2 Directors in 2021
- Average Director tenure is below S&P 500 average while maintaining diverse mix of short and longer-tenured Directors
- 3 Directors are female, including Lead Director and chairs of Audit & Finance and HESCR Committees
- 2 Directors self-identify as ethnicity other than white

## Best Practices

- No classified Board; all Directors elected annually
- Majority voting standard in uncontested Director elections
- Stock ownership guidelines align interests with stockholders; 25% reduction to total compensation in 2020 with mix shifted to equity
- Track record of proactive, ongoing shareholder dialogue

## Committees of the Board

### Audit & Finance

- Holli Ladhani (C)
- Marcela Donadio
- Lisa Hyland
- Brent Smolik

### Health, Environmental, Safety & Corporate Responsibility

- Lisa Hyland (C)
- Chad Deaton
- Holli Ladhani
- Kent Wells

### Corporate Governance & Nominating

- Chad Deaton (C)
- Marcela Donadio
- Jason Few
- Brent Smolik

### Compensation

- Jason Few (C)
- Chad Deaton
- Brent Smolik
- Kent Wells

Low governance risk rating by ISS<sup>1</sup>

A+ Corporate Governance rating by Thomson Reuters

See Appendix for definitions and footnotes

# Corporate Sustainability Report

Producing the energy the world needs



## Long-term Track Record of Comprehensive Reporting:

- **Corporate Sustainability Report** remains **one-stop-shop** for all non-financial disclosure
- **15 consecutive years** of comprehensive reporting
- Disclosure informed by



- To learn more, full details can be found within our 2020 Corporate Sustainability Report at our website:

– [www.marathonoil.com/sustainability](http://www.marathonoil.com/sustainability)



# APPENDIX

# Definitions and Footnotes

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## Slide 5

- 1) Total recordable incident rate (TRIR); TRIR measures combined employee and contractor workforce incidents per 200,000 work hours
- 2) Relative to 2019

## Slide 6

- 1) Gas capture percentage: the percentage of volume of wellhead natural gas captured upstream of low pressure separation and/or storage equipment such as vapor recovery towers and tanks
- 2) MRO reports direct (Scope 1) and indirect (Scope 2) GHG and methane emissions, with emissions intensity measured by metric tonnes carbon dioxide equivalent (CO<sub>2</sub>e) emissions per thousand barrels of oil equivalent of hydrocarbons produced from Marathon Oil operated facilities

## Slide 8

- 1) 2030 Implied GHG Emissions Intensity Goals based on most recent peer disclosures. 2030 targets disclosed for COP, DVN, MUR, and PXD. 2030 values implied via interpolation between mid-term and net zero targets for EOG, XOM, OXY, and CVX. Held near/mid-term targets flat to 2030 for companies which did not disclose longer-term objectives (FANG, HES, APA, CLR, OVV). FANG, EOG, and CLR disclosures and targets only include scope 1 emissions; all other peers include scope 1 and 2 emissions.
- 2) Global top decile emissions intensity based off IEA data set: IEA, Spectrum of the well-to-tank emissions intensity of global oil production, 2019, IEA, Paris <https://www.iea.org/data-and-statistics/charts/spectrum-of-the-well-to-tank-emissions-intensity-of-global-oil-production-2019>; upstream excludes 'Refining' and refined 'Product Transport' source categories.

## Slide 10

- 1) Relative to 2020 before temporary reductions
- 2) RSUs are restricted stock units; TSR PSUs are relative total shareholder returns performance stock units; FCF PSUs are free cash flow performance stock units

## Slide 11

- 1) Governance risk rating score of 3 based on September 1, 2021 ISS Governance Quality Score