

2018 SUSTAINABILITY REPORT

INVESTED IN OUR COMMUNITIES

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marathonoil.com/sustainability-report



2018 SUSTAINABILITY REPORT

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SECTION I: REPORT OVERVIEW





SECTION I

REPORT OVERVIEW

INTRODUCTION

ABOUT THIS REPORT

As we produce the energy the world needs, being responsible, safe and ethical enables Marathon Oil to earn and keep our license to operate.

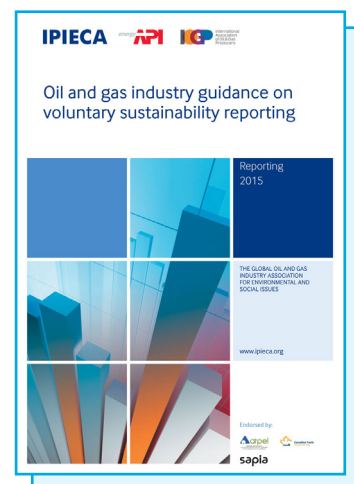
We seek to further the environmental, social and governance (ESG) progress of our business and the sustainability of the communities where we live and work. This *Marathon Oil 2018 Sustainability Report* demonstrates our accountability for addressing challenges and risks affecting our business.

In this report, we provide information about our nonfinancial and financial performance, supported by quantitative metrics and qualitative examples. We've designed it to be a one-stop resource providing accurate information for a wide range of stakeholders, including ESG rating and ranking services, which we believe is consistent with our strategy to be the lowest-cost, highest-margin independent exploration and production company.

We select ESG performance indicators 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. Our approach is informed by the *Global Reporting Initiative (GRI) Standard*.

All information and performance data in this report relate to Marathon Oil operations, unless otherwise stated. We include certain information on non-operated assets, such as Equatorial Guinea LNG Holdings Limited (EG LNG).

This report was reviewed by Marathon Oil subject-matter experts, legal and accounting staff, executives, the board of directors and a third-party ESG consultant. The financial highlights were excerpted from the 2018 Annual Report on Form 10-K filed with the SEC.



IPIECA Reporting Guidelines
www.ipieca.org

QUESTIONS OR COMMENTS?

Marathon Oil Corporation
Sustainability Report Manager

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What We Report On

We identified risks and opportunities to include in this report by considering new and emerging issues, regulations, and standards and practices. Information included in this report was determined based on a review of risks and issues identified during our Enterprise Risk Management process and in discussions with Marathon Oil managers and subject-matter experts; investors; business partners, industry associations and nongovernmental organizations; and nonprofit and community partners. We also benchmarked reporting practices of peer companies, and reviewed investment reports and media coverage.

Based on shareholder feedback, Marathon Oil will publish a report on how we assess and manage the potential risks of climate change to our business. We expect to release the report by year-end 2019.

IN THIS SECTION

Marathon Oil at a Glance +

Letter to Stakeholders +

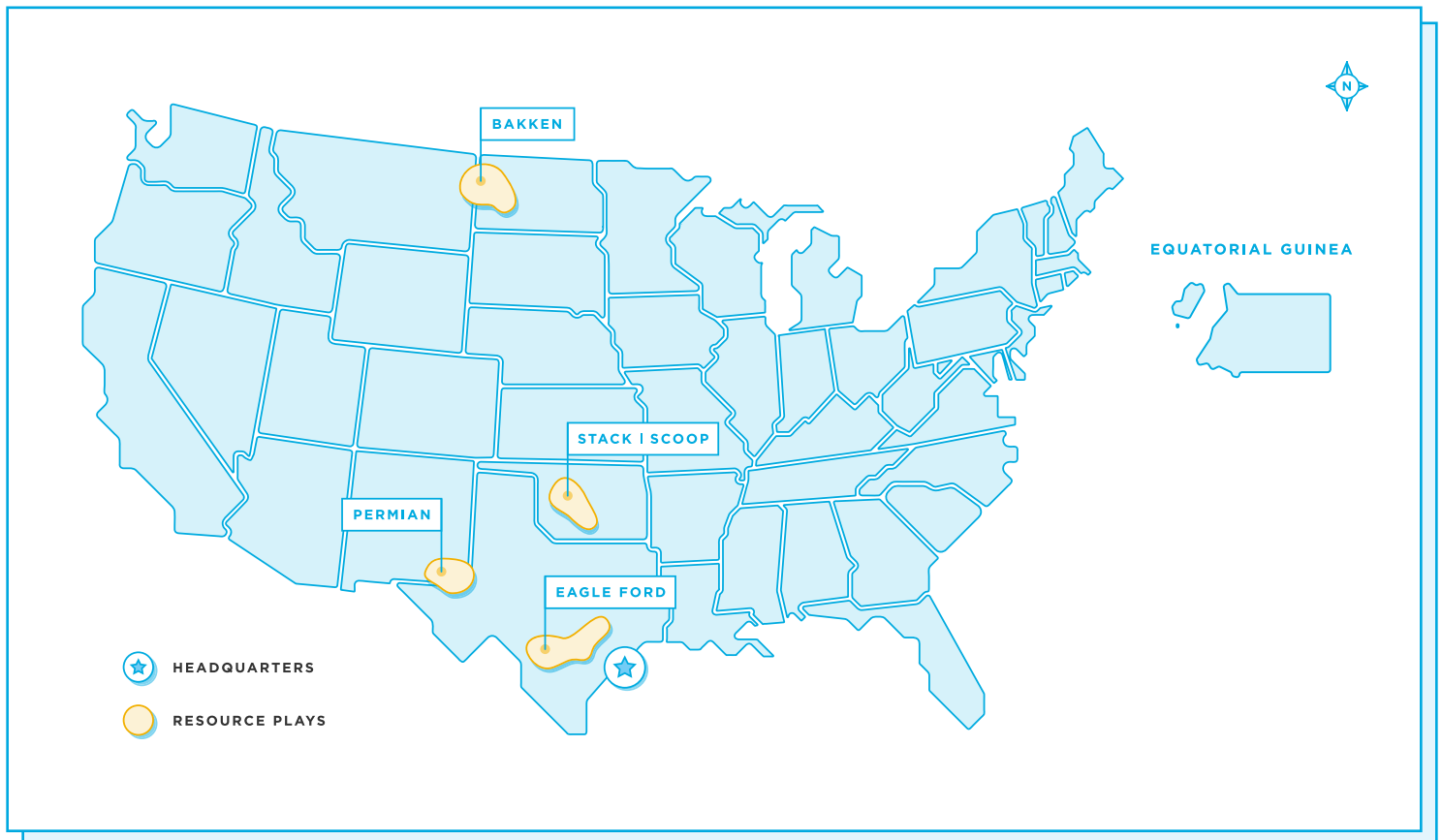
Message from Our Board of Directors +

MARATHON OIL AT A GLANCE



INTRODUCTION

MARATHON OIL AT A GLANCE



OUR VISION

To be the premier independent exploration and production company

OUR STRATEGY

Lowest-cost, highest-margin U.S. resource play focused

OUR VALUES

1. We are responsible, safe and ethical
2. We are bold
3. We take ownership
4. We are one team
5. We deliver results

Our Operations

Marathon Oil Corporation (NYSE:MRO) is an independent exploration and production (E&P) company focused on the most significant oil-rich resource plays in the U.S., with a strong international business in Equatorial Guinea. We're based in Houston, Texas, and as of Dec. 31, 2018, we employed approximately 2,400 people worldwide who are committed to being responsible, safe and ethical.

Our strategy focuses on low-cost, high-margin U.S. resource plays, including the Eagle Ford in Texas, the Bakken in North Dakota, STACK and SCOOP in Oklahoma and the Permian in New Mexico. We have a very clear working definition of capital discipline that's been our touchstone as we've successfully transitioned to our advantaged, multi-basin U.S. resource play model. Our framework for success comprises four objectives - corporate returns improvement through capital efficient oil growth, sustainable free cash flow at conservative pricing, prioritizing return of capital to shareholders and differentiated execution.



On the job in South Texas
Technicians at a drilling rig in the Eagle Ford

AN OPEN LETTER TO OUR STAKEHOLDERS



AN OPEN LETTER

TO OUR STAKEHOLDERS

Marathon Oil is proud to play a role in maintaining U.S. energy security and fueling the world in which we live. Being a safe, responsible and ethical operator, and being mindful of our neighbors and communities, is critical to our ability to run efficiently and create long-term value for shareholders.

At Marathon Oil, this is a foundational belief that's rooted deep within our culture and forms the basis of our license to operate.

Sustainability Changes and Progress

Our corporate sustainability efforts inform our risk management process and strategy, and this *2018 Sustainability Report* outlines the disciplined approach we take in all aspects of our business. For more than a decade, we've been proactively disclosing information through our annual sustainability report and it serves as the definitive source for our comprehensive efforts in this area. We've made deliberate changes to this report as we continuously seek to improve our disclosure and respond to stakeholder needs. There's more work to do to meet our own high performance standards as well as our stakeholders' expectations, but we're making meaningful progress.

We know that our stakeholders are particularly attuned to environmental, social and governance issues, often referred to as "ESG." This report is organized around these three concepts. This helps us prioritize and communicate our sustainability work better, even as we share perspectives on a diverse range of topics. In response to your interest in environmentally responsible operations, specifically global climate change and air quality, we're expanding disclosures related to methane and other air emissions. We also will publish a separate climate report in 2019 consistent with the format advocated by TCFD (Task Force on Climate-related Financial Disclosures) to provide more detail about our governance, strategy, risk management and metrics related to climate risk. We're also providing additional information on water management in this report.

Importantly, we recognize the growing interest in carbon-related policy initiatives and the role of alternative energy sources. We expect that oil and gas development will remain crucial to the world economy for the foreseeable future and part of a cleaner, stronger, all-of-the-above energy agenda. To that end, we're constantly evaluating our business model, new technologies and industry innovations to ensure we're taking steps to sustainably deliver energy that consumers need. For example, we're adding saltwater disposal and additional pipeline for produced water to further reduce truck hauling and subsequent



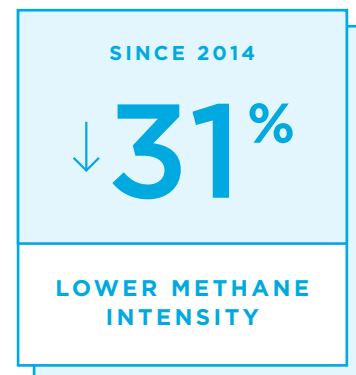
Lee Tillman
Chairman, President and CEO

emissions, as well as doing a trial of water reuse for fracturing jobs. These examples illustrate how reducing our operational impact on the environment can also benefit our business by reducing costs and improving efficiency. In addition, we are a founding member of The Environmental Partnership, a voluntary industry effort focused on technologies and best practices to lower air emissions.

Highlights from our Commitment to Safe, Responsible and Ethical Operations

Our sustainability achievements in 2018:

- We improved our safety performance, as evidenced by our 2018 Total Recordable Injury Rate (TRIR) of 0.53, a decrease of 17% compared to 2017.
- We achieved a 31% decrease in our methane intensity over a five-year period.
- We demonstrated leadership in industry efforts to adopt best practices to reduce seismic activity, and implemented plans to prevent and mitigate seismic activity in our operations in Oklahoma.
- We were named one of Houston's Top Workplaces in the large company category in 2018 by *The Houston Chronicle*. This exemplifies our commitment to fostering an engaged workforce.
- As a leader in proactive community giving, our 2018 social investments in the U.S. totaled more than \$3 million, with much of this going to education projects for literacy and STEM, and the balance directed toward economic development, health and conservation efforts in our surrounding communities.
- Our public-private Bioko Island Malaria Elimination Project (BIMEP) in Equatorial Guinea, now in its 15th year, continues to achieve life-saving, positive impacts in the country. The BIMEP's malaria vaccine component progressed through its trials, and it is hoped that the combination of control measures and the vaccine will eliminate malaria on Bioko Island.



Disciplined, Returns-First Performance

Turning to our financial performance, our business focused on delivering strong shareholder returns from our multi-basin portfolio, which is concentrated on the lowest-cost, highest-margin U.S. resource plays. Our objective in 2018 was to deliver sustainable free cash flow at conservative oil pricing and prioritize the return of cash back to our shareholders. While most in our peer group raised their capital budgets in response to higher oil prices in 2018, we never wavered. We


returned over 25% of our net operating cash flow back to shareholders through our peer-competitive dividend and share repurchases. Our differentiated execution led the way across all four of our U.S. resource plays with successful organic enhancement efforts improving the returns of our already strong inventory of opportunities. Underpinning all of this was our peer-leading balance sheet that delivered the financial flexibility to progress our business plans across a broad range of price outcomes in a very volatile commodity environment. A strong leverage to oil coupled with a low enterprise break-even is a winning combination in any price environment, and we don't take our performance for granted. Our communities also benefit from the high-quality jobs supported by oil and gas production, and hospitals, schools, homes and businesses maintain access to the energy they need. We seek to form lasting relationships with our communities by operating with integrity and maintaining strong values.

Looking Ahead

Our stakeholders – from investors and employees to regulatory agencies – want assurances that Marathon Oil will be profitable, safeguard our workforce, work to reduce our operational impacts on the environment, and contribute to the communities where we live and work. We are dedicated to meeting and exceeding these expectations as a responsible, responsive and successful E&P business. By living our values to collaborate, take ownership, be bold and deliver results, we believe we're securing our future with strong operational, financial and nonfinancial performance through a business strategy guided by sustainability.

On behalf of Marathon Oil, I thank you for your interest in learning about our commitment to sustainability and our progress on our ESG disclosures and efforts. I also want to thank all stakeholders who work proactively with Marathon Oil every day to address issues, develop solutions and constantly improve our performance. We're committed to continuing to set sustainability goals and make capital investments in ESG-relevant technology. This report was developed with you in mind, so we welcome any feedback you may have to help us continue to improve.

Sincerely,



Lee Tillman
Chairman, President and CEO

2018 FEATURES

Climate Change +

A Landmark Bill for
Water Rights +

Creating the Oilfield
of the Future +

BOARD OVERSIGHT

A MESSAGE FROM OUR BOARD

As the chair of the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of Marathon Oil's board of directors, I appreciate the opportunity to share what the company is doing to understand and mitigate our HES&CR risks.

We are solution driven and we believe we're taking action to continuously improve our environmental, social and governance (ESG) performance, while delivering the energy the world needs.

Marathon Oil has a variety of stakeholders, and we have to balance their interests and expectations. Shareholders are important, as are our employees and communities. If we don't operate responsibly and generate a profit, we aren't serving our shareholders and employees. If we don't generate profits, our communities won't garner the jobs and economic strength that we bring with our presence.

The company has had a sustained emphasis on safety and it remains at the core of our values. There's no amount of oil or natural gas production that justifies working unsafely. On this we are immovable: Safety is never part of the balancing act.

We're applying the same mindset to other areas where we want to improve. For example, we believe we've made progress on our environmental performance, but we recognize there's more to do. While we've cut methane intensity significantly over the past five years, the management team is actively exploring a number of potential avenues to further mitigate emissions, including technology, infrastructure, innovation and collaboration, and the board believes we'll find a solution. In addition, we're demonstrating our commitment to progress by publishing a report in 2019 on how we assess and manage the potential risks of climate change to our business.

Marathon Oil is equally as diligent about cutting our water consumption and preventing spills as we are about reducing air emissions. Our employees are taking ownership of these environmental challenges, and we're confident they will continue to deliver results that support our standing as a good corporate citizen.

Marathon Oil's commitment to social responsibility is genuine and strategic. As a community partner, we invest in building strong, healthy, educated communities. The Bioko Island Malaria Elimination Project in Equatorial Guinea and the Imagine Learning math education program



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

in the South Texas Eagle Ford are just two examples of the company's targeted approach to addressing social risks in the communities where we operate.

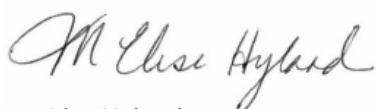
We've worked hard to concentrate and simplify our portfolio to generate a competitive advantage and deliver value to our shareholders. This strategic focus has not only differentiated our financial performance, but has also lowered our overall enterprise risk. We've divested international assets and mature, higher-cost and higher-risk operations that no longer compete for capital allocation. Although we pivoted to shale-focused U.S. operations, we've maintained diversity in our assets via our multi-basin strategy. Today, we believe Marathon Oil is less exposed to geopolitical and execution risk, and our low-cost, high-margin U.S. assets ensure a low enterprise break-even that mitigates commodity price volatility, delivering a lower risk of stranding assets. Our short-cycle U.S. unconventional shale opportunities provide a platform for continuous improvement across all metrics, including environmental, as real-time performance data accelerates the learning curve and encourages innovation.

We're a company that thrives on delivering differentiated performance and we have a track record of transformative actions to adapt to the business opportunities of today and into the future. This same adaptability places us in good stead to manage current and future ESG risks such as climate change. Companies with good governance, strong business ethics, and good safety and environmental performance tend to be the same companies that have good financial results. We believe that this is no coincidence, and that understanding and responding to dynamic ESG risks is part of our broader license to operate.

Marathon Oil wants to be part of producing the energy our country and the world need and we want to do it responsibly. The HES&CR Committee and the board believe the company is moving in the right direction for all of our stakeholders, and we are well positioned to make progress because of our human capital, innovation and collaborative relationships. Marathon Oil will address our ESG issues and risks, and we will be open and forthright with our investors and other stakeholders about where we stand and where we're focused.

Thank you for your interest in what Marathon Oil is doing to manage our ESG risks. Please share your thoughts and suggestions for improving our annual report on our nonfinancial performance.

Respectfully,



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

DIVE DEEPER	
Governance	+
Board Overview	+
Enterprise Risk Management	+

STAKEHOLDER MAP

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, social and governance 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 • Surveys and questionnaires from rating and ranking services 	<ul style="list-style-type: none"> • Policy development • Industry and trade associations • Advocacy • Social projects • Public-private partnerships 	<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 • County commissions 	<ul style="list-style-type: none"> • Employment opportunities • Local procurement • Community outreach and investment • Landowner 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



SECTION II

GOVERNANCE

Above:
Team huddle in the Bakken
North Dakota

INTRODUCTION

UNDERSTANDING OUR RISKS

At Marathon Oil, running our company responsibly means managing and mitigating environmental, social and reputational risks effectively. We prioritize best-in-class corporate governance, including a robust risk management infrastructure, as well as processes and foundational principles that govern the way we do business every day.

The Marathon Oil board of directors oversees our business and assesses risk to ensure high levels of environmental, social and governance (ESG) performance for the benefit of our shareholders. Our Corporate Governance Principles describe the roles, responsibilities and functions of the board. Detailed information about the selection, election, independence, diversity, committees, evaluation, risk management responsibilities, compensation and functioning of our board of directors is available in our *2019 Proxy Statement and Notice of 2019 Annual Meeting of Stockholders*.

We're proud of our board's commitment to serving Marathon Oil and our stakeholders. Our board met 11 times in 2018, and attendance for board and committee meetings was over 94% for the full year.



Board Oversight and Leadership Structure

The board's key oversight role includes reviewing the sustainability of our operations, the strength of our risk management efforts and the viability of our long-term strategic plans. This oversight and guidance is critical to protecting Marathon Oil's ability to create long-term value. We believe that strong governance produces a corporate culture and a business environment conducive to a company's growth and longevity.

The Marathon Oil board of directors has four standing committees: Audit and Finance; Compensation; Corporate Governance and Nominating; and Health, Environmental, Safety and Corporate Responsibility (HES&CR). The HES&CR committee plays a vital role in our sustainability efforts and includes board members with experience in this area.

Our board doesn't have a policy regarding whether the roles of the chairman and CEO should be separate, but rather makes this determination on the basis of what is best for our company at a given point in time. Effective Feb. 1, 2019, Lee Tillman, our president and CEO, was appointed chairman of the board of directors and Greg Boyce was appointed as independent lead director.

Board Engagement
Leadership and board members discuss the issues after a shareholder meeting in Houston, Texas

Diversity and Culture Focus at the Board Level

One topic that's received increasing attention from stakeholders in recent years is diversity. Ensuring that we have varied backgrounds, experiences and thought represented on Marathon Oil's board remains essential to succeeding. We understand the importance of diversity on our board and in our workplace. We believe we've taken steps to make our company diverse and will continue reporting on our progress.

In addition, we know that culture can contribute to – or detract from – a company's value overall. We believe strong company culture is important and strive for excellence every day through the way we do business. Our values and expectations are set forth at the top of the organization and we expect everyone to adhere to our company values and policies. Importantly, we have mechanisms to support the reporting of any actions that aren't in line with our culture; employees and third parties have access to the Integrity Helpline for anonymous, confidential reporting of ethics and compliance questions and concerns at all times, by phone and online. We're confident we have the directors, employees, platforms and channels in place to foster the best culture we can.

Good Governance, Good Stewardship

Marathon Oil believes it's our obligation to operate with ethics and integrity, to maintain exemplary corporate governance, and to promote open and transparent communications. Strong leadership and governance are critical to good stewardship.



Performance Highlights

- Continued to identify, manage and mitigate significant enterprise risks using the Enterprise Risk Management process, with oversight from the board of directors and active involvement of Marathon Oil management.
- Continuous improvement efforts associated with the implementation of our Responsible Operations Management System (ROMS) included introducing new corporate standards and adding regional vice presidents to the ROMS steering committee.
- Further aligned our ethics and integrity efforts to address current risks and our operational focus on the U.S.
- Strengthened business continuity plans across the company by holding a workshop and adding a web-based computer access program.

DIVE DEEPER	
A Landmark Bill for Water Rights	+
Creating the Oilfield of the Future	+

BOARD OVERVIEW



BOARD OVERVIEW

INDEPENDENT OVERSIGHT

We believe that independent board oversight is an essential part of effective governance. In accordance with applicable laws, regulations, our Corporate Governance Principles and the rules of the New York Stock Exchange (NYSE), the board must affirmatively determine the independence of each director and director nominee.

The Corporate Governance and Nominating Committee of the board considers all relevant facts and circumstances including, without limitation, transactions during the previous year between the company and the director directly, immediate family members of the director, organizations with which the director is affiliated, and the frequency and dollar amounts associated with these transactions. The Corporate Governance and Nominating Committee further considers whether the transactions were at arm's length in the ordinary course of business and whether the transactions were consummated on terms and conditions similar to those of unrelated parties. The committee then makes a recommendation to the board with respect to the independence of each director and director nominee.



Director Diversity

The Corporate Governance and Nominating Committee is responsible for reviewing with our board the appropriate size and composition of the board. When considering the director nominees, we will always look at a diverse pool of candidates, considering each candidate's business or professional experience, demonstrated leadership ability, integrity and judgment, record of public service, diversity, financial and technological acumen, and international experience. We view and define diversity in its broadest sense, which includes gender, ethnicity, age, education, experience and leadership qualities.

Our directors have experience that spans a broad range of industries in the public and not-for-profit sectors. They bring a wide variety of skills, qualifications and viewpoints that strengthen our board's ability to carry out its oversight role on behalf of our stockholders. The following table summarizes key qualifications, skills and attributes each director brings to our board. The lack of a mark for a particular item doesn't mean the director doesn't possess that qualification or skill. However, a mark indicates a specific area of focus or expertise that the director brings to our board. More details on each director's qualifications are included in the director biographies in the 2019 proxy statement.

Site Visit

Members of the Marathon Oil board of directors tour a site in the Eagle Ford resource play South Texas

SKILLS MATRIX

Full Name Tenure	Outside Public Boards	Public Co. CEO ¹	Financial Oversight /Accting. ²	E&P Industry Exper. ³	Eng. Expertise ⁴	Public Policy or Regulatory ⁵	HES ⁶	Intl. ⁷	Info. Techn- ology ⁸	Risk Mgmt. ⁹
Lee Tillman 5 years		✓	✓	✓	✓	✓	✓	✓		✓
Greg Boyce 11 years	1	✓	✓		✓	✓	✓	✓		✓
Chad Deaton 5 years	3	✓	✓	✓		✓	✓	✓		✓
Marcela Donadio 4 years	2		✓	✓		✓		✓		✓
Jason Few < 1 year	1		✓	✓		✓	✓	✓	✓	✓
Doug Foshee 1 year		✓	✓	✓		✓	✓	✓		✓
Lisa Hyland 1 year	1		✓		✓	✓	✓	✓		✓
Kent Wells <1 year			✓	✓	✓	✓	✓	✓	✓	✓

¹Experience working as a CEO of a public company

²Senior executive level experience in financial accounting and reporting, auditing, corporate financing and/or internal controls or experience in the financial services

³Experience as executives or directors in, or in other leadership positions working with, the exploration and production industry

⁴Expertise through relevant undergraduate or graduate education

⁵Experience in or a strong understanding of the regulatory issues facing the oil and gas industry and public policy on a local, state and national level

⁶Experience in managing matters related to health, environmental, safety and social responsibility in executive and operating roles

⁷Global business or international experience

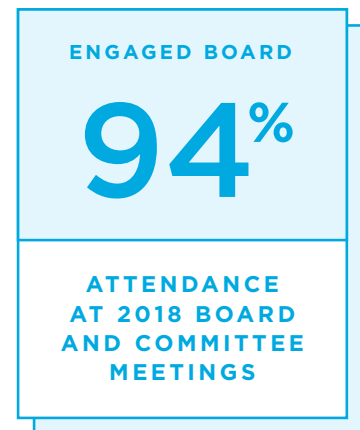
⁸Experience in or strong understanding of the technology issues facing the oil and gas industry

⁹Executive experience managing risk

Board Participation

Our board met 11 times in 2018. Attendance for board and committee meetings was over 94% for the full year. Under our Corporate Governance Principles, directors are expected to attend the Annual Meeting of Stockholders.

Our Corporate Governance Principles require that our non-employee directors, all of whom are independent, meet at regularly scheduled executive sessions. An offer of an executive session is extended to non-employee directors at each regularly scheduled board meeting. In 2018, our non-employee directors held nine independent executive sessions.



Executive Compensation

The Compensation Committee of the board reviews and recommends to our board all matters of policy and procedure relating to executive officer compensation. It also reviews and approves the philosophy, goals and objectives relevant to the CEO's compensation, determines and approves the compensation of the other executive officers, and administers our incentive compensation and equity-based plans. Our compensation program incorporates best practices in executive compensation, including engaging an independent compensation consultant to advise the committee. Additional details about the roles and responsibilities of the committee are available in our 2019 proxy statement and the Compensation Committee Charter.

Our success is based on financial performance and operational results, and we believe that our executive compensation program is an important driver of that success. The primary objectives of our program are to pay for performance, encourage creation of long-term stockholder value and pay competitively. The Compensation Committee periodically evaluates market best practices in executive compensation programs as necessary to ensure it continues to provide balanced incentives, while managing compensation risks appropriately in the context of our business objectives. As a result, our program incorporates a wide range of best practices outlined in our 2019 proxy statement.

Our executive compensation program includes base salary, annual cash bonuses, long-term incentive awards, and other benefits and perquisites. Executive compensation is closely tied to both individual and company performance. For 2018, we estimate that our CEO's compensation was 105 times the median of the annual total compensation for all of our employees. Full details on performance metrics are available in the 2019 proxy statement.

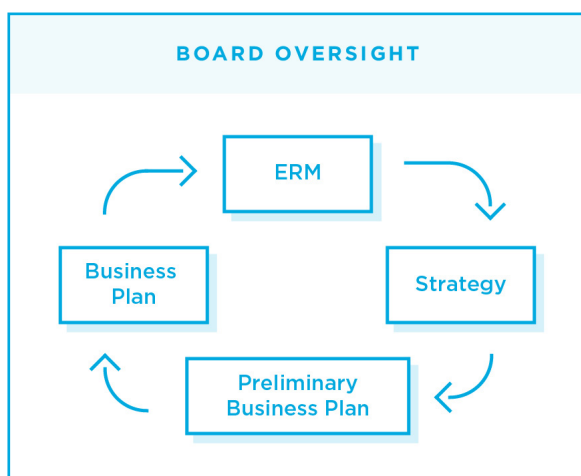
MANAGEMENT SYSTEMS



MANAGEMENT SYSTEMS

IDENTIFYING AND MITIGATING RISK

Management systems help identify risks to our enterprise, business units and operations, enabling Marathon Oil employees to prevent issues, leverage opportunities, drive continuous improvement and promote sustainability.



Enterprise Risk Management

Marathon Oil employs the Enterprise Risk Management (ERM) process to identify and effectively manage our most significant risks. Oversight and management of identified risks is continuous throughout the year as business units conduct risk assessments, and risk champions review and monitor the assessments. ERM ensures accountability by validating risk controls, with metrics where possible. The ERM process works in concert with the Responsible Operations Management System (ROMS), which drives continuous improvement and reduces operational risk across the enterprise.

ERM identifies and evaluates risk based on likelihood and consequence. The 10 sub-risks identified for 2019 fall into three categories:

Strategic and Reputational	Operational	Financial
Portfolio	Operational Execution	Financial Strength
Resources	HES&S Business Interruption	Commodities
Compliance	Regulatory	Reserves
Sovereign		

Risk Management: Roles and Responsibilities

Our board of directors and its committees oversee risk management, while Marathon Oil management is responsible for day-to-day risk management. Board members have skills that enhance their ability to assess risk, including chief executive experience, financial oversight/accounting, engineering expertise, public policy and regulations, health, environmental and safety (HES), international experience, information technology and risk management. Our CEO, CFO, and a committee of executive officers and senior managers work across the business to manage each enterprise-level risk.

Each board committee has specific risk oversight responsibilities:

- The Audit and Finance Committee annually reviews our ERM process and the latest assessment of risks and key mitigation strategies. It regularly reviews risks associated with financial and accounting matters and reporting. It reviews operational risks, including cybersecurity, monitors compliance with legal and regulatory requirements and internal control systems, and reviews risks associated with financial strategies and the company's capital structure.
- The Compensation Committee reviews the executive compensation program to ensure it doesn't encourage excessive risk-taking. It also reviews our executive compensation, incentive compensation and succession plans to ensure we have appropriate practices in place to support the retention and development of the talent necessary to achieve our business goals and objectives.
- The Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee regularly reviews and oversees operational risks, including those relating to HES, security and climate change. It reviews risks associated with social, political and environmental trends, issues and concerns, domestic and international, which affect or could affect our business activities, performance and reputation.

Our board receives regular updates from these committees about their activities, and reviews additional risks not specifically within the purview of any particular committee, including risks of a more strategic nature. Key risks associated with the strategic plan are reviewed annually at our board's strategy meeting and periodically throughout the year.

ERM roles and responsibilities are identified for clear oversight and accountability as follows:

Role	Responsibility
Board of directors and committees of the board	Oversight of enterprise risks
Audit and Finance Committee	Oversight of ERM process
CEO, Executive Committee	Management of enterprise risks
CFO	Executive sponsor for ERM
Treasurer, Enterprise Risk Manager	ERM process owner
Risk Champions	Ownership and accountability of particular ERM risks

ERM Process

During the ERM process, business units assess and monitor risks via ROMS, business risk assessments and biannual ERM risk assessments. The process includes internal audit interviews with senior leaders, biannual internal risk champion meetings, and an annual board update and discussion. Feedback from the board and senior managers serves as an input into strategy discussions. Enterprise risks are managed through existing and new mitigations and controls supported by the Marathon Oil business plan.

Marathon Oil describes our material risks in our forward-looking statement, and challenges and uncertainties in our Quarterly Reports on Form 10-Q, other public filings and press releases, available at www.marathonoil.com. Based on shareholder feedback, Marathon Oil will undertake an analysis of risks related to climate change. We expect to release a report on our analysis by year-end 2019.

Responsible Operations Management System

The Responsible Operations Management System (ROMS) is the framework to drive continuous improvement, ensure regulatory compliance and reduce operational risk across Marathon Oil. Business units must meet the minimum standards set within ROMS to support our commitment to high expectations of HES&S performance.



The ROMS ownership structure assures accountability and transparency, and promotes knowledge sharing across the enterprise for continuous improvement. An executive steering committee oversees ROMS implementation, with business unit-level ROMS committees further driving accountability. Each of the 14 elements has an executive owner, technical advisors and subject-matter experts who drive progress.

OPERATIONAL OVERSIGHT



OPERATIONAL OVERSIGHT

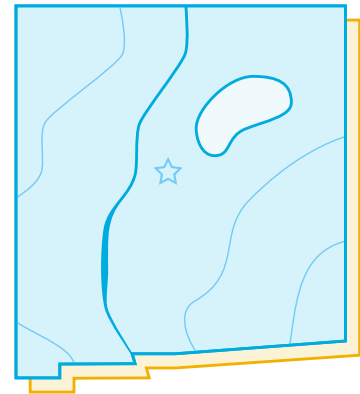
ROMS ELEMENT	ELEMENT OWNER Sets priorities and expectations, and tracks and reports progress to the Steering Committee	TECHNICAL ADVISOR Facilitates element implementation and monitors progress
Leadership and Accountability	EVP, Operations	Resource Plays HES Manager
Regulatory Compliance	RVP, Permian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

How ROMS is Driving Change

In 2018, assets focused on compliance by completing the gap actions identified in response to new standards issued in 2016-2017. Transitioning to continuous improvement in the form of annual health reviews of each element was a primary achievement of the year. These element health reviews collected valuable feedback from each business unit to mature the enterprise-wide management system. One notable output from this process was a project to refresh our Life Critical Expectations & HES Beliefs. We also began a strategic initiative to standardize resource play documentation to assist asset personnel in supporting safe, clean and responsible operations.

In 2019, we will roll out our revised Life Critical Expectations & HES Beliefs along with a comprehensive training program focused on managing our contract workforce.

As part of our continuous improvement program, the North Dakota Bakken and New Mexico Permian Basin assets will undergo a Tier III audit incorporating learnings from the 2018 audits of Equatorial Guinea and our Oklahoma asset.



The Permian asset will undergo a Tier III audit to surface risks and mitigate future challenges



HES&S POLICIES, STANDARDS, PRACTICES AND AUDITS

DRIVING CONSISTENCY

Mandatory health, environmental, safety and security (HES&S) policies, standards and procedures drive consistency across Marathon Oil, communicate expectations and set performance requirements.

Our policies and standards 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, and incorporate recommendations arising from audits, incident investigations and lessons learned sharing to drive continuous improvement in HES performance.

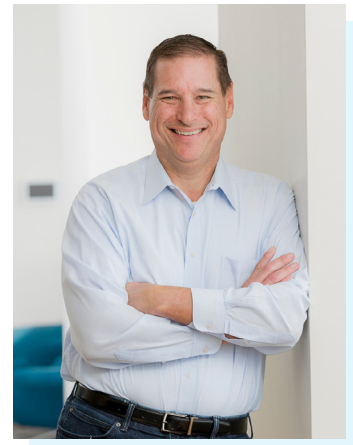
In 2018, Marathon Oil updated our Life Critical Standards and Procedures to ensure consistency across all assets for easier implementation in the field. The new standard covering 10 Life Critical Activities and related procedures went into effect on May 1, 2019.

Through programs such as Lessons Learned Sharing and Contractor Management, we raise awareness of our requirements among employees, contractors and suppliers.

The Responsible Operations Management System (ROMS) Audit and Improvement element promotes adherence to our standards and regulatory requirements through our tiered audit program that focuses on:

- **Tier I:** Physical checks of facilities and equipment to ensure conditions are satisfactory
- **Tier II:** Risk-based audit to monitor effectiveness of processes, procedures and systems
- **Tier III:** Management system audit to determine conformance and effectiveness of management system expectations

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.



Dan Kalisek
Director, Health, Environment,
Safety and Security

SUSTAINABILITY OVERSIGHT



SUSTAINABILITY OVERSIGHT

UNDERSTANDING OUR IMPACT

Marathon Oil acts to create enduring value for our shareholders, our employees and our communities. To be sustainable, we believe that a business must deliver strong operational and financial performance, as well as address its responsibilities for the environment, society, governance (ESG) and its workforce.

To understand how we can address our stakeholders' critical needs, we look beyond our office walls and operational facilities, and consider the effects of our decisions, actions and operations.

Operating in a sustainable manner is a collaborative effort involving our employees, managers and board. It's 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 assists the full board by identifying, evaluating and monitoring trends, issues, practices and concerns related to climate change; HES public policy; legislation; regulations; political, charitable and educational contributions; and other matters. As part of the Enterprise Risk Management process, the HES&CR Committee updates board members on compliance, regulatory, sovereign, HES&S and climate change risks.

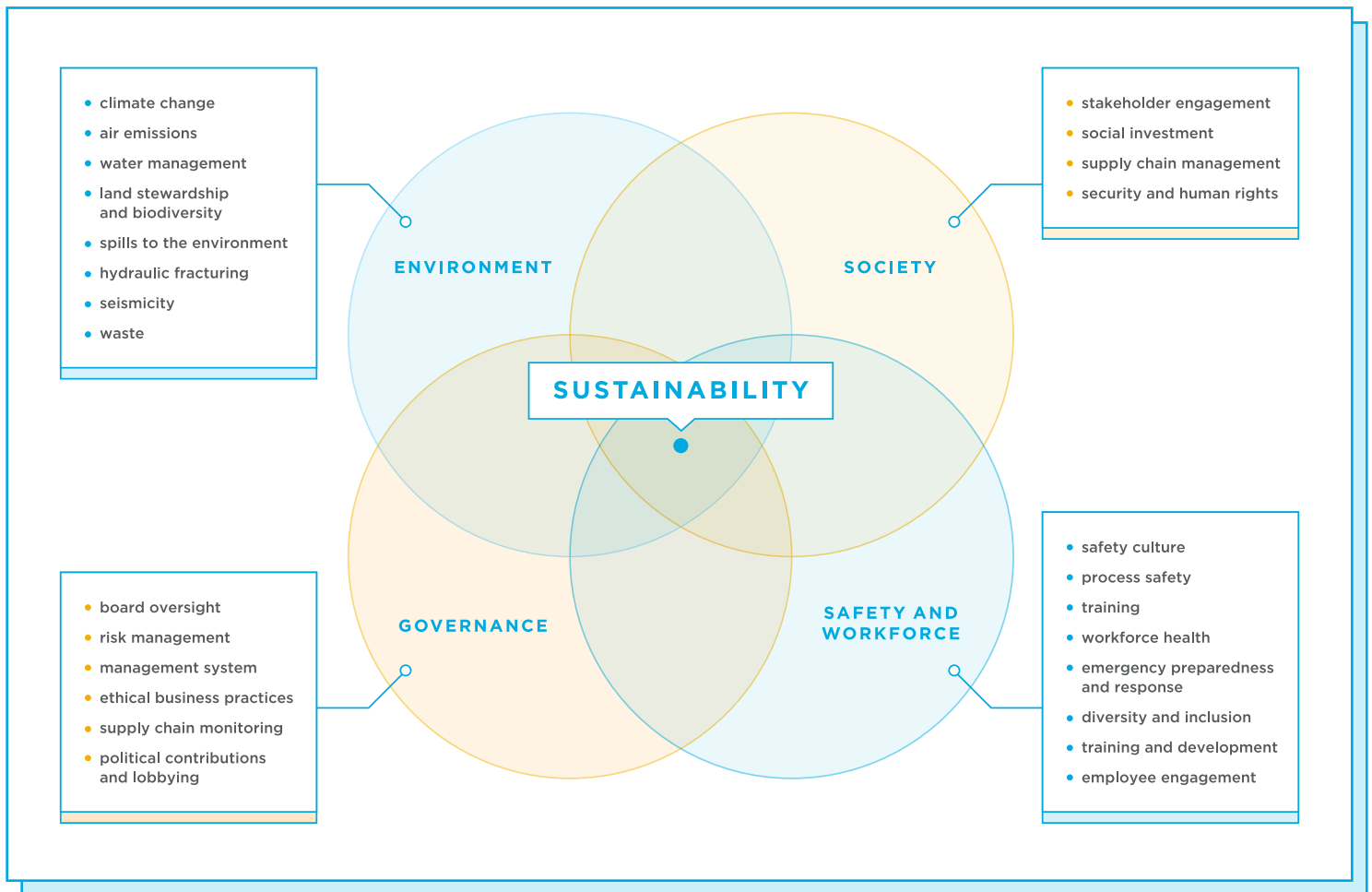
As part of our efforts to address risks related to climate change, our cross-functional Sustainability Forum evaluates projects proposed by operations and HES staff to reduce GHG emissions. The forum makes recommendations to Marathon Oil's senior leadership team on projects with the potential to reduce emissions and climate-related risk.

Marathon Oil's values – to collaborate, take ownership, be bold and deliver results – underpin our efforts to build a sustainable business. Our Corporate Sustainability Guidelines outline how we demonstrate our commitment to ESG and economic sustainability in the communities where we operate. Marathon Oil employees are expected to incorporate ESG 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.



Kathleen Sauvé
Manager, Stakeholder and
Community Engagement

INTERCONNECTING SUSTAINABILITY ISSUES



The above figure, which was adapted from IPIECA, provides an overview of how Marathon Oil organizes and communicates our ESG performance within this report.

ETHICAL BUSINESS PRACTICES

LIVING OUR VALUES

Marathon Oil is committed to being responsible, safe and ethical. Our Code of Business Conduct reinforces the company's commitment to ethical business practices and applies to all employees, officers, directors and third parties acting within the scope of representing Marathon Oil.

In addition, our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions must also adhere to the standards of professional and ethical conduct outlined in our Code of Ethics for Senior Financial Officers.

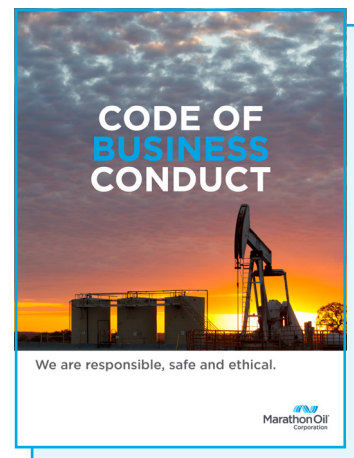
Every new Marathon Oil employee is required to complete online Code of Business Conduct training and a separate online cybersecurity course, as well as disclose potential conflicts of interest within 30 days of employment.

Active Marathon Oil employees are required to complete an annual Code of Business Conduct Questionnaire and Certification, and additional Code training on a scheduled basis.

We constantly assess our business environment and update our ethics and integrity programs as needed to address current and emerging risks, and strengthen compliance and mitigations. Our assessment mechanisms include peer and industry benchmarking, and internal monitoring through the Marathon Oil audit function, Integrity Helpline and other means. These efforts in 2018 resulted in revisions to our data privacy practices to adhere to the EU General Data Protection Regulation and to additional measures to prevent corruption and bribery across the enterprise. Our recent benchmarking focused on peer and industry investigation practices and our program will also undergo a third-party assessment.

Preventing Corruption and Bribery

We believe 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). Our anti-corruption compliance program aligns with U.S. Department of Justice recommendations for effectiveness. In 2019, we will roll out the new Anti-Corruption Compliance Policy we developed to strengthen efforts to prevent corruption and commercial bribery throughout Marathon Oil. The Anti-Corruption Compliance Policy replaces the previous governing policy document.



Code of Business Conduct applies to all employees across the enterprise

Annual anti-corruption compliance training is mandatory for designated employees with certain job responsibilities and/or working in certain locations. We also have an international compliance audit program for our operations outside the U.S.

We have well-established processes for transparent reporting of revenue flows from oil and gas production to prevent bribery and corruption, and we continue to engage in industry discussions regarding transparency of payments. Our internal monitoring systems to detect corruption include the Integrity Helpline, audits and investigations. As an additional safeguard, many interactions with government officials require the approval of our Law Department.

Reporting Mechanisms

Marathon Oil encourages employees to work with their supervisors and management to resolve issues. Employees may report questions or concerns through Human Resources, Audit, Health, Environmental, Safety and Security (HES&S), Law, Corporate Compliance and other internal resources.

Employees and third parties have access to the Integrity Helpline for anonymous, confidential reporting of ethics and compliance questions and concerns at all times, by phone and online. Our ongoing efforts to promote a culture of internal reporting include distributing informational posters on our compliance programs to all Marathon Oil employees and stressing the options for reporting during compliance training. Our Code of Business Conduct and policy for Reporting Business Ethics Concerns forbid retaliation for good faith reporting of these concerns.

Our Corporate Compliance and Ethics organization reviews submissions to the Helpline and takes action as necessary.

SUPPLY CHAIN MONITORING



SUPPLY CHAIN MONITORING

ENSURING ALIGNMENT EVERY STEP OF THE WAY

Marathon Oil's supplier and contractor relationships are governed by the Third-Party Services element of our Responsible Operations Management System (ROMS), Procurement and Contracting Standard, Anti-Corruption Compliance Policy, Code of Business Conduct, and our health, environmental and safety (HES) standards and policies.

Marathon Oil pre-screens companies using a stringent vetting process and controls the use of suppliers through an internal approved suppliers list. The company follows processes to determine the type of commercial agreement with approved terms and conditions for third-party services. The Code of Business Conduct and all relevant standards and policies are referenced in the agreement, and are available to contractors on our internal supplier portal in their most current version. Changes to standards and policies are communicated through Marathon Oil's external website and other channels to ensure contractors are aware of the changes and can take action as needed to comply.

To prevent bribery, our business partners must comply with our Procurement and Contracting Standard and the Anti-Corruption Compliance Policy. Global Supply Chain is responsible for conducting all contracting and procurement activities in an objective, ethical manner in accordance with the standard and applicable anti-corruption laws. Our Anti-Corruption Compliance Policy requires potential business partners within specified higher-risk categories to successfully complete due diligence and be approved by Marathon Oil's Law function before engagement by Global Supply Chain.

If the third party is approved for use, they 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 are directed to report business ethics concerns to our Integrity Helpline.



Tracie Slone
Vice President, Global
Supply Chain

POLITICAL CONTRIBUTIONS AND LOBBYING ACTIVITIES

MAKING SURE WE'RE PART OF THE CONVERSATION

Marathon Oil encourages responsible energy development, and advocates for reasonable and balanced regulations.

We have a three-pronged approach to lobbying:

- Educating our elected officials and regulators on issues affecting the company and our industry
- Elevating the conversation above partisan politics
- Engaging with legislators and regulators to support responsible and reasonable laws and regulations

For example, our subject-matter experts in water management, hydraulic fracturing, well integrity, drilling, completions and safety practices review proposed regulations and legislation. They may provide testimony to legislative bodies, participate in industry working groups and collaborate with stakeholder groups to develop mutually acceptable solutions to address concerns. During the latest legislative sessions, we advocated for appropriate industry oversight, and state regulations for associated gas waste prevention and hydraulic fracturing operations. We also supported a bipartisan bill that removed obstacles to using recycled produced water in the New Mexico Permian Basin. In Oklahoma, we educated state legislators on our industry by hosting a tour of a Marathon Oil drilling location and production site in Kingfisher County. The tour introduced the newly elected lawmakers to oil and gas operations and provided Marathon Oil the opportunity to enhance relationships with state officials.

We also participate in the public policy process by contributing to candidates and organizations that support responsible energy development. In 2018, Marathon Oil made direct corporate contributions totaling \$101,000 to 27 candidates, political party organizations and PACs, as allowed by state law in New Mexico.

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 2018, MEPAC donated \$119,975 to 136 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.



Rebecca Skiba
Vice President, Corporate
Communications and
Government Affairs

The Marathon Oil Company Political Action Committee of Texas (MOCPAC-TX) donated \$68,250 to 45 state candidates in Texas in 2018. 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 Marathon Oil board of directors. All PAC contributions are based on a candidate's position on business issues and without regard for the personal 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 issues related to climate change. In the interest of good governance and transparency, we voluntarily report these payments, and our policies and procedures for lobbying and political activities.

Our *2018 Report of Lobbying and Political Contributions* discloses corporate contributions made to tax-exempt 527s and 501(c)(4)s that exceeded \$35,000, and which the recipient may use for political purposes. 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.

DIVE DEEPER	
A Landmark Bill for Water Rights	+
Letter to Stakeholders	+
Message from Our Board of Directors	+



SECTION III

2018 SUSTAINABILITY HIGHLIGHTS

Above:
Eddy County Court House
Carlsbad, New Mexico

WATER MANAGEMENT

A MORE SUSTAINABLE FUTURE FOR NEW MEXICO

Marathon Oil led an initiative to remove barriers to using produced water in New Mexico.

Across our U.S. operations, Marathon Oil looks for ways to conserve freshwater, and recycle and reuse as much produced water as possible. We believe following these water stewardship principles is the responsible way to operate for the environment, our communities and the sustainability of our assets. But the company and our industry face barriers under state and federal regulations and laws, as well as technical and logistical challenges to the responsible use and reuse of water resources.

In the water-stressed New Mexico Permian Basin, oil and gas operators produce sizable amounts of produced water. State regulators estimate that operators generated more than 1 billion barrels of produced water in 2018¹ along with 250 million barrels of oil,² and both oil and produced water production are on the rise.

Given the scale of water issues in the basin, we're proud to have initiated stakeholder collaboration that led to the passage and signing of the Produced Water Act in the first quarter of 2019. The bipartisan bill removes obstacles to using recycled produced water in the New Mexico Permian Basin and incentivizes the industry to use produced water whenever possible.

The law, which went into effect on July 1, 2019, clarifies and improves produced water laws in the state and restores the Energy, Minerals and Natural Resources Department (EMNRD) as the primary regulatory authority to enforce the state's oil and gas protections.³ In doing so, it preserves valuable freshwater for municipal, agricultural and other beneficial public uses for all New Mexico residents. In addition, it can improve road safety and cut air emissions as operators move less produced water by truck.

The law enables Marathon Oil and other operators to recycle produced water and transport it across lands for hydraulic fracturing operations instead of having to buy freshwater from landowners. Before the



Hugo Gutierrez
Director, State Government
Affairs

¹Source: Circle of Blue article: *New Mexico Oil Production is Soaring. Now What to Do With the Wastewater*

²Source: New Mexico Oil and Gas Association article: *New Mexico Oil Production Soars to a Record 250 Million Barrels in 2018*

³Source: NGI's Daily Gas Price Index article: *New Mexico Governor Expected to Sign Produced Water Bill*

law was enacted, in several instances Marathon Oil was required to buy freshwater when we wanted to use available produced water. In addition, by reusing produced water, operators can reduce disposal in underground formations.

Our team identified the opportunity to improve produced water regulations and worked quickly to help craft the law, identify stakeholders and collaborate on the law's passage. We worked side-by-side with the Environmental Defense Fund, Sierra Club, the secretary of the New Mexico Environment Department, other state regulators and agency staff, and fellow members of the New Mexico Oil and Gas Association (NMOGA). The bill also drew support from conservationists, the agriculture industry and other stakeholders.

Using lessons learned on the New Mexico law, our employees are working to improve options for using produced water in Texas. Throughout the process, Marathon Oil is forging new relationships that will help us develop win-win solutions for other challenges as we continue to grow in an environmentally and financially responsible way.



TECHNOLOGY AND INNOVATION

CREATING THE OILFIELD OF THE FUTURE

At Marathon Oil, technology and innovation are integral to our competitiveness and sustainability. We're creating the oilfield of the future – an online, real-time, data-driven, digital way of working.

It's automated and predictive, and combines innovation with operational excellence to increase efficiency, improve well and facility uptime, and improve safety and environmental performance. It does this at a lower cost that boosts our business performance.

In the field, the foundation for our digital oilfield is well established and the next generation is coming into view. We launched the digital oilfield operations control center (OCC) in our South Texas Eagle Ford asset in 2016, and continued expanding OCCs throughout our U.S. operations in 2018. Marathon Oil continuously seeks, pilots and adopts technology to make our field operations and staff even more safe, productive and efficient. We're using high-performance databases to quickly interpret massive volumes of data generated from unconventional wells and facilities to proactively manage our production assets.

From this data, for example, machine learning provides predictive insights into individual wells and facilities that enable us to take actions before production streams are interrupted.

Marathon Oil further leverages this data to monitor the overall health of the field in real time and to support operators in the field. Beyond managing our production assets each day, this data allows us to perform optimization to maximize production from our wells, and to see and predict trends that allow early intervention into anomalies. To ensure high performance and safe operations, we'll continue to expand the capabilities of OCCs, drawing on digital technology, and well and facility automation.

In our North Dakota Bakken asset in 2018, the OCC staff collaborated with the completions team to develop and implement an application that automates the labor-intensive monitoring of nearby hydraulic fracturing jobs. In addition to saving time, the application has decreased deferred production and lowered lifting costs. By enabling control room operators to focus on higher-priority tasks, it has also improved efficiency and field support capability. Throughout our U.S. operations, we strengthened real-time field communications



Bruce McCullough
Senior Vice President,
Technology & Innovation,
and CIO

capabilities in 2018 by deploying a chat-based collaboration tool for instant messaging, voice, video and email. After quickly becoming the primary means of communication between OCCs and field operations, the tool has been supporting operational excellence.

At the subsurface level, Marathon Oil is coupling data with our understanding of geology and physics to explore for and produce oil and gas more accurately and efficiently. Using proprietary software with next-generation computation power, we are processing extremely complex models of unconventional reservoirs at very fast rates in new and creative ways that are improving well placement and completion designs. To support these designs, we apply advanced data analytics to reinforce our decisions about field development plans. Advanced data analytics also enable us to predict production very early in a well's life, which allows us to optimize our capital budget, improve planning and provide early feedback on our field development plans.

Encouraging Innovation

To encourage innovation, we sponsor an annual internal Innovation Exchange that highlights technology-based solutions and technologies targeting critical business challenges and opportunities for creating value in resource plays: inventory growth, improving returns and operational excellence. Besides our technical, engineering and geophysical personnel, the 2018 Innovation Exchange included Marathon Oil managers from human resources, health, environment and safety (HES) and supply chain discussing innovation; a luncheon keynote by entrepreneur and author Frans Johansson; and 50 poster sessions on our critical challenges, with a winner selected for each category. The day-long event was open to all employees.



We also hosted the first-ever SPE Gulf Coast Innovation and Entrepreneurship Symposium (IES) at our Houston headquarters in 2018. Two Marathon Oil employees gave presentations at the forum where entrepreneurs, investors and energy industry organizations could collaborate, share knowledge, learn and educate. In the context of the environment, geopolitics, industry image and other external challenges, IES attendees discussed ways technology and innovation can help address these issues and add value in the oil and gas sector. Hosting the symposium aligned with Marathon Oil's commitment to engaging and using technology providers to add value.

In looking beyond our industry to solve problems, Marathon Oil is applying commercial technologies in new ways. For example, we're employing computer vision, a form of artificial intelligence commonly used to read bar codes, to interpret visual images from field locations. Computer vision can help OCC staff detect leaks and spills at a well site much faster, and read tank levels that can then automatically dispatch haulers without requiring an operator to check the tank manually. We're also applying logistics technologies in a field services management platform to improve work prioritization and workforce deployment.

This technology, commonly used in large-scale service and delivery companies, can dispatch the proper resources and materials to the field to mitigate issues more quickly and effectively. The result is improved well and facility uptime, with less time spent driving to field locations.

Cybersecurity

Digital technologies are integrated into all aspects of Marathon Oil's business, including the systems to produce, distribute and transport oil and gas; third-party providers of services to collect, host and process information; and internet and other public networks for communications, services and storage such as third-party cloud computing. Like other companies in our industry and throughout the business world, Marathon Oil is exposed to cybersecurity risks. The Audit and Finance Committee of our board of directors regularly reviews the company's operational risks, including cybersecurity. In addition, one board member has experience in or strong understanding of the technology issues facing the oil and gas industry.

Marathon Oil has sophisticated capabilities and uses proven technology to protect our business and assets against cyberattacks. Using third parties with deep knowledge of cyberattacks, we constantly assess potential vulnerabilities in our environment and make improvements as needed to reduce risks. We also provide training to employees on responsible, secure use of our computers and technologies.

We constantly assess potential vulnerabilities in our environment and make improvements as needed to reduce risks.

As we continue to identify, implement and leverage information technology opportunities across our enterprise, Marathon Oil will seek both incremental innovations and breakthroughs to create the oilfield of the future.



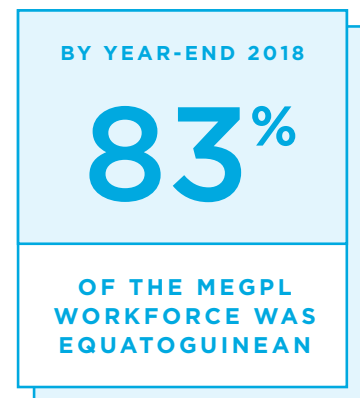
EQUATORIAL GUINEA

SUSTAINING THE BENEFITS OF OUR BUSINESS

Marathon Oil has operated a world-class integrated gas business in Equatorial Guinea (EG), West Africa, since 2002.

Through investments in our facilities at Punta Europa on Bioko Island, we have established the largest petroleum sector facility in the country and the largest methanol producer on the African continent. As we've built this business, we've developed a largely national workforce, contributed to local economic sustainability, and helped develop human capacity focused on health and education. Our long-term commitment to eradicating endemic malaria on Bioko Island has improved public health and the quality of life. We've accomplished this with a focus on being a responsible, safe and ethical operator, while generating substantial free cash flow.

Now, as the country's natural gas and associated liquids production declines, we're working with the government of Equatorial Guinea on the next phase of our business there: creation of a Gas Mega Hub at Punta Europa. The hub will process gas from proximate fields in Equatorial Guinea and neighboring countries, starting with delivering gas from the offshore Alen Field by pipeline to Punta Europa for processing. We're pursuing other avenues to capture resources for future phases of development. Our goal is to keep all Punta Europa facilities operating at maximum capacity for the foreseeable future – and maintain the countless economic and social benefits the oil and gas industry brings to the country.



Building Our National Workforce

Through recruiting, training, workforce integration, and educational and vocational programs, we seek to increase the number of national citizens in our workforce in Equatorial Guinea. We employ over 1,000 national citizens, directly or indirectly at Marathon EG Production Limited (MEGPL), and Equatoguineans grew to be 83% of the total MEGPL workforce in 2018. We're also developing and promoting Equatoguineans into supervisory and leadership roles.

Over the past five years, more than 80 Equatoguinean students attending universities outside of the country have received on-the-job experience during academic breaks. Our partnerships with local education institutions like "12 de Octubre" Technical College and the National University of Equatorial Guinea (UNGE) make this internship

program possible. In addition, four Equatoguineans are seeking degrees at the University of Houston and Prairie View A&M University in Texas, USA, on MEGPL scholarships.

Increasing Local Supply Chain

We contribute to economic sustainability in Equatorial Guinea by increasing local supplier capabilities in our operations. Since 2013, we've spent almost U.S. \$857 million with Equatoguinean vendors that are 35% to 100% locally owned, and in 2018, 78% of our contracts were awarded to locally owned contractors.

Our local procurement staff shares information on upcoming contracts at regular meetings with local vendors and provides a procurement plan to the Ministry of Mines and Hydrocarbons National Content Director twice per year. In 2018, MEGPL hosted 280 local business owners in national content workshops to inform them about Phase I of the Gas Mega Hub Project, tender opportunities, and national laws and regulations for doing business with the petroleum industry. Half of these vendors have active contracts with MEGPL for goods and services. We continue to work with the EG National Alliance of Hydrocarbons Services Company (NAHSCO) in all presentations, seminars and workshops.

Prospective vendors must submit questionnaires describing their company structure, ownership and, if applicable, their safety systems and capabilities for safety-sensitive work. We only work with vendors if their questionnaire is approved. Our contracts address the U.S. Foreign Corrupt Practices Act (FCPA), ethical business conduct, labor, human rights and other issues.

To help local businesses through the process, MEGPL, Equatorial Guinea LNG Holdings Limited (EG LNG) and Atlantic Methanol Production Company (AMPCO) established the Punta Europa National Content Committee. The committee created a simplified new vendor set-up process across the three companies, identifies and consistently engages local providers of materials and services, and offers seminars to discuss commercial processes and underscore the company's commitment to health and safety.



Maintaining Safe, Clean Operations

We improve safety performance and minimize environmental impact in Equatorial Guinea through investments in health, environment and safety (HES) activities. MEGPL, EG LNG and AMPCO had a combined Total Recordable Incident Rate (TRIR) of 0.16 in 2018, with over 4.7 million hours worked, compared to a TRIR of 0.17 during 2017. AMPCO achieved a full year without an OSHA recordable event and EG LNG recorded over 5 million manhours without a Lost Time Incident (LTI).

Our safety improvement efforts in 2018 included more than 1,000 leadership safety engagements and more than 5,000 behavior-based safety observations. To address the most common causes of incidents and injuries, we conducted awareness campaigns focused on driving, dropped objects and hand safety.

In addition, our Workforce HES Committee sponsored a safety campaign that monitored and reinforced positive driving behavior in Punta Europa. The committee, which serves as the safety link between management and employees, engaged with employees on the driving safety campaign, and on the importance of stress management and its impact on health.

In 2018, MEGPL and EG LNG fully aligned their practices and systems with the expectations of our Responsible Operations Management System (ROMS) through proactive gap assessments, and Tier II and Tier III audits. These audits helped in developing action plans for continuous improvement. The companies also established a combined ROMS steering committee to ensure consistent implementation across both entities.

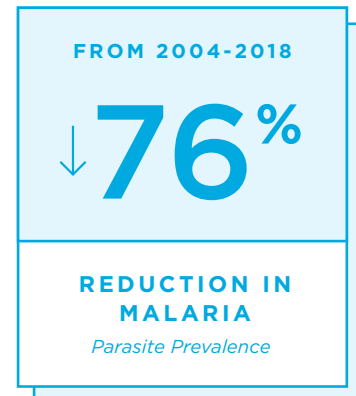
Improving Public Health and Quality of Life

MEGPL's primary social investment in Equatorial Guinea is the Bioko Island Malaria Elimination Project (BIMEP), a 15-year, multi-system public health program. The BIMEP combats the endemic mosquito-borne disease with a series of integrated malaria control measures centered on indoor residual spraying, distributing long-lasting insecticide nets (LLIN), intermittent preventive therapy for pregnant women, malaria case management, epidemiological surveillance, vector monitoring and advocacy. In addition to these standard malaria control efforts, BIMEP has introduced a malaria vaccine component. All BIMEP malaria control interventions are provided free of charge to all residents on Bioko Island.

In addition, through the BIMEP, we are striving to improve lives in line with two U.N. Sustainable Development Goals (SDG):

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

The BIMEP, in partnership with the EG Ministry of Health and Social Welfare, has invested more than U.S. \$124 million in this effort since 2004. The BIMEP and vaccine project are implemented by Medical Care Development International, an American nongovernmental organization (NGO), and funded through a public-private partnership of Marathon Oil, Noble Energy, AMPCO and the Government of Equatorial Guinea. Of the investment in the BIMEP, U.S. \$83 million has been applied to



Impact on the Ground
Learn about the Bioko Island Malaria Elimination Project from the people it impacts most

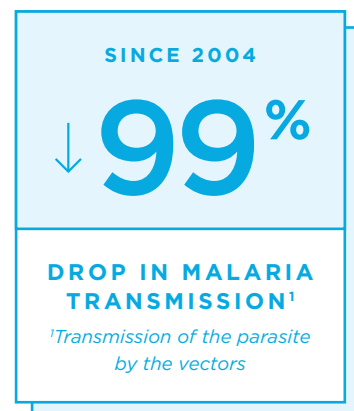
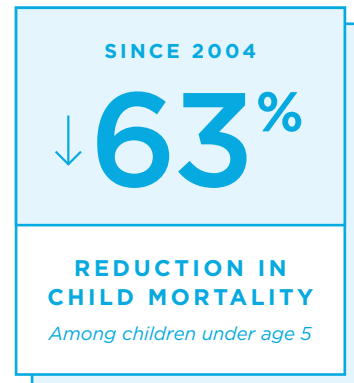
build national capacity with a malaria intervention team employing over 250 Equatoguineans as spray team members, case management doctors, laboratory technicians, entomology technicians, geographical information system technicians, and community outreach workers dedicated to malaria education and behavioral change nationwide.

The BIMEP has led to positive impacts on all economic sectors, the health sector and all socio-economic levels of Equatoguinean society, especially people with the least means. The BIMEP's major accomplishments in the fight against malaria include:

- 76% reduction in the malaria parasite prevalence (from 45% in 2004 to 10.9% in 2018)
- In excess of 63% reduction of all-cause mortality among children under 5 years old (largely attributed to malaria interventions)
- 90% reduction in severe anemia under 5 years old (from 15% in 2004 to 1.5% in 2018)
- 99% reduction in the rate of transmission of the parasite by the vectors (from more than 1,000 infected bites per person per year in 2004 to less than 10 potentially infected bites per person per year in 2018)
- Elimination of one of the three main malaria vector species (*An. funestus*)
- 77% reduction in anemia and 68% reduction in parasite prevalence in pregnant women
- Improved access to diagnostic services and malaria treatments
- Continues to provide LLINs and intermittent preventive treatment to pregnant women visiting prenatal care facilities

These outcomes opened the door to fund development of a candidate vaccine that protects recipients from malaria infection. Marathon Oil and our BIMEP partners have invested U.S. \$41 million for five trials of a highly promising vaccine product to block malaria transmission in humans and mosquitos. Trials of the PfSPZ Vaccine® developed by the U.S. biotechnology company Sanaria, Inc., are underway.

The positive effects of the vaccine initiative continue to ripple through Equatorial Guinea. Over 45 Equatoguinean doctors, nurses, lab technicians, pharmacists and other support staff have been trained to run the vaccine trials. Infrastructure created by the BIMEP enables the Government of Equatorial Guinea to participate in the international medical science research arena. Equatorial Guinea established its first internationally recognized national ethics review committee, and instituted a food and drug regulatory office within the Equatoguinean Ministry of Health and Social Welfare. In February 2019, the Ministry opened a reference laboratory where the BIMEP 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 goal of serving Equatorial Guinea and the Central African Economic and Monetary Community (CEMAC) region.

Capacity Building for Health and Education

We invest in human capacity building focused on health and education in Equatorial Guinea. In 2018, MEGPL provided U.S. \$780,000 to fund a pediatric nurse training program in partnership with the Foundation for Nursing Development, the EG Ministry of Health and Social Welfare and the National University of Equatorial Guinea (UNGE). The program is training 55 nurses in the most up-to-date methods and skills required to practice pediatric nursing in a low-tech environment. The group of pediatric nurses is projected to graduate in June 2020. We decided to make this investment based on the success of our first experience with the program, which graduated 60 nurse midwives who went on to work with pre- and post-natal mothers and newborns in every health district in Equatorial Guinea. Evaluations of the first class of graduates have shown increased use of district health centers to provide prenatal and neonatal care.

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

To further develop human capacity in Equatorial Guinea, MEGPL annually hosts workshops to train local NGOs in writing effective grant proposals and developing accurate budgets to support their community-based work improving the lives of Equatoguineans through education, health and capacity building. This effort is allowing MEGPL to shift our funding strategy from infrastructure to human capacity building projects. We plan to continue hosting these workshops for Equatoguinean NGOs to expand our human capacity building focus over the next five years.

Helping Children See the Future

We are committed to helping Equatoguinean youth improve their academic and social opportunities. To ensure youth with eyesight issues get proper care and medical attention, MEGPL started the Ver Bien EG Project in 2017. Our corporate social responsibility staff is trained to screen children for eyesight issues in certain private and public primary schools on Bioko Island. After screening over 3,000 youth and delivering over 250 prescription eyeglasses, MEGPL decided it was time to take Ver Bien to the national stage. In 2018, MEGPL partnered with

IN 2018, MEGPL
TRAINED

55

PEDIATRIC NURSES

*In partnership with the
Foundation for Nursing
Development, the EG Ministry
of Health and Social Welfare,
and the UNGE*

the Equatoguinean Association for the Blind (ONCIGE) to run a trial eye screening and vision exam program serving 10 rural primary schools on Bioko Island. Because of the project's success, the German Embassy, through its Gesellschaft für Internationale Zusammenarbeit, donated U.S. \$29,000 to purchase equipment to help ONCIGE open an office in Bata to serve mainland Equatorial Guinea. In 2019, MEGPL will invest U.S. \$150,000 to launch the Ver Bien EG program focusing on Bioko Island and Bata, where we expect to serve nearly 66% of the entire country's school age population.

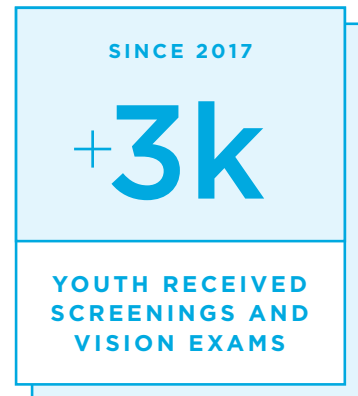
Respecting Human Rights

We adhere to well-established and effective security and human rights policies in Equatorial Guinea, and have had no known security-related incidents resulting in a human rights violation in our operations since acquiring the asset. We employ a proprietary guard force to protect our onshore facilities and engage with the Navy of Equatorial Guinea to protect offshore facilities. In 2018, we worked with the Government of Equatorial Guinea and the U.S. Coast Guard to review the International Ship and Port Facility Security to enhance safety and security at the country's ports.

Supporting Transparency

Marathon Oil supports transparent reporting of revenue flows from oil and gas production as a means to strengthen governance and manage risk. In February 2019, Equatorial Guinea received the endorsement of the Extractive Industries Transparency Initiative (EITI) International Secretariat and a letter of intent for membership from the EITI National Commission. The country has instituted a number of reforms to be able to take part in the EITI, which serves as a global standard for the responsible governance of oil, gas and mineral resources.

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





SECTION IV

ENVIRONMENT

Above:
Bakken Asset
North Dakota

INTRODUCTION

MINIMIZING OUR IMPACT ACROSS OPERATIONS

We believe protecting the environment is a direct and critical result of operational excellence, and that it's more about earning our license to operate than just about complying with regulations.

At Marathon Oil, we also have an obligation to evaluate our impact on the people living in the communities where we operate, and on the welfare and conservation of all living things in those areas – from plants to animals. As a publicly traded company, we recognize that our reputation affects our enterprise value and that we must maintain the trust of our stakeholders. We're proud of our long-standing commitment to environmental progress and to harnessing innovation to lessen our impact on the environment.

Our goal of full compliance is embedded in our corporate values and communicated from the highest levels and we continue to invest in compliance. We offer training to our highly skilled regulatory professionals, who work hand-in-hand with operations to drive not just performance, but also excellence as a responsible, safe and ethical operator. However, our desire isn't just to comply with regulations, but to excel in all that we do and evaluate opportunities to go above and beyond regulatory requirements.



Environmental Stewardship
It's about more than our
license to operate

Providing Additional Disclosure

Our Environmental Management Standard guides our business units in the identification and mitigation of the risks our operations pose to the natural environment. To eliminate or reduce environmental impacts from our operations, we've developed sound practices for local and regional management of emissions, water, waste and sensitive habitats. Through environmental management strategies and processes, we do the following:

- Promote compliance with all applicable regulations and go beyond them as needed; for example, in Equatorial Guinea 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 to identify and implement best practices; and
- Conduct due diligence as appropriate prior to making major acquisitions to determine any potential environmental issues or liabilities.

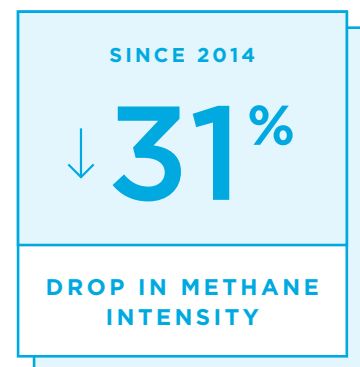
We're committed to providing our stakeholders with additional information about our practices in these areas. In response to stakeholder interest in global climate change and air quality, in this *2018 Sustainability Report* we've expanded disclosures related to our methane and other air emissions. In addition, by year-end 2019 we're issuing a climate risk report to describe in more detail our governance, strategy, risk management and metrics consistent with the format advocated by TCFD (Task Force on Climate-related Financial Disclosures).

Innovating To Minimize Environmental Impact

At Marathon Oil, we acknowledge the role we play in our industry's "dual challenge" – meeting energy demands while also minimizing the environmental impacts of exploration, production and energy use. This complex challenge requires us to look for affordable and practical solutions.

For example, we seek to minimize air emissions from equipment, and we have an excellent fugitive emissions rate of less than 0.1% of leaking components. Over the last five years, our methane emissions intensity has declined by 31%, largely due to our internal goal of eliminating the routine use of high-bleed pneumatic controllers, which we met ahead of schedule.

Although we believe that oil and gas development will remain crucial to the world economy for the foreseeable future, we recognize the increasing interest of our stakeholders in carbon-related policy initiatives and alternative energy sources. We've put capital investment toward implementing new technologies to ensure we can sustainably deliver our part of the energy the world needs – all in a cost-effective manner that promotes long-term value creation.



A Priority From The Top Down

Our corporate sustainability efforts inform our risk management process and our business strategy. 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. In addition, eight of our nine directors bring experience in, or a strong understanding of, industry regulatory issues to their board oversight role.

We use the Responsible Operations Management System (ROMS) to create procedures designed to minimize health, environmental and safety risks. In addition, we have a particular focus on lowering greenhouse gas (GHG) emissions, and established the cross-functional Sustainability Forum to evaluate GHG emissions reduction projects proposed by operations and HES staff. The forum makes recommendations to Marathon Oil's senior leadership team on projects with the potential to reduce emissions and climate-related risk. As a result of this process, Marathon Oil recently sanctioned a proof of concept to evaluate use of an instrument that identifies and measures methane leaks more efficiently.

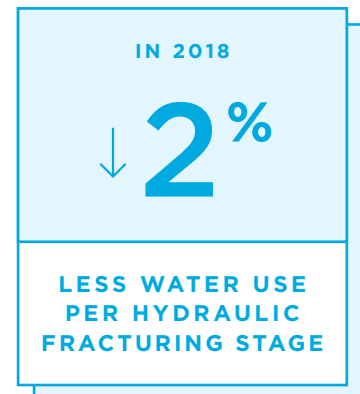
We recognize that our business impacts the environment and we continue to improve our operations to minimize our environmental footprint.

Performance Highlights

We're committed to reducing spills and releases to the water and air, minimizing wastes, and promoting responsible water management and land stewardship. By doing so, not only do we help preserve the environment, we also protect our reputation, increase efficiency and allow employees to focus on producing oil and gas safely and cost-effectively.

In 2018, Marathon Oil:

- Reported a 31% decrease in our methane intensity over a five-year period, largely due to our internal goal of eliminating routine usage of high-bleed pneumatic controllers, which we met ahead of schedule.
- Performed infrared camera surveys at over 800 sites, on over 1 million components, achieving a leak rate of less than 0.1% at surveyed locations that are subject to the EPA's OOOOa regulation.
- Reduced water use per hydraulic fracturing stage from approximately 7,700 bbls per stage in 2017 to approximately 7,500 bbls per stage in 2018.
- Recorded a global spill volume reduction of 8%.
- Participated in workshops through The Environmental Partnership to learn about industry best practices and new technologies for preventing, finding and detecting emissions. Marathon Oil was a founding member of this partnership of U.S. oil and natural gas companies committed to continuously improving the industry's environmental performance and reducing emissions of methane and volatile organic compounds (VOC).



- Demonstrated industry leadership to encourage adoption of best practices to reduce seismic activity, and implemented plans to prevent and mitigate seismic activity in our operations in Oklahoma as needed.
- Promoted responsible management of produced water in collaboration with stakeholders. Our actions included spearheading passage of a produced water law in New Mexico, providing testimony to the Texas legislature on produced water management solutions and contributing expertise to a Ground Water Protection Council white paper on potential reuse of produced water.

DIVE DEEPER	
A Landmark Bill for Water Rights	+
Water Stewardship	+
Emission Reduction Strategies	+

CLIMATE CHANGE



CLIMATE CHANGE

ASSESSING THE IMPACT

As a responsible independent oil and natural gas producer, Marathon Oil has a long-standing commitment to environmental stewardship and believes that protecting the environment is a direct and critical outcome of operational excellence.

Marathon Oil recognizes the concerns about the impact of greenhouse gas (GHG) emissions and other air emissions on global climate and air quality. We also realize that market changes could occur as a result of evolving climate change laws and regulations, 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. As part of Marathon Oil's long-standing commitment to sustainability and managing climate-related 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.



Drilling Rig
Eagle Ford Resource Play
South Texas

Identifying and Managing Climate-Related 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. resource play focused 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.

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.

Based on our business and risk profile, Marathon Oil allocates 95% of our capital expenditures to short-cycle, high-return unconventional resource plays, typically 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're 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. Marathon Oil exercises discipline in our capital expenditures and maintains a relentless focus on lowering costs, which further reduces our exposure to price fluctuations.

Marathon Oil is well-positioned to act if a shift in business strategy is warranted to address climate-related risks. We have a long history of strategic adaptation that includes transforming from an integrated oil and gas company to an independent exploration and production company, and shifting our focus from global, conventional production to U.S. unconventional resource plays. We've also divested mature, higher-cost and higher-risk operations that no longer compete for capital allocation.

Climate Risk Reporting

In recognition of stakeholder concerns about the financial impacts of climate-related risks, Marathon Oil will publish our climate risk report by year-end 2019. The report will detail our governance, strategy, risk management and metrics around climate risk consistent with the format advocated by the TCFD (Task Force on Climate-related Financial Disclosures) framework.



Marathon Oil remains confident that these business processes – along with our use of technology, GHG and air emissions mitigation strategies, compliance with regulations and laws, and strong financial management practices – will allow us to continue to address climate-related risks, while delivering enduring shareholder value.

AIR EMISSIONS MANAGEMENT



AIR EMISSIONS MANAGEMENT

COMMITTED TO ADDRESSING AIR EMISSIONS

Marathon Oil has made significant progress in emissions management. Even so, we recognize there's more to do.

Emissions Reporting Methodology

We calculate emissions from a variety of sources in our drilling, completions and production operations. To determine our overall greenhouse gas (GHG) inventory, we inventory a range of emissions sources, including flares, storage tanks, fugitive emissions from equipment leaks, engines, liquids unloading, pneumatic devices and electricity usage.

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. Our Scope 1 direct emissions from U.S. facilities are calculated using EPA's Greenhouse Gas Mandatory Reporting Rule. We calculate our U.K. emissions using the Environmental and Emissions Monitoring System, and in our other international facilities we use the *API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Gas Industry*. Our Scope 2 indirect emissions are calculated based on purchased electricity usage using EPA's eGrid (Emissions & Generation Resource Integrated Database) emission factors.

We calculate three greenhouse gas emissions from our operations: carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). We then express these emissions as a single value, carbon dioxide equivalent (CO₂e). This takes into account the impact of each compound in the atmosphere relative to CO₂. To get our final CO₂e emissions, we multiply our CH₄ emissions by 25 and N₂O emissions by 298 (the Global Warming Potentials of each gas compared to CO₂ over a 100-year timeframe) to put them all in the same context.

Air Emissions Performance

In 2018, Marathon Oil participated in Environmental Partnership workshops covering industry best practices and new technologies for preventing, finding and detecting emissions. We are a founding member of this voluntary group of U.S. oil and natural gas companies



Committed to Progress
Marathon Oil team members are committed to managing our impact



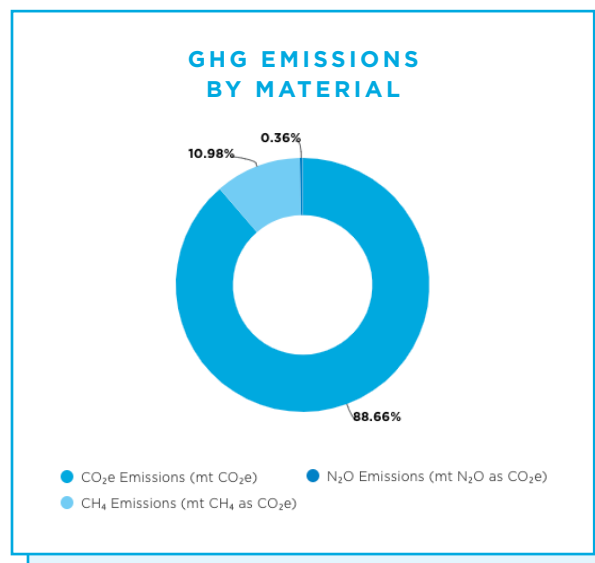
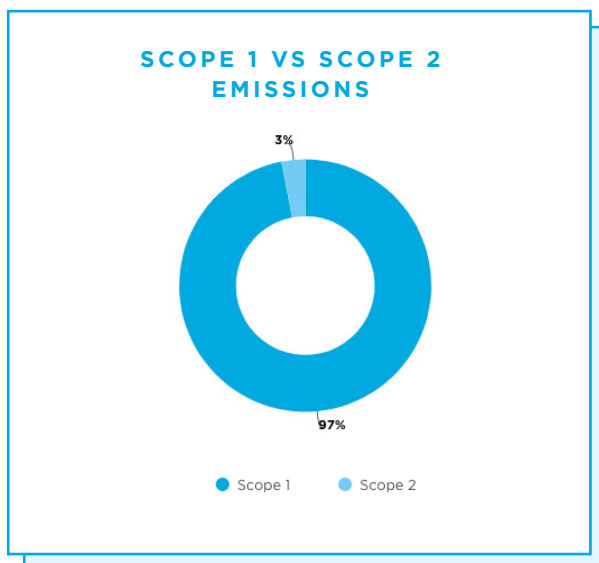
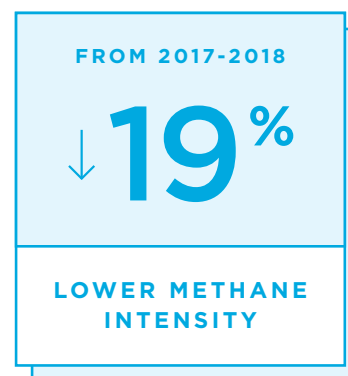
with a mission to continuously improve the industry's environmental performance by taking action, building knowledge and fostering collaboration among stakeholders. We participate in the partnership's environmental performance programs aimed at reducing emissions of methane and volatile organic compounds (VOC), which include:

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

In line with our climate-related risk mitigation strategy, Marathon Oil seeks to reduce our operational impacts from greenhouse gas (GHG) emissions. We evaluate our performance using GHG and methane emissions intensity, expressed as carbon dioxide equivalent (CO₂e) emissions per barrel equivalent of all hydrocarbon produced. We believe the intensity rate is a more comparable measurement over time because it takes into account our overall activity level, including portfolio changes from acquisitions and dispositions.

In 2018, our global GHG intensity increased 15%, compared to 2017. The increase was primarily due to higher flaring in our North Dakota Bakken asset from ongoing regional gas pipeline capacity constraints. In response to this increase in emissions intensity, Marathon Oil is actively evaluating a number of emission reduction technologies for commercial viability.

We achieved a methane intensity decrease of 19% in 2018. To manage methane emissions intensity, we have eliminated high-bleed pneumatic controllers from our operations, use ultra-high efficiency flares, and reduce flash emissions by installing vapor recovery towers (VRT) and vapor recovery units (VRU) where feasible.



Our EVP of Operations Addresses GHG Emissions

Marathon Oil is committed to reducing our GHG emission intensity rate. Methane is a GHG that's estimated to contribute 26 times the global warming potential of carbon dioxide to the atmosphere. Mitigating potential sources of methane emissions now is the most effective way for us to reduce our environmental impact. For this reason, we've chosen to make methane emissions reductions a focus in recent years. I'm proud to report our remarkable achievement of reducing our methane emissions intensity by 31% over a five-year period. We use emissions "intensity" ratings to measure our performance because this takes changes in activity levels into account.

Even though our methane intensity went down in 2018, we experienced an increase in total GHG intensity, largely resulting from gas takeaway capacity constraints in our North Dakota Bakken asset. As a company that sets high standards for environmental performance, we're committed to addressing this increase. Though we're meeting the North Dakota Industrial Commission (NDIC) gas capture requirements, due to our commitment to reduce our GHG emissions intensity, we're diligently addressing the primary cause of the GHG intensity increase, which is higher flaring in our Bakken asset.

While industry natural gas production has been increasing in the Bakken, mid-stream gathering and processing service providers are still building out the necessary infrastructure. We work closely with our mid-stream service providers, and are stewarding a milestone-based plan designed to produce results. We share our drilling plans with third-party mid-stream service providers in advance to help them plan for increased capacity, and we assist with landowner right-of-way acquisitions. Currently 95% of our well pad locations in the Bakken are connected to third-party gas pipelines to reduce flaring and the associated emissions. However, despite our proactive efforts and improving gas capture trends, Bakken gas gathering and processing capacity currently lags behind production growth, and as a result, we expect that our first half 2019 emissions will exceed 2018 levels.

As mid-stream gas gathering and processing projects are being progressed, Marathon Oil has implemented proactive mitigation measures in the Bakken including installation of a number of natural gas liquids units on our well sites, which capture and condense gas that would otherwise be flared, so it can be shipped off-site for use in industrial applications. We also utilize dual fuel drilling rigs on all sites, which allows us to partially displace diesel fuel with regional natural gas, resulting in both increased use of local gas and lower emissions intensity associated with our drilling activities. In addition, we recently initiated a trial of dual fuel technology with one of our pressure pumping service providers.

With the combined effects of these mitigations, and the commitments received from our mid-stream service providers regarding in-service dates for installation of additional infrastructure, we expect our Bakken GHG emission levels and intensity to reduce through the second half of 2019, and expect to see further meaningful improvement in 2020.

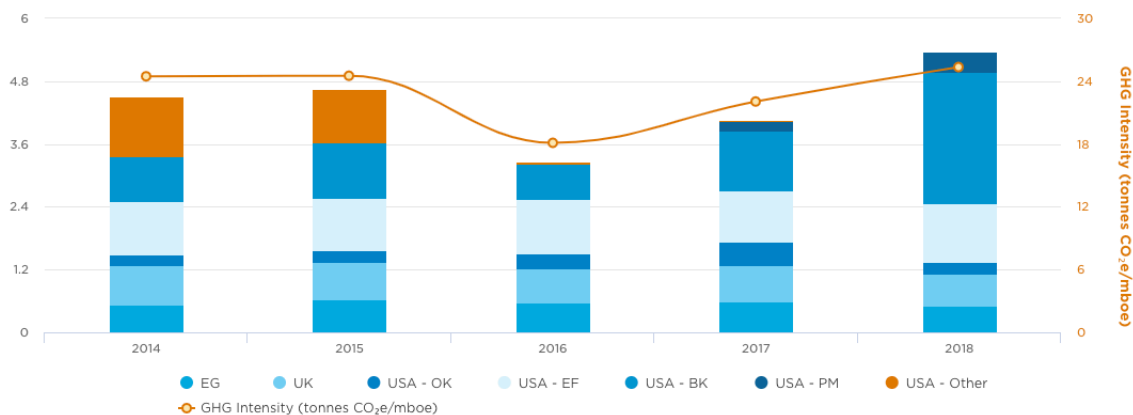
Let me once again congratulate the entire Marathon Oil team for its achievement in reducing methane emissions by 31% over a 5-year period. This is an accomplishment to celebrate, but we won't rest just yet. Our team remains focused on the next challenge of reducing GHG emissions in the Bakken.



Mitch Little
Executive Vice President,
Operations

GHG EMISSIONS AND INTENSITY^{a,b}

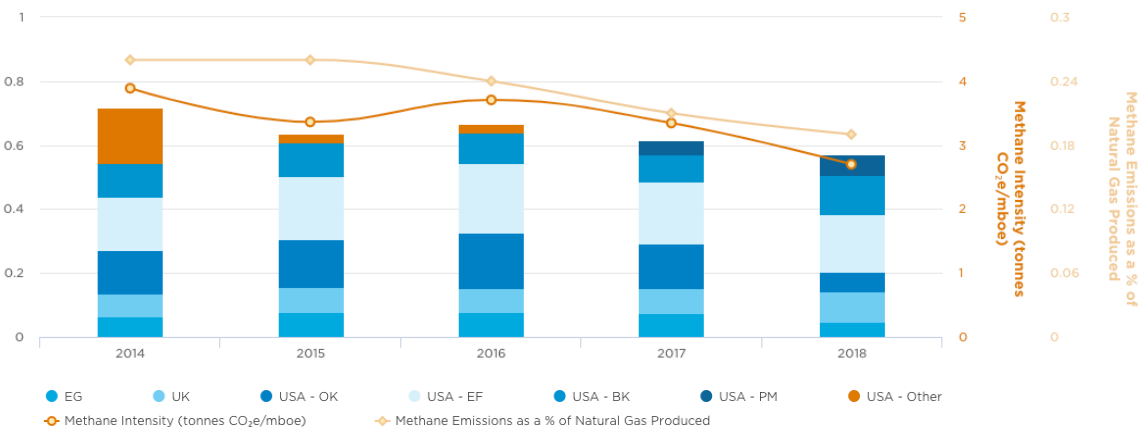
Million Tonnes CO₂e



(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 2017

METHANE EMISSIONS AND INTENSITY^a

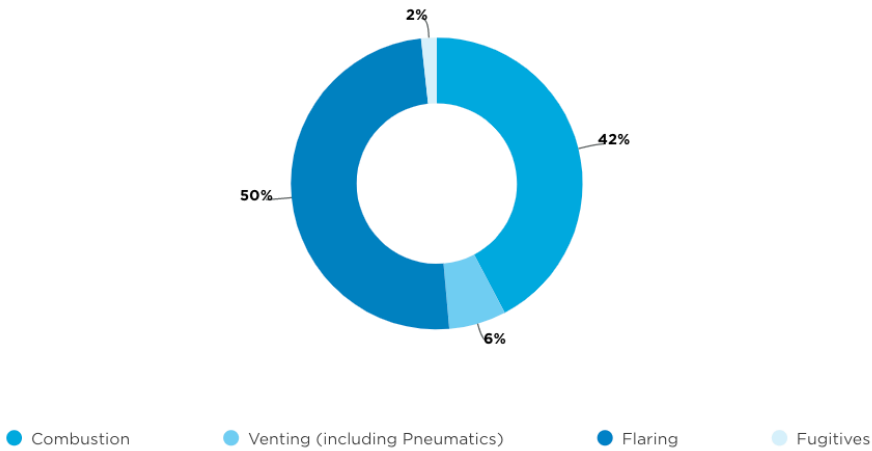
Million Tonnes CO₂e



(a) Permian asset acquired in 2017

GHG EMISSIONS BY SOURCE

Million Tonnes CO₂e



EMISSION REDUCTION STRATEGIES



EMISSION REDUCTION STRATEGIES

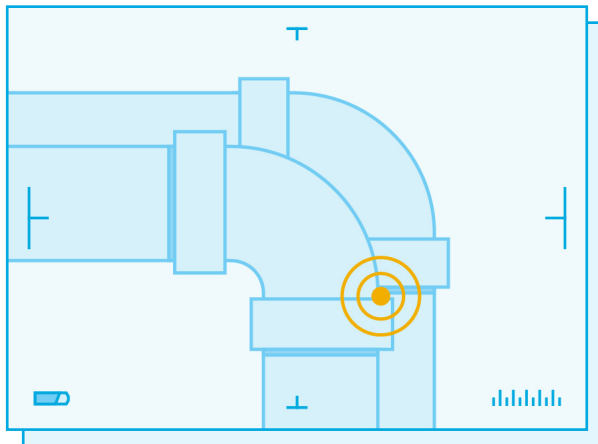
A TECHNOLOGY-DRIVEN MINDSET

To reduce air emissions from our operations throughout the drilling and production lifecycle, we continuously evaluate and implement strategies and technologies.

In accordance with our Responsible Operations Management System (ROMS), our emission reduction management strategies are applied at each stage of activity: well planning, facility design and engineering, equipment selection and ongoing maintenance.

Some highlights of our air emissions mitigation strategies include:

Featured Technologies



01. INFRARED CAMERAS FOR LEAK DETECTION

Infrared camera inspections detect temperature differences that can indicate equipment gas leaks.

In 2018, Marathon Oil recorded a .1% leak rate across the more than 1 million components surveyed at OOOOa facilities.

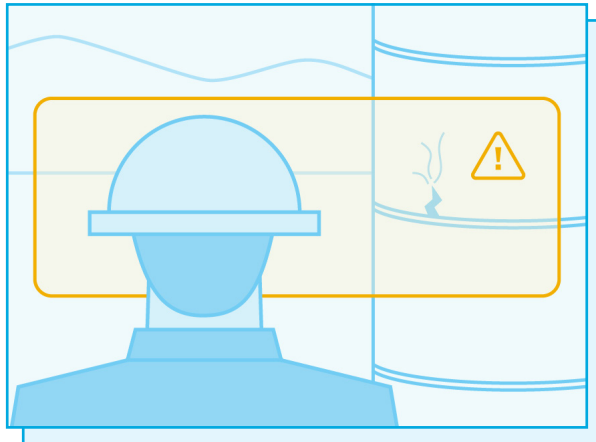
Business Application

Gas leaks occur for a variety of reasons, including installation issues, the failure of seals between connections and equipment corrosion.

We repair leaking equipment as soon as practicable. Infrared camera monitoring, along with maintenance and operating practices, helps us minimize air emissions from company facilities. Training for infrared camera operators includes certification on thermal contrast, gas plume motion, camera distance limitations and camera adjustments for varying environmental conditions.

All four U.S. business units use infrared cameras to detect leaks at new facilities. The scope and frequency of our leak detection programs are driven by regulatory requirements and other risks, such as facility size and production throughput.

Featured Technologies



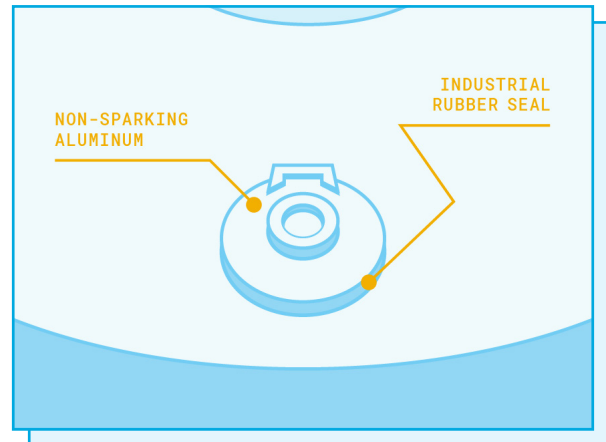
02. AUDIO, VISUAL AND OLFACTORY (AVO) INSPECTIONS

AVO inspectors use their senses of hearing, sight and smell to help determine if a facility is operating normally. A trained inspector can detect gas leaks.

Business Application

To mitigate the risks associated with gas leaks, Marathon Oil utilizes qualified individuals to conduct routine AVO inspections of our production locations. A program to survey, prioritize, address and verify is applied with regulations dictating the frequencies.

Field employees are trained to perform AVO inspections for possible leaks as a part of their overall competency training. New employees must demonstrate competency in safety and operating requirements before conducting field work without the supervision of more experienced employees.



03. WEIGHTED THIEF HATCHES WITH HIGH-PERFORMANCE GASKETS

Adequately weighting thief hatches reduces the likelihood vapors will escape from inside storage tanks. Gasket materials that hold up to the elements also reduce the likelihood of tank emissions.

Business Application

When designing facilities, Marathon Oil considers thief hatch weight and gasket material and selects products that reduce the likelihood of emissions from thief hatches.

AIR EMISSION MITIGATION: ADDITIONAL STRATEGIES



Air Emission Mitigation: Additional Strategies

PNEUMATIC CONTROLLERS

Pneumatic controllers help control different process variables, such as pressure, temperature or fluid levels in tanks or vessels. We select pneumatic controllers based on site-specific needs. Low-bleed or intermittent-bleed, gas-driven pneumatic controllers emit less gas than high-bleed pneumatic controllers. Mechanical controllers operate with zero emissions.

Business Application

Marathon Oil has completed our plans to eliminate routine usage of high-bleed pneumatic controllers in our U.S. assets.

For new facilities in Oklahoma, we install emissions-free mechanical controllers where operationally feasible instead of gas-driven pneumatic controllers. We're also evaluating retrofitting facilities in Oklahoma.

INSTRUMENT AIR

Using air instead of gas-powered pneumatic devices to run pad controllers and pumps reduces GHG emissions.

Business Application

The use of instrument air has significantly decreased emissions in our Eagle Ford business unit where there is access to electric power lines.

REDUCED EMISSIONS COMPLETIONS (REC)

This practice captures gas produced during well completions and workovers following hydraulic fracturing. Portable equipment is brought on site to separate the gas from the solids and liquids produced during the high-rate flowback. The gas can then be delivered to the sales pipeline or routed to a control device instead of being vented. RECs help reduce methane, volatile organic compounds (VOC) and hazardous air pollutants (HAP) emissions during well cleanup. Routing gas to a sales line can eliminate or significantly reduce the need for flaring.

Business Application

Marathon Oil uses 100% reduced emissions completions in our U.S. operations.

ULTRA HIGH-EFFICIENCY FLARES

These combust more gas than traditional flares, leading to lower methane, carbon monoxide (CO) and VOC emissions.

Business Application

In the Bakken, we use ultra-high efficiency flares on all of our new installations. This has resulted in substantially lower VOC and CO emissions.

NATURAL GAS LIQUIDS (NGL) REMOVAL UNITS

The units reduce volumes of gas flared by condensing NGLs that would otherwise be flared.

Business Application

We are deploying NGL units to recover a portion of gas in the Bakken.

VAPOR RECOVERY UNITS (VRUs) AND VAPOR RECOVERY TOWERS (VRTS)

A VRU recovers vapors in crude oil or condensate tanks. A VRT is a tall pressure vessel installed between the production separators and liquid storage tanks, which captures pressurized gas that would otherwise be sent to the tanks.

Business Application

VRUs and VRTs are used at many of our new facilities to capture additional natural gas and reduce the likelihood of emissions from tank thief hatches.

PLUNGER LIFTS

Plunger lifts use the reservoir's natural energy to build up pressure and allow the well to flow, reducing the number of times the well must be vented.

Business Application

Approximately .07% of our emissions are from liquids unloading. We use several methods to further minimize emissions associated with unloading liquids from the well. In Oklahoma, we have installed six to eight plunger lifts per year over the past five years.

Other methods for liquids unloading include surfactant/foam down the well to reduce the gas velocity needed to overcome liquids in the well, which often helps to reduce the amount of venting.

REDUCED DIESEL USE

Replacing diesel generators with natural gas-fired generators reduces emissions.

Business Application

Eagle Ford eliminated the use of non-emergency diesel generators for rod pumps, removing 105 diesel generators from 2014 through 2018. The only diesel generators in the asset are emergency generators at some central facilities.

In the Permian Basin, we removed all diesel-fired generators and replaced them with natural gas-fired units in early 2018. The asset continues to install natural gas-fired units to reduce associated emissions on a per horsepower basis.

Where available, Oklahoma switched from diesel generators used during flowback to natural gas generators in 2018.

LAND STEWARDSHIP AND BIODIVERSITY

PROTECTING ECOSYSTEMS

Marathon Oil minimizes impact to the environment as we work to be good stewards of the land and promote biodiversity.

Our Environmental Management Standard, which is governed by the Responsible Operations Management System (ROMS), requires a pre-site survey for wetlands, endangered species and historical sites. Depending on the situation, we do a tabletop or onsite survey to ensure that such sensitive areas will not be disturbed. When areas impacted by historical operations are identified, we take action to reclaim the site. If a sensitive area is identified in the development plan, we move the site or, in rare cases, work to get the permits required to develop in a sensitive area. We're not currently operating in any areas with International Union for Conservation of Nature's (IUCN) Red List of Threatened Species.



SPECIES OF CONCERN

New Mexico	North Dakota	Oklahoma	Texas
Lesser prairie chicken	Dakota skipper butterfly	n/a	Golden orb mussel
Dune sagebrush lizard	Raptors		
Texas hornshell mussel			

Dakota Skipper Butterfly

A protected species found primarily in North Dakota, South Dakota and Minnesota

Before construction, we screen each site for endangered species and U.S. Army Corps of Engineers jurisdictional wetlands and streams and take mitigating actions as needed. We build and maintain our facilities to prevent birds and other wildlife from accessing equipment stacks, vents or fluid impoundments. 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 erosion and sedimentation control systems.

We have legal, regulatory and contractual obligations to remove and dismantle long-lived assets and to restore land or seabed at the end of oil and gas production operations. Production Operations management, in close alliance with HES and Regulatory Compliance, has managerial responsibility for land closure and rehabilitation. For more information

on our asset retirement obligation, please see our Annual Report on Form 10-K.

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.

Conservation and Beautification Projects

Marathon Oil supports a number of conservation and beautification projects that often involve partnerships and opportunities for employees to give back to our communities.

As an operator in the New Mexico Permian Basin, in March 2019 we joined a coalition of oil and gas operators in making a three-year financial commitment to the Pecos Watershed Conservation Initiative. This partnership with the National Fish and Wildlife Foundation (NFWF) invests in conserving landscapes in the greater Trans-Pecos region of eastern New Mexico and West Texas. Specific conservation projects strengthen habitats, protect fish and aquatic species found only in Chihuahuan Desert ecosystems, restore native grasslands, and address water quality and scarcity concerns for wildlife and agricultural uses. The NFWF was chartered by Congress in 1984 to protect and restore the nation's fish, wildlife, plants and habitats.



In the words of Jeff Trandahl, executive director and CEO of NFWF,

“The Pecos Watershed Conservation Initiative is an impressive example of what industries can achieve working together with nonprofit and governmental partners.”

Jeff continues, “This commitment from Marathon Oil to join this vibrant partnership is a testament to its early successes, and will only multiply its impact. With this additional funding, NFWF will be able to restore more acres of desert grasslands, protect more habitat for native fishes and expand partnerships with the private landowners who are the stewards of this landscape.”

Marathon Oil employees demonstrated our commitment to environmental stewardship by participating in a 2018 cleanup of Bureau of Land Management land near the La Cueva Trail in New Mexico. The scenic trail, near Carlsbad, is used regularly by outdoor enthusiasts for hiking, biking and horseback riding. Teaming up with other industry employees, we removed trash and debris that had been dumped on the public lands. Marathon Oil plans to further enhance this area by

improving trailhead signage, expanding and enhancing the parking area, and adding sitting and shade structures.

In the Eagle Ford shale region, we're part of a public-private partnership creating the Escondido Creek Parkway Project in the town of Kenedy. The 1.25-mile parkway is envisioned as an attractive place to enjoy the tributary in the southern basin of the San Antonio River Watershed, while maintaining a balanced relationship with the ecosystem. With support from the San Antonio River Authority (SARA), City of Kenedy, Kenedy Chamber of Commerce, foundations, and individual and corporate donors, the first phase of the Escondido Creek transformation is expected to be completed in the summer of 2020.



Above:
Escondido Creek Parkway Project
Kenedy, Texas

WATER STEWARDSHIP



WATER STEWARDSHIP

MANAGING A VALUABLE RESOURCE

Water is vital to local communities, residents and businesses. Marathon Oil's water use is guided by stewardship practices such as responsible sourcing, conservation, reuse, recycling and proper disposal.

Using the water scarcity evaluation tool Aqueduct, we tailor our regional water management strategy to reduce our environmental impact. According to Aqueduct, baseline water stress measures the ratio of total annual water withdrawals to total available annual renewable supply, accounting for upstream consumption.

WATER STRESSED AREAS ¹			
Oklahoma	Eagle Ford	New Mexico ²	North Dakota
Extremely high water stress	Extremely high baseline water stress (Gonzales and Karnes counties) High water stress (Atascosa and Live Oak counties)	Medium to high water stress (Eddy County) Predominantly arid conditions and low water use, and medium to high water stress	Medium to high water stress Area with arid conditions and low water use
KEY <div> <div>Low Risk (0-1)</div> <div>Low to Medium Risk (1-2)</div> <div>Medium to High Risk (2-3)</div> <div>High Risk (3-4)</div> <div>Extremely High Risk (4-5)</div> <div>No Data</div> </div>			

We track the sources and amount of water consumed in our operations to evaluate our performance and target opportunities to conserve fresh water and reduce usage. Our tracking of water usage and disposal is mandated by our Environmental Management Standard and the Regulatory Compliance element of our Responsible Operations Management System (ROMS). In 2019, we continue to evaluate appropriate metrics for water intensity including water usage normalized against energy production.

To facilitate sustainable water sourcing opportunities in our U.S. resource plays, we have a corporate water management advisor with leadership accountability. Water management supervisors are embedded in the assets to address local and regional sourcing options, capacity limitations, operational needs, and disposal and infrastructure alternatives.

¹Classifications are for Marathon Oil-specific acreage

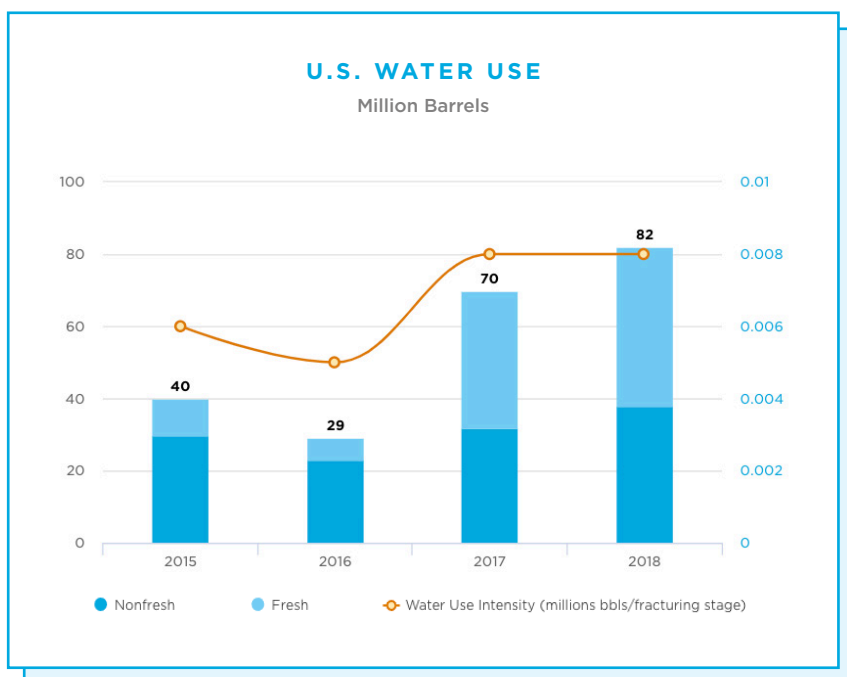
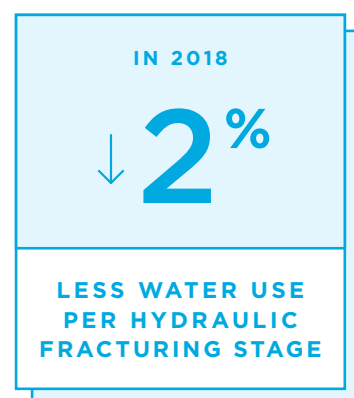
²A portion of acreage is in extremely high risk category (Lea County)

We provide industry leadership by participating in trade groups that share lessons learned and best practices regarding sustainable water management. For example, Marathon Oil is a founding member of the Energy Water Initiative, a group that focuses on sustainable water management practices in the U.S.

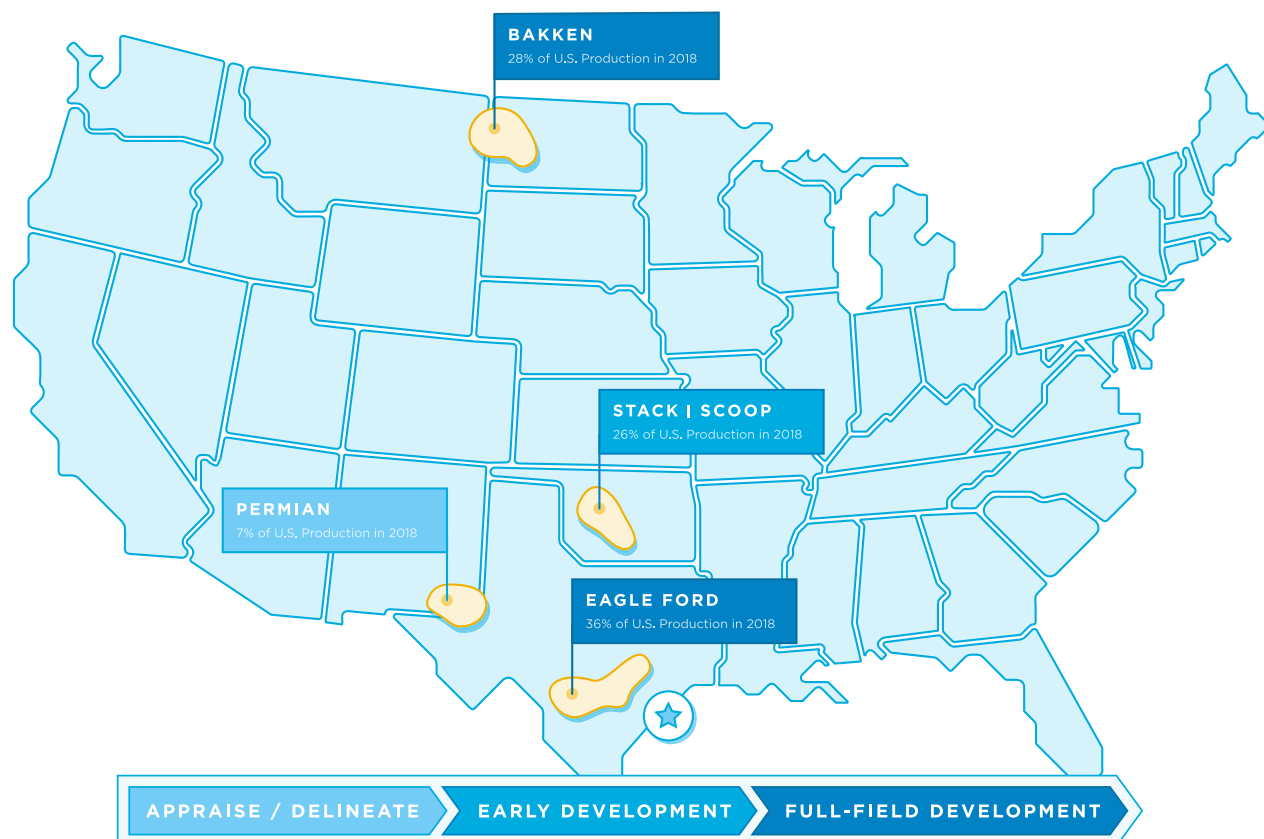
Water Consumption

The vast majority of our water consumption, typically more than 95%, is used in completions during hydraulic fracturing. Water consumption in our U.S. resource plays was 82 million barrels in 2018, compared to 70 million barrels in 2017.

Importantly, we increased the efficiency of our completions by reducing our water consumption per hydraulic fracturing stage by 2%. Throughout the most recent downturn, we were able to maintain significant usage of alternative sources because our activity was focused in the Eagle Ford, where productive saline aquifers and company-owned supply infrastructure are available. As activity levels increased in the Bakken, Oklahoma and Permian Basin, our usage of freshwater sources increased. We continue to search for options that conserve freshwater and have made progress in Oklahoma and the Permian Basin.



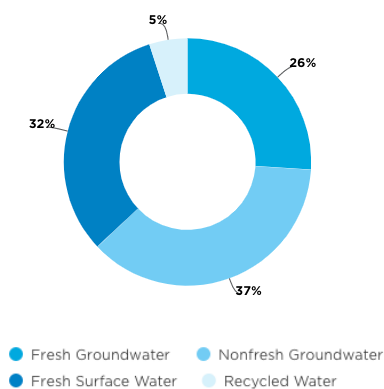
COMPETITIVELY ADVANTAGED MULTI-BASIN MODEL¹



Water Sourcing

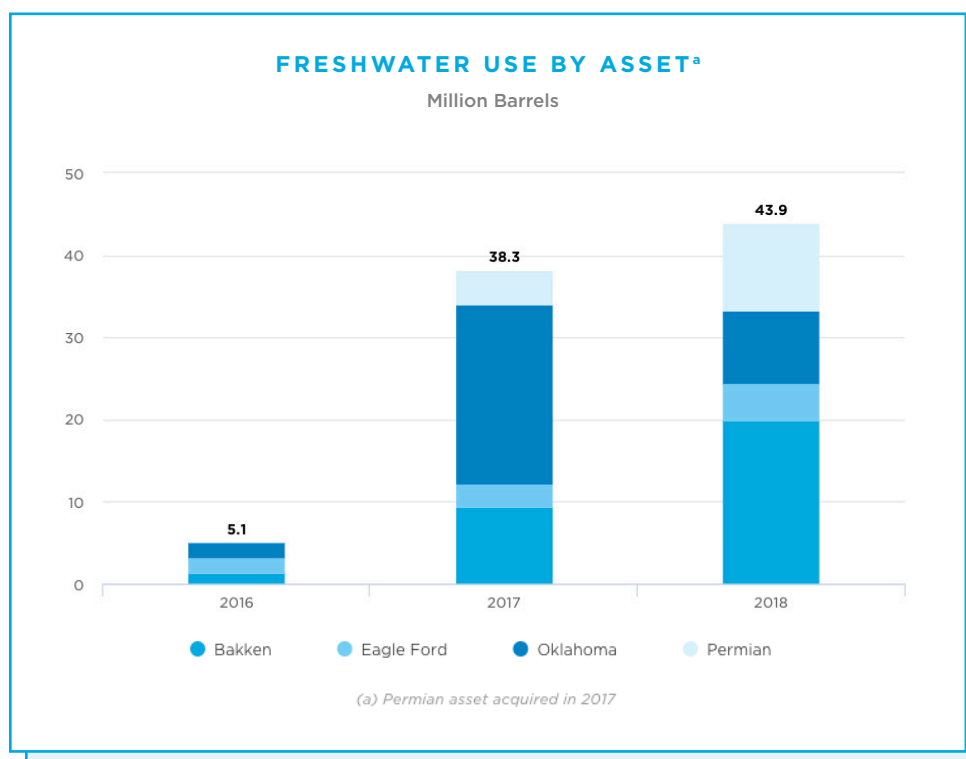
Marathon Oil wants to preserve freshwater for drinking and other community needs. Three primary drivers of alternative water usage are the availability of alternative water sources; the ability of our assets to develop contiguous acreage; and, the regulatory environment, including local governments' flexibility in transporting and storing produced, brackish and alternative water. As our assets mature and the subsurface qualities are better understood, we're able to make data-driven decisions about alternative water source viability and infrastructure.

2018 WATER USE BY SOURCE

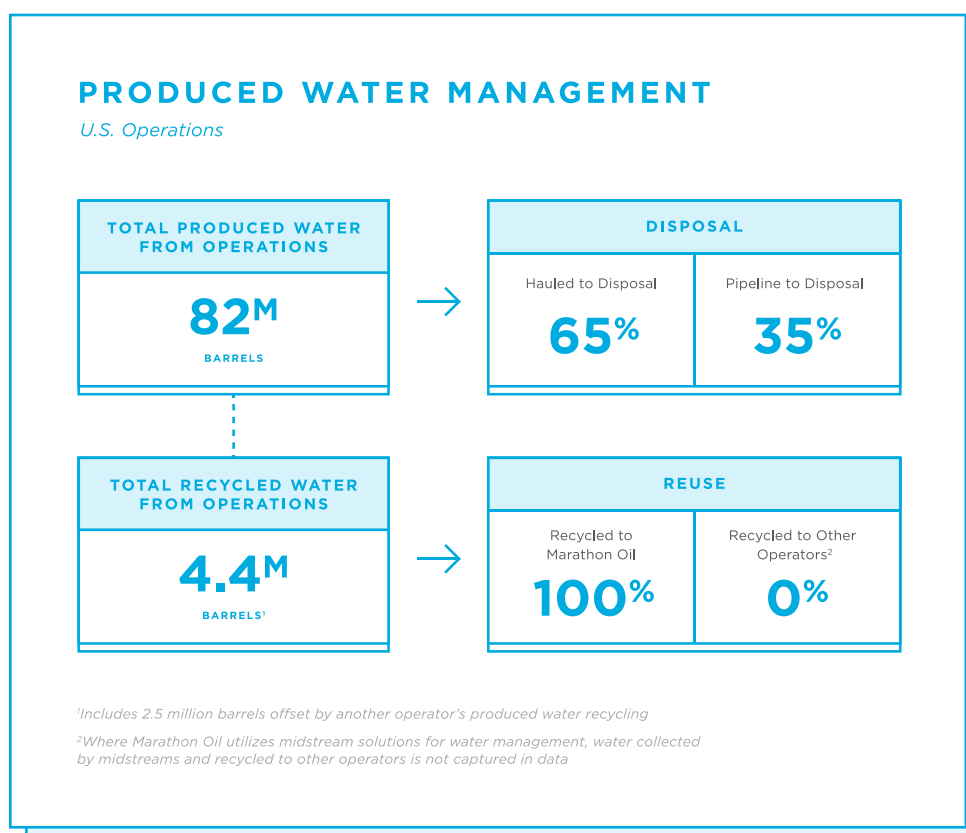


¹Production across the primary U.S. assets doesn't account for 100% of all U.S. production. The 3% production not accounted for in the above numbers is represented by other domestic resources.

Freshwater Use
by Asset

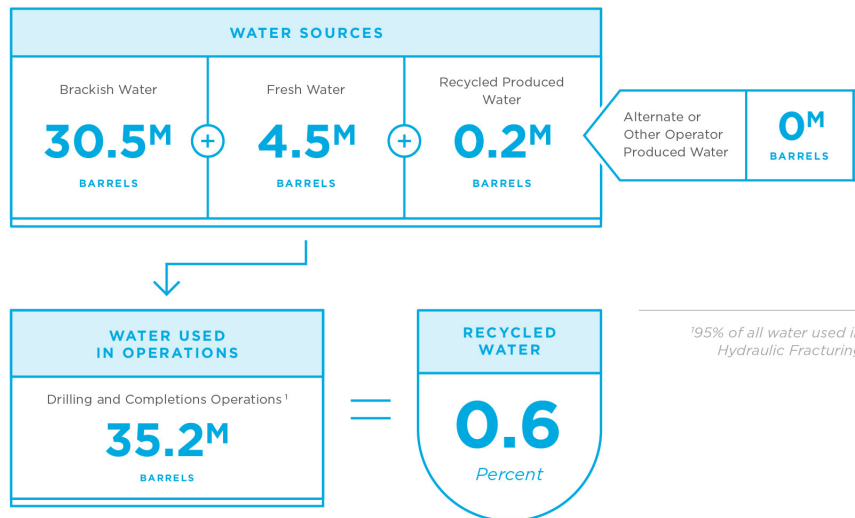


Produced Water
Management: U.S.
Operations



EAGLE FORD

2018 Water Usage



EAGLE FORD AT A GLANCE

3 STAGE 3
FULL-FIELD DEVELOPMENT

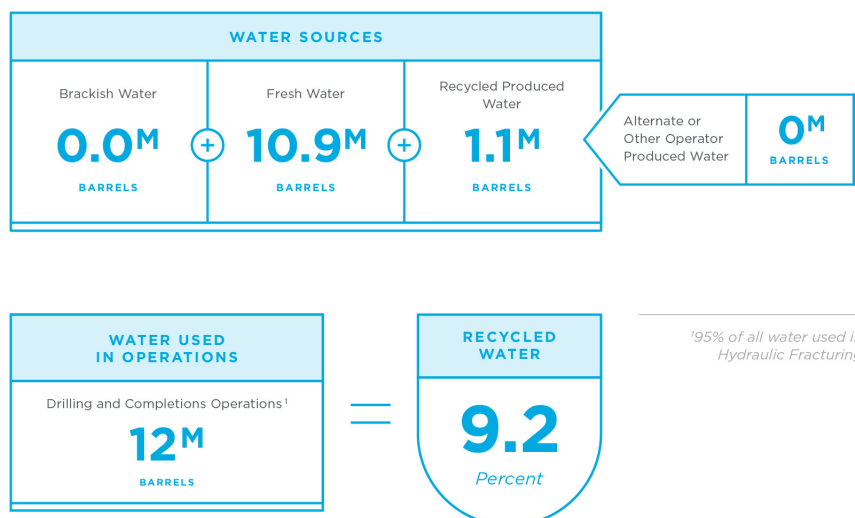
% 2018 PRODUCTION
36% OF U.S. PRODUCTION

EAGLE FORD

In 2018, more than 85% of our sourcing water in the Eagle Ford was brackish, which isn't suitable for human drinking water, and has limited or no agricultural or livestock applications. We developed water sourcing infrastructure that mainly taps available brackish groundwater, leading to a long-term sustainable system. In addition, to fully leverage the available brackish water, we engaged with hydraulic fracturing service companies to develop fracturing fluids that are compatible with higher chloride water. In 2019, we plan to add saltwater disposal and pipeline capacity to further reduce truck hauling of produced water, as well as to conduct a trial of water reuse for fracturing jobs.

PERMIAN BASIN

2018 Water Usage



PERMIAN AT A GLANCE

1 STAGE 1
APPRAISAL/DELINEATION

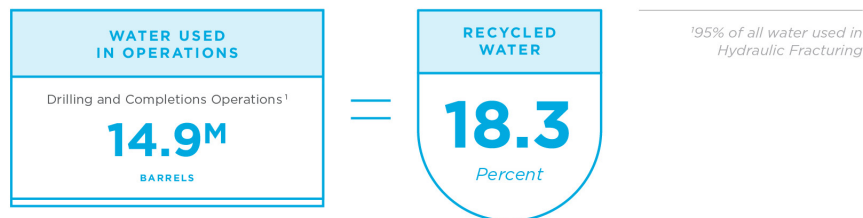
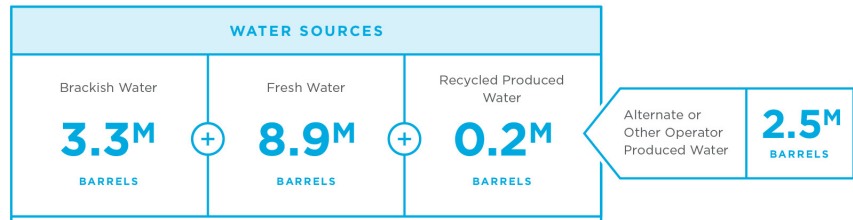
% 2018 PRODUCTION
7% OF U.S. PRODUCTION

PERMIAN

We're investigating a minimal footprint treatment system that would allow us to cost-effectively treat high volumes of produced water on demand for internal use, adding flexibility to our operations, eliminating large volume storage, increasing ability to reuse produced water, and minimizing the surface impacts of water recycling.

STACK | SCOOP

2018 Water Usage



STACK | SCOOP AT A GLANCE

2 STAGE 2
EARLY DEVELOPMENT

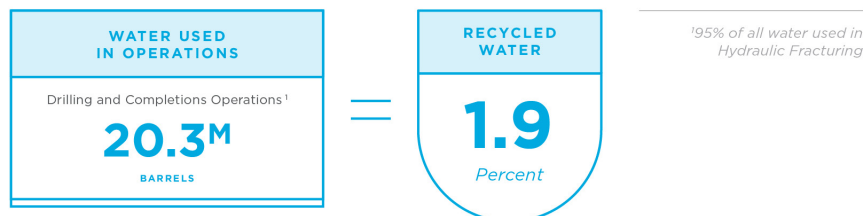
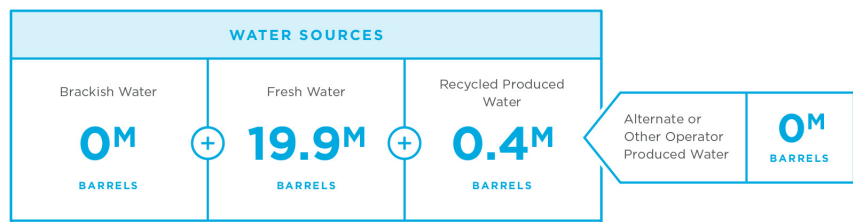
% 2018 PRODUCTION
26% OF U.S. PRODUCTION

OKLAHOMA

Under an agreement with another operator to share produced water, we were able to use recycled water for a multi-well pad. The asset also established commercial midstream partnerships and conducted a successful trial reusing produced water for drilling mud systems that we will implement in 2019. In addition, we lead an operator technical water group focused on sharing best practices.

BAKKEN

2018 Water Usage



BAKKEN AT A GLANCE

3 STAGE 3
FULL-FIELD DEVELOPMENT

% 2018 PRODUCTION
28% OF U.S. PRODUCTION

BAKKEN

Produced water in the Bakken region typically has high saline content. We continue evaluating the technical viability of using this higher-saline produced water in our Bakken operations. In 2018, the asset conducted several completions using produced water and is evaluating other opportunities. Initial results indicate that these completions reduce the use of freshwater by approximately 25%.



Moving Forward

Based on our evaluation of the risks and benefits associated with various strategies, we'll continue to develop options to manage water sourcing, recycling, treatment, storage and disposal infrastructure throughout our assets.

Above:
Bakken asset
North Dakota

SPILL PREVENTION AND RESPONSE



SPILL PREVENTION AND RESPONSE

A CONSTANT FOCUS

Our spill prevention activities are governed by the regulatory compliance elements of ROMS, while emergency preparedness and response activities are covered under the ROMS Emergency Preparedness and Community Awareness element.

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

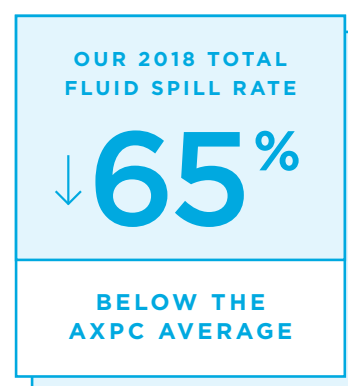
In all resource plays, Marathon Oil stores both hydrocarbons and untreated produced water in storage tanks with secondary containment at its permanent facilities. Produced water may also be stored in open-top tanks during fracturing and flowback operations, when crews are onsite and able to respond quickly to a spill. We use active deterrents to protect wildlife, such as netting, strobe lights, flags and air horns for temporary pits that may hold recycled water during completions activities.

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 determine their cause, we look at both the actual and potential severity of the spill. The company takes incident-specific actions and, if necessary, broad corrective actions including remediation.

The number of spill events to the environment greater than or equal to one barrel increased by 34% in 2018, while the total global spill volume decreased by 8% year over year. In the U.S., we compare our Total Fluid Spill Rate to 27 other large independent oil and natural gas companies that participate in the American Exploration & Production Council (AXPC). Our Total Fluid Spill Rate of 7.73 for all fluids spilled (barrels) divided by production (billion standard cubic feet equivalent) in 2018 was well below the AXPC average of 21.38.

The majority of Marathon Oil spills in 2018 occurred in the Eagle Ford and were related to microbial-influenced corrosion (MIC). In 2015, we observed an increased volume of spills due to MIC in the Eagle Ford. We took action to reduce MIC-related damage through regular pigging (which cleans out the accumulation of solids that collect inside the

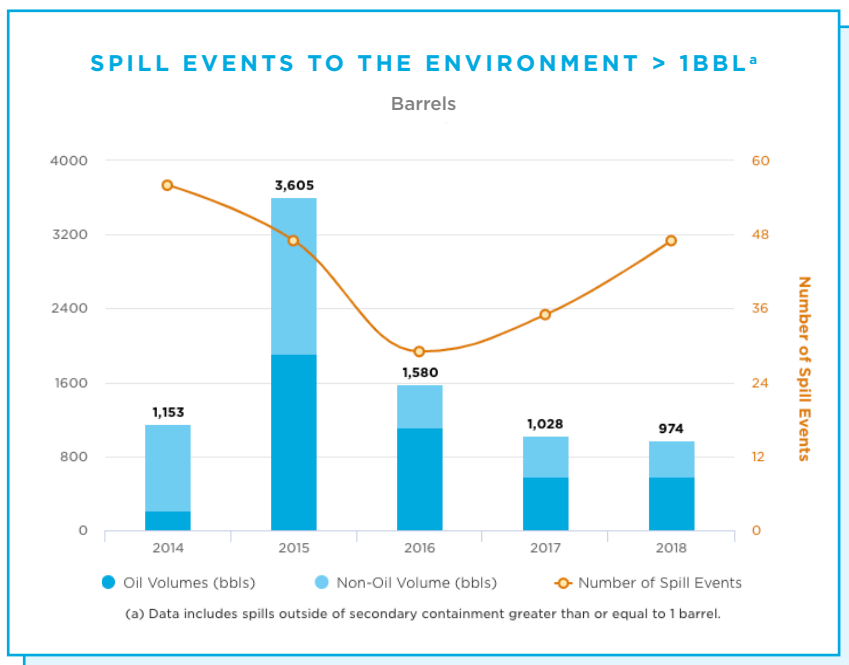


line), periodic biocide treatment and continuous corrosion inhibition. In 2018, Marathon Oil used advanced inspection technologies on approximately 35 miles of pipeline, and conducted low point digs and automated ultrasonic thickness inspections to mitigate the likelihood of spills in the Eagle Ford. We also continued weekly aerial surveillance of more than 400 right-of-way miles twice per week to detect line leaks, spills and other issues. To reduce spills and improve asset reliability, our Eagle Ford pipeline integrity program has included building all new and replacement pipelines using internally coated steel since 2015, resulting in a decrease in large spills. Consistent with this trend, in 2018, the number of spill events increased but the total volume of spilled fluid declined slightly. We believe this indicates that we're detecting spills more quickly. Based on this information, we are further assessing the pipeline system and considering technologies that might detect leaks at the earliest stages.

AERIAL
SURVEILLANCE

2x

PER WEEK
*Across 400 miles of
right-of-way*



HYDRAULIC FRACTURING



HYDRAULIC FRACTURING

SAFELY UNLOCKING THE POTENTIAL OF SHALE

Hydraulic fracturing, commonly known as fracking, is a well completions technique that's required to produce oil and natural gas from unconventional plays.

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. In combination with advanced horizontal drilling, hydraulic fracturing makes it possible to develop shale plays that were previously uneconomic. These technologies have unlocked oil and gas deposits for Marathon Oil in the South Texas Eagle Ford shale, North Dakota Bakken shale, Oklahoma STACK and SCOOP, and New Mexico Permian Basin. In keeping with our commitment to environmental stewardship, we take steps to minimize the impacts from hydraulic fracturing by ensuring well integrity, conserving water, reducing air emissions from flaring and other sources, and managing waste responsibly.



Hydraulic Fracturing
Operations
Bakken Resource Play
North Dakota

Well Integrity

Well integrity is essential to protecting the environment, particularly freshwater aquifers. To ensure well integrity, Marathon Oil follows industry best practices, internal procedures, and applicable laws and regulations for proper well construction, including selecting the appropriate tubing and casing materials, testing, monitoring, hydraulic fracturing and production operations.

Pre-Drilling Evaluation

Marathon Oil's Environmental Management Standard requires each business unit to develop a plan to conduct pre-drill sampling to evaluate the baseline quality of water sources located within a quarter mile of drill sites. Water sources are tested for common naturally occurring components and other parameters that can be found in hydraulic fracturing fluids or produced water.

To create physical barriers and protect groundwater, we use steel casing and cement in the wellbore. We maintain a list of approved mills and suppliers whose tubular materials meet API specifications and our

own expectations for manufacturing, as well as the chemistry quality of steel for casing and tubing. If our pre-drilling evaluation indicates potential for hydrogen sulfide, known as sour gas, we select tubing that meets the relevant ANSI/NACE sour service standards based on the region. This helps ensure lifetime material integrity with respect to corrosion.

Well Construction

During well construction, we use industry best practices and comply with state rules for drilling and completions. These best practices include pressure testing, cement bond logging and pressure testing the cement on every surface casing string in every well. We also perform pressure tests to determine the integrity of casing connections. Any casing left isolated is filled with packer fluid, a mixture of water, corrosion inhibitors and biocide, to mitigate corrosion. Our onsite well control specialists conduct regular exercises focused on maintaining wellhead pressure control and perform regular well control audits.

Hydraulic Fracturing Operations

Before we perform hydraulic fracturing operations, we identify potential fracturing corridors in relation to surrounding wells to determine any wells to be decompleted, shut in or monitored to prevent communication. We also identify wells that require special considerations to ensure casing integrity.

While hydraulic fracturing is under way, Marathon Oil digital oilfield control center operators create a dashboard using our telemetry system. The dashboard includes pressure alarms established for each individual monitor well based on our engineers' criteria. These alarms notify the control center if hydraulic fracturing operations approach the maximum acceptable pressure. Our control centers operate around the clock to provide updates on the status of current operations and notify Marathon Oil staff if action is required.

Production

During production, casing pressure is monitored continuously via telemetry by our operations personnel. Additional production safeguards include packer isolation and fluid, casing chemical treatments flushed with corrosion inhibitor and casing integrity testing such as caliper logs and pressure testing any time potential issues are identified. Known production casing integrity repairs are documented in WellView, our central well history repository, for knowledge management. All of these activities ensure well integrity.



Digital Oilfield Control Center
Eagle Ford Resource Play
Texas

Water Management and Use

Marathon Oil looks for ways to use less freshwater in our hydraulic fracturing operations to reduce stress on local watersheds. We pursue alternative sources for water, such as aquifers whose supply doesn't meet standards for municipal or agricultural use. We also 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 has been a leader in developing an API recommended practice on the use of layflat lines for water transfer in the oilfield. The goal of the recommended practice is the safe, environmentally sound transfer of fresh, alternative and recycled produced water in the field.

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 3,027 wells through December 2018. Our contracts routinely require our service companies to disclose their fracturing components to FracFocus, but we cannot contractually require a service company to disclose constituents that are protected by trade secret laws.



SEISMICITY



SEISMICITY

TAKING ACTION

Marathon Oil is working to prevent or reduce induced seismicity in our operating areas in Oklahoma, Texas and New Mexico.

We actively support the advancement of scientific understanding of any links between seismicity and oil and gas activity, as well as robust regulatory oversight and information sharing to prevent and mitigate seismic activity potentially connected to our operations.

Stanford | Stanford Center for Induced and Triggered Seismicity
School of Earth, Energy & Environmental Sciences

To achieve this, Marathon Oil is a founding and continuing supporter of the Stanford Center for Induced and Triggered Seismicity. The center's mission 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. We also sponsor the TexNet Seismic Monitoring Network and its research arm, the Center for Integrated Seismicity Research at The University of Texas at Austin. TexNet collects high-quality data on earthquakes in Texas, and conducts fundamental and applied research to better understand naturally occurring and potentially induced earthquakes and associated risks.

Marathon Oil co-founded the largest private seismic monitoring array in the world. This array of seismometers located strategically across the STACK/SCOOP plays in Oklahoma allows us to constantly monitor operations and implement protocols to mitigate any seismicity that may occur as a result of our operations.

In addition to helping advance the science of seismicity, Marathon Oil is a leader in working cooperatively with the Oklahoma Corporation Commission (OCC) in its efforts to make robust guidance available for all operators to address seismicity concerns within the state. We support regulatory oversight of our operations in Oklahoma and other states, and require our contractors and employees to follow applicable seismicity guidelines in all areas where we operate.

Marathon Oil also participates in a technical subcommittee of Oklahoma's Coordinating Council on Seismic Activity. Formed by the Oklahoma governor in 2014, this council organizes state resources and activities to address seismicity. As part of the subcommittee's work, in January 2019 Marathon Oil employees joined with industry experts to share best practices for mitigating seismic activity from pre-drilling through active operations, based on lessons learned from the state's most active operators in the STACK/SCOOP.

Preventing Seismic Activity

Most injection wells are not associated with felt earthquakes, according to the USGS, which has found that a combination of many factors is necessary for injection to contribute to earthquakes that can be felt. In Oklahoma, the OCC has designated Areas of Concern where injection is restricted due to seismic activity.

Marathon Oil currently does not own or operate any injection wells for wastewater disposal in targeted formations that have been linked to seismic activity in Oklahoma, and does not operate in any areas with similar restrictions. We take precautions to prevent disposal of produced water from our sites into formations that have been linked to seismic activity. Precautions include contracting with vetted third-party water haulers to dispose of produced water in approved disposal sites that don't inject into targeted formations.

While seismicity associated with completion activity is rare, Marathon Oil monitors seismicity at our completions sites in Oklahoma and cooperates with industry to mitigate seismic activity. Initiating mitigation activities promptly can significantly reduce or eliminate the likelihood of felt earthquakes that may be associated with well stimulation.

We follow the OCC's Well Completion Seismicity Protocol, which requires operators to develop and implement a mitigation plan prior to completing any wells and to take actions for seismic events greater than or equal to 2.0 magnitude within 5 kilometers of the well, with requirements increasing as event magnitude increases. Under Marathon Oil's mitigation plan, which is more stringent than the requirements in the OCC protocol, we:

- Conduct risk analysis as part of our pre-spud and pre-stimulation planning.
- Actively monitor seismic activity before, during and after well stimulation using the private array of seismometers and publicly available data to accurately detect events.
- Maintain and exercise appropriate mitigation plans based on real-time monitoring of seismic activity, with immediate response and validation 24/7.
- Take early operational actions to mitigate pressure buildup.
- Respond following seismic activity within 5 kilometers of our hydraulic fracturing operations, whether the activity may be related to our operations or those of other operators.
- Notify OCC's Induced Seismicity Department and confer with its staff members regarding any pause, suspension or resumption of fracturing.

IN 2018, MARATHON
OIL RECORDED

0

SEISMIC EVENTS

*greater than 2.5 magnitude in
the vicinity of our operations
that triggered OCC guidelines*

As a result of Marathon Oil's collaborative efforts with the OCC and our industry peers, there were zero seismic events greater than 2.5 magnitude in the vicinity of Marathon Oil's operations that triggered the OCC guidelines in 2018. We're proud of the progress our industry has made, and we continue to work to prevent seismic activity in our operating areas.

WASTE

WASTE

MANAGING WASTE ACROSS THE COMPANY

We strive to minimize the environmental impact of generating, storing, transporting and disposing of waste.

Our operations generate a variety of waste streams, including: scrap metal; tank and equipment cleaning residue; filters; contaminated soil; and office domestic waste such as paper and light bulbs.

Marathon Oil's waste management practices for handling hazardous and other regulated waste comply with all federal and state regulations. Company assets develop waste management programs targeting their specific operations. During the drilling and completions phases, we capture residuals (a mixture of mud, cuttings, sand and fluids) and dispose of them in accordance with applicable regulations in all of our operating areas. Disposal of residual drilling and completions waste is tightly regulated by individual states where we operate. While regulations differ slightly among states, they generally have requirements for classifying, manifesting, transportation and disposal methods.

Offsite disposal and recycling increased from approximately 26,000 tons in 2017 to about 73,000 tons in 2018, primarily due to increases in disposal of impacted soil in our U.S. assets, and naturally occurring radioactive material (NORM) waste in North Dakota. Produced water, drilling muds and cuttings, and completions fluids are not included in the waste inventory in accordance with IPIECA's *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*.



A Culture of Responsibility

We remind team members of our values every day that they are on the job





SECTION V

SAFETY AND WORKFORCE

Above:
A team member conducts an
onsite inspection
Oklahoma

INTRODUCTION

SAFETY IS OUR FOUNDATION

At Marathon Oil, we believe that everyone deserves a safe workplace. Given our role in the exploration and production of oil and gas, we also recognize that safety plays a critical role in mitigating risk within our company and the communities where we operate.

Safety directly impacts our ability to maintain the trust of our stakeholders. We use a number of systems to integrate a culture of safety throughout the exploration and production lifecycle. Although Marathon Oil aims to be a low-cost, high-margin operator, we recognize that taking the time to run our business properly and safely is more important than doing it quickly. Without safety and operational excellence, the sustainability of our company is compromised.

We maintain our culture of safety and health by attracting, developing and retaining individuals and partners who share our commitment to operational excellence. We build relationships with our large contractor workforce and work together toward our goal of achieving a workplace free of fatalities and injuries, without fires, spills or explosions that can affect our people or our communities. Our values to collaborate, take ownership, be bold and deliver results enable Marathon Oil to excel, but that's only possible if our workforce is safe.



Prioritizing Safety is Fundamental to Responsible Corporate Stewardship

We believe a tone of safety and operational integrity is established at the top and must be reinforced at every level.

Marathon Oil's HES and security (HES&S) performance is managed by the Responsible Operations Management System (ROMS), which includes HES&S Standards & Procedures, Life Critical Expectations & HES Beliefs. Safety risks and mitigations are identified and assessed as part of ROMS. We train and engage our workforce to reinforce safety leadership and provide resources such as online Safety Data Sheets (SDS) to ensure product stewardship and safe handling. In 2018, employees recorded approximately 55,000 hours of HES training in our Learning Management System (LMS). Training for designated contractors who perform safety-sensitive work on our locations totaled approximately 19,500 hours in 2018. Once they've received training, employees and contractors are expected to take responsibility for their own safety and the safety of people working around them.

The executive vice president of operations, who reports to the CEO, has overall leadership accountability for our safety performance, with oversight from the HES and Corporate Responsibility (HES&CR) Committee of the board of directors. In addition, seven of our eight directors bring experience in, or a strong understanding of, HES issues to their board oversight role. We incorporate key enterprise-wide safety metrics in our annual incentive plan formula.

Performance Highlights

To further manage safety risks and avoid incidents, injuries and accidents in 2018, we:

- Continued our safety leadership program, stronger contractor management and consistent implementation of safety policies and practices across our operations. The result was a decline in our Total Recordable Incident Rate (TRIR) for employees and contractors combined to 0.53 in 2018 compared to 0.64 in 2017.
- Implemented an HES/operations action plan to improve safety in our New Mexico Permian Basin asset. Actions included a construction stand-down, monthly meetings with construction crews, a safety forum, safety leadership training classes, focused contractor audits and a drilling and completions vendor summit.
- Held a full-day safety stand-down in the North Dakota Bakken asset to communicate the importance of slowing down, asking questions and exercising Stop Work Authority.
- Updated our Life Critical Expectations & HES Beliefs to ensure alignment with industry accepted practices and our current business risk. Enterprise-wide rollout to our workforce on these refreshed expectations and beliefs began in March 2019, with all personnel being responsible for completing awareness training on this material.
- Updated our Life Critical Standards, Procedures and Field Reference Guides to ensure consistency across all assets and for easier implementation in the field.
- Continued the proactive review of all Marathon Oil properties we started in 2017 using LIDAR (light detection and ranging) technology to detect structures within 1,500 feet of a well or well pad and 660 feet of a pipeline. By year-end 2018, we had identified almost 6,200 structures and our operations staff was determining if they require proper isolation, abandonment or other actions to improve safety. We plan to review the data annually to identify any new structures on our properties.
- Held annual field-level emergency response exercises required by regulations, regional drills required by ROMS and a corporate-level exercise.



¹Total Recordable Incident Rate

MAKING STRIDES

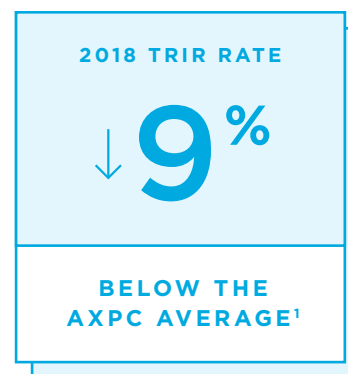
2018 SAFETY PROGRESS

Marathon Oil consistently evaluates the strength of our safety efforts. To improve safety performance in 2018, we addressed contractor performance challenges with a safety leadership program for frontline field employees and contractors, as well as bolstered our contractor management plans.

Stronger collaboration among our U.S. assets increased operational efficiency and led to more consistent implementation of safety policies and practices across our operations. In addition, we started realizing the benefits of continuous improvement from ROMS implementation. The result was a decline in our Total Recordable Incident Rate (TRIR) for both employees and contractors to 0.53 in 2018 compared to 0.64 in 2017. A number of metrics and other aspects of safety are covered in this report, including process safety, HES training, workforce health, and emergency preparedness and response.

A superior safety record has been a hallmark of our company's performance for many years. Yet, we're never satisfied, and we continue to incorporate learnings from recent years to further refine the quality and safety of our operations as we move forward.

Marathon Oil compares our U.S. TRIR to 32 other large independent oil and natural gas companies that participate in the American Exploration & Production Council (AXPC). Our U.S. recordable injury rate of 0.57 for both employees and contractors in 2018 was below the AXPC average of 0.63. While Marathon Oil voluntarily includes contractors when reporting to AXPC, some companies in AXPC do not.



¹Marathon Oil voluntarily includes contractors when reporting to AXPC. Not all companies within the AXPC follow this standard.

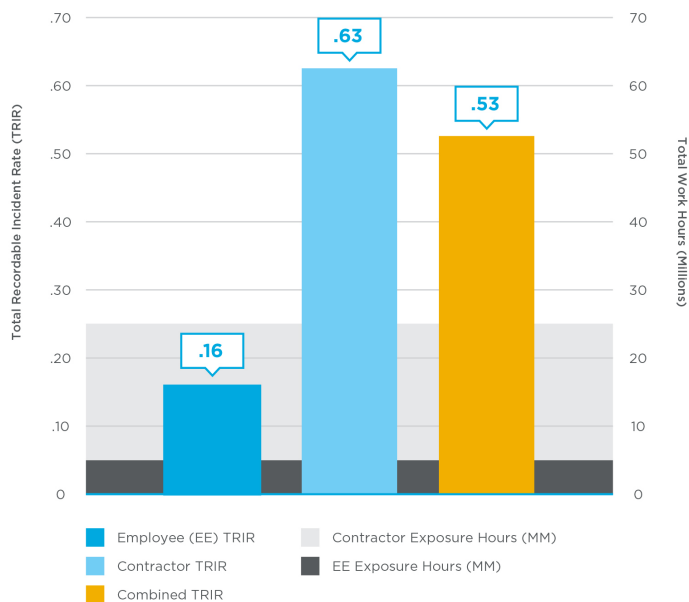
SAFETY METRICS



Total Recordable Incident Rate (TRIR) across sectors of the workforce, and measured against total work hours

2018 IN-DEPTH GLOBAL SAFETY PERFORMANCE

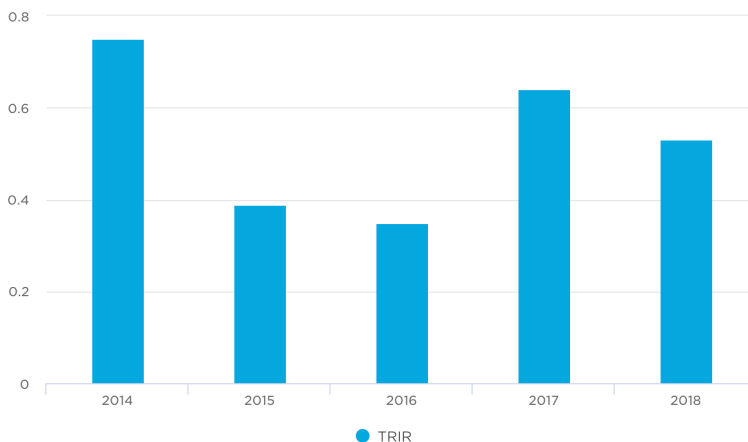
Combined Employee and Contractor Workforce Incidents
per 200,000 work hours

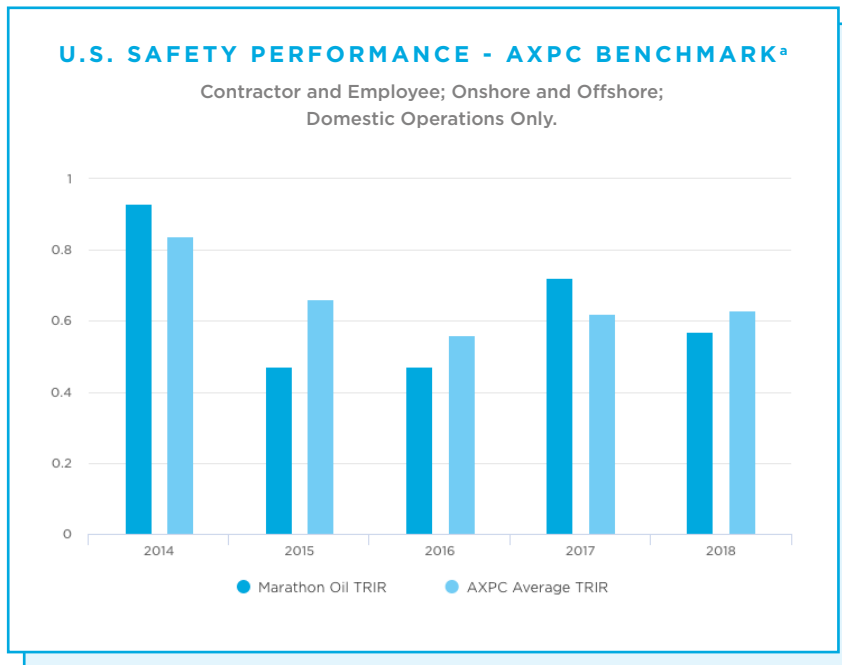


A look back at safety performance over the past five years

GLOBAL SAFETY PERFORMANCE

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



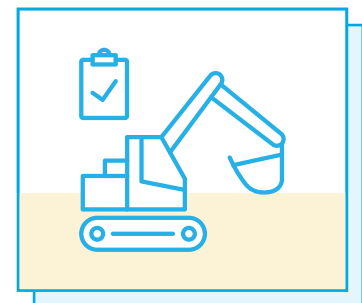


Marathon Oil's annual TRIR compared to the AXPC average

^aSome comparator companies do not include contractor workforce

Refreshed Life Critical Expectations & HES Beliefs

A team of operations leaders and safety professionals developed Marathon Oil's refreshed Life Critical Expectations & HES Beliefs in 2018. The expectations set clear requirements on how we protect our workforce while they're performing life critical activities, such as work at heights, hot work and energy isolation. The HES Beliefs define our actions and behaviors regarding Stop Work Authority, pre-job planning, reporting and sharing of incidents, and open communication, and make it clear that no job will be performed if we cannot protect our most important asset, our people.



Safety Leadership Program

The 2018 Safety Leadership Program encompassed one-day safety forums conducted with our asset leadership and half-day safety leadership courses for our frontline supervisors. At the safety forums, operations and HES leaders heard from Marathon Oil senior leaders on their commitment to safety, discussed opportunities to improve our safety culture and developed asset-level safety commitments. During the year, an estimated 125 employees from our U.S. resource plays participated in these forums.

Additionally, in the Permian Basin, where contractor issues were acute due to high activity levels, we hosted a forum attended by approximately 150 contractor personnel ranging from CEOs to frontline supervisors. Senior Marathon Oil operations and HES leaders facilitated the event, using the opportunity to better understand the safety



challenges of our contract partners, and to establish shared goals and accountability for safety performance moving forward.

The safety leadership course for employee and contractor field leaders and supervisors covered how to deliver effective safety messages. The program was developed for our resource play assets, but due to positive feedback, we expanded participation to more contractors than planned. Across the enterprise, 430 employees and 693 contractors attended the course. Based on the pilot's success, we took the safety leadership course to our asset in Equatorial Guinea in February 2019 to prepare approximately 285 employees and contractors from our Punta Europa operations for a maintenance turnaround.

Contractor Management Plans

Marathon Oil's goal is to work with top-rated contractors who share our commitment to safeguarding our workforce, communities, property and the environment. In 2018, the industry faced ongoing challenges from contractors who were inexperienced or took too many risks.

As part of our risk-based approach to managing contractors, we build relationships with them and help them work to our standards for the long term. We hold them accountable for adhering to our contractor management plans, track their OSHA recordables and Serious Event Rate, conduct safety audits, and engage contractor personnel in the field and in the office. We reinforce our belief that every individual working on a Marathon Oil site has the right and obligation to "Stop the Job" if a task cannot be performed safely. While we strive to maintain a stable contractor workforce, in 2018 Marathon Oil stopped working with a number of contractors who didn't meet our expectations and performance requirements. In some cases, we replaced large contractors with smaller companies whose HES management systems and personnel practices are more aligned with ours.

Process Safety Management

Process safety encompasses programs to prevent hydrocarbon releases that have the potential to impact people, property and the environment. It's an integral component of our Responsible Operations Management System (ROMS). We strive 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 2018, our assets started performing bowtie risk assessments, analyzing the most prevalent process safety events (PSE) to ensure our controls are adequate.

We experienced two Tier 1 (high-consequence) PSEs and zero Tier 2 (medium-consequence) PSEs at our designated facilities in our U.S. resource plays, Marathon EG Production Limited (MEGPL), Equatorial Guinea LNG Holdings Limited (EG LNG) and the U.K. North Sea in 2018.

HEALTH, ENVIRONMENT AND SAFETY TRAINING

BUILDING OWNERSHIP AND ACCOUNTABILITY

The Marathon Oil operations workforce must be competent and qualified to prevent spills, releases and safety incidents, as well as to increase productivity and operational reliability.

We provide orientation, training, coaching and mentoring to ensure employees and contractors have the skills, preparation and qualifications to perform work in the field safely and efficiently.

The Training and Competency element of our Responsible Operations Management System (ROMS) drives consistent, standardized health, environment and safety (HES) training to enable our field personnel to adapt to changes in our drilling and production activity and portfolio. Within ROMS, the HES and Security (HES&S) Competency Training Standard and Competency Management System help us forecast needs and manage employees in the field. As the executive owner of this ROMS element, the director of HES&S sets priorities and expectations, tracks and reports progress to the ROMS steering committee, and is accountable for the results of our training and competency programs.

In addition to compliance and skills training, we train Marathon Oil field supervisors in coaching and mentoring techniques that can change behaviors and positively impact safety. Having conversations about safety and building relationships with our workforce lets them know we're committed to sending them home safely at the end of the workday.

In 2018, employees recorded approximately 55,000 hours of HES training in our Learning Management System (LMS). The training addressed regulatory compliance, safe driving, operational skills covered in our Qualification Management System (QMS) such as how to light a flare and restart a compressor, and other requirements.

To strengthen accountability, we're expanding our HES support staff to ensure training is properly assigned, delivered, monitored, tracked and recorded. ROMS sets minimum HES training requirements for compliance, hazard recognition, management systems and standards implementation, and other aspects of safety.

Training our workforce to do their jobs safely, and verifying that they're trained and qualified, are fundamental to operating a safe, clean and responsible workplace. Marathon Oil will continue to boost training to ensure our employees and contractors understand our HES expectations, meet all requirements and take ownership for safety.



¹Learning Management System

WORKFORCE HEALTH

ADDRESSING HEALTH CHALLENGES

Marathon Oil values the health and wellness of our employees and their families, and we're committed to promoting and protecting employees' health on or off the job.

The Responsible Operations Management System (ROMS) guides our efforts to identify and address key health challenges in our operating areas. 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 identify and rank potential exposure hazards according to risk, and then apply industrial hygiene monitoring to ensure that hazards are adequately controlled.

Promoting Heart Health

Marathon Oil collaborates with community leaders in our operating areas to advance public health initiatives that promote the common good, and protect the public, our employees and their families.

Because cardiovascular disease is a major cause of death in regions where we operate, we have a long-standing partnership with the American Heart Association (AHA). For more than a decade, we've worked with AHA to help prevent heart disease and stroke, the number 1 and number 5 killers of Americans, respectively. AHA's programs – such as training people in cardiopulmonary resuscitation (CPR) and automated external defibrillator (AED) use – align well with our commitment to the health and well-being of our employees, their families and communities.

To encourage employees to improve their health, we piloted AHA's Check.Change.Control blood pressure management program with our Houston workforce in 2018. Among employees who participated,



#HoustonHeartWalk

Raising awareness and working to reduce blood pressure and heart disease in our community

IN 2018 ALONE
AHA TRAINED

186_k

HOUSTON-AREA
ADULTS AND
TEENS IN CPR

approximately 35% lowered their blood pressure and approximately 12% moved from hypertensive to an elevated or normal blood pressure level. We also participated in the Heart Walk in Houston and Oklahoma City, expanded the partnership with AHA on CPR awareness and required CPR as part of HES training in several locations.

Marathon Oil sponsored AHA's annual Paul "Bear" Bryant Awards for the 11th year in 2019. The funds raised during this event contribute to the positive impact AHA has made on the health of the Houston community. In the past year alone, more than 186,500 Houston-area adults and teenagers were trained in CPR, AED use and AHA basic life-saving skills.

Building Capacity for Public Health

Our public health programs in Equatorial Guinea emphasize capacity building to help communities achieve their long-term health goals. The primary program is the Bioko Island Malaria Elimination Project, now in Phase III. As part of our focus on maternal and child health, Marathon Oil and government, nonprofit and university partners funded a program to train and certify nurse midwives. The first group of nurse midwives is now serving throughout the country, and the second group of 55 trainees is expected to graduate in June 2020. In addition, the Ver Bien (See Well) project we launched in 2017 is enhancing educational outcomes for children who have vision problems and need eyeglasses. In 2018, with help from our project partners, we expanded Ver Bien to serve rural primary schools on Bioko Island and progressed toward launching the program to the Equatoguinean mainland.



Ver Bien Project
Improving educational outcomes for children with vision problems in Equatorial Guinea



EMERGENCY PREPAREDNESS AND RESPONSE CAPABILITIES

TRAINED AND READY TO RESPOND

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

We maintain plans to protect personnel, facilities and neighbors in the event of natural disasters, security incidents, operational disruptions and other events. 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:

- Response teams at the local, regional and corporate levels, including the Corporate Emergency Response Team (CERT) and executive-level Crisis Management Team;
- Annual training, drills and exercises for all levels of response teams, along with government agencies and key stakeholders;
- A network of response contractors and consultants that regularly interface with local and regional team members; and
- The Corporate Security and Emergency Preparedness Group dedicated full-time to training, drills and participation in industry emergency response activities.

Marathon Oil held annual field-level exercises required by regulations, regional drills required by ROMS and a corporate-level exercise in 2018.

Contributing to Community First Responders

To ensure our communities are prepared for emergencies, Marathon Oil supports volunteer fire departments, emergency medical services and law enforcement agencies. In 2018, we donated an emergency response trailer for the mutual aid of 12 emergency management authorities and operators in the Permian Basin. We also funded a training workshop for people who will use the trailer, including approximately 50 Marathon Oil pumpers and supervisors. The training covered 11 processes and procedures such as isolation techniques, spill response equipment, incident investigations and remediation. The need for the trailer



Onsite Safety Huddle
Bakken

and training was identified in a risk assessment of our entry into the Permian Basin in 2017.

In addition to donating to first responders in Dickinson, New Town, West Dunn and Killdeer, our Bakken asset contributed \$25,000 toward a new emergency siren service in Mountrail County, North Dakota.

Due to population growth brought on by industry activity in the Bakken, regional health care providers need to increase capacity. Marathon Oil contributed to the construction of a new facility for the McKenzie County Healthcare Systems that will support at least 55,000 unique patient registrants annually – five times more than the existing facility – and expand from two emergency rooms to nine. The additional space makes it possible to add specialty clinics for identified needs such as cardiac and diabetic care. We also provided funding to CHI St. Alexius for an ultrasound machine to manage an increase in the number of births in the region.



WORKFORCE OVERVIEW



WORKFORCE

ONE TEAM. ONE VISION.

At Marathon Oil, we believe the strength of our workforce and our corporate culture directly impacts the strength of our business.

To us, a diverse and inclusive workforce that's engaged, equipped with proper training and development tools, and motivated to perform is a cornerstone of success in our industry.

Our corporate culture encourages employees to collaborate, take ownership, act boldly and deliver results to create enduring value for our business overall. We recognize that large institutional investors and other stakeholders have been increasingly focused on culture and the social aspect of ESG in recent years. In 2019, State Street Global Advisors indicated corporate culture as "one of the many, growing intangible value drivers that affect a company's ability to execute its long-term strategy."

The links between culture and a company's ability to achieve its goals, manage risks and promote long-term value creation have never been clearer. Fortunately, we consider one of our most important forms of capital to be our human capital, and we recognize the benefits of a solid corporate culture. That's why we were especially proud to be named one of Houston's Top Workplaces in the large company category in 2018 by *The Houston Chronicle*. This award exemplifies our commitment to fostering a culture where our employees thrive.



Jill Ramshaw
Vice President,
Human Resources

Culture in Action

This section of our sustainability report covers workforce statistics, diversity and inclusion, training and development, and related metrics. All of these impact our corporate culture.

At Marathon Oil, we believe an engaged workforce is a strong workforce. One way we quantify engagement is through employee surveys. We were pleased with our 2018 survey results, which showed that 75% of employees who responded feel they're motivated to give their very best at work and would highly recommend working at Marathon Oil to others. The work/life balance and flexibility at Marathon Oil received the highest score of all core employment attributes, followed by the overall experience of working at the company.

We believe that diversity of background, experiences and thought among our employees is critical to our success. As you will read in this report, our workforce is increasingly diverse. The percentage of under-represented minorities among our total staff increased from 30.1%

in 2017 to 33.3% in 2018. The percentage of women among our total staff increased from 26.1% in 2017 to 28.1% in 2018. We're proud of this progress and will continue to focus on ways to hire more minority and women employees in the future.

We foster an inclusive work environment where everyone can feel comfortable sharing their ideas and is dedicated to growing our business. Marathon Oil selects, develops and promotes employees based on the individual's ability and job performance. 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, age, national origin, sexual orientation, gender identity and other factors. These policies apply to all aspects of employment at Marathon Oil – recruitment, training, development, compensation, performance management and benefits.

In terms of training and development, we believe that preparing our workforce to run a responsible, safe and ethical company is predicated on delivering best-in-class, fit-for-purpose learning. We're pleased that our employees logged approximately 80,000 hours of computer-based training in 2018. This training covered a multitude of topics, including health, environmental and safety (HES) regulatory compliance, ethics compliance, petrotechnical skills, information technology and personalized learning in our Learning Management System. We also offer leadership development and field leadership courses, and more than 500 employees took at least one of these courses in 2018.

At Marathon Oil, we're cultivating a strong corporate culture because we believe it motivates our workforce and in turn strengthens our business performance, drives innovation and contributes to greater long-term value creation.

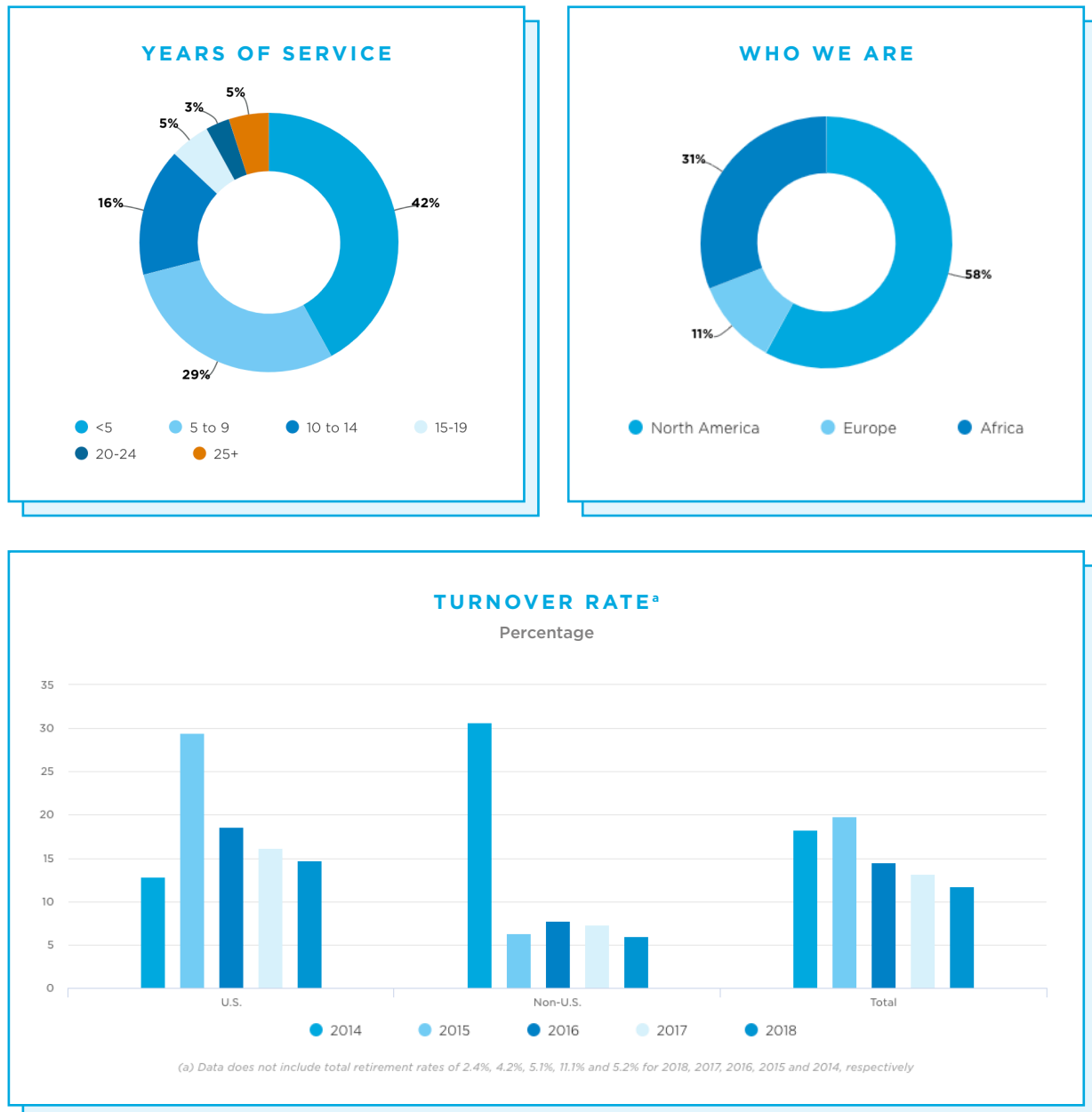


WORKFORCE STATISTICS



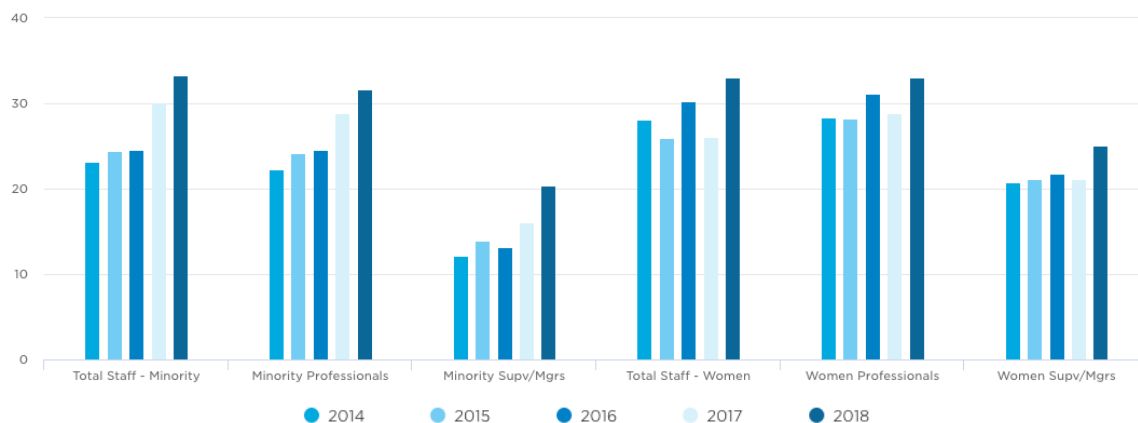
Workforce Statistics

Marathon Oil had approximately 2,400 active, full-time employees and approximately 25 part-time employees worldwide at year-end 2018. Our 2018 turnover rate was approximately 12%, compared to approximately 13% in 2017, and our 2018 retirement rate was approximately 2%, compared to approximately 4% in 2017.



US WORKFORCE: DIVERSITY^{a,b}

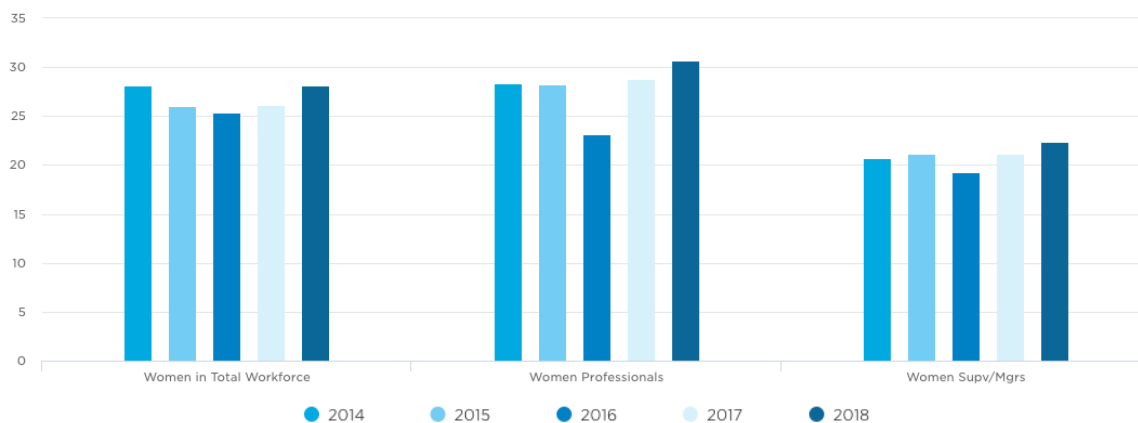
Percentage by major categories: total staff, professionals and supervisors/managers



(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.

DIVERSITY AND INCLUSION



DIVERSITY AND INCLUSION

BROADER PERSPECTIVES, BETTER SOLUTIONS

We believe that diversity of people and ideas, and our ability to collaborate as one inclusive team, give Marathon Oil a business advantage.

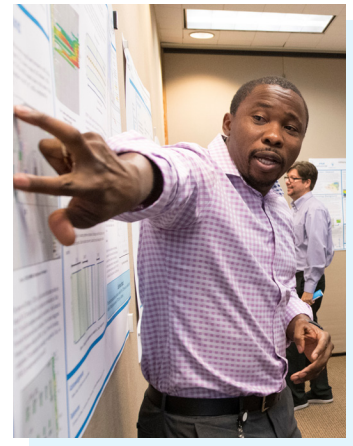
The leaders of our high-performing teams value diversity and differences of opinion, and encourage new ideas. We expect employees to keep an open mind, value others' opinions and respect their point of view.

Marathon Oil offers training to raise awareness about and encourage diversity and inclusion. Courses on unconscious bias and inclusive leadership are open to all employees and are an integral part of our Leadership Immersion Program for newly hired and promoted supervisors. Following roundtable discussions with employees, we revamped the courses and rolled them out to our corporate and field employees.

Increasing Diversity in Our Talent Pipeline

Many Marathon Oil jobs, including the majority of our leadership positions, require a degree in science, technology, engineering and math (STEM) subjects. 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% of all U.S. jobs in 2015, but only 24% of STEM jobs. In addition, women made up about 30% of all STEM degree holders, but only 19% of workers holding engineering degrees. API projected 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% are expected to be filled by African American and Hispanic workers and 16% by women by 2035.

In 2018, women and under-represented minorities accounted for 28.1% and 33.3% of the Marathon Oil workforce, respectively. The company recruits interns and graduates in STEM fields primarily on the campuses of Texas A&M University, University of Texas, University of Oklahoma and University of North Dakota. We broaden the pool of diverse job candidates by reaching out to local student chapters of the Society of Women Engineers, the National Society of Black Engineers, the Society of Hispanic Professional Engineers, LGBTQ Engineers and other



Unpacking Data

Jude Nwaozo, Eagle Ford Development Supervisor, walks team members through data at a meeting in Houston

organizations. Additionally, we use digital methods to recruit diverse job candidates at approximately 17 universities.

The company also awards scholarships to increase the number of qualified diverse hires in the U.S. In 2018, we funded college scholarships totaling \$280,000 for students to study core disciplines. This included approximately \$150,000 for 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.

In addition to college recruiting, we continue to look for ways to hire, retain and promote more women and under-represented minorities. Marathon Oil partners with organizations such as Women in Energy, Pink Petro, Hispanic Alliance for Career Advancement (HACE) and Human Rights Campaign to make their members aware of career opportunities with Marathon Oil. These relationships also give our employees networking and professional development opportunities. For example, we hosted the 2018 Mujeres de HACE Leadership Program and 2019 HACE Executive Leadership tour, where several Marathon Oil Hispanic leaders were among a diverse group that participated in leadership and career development conversations.

Employee participation in Pink Petro and its annual HERWorld Energy Forum was the catalyst to launch our own grassroots women's network in 2018. Based on input from employee focus groups, volunteers established small groups to discuss topics of interest such as petrotechnical careers, owning your career, elder care, millennial concerns and working moms. The groups meet periodically and volunteers plan two professional development events each year with external speakers, professional development and networking. Open to all employees, the women's network grew to approximately 180 participants by year-end 2018. We offer a group based on the Lean In model for women in senior leadership positions.

There has also been a commitment and focus on our African American employees. When two of our senior executives were recognized as *Savoy Magazine's* Most Influential Blacks in Corporate America in 2018, it created ongoing career development and professional networking opportunities for our African American employees. Marathon Oil employees also attended an African American Executive Leadership Council event.



TRAINING AND DEVELOPMENT



TRAINING AND DEVELOPMENT

PREPARING EMPLOYEES TO LEAD

We're moving our workforce into the future with training and development balanced across technical skills, leadership skills, business impact and personal impact throughout an employee's career.

To prepare our workforce to run a safe, ethical and responsible company, Marathon Oil focuses on delivering best-in-class, fit-for-purpose learning. We provide on-the-job development and technical training, formal training and development programs, education opportunities and tuition reimbursement. In 2018, employees recorded approximately 80,000 hours of computer-based training (CBT) related to health, environmental and safety (HES) regulatory compliance, ethics compliance, petrotechnical skills, information technology and personalized learning in our Learning Management System (LMS).

Aligning with our core value of Taking Ownership, we believe professional development is the employee's responsibility, and in 2018 we focused on creating opportunities for employees to personalize learning to meet their needs, interests, preferences and time constraints. Learning options are also closely aligned to Marathon Oil's business needs, values and critical capabilities. By leveraging technology, we're delivering highly targeted self-service courses and training. Employees have access to on-demand content such as a digital library of corporate licenses, subscriptions and abstracts. Most digital learning is automatically recorded in the LMS or other platforms, where it can be tracked for employee development discussions and planning, and for broader analysis by our training and development staff.

Marathon Oil continues to look for ways to help our workforce build their skills. We plan to deliver shorter in-person courses and additional on-demand learning opportunities in 2019 to make learning even more targeted and accessible. To reinforce the company's commitment to diversity, we will introduce a mandatory annual diversity CBT course.



Building Skills for the Future
Team members participate in training in Houston

LEADERSHIP DEVELOPMENT SERIES



Leadership Development Series

While employees are accountable for their own development, Marathon Oil wants to help them acquire the skills they need to reach their professional potential and contribute to the company's growth. Our Leadership Development Series and Field Leadership Program give employees the skills to lead themselves, lead together, lead others and lead the business. Courses in the series include:

- E&P 101 to help employees in corporate functions understand our business and how they impact it
- High-performance Teams to improve team effectiveness
- Leading through Change to understand how to give and receive feedback
- Two diversity courses on recognizing unconscious bias and inclusive leadership

The courses are optional but encouraged to enable employees who already have strong technical skills to understand the nine behaviors Marathon Oil expects leaders to exhibit. These behaviors include taking informed risks, making timely decisions, adapting and pivoting, taking the initiative and keeping an open mind. Course attendance has climbed steadily since 2017, indicating growth in employee engagement. More than 500 employees took at least one leadership development or field leadership course in 2018, with the Personal Impact Skills, Challenging Conversations and Leading Others courses receiving the highest satisfaction scores.

In addition, newly hired or promoted supervisors are strongly encouraged to take the Leadership Immersion course covering management essentials, situational leadership, and additional diversity and inclusion courses. In 2019, we'll begin offering a 360-degree leadership assessment process for designated leaders. The process informs individual development plans with feedback from the employee and his or her subordinates, peers, supervisor and external parties.



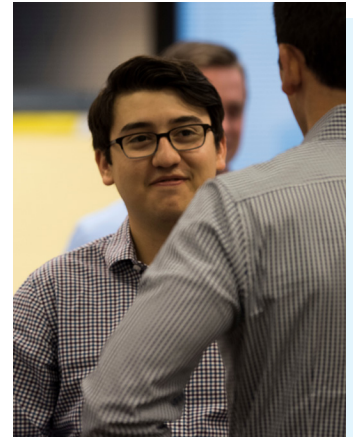
Petrotechnical Training

At Marathon Oil, petrotechnical employees are vital to the success of our resource exploration, development and production efforts. We have a team dedicated to training and developing petrotechs to ensure they can make the best technical decisions for our business. Petrotechs attended in-house courses taught by Marathon Oil subject-matter experts (SME), external instructor-led courses, virtual classes and short courses at industry conferences in 2018.

Early-career engineers and geoscientists participate in our Catalyst training and development program, generally in their first year with Marathon Oil.

Over a seven-month period, Catalyst attendees receive 120 hours of formal training by internal technical SMEs in geology, geophysics, petrophysics, drilling, completions, production, facilities and reservoir engineering.

Participants also learn leadership skills and are introduced to our corporate functions. Through presentations from Marathon Oil leaders, the employees learn about our culture, values, and how we achieve safe, clean and responsible operations. At the end of their Catalyst training, attendees have a network of coworkers and SMEs throughout the company, understand our technical core disciplines and support functions, and are aware of the career paths available to them at Marathon Oil. We also strive to expose Catalyst participants to diverse assignments in their first six years in the industry to attract, develop and retain early-career petrotechnical professionals.



Above:
Catalyst Training
Houston, Texas



EMPLOYEE ENGAGEMENT

DEVELOPING A CULTURE WE CAN BE PROUD OF

An engaged workforce has the high level of commitment, productivity and performance a company needs to be sustainable.

Marathon Oil periodically assesses employee engagement levels and trends to gauge our progress, strengths and areas for improvement to shape the future of our company. Our 2018 employee survey, administered by a third party, yielded an 88% response rate, with results trending positively compared to the previous survey in 2016. These strong indicators of employee engagement earned Marathon Oil a spot among the top 30 large companies in the *2018 Houston Top 150 Workplaces*.

Engagement is measured positively based on survey responses to questions on motivation, referral and loyalty. As a result of the responses, Marathon Oil scored 47% for employee engagement, a 15% increase over the 2016 survey. In addition, 75% of employees who responded indicated that they feel they're motivated to give their very best at work and would highly recommend working at Marathon Oil to others.

The work/life balance and flexibility at Marathon Oil received the highest score of all core employment attributes, followed by the overall experience of working at the company. Survey responses also indicated that employees understand and have bought into the company's strategy, but need to believe that we're taking the right risks and can repeat our successes.

Based on survey outcomes, Marathon Oil asset and function teams are sharing results, analyzing feedback and prioritizing actions that will have the most impact. Some outcomes will be addressed at the enterprise level, while local teams will own and be accountable for action planning and execution. We will share successes and keep two-way communication and feedback going to continue engaging Marathon Oil employees for future sustainability.



Ranked among Top Large
Companies
*2018 Houston Chronicle Top
Workplaces*

SECTION VI: SOCIETY





SECTION VI

SOCIETY

Above:
Camp Adventure!
Barbara Bush Houston
Literacy Foundation

INTRODUCTION

MAKING OUR COMMUNITIES STRONGER

At our core, Marathon Oil is a relationship-driven business – producing energy in a socially and environmentally responsible way requires a strong network of relationships built on integrity and trust.

We believe social responsibility and evaluating our impact on the people living in the communities in which we operate go hand in hand. Both are critical to our ability to develop and maintain long-term positive relationships, operate efficiently, create long-term value and return capital to shareholders.

Social Stewardship Excellence

Engaging with stakeholders and building relationships of trust and mutual understanding are critical to our operations as well. We build relationships with landowners, contractors, suppliers, community organizations, lawmakers, elected officials, regulators, industry peers, business partners and others. This stakeholder engagement is an essential part of risk management and strengthens our ability to manage community impacts, access new resources, operate efficiently and avoid project delays.

When it comes to supply chain management, we believe Marathon Oil excels. We're committed to the tenets of safety, ethical business conduct and sound labor practices, and we expect our contractors and suppliers to operate in the same manner. In addition, Marathon Oil's commercial agreements reinforce 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.

To contribute to the communities where we operate, we make social investments targeting identified local issues. The same values that drive our business performance – to collaborate, be bold, take ownership and deliver results – also influence the social programs we choose. Our social investments in the U.S. in 2018 totaled \$3 million, with much of this going toward education projects like literacy and STEM programs, and the balance directed toward economic development, health, and conservation and beautification efforts in the communities where we operate.

IN 2018 MARATHON
OIL INVESTED

\$3^M

FOR SOCIAL
PROJECTS AND
PROGRAMS

in the U.S.

Prioritizing Social Responsibility

We prioritize social responsibility in everything we do, and from the highest levels of our organization. Our executive vice president, general counsel and chief administrative officer is accountable for Marathon Oil's social responsibility at the leadership level, with oversight from the Health, Environmental, Safety and Corporate Responsibility (HES&CR) Committee of the board of directors. We're proud of all we have accomplished in our corporate social responsibility efforts, and we'll continue to evaluate how we can improve our future efforts.

Performance Highlights

In collaboration with our stakeholders, Marathon Oil works to understand how our operations impact communities where we operate. We then develop and execute plans and projects to address existing social issues, with a focus on education, public health and the environment. In 2018, we:

- Collaborated with industry peers, with a focus on alleviating traffic and infrastructure issues related to drilling and production activity. We partnered with industry and state agencies in our Oklahoma asset to improve roadway safety and committed funding in 2019 for the Southeastern New Mexico Roadway Safety Integrated Project.
- Provided approximately 140,000 nutritious meals to fight hunger in Houston, Oklahoma and North Dakota, and donated to and volunteered in food banks throughout our U.S. assets.
- Expanded our relationship with the American Heart Association (AHA) by piloting its blood pressure management program with our Houston workforce, and providing CPR awareness for employees and participating in the Heart Walk in Houston and Oklahoma City.
- Continued our long-time partnership with the Barbara Bush Houston Literacy Foundation with funding and volunteers to raise literacy rates.
- Promoted science, technology, engineering and math (STEM) education with ongoing curriculum enhancement programs, summer program scholarships, volunteer activities and donations throughout our U.S. assets.
- Demonstrated our commitment to environmental stewardship by supporting conservation and beautification efforts. These include the public-private partnership creating the Escondido Creek Parkway project in the Eagle Ford town of Kenedy, cleaning up the popular La Cueva Trail near Carlsbad, New Mexico, and joining the National Fish and Wildlife Foundation's (NFWF) Pecos Watershed Conservation Initiative.



Reggie Hedgebeth
Executive Vice President,
General Counsel and Chief
Administrative Officer

STAKEHOLDER ENGAGEMENT

TACKLING OUR CHALLENGES TOGETHER

Fostering stakeholder relationships of trust and mutual understanding about our operations helps Marathon Oil earn and keep our license to operate.

We build relationships with landowners, contractors, suppliers, community organizations, lawmakers, elected officials, regulators, industry peers, business partners and others. This stakeholder engagement is an essential part of risk management 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.

As the representatives of Marathon Oil in communities where we operate, our land professionals communicate about our plans, answer questions and resolve issues for landowners. Whether adding to our acreage in the New Mexico Permian Basin or discussing water issues with ranch owners in the South Texas Eagle Ford, our land professionals share a commitment to build trust with stakeholders like royalty owners. To be responsive to royalty owners, Marathon Oil has streamlined and automated processes and procedures to reduce the time it takes owners to update their accounts, get answers and take other common actions. We also changed our call center operations to more effectively handle an average of 1,000 calls each month, which has freed staff to assist royalty owners in resolving complex questions and needs. Automation and technologies have also increased data accuracy and reduced errors, further improving the user experience for our royalty owners.

OWNER RELATIONS HELPLINE SERVES

1k

MONTHLY CALLS

*Allowing our staff to focus on
resolving complex questions
and needs*

Collaborating with Industry Partners

Marathon Oil assets collaborate with industry partners through membership in organizations like the Texas Oil and Gas Association (TXOGA), The Petroleum Alliance of Oklahoma, New Mexico Oil and Gas Association (NMOGA), South Texas Energy and Economic Roundtable (STEER), North Dakota Petroleum Council (NDPC), API (American Petroleum Institute), Independent Petroleum Association of American (IPAA) and AXPC (American Exploration & Production Council). To ensure we have a voice in industry solutions, Marathon Oil employees take leadership roles in these organizations and participate in their awareness events.


**AMERICAN
EXPLORATION
& PRODUCTION
COUNCIL**


We recognize that industry brings both economic benefits and challenges to communities where we operate. Industry engagements in our U.S. resource play assets in 2018 continued to focus on traffic and infrastructure issues that arose when drilling and production activity increased in 2017. Technology and operational efficiencies that minimize the drilling footprint mitigated some impacts. In addition, Marathon Oil and other operators are building pipelines to transport oil and produced water away from our properties, which reduces truck traffic and the associated driving safety risks, wear and tear on roads, and emissions.

Roadway safety is an issue that affects everyone in the communities where we have operations. In Oklahoma, Marathon Oil was a founding member of the Energize for Safety Coalition, a nonprofit dedicated to making busy roadways less dangerous. In partnership with the Oklahoma Department of Transportation and the Oklahoma Department of Public Safety, the coalition established a safety corridor on Highway 33 between Watonga and Kingfisher in the STACK. The coalition provides driver safety training for high school students in high-traffic areas, including large events near Kingfisher where Marathon Oil employees volunteered, and community and stakeholder events. The coalition also created a website in partnership with the Oklahoma Energy Resources Board to communicate about traffic and safety. As part of the company's commitment to traffic safety, employees participated on a panel at the Governor's Energy Forum on Road Safety in Kingfisher in 2018 and served as an industry safety representative along with government agency officials. In 2019, we made a similar commitment in the Permian Basin by funding the Southeastern New Mexico Roadway Safety Integrated Project that promotes and encourages roadway education, enforcement and infrastructure to keep people and communities safe.

DIVE DEEPER	
National Fish and Wildlife Foundation	+
Seismicity	+
A Landmark Bill for Water Rights	+

Working with State and Tribal Stakeholders

Constructive engagements with local and state elected officials can help Marathon Oil be a more effective operator and community partner. Our asset teams meet with county commissioners and other local officials to update them on our plans, resolve issues and understand community concerns. In February 2019, we hosted a tour of a Marathon Oil rig and production site in Kingfisher County, Oklahoma. Our employees served as technical experts for the secretary, deputy secretary and a staff member of the Oklahoma Energy and Environment department; a staffer from the Oklahoma governor's office; industry representatives; and 12 state lawmakers. The tour introduced the newly elected legislators to oil and gas operations, and provided Marathon Oil the opportunity to enhance relationships with state officials.



In our Bakken asset, key stakeholders include North Dakota legislators and regulators, and leaders of the Three Affiliated Tribes on the Fort Berthold Indian Reservation. Our relationship with the tribes started in 2008, when Marathon Oil became the first company to drill on the

reservation that's home to the Mandan, Hidatsa and Arikara (MHA) Nation. We respect the native lands and culture of indigenous peoples, and honor tribal traditions and beliefs. Marathon Oil engages the MHA 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% by a member of the tribes. In 2018, Bakken employees attended tribal business meetings and supported the MHA Nation Boys & Girls Club after-school and summer programming. We also sponsored the MHA Energy Expo, where the tribes honored Marathon Oil with their Best in Communications award.



SOCIAL INVESTMENT



SOCIAL INVESTMENT

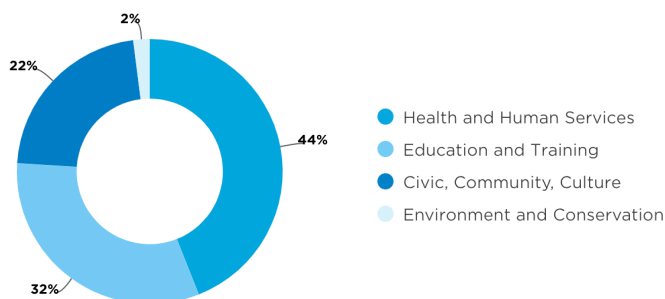
A MISSION FOR GOOD

Marathon Oil's social investment strategy is aimed at enhancing quality of life in the communities where our employees live and work. We select nonprofit partners that offer research-based programs to build a competitive workforce, improve health and well-being, and protect the environment.

We use Charity Navigator and the nonprofit organization's financial information to benchmark their administrative costs, fundraising efficiency and other aspects of management effectiveness. Whenever possible, we bring our community partners together to amplify our programs and extend their benefits to a broader range of people in our communities. In 2018, we continued to invest in creating a path for children to stay in school, preventing heart disease and stroke (two of the top five killers of Americans), and strengthening and beautifying communities where we operate.

SOCIAL INVESTMENTS BY GIVING AREA^a

Total Social Investments: \$19.3 million



(a) Total Philanthropic Giving: \$3 million in corporate giving and \$.2 million in employee giving; Total Sustainable Investments: \$16.1 million.



Fighting Hunger

Our employees turn out to volunteer in food banks

Improving Educational Outcomes for Children

To build the workforce that Marathon Oil and our industry need, as well as to help meet U.N. Sustainable Development Goal (SDG) 4 of quality education for all children, we seek out innovative programs to improve educational outcomes for children in kindergarten through eighth grade. Our investments in education focus on boosting literacy and math competency, and stimulating interest in science, technology, engineering and math (STEM) careers. Programs we support are

expected to measurably increase the number of students who finish high school and continue their education in two- or four-year colleges. Ultimately, we hope these children work for Marathon Oil in the future.

Combating Houston's Literacy Crisis

Literacy has the power to improve lives by breaking the cycle of family poverty and enabling a person to reach his or her full potential. Yet, more than half of children and adolescents worldwide don't meet minimum proficiency standards in reading and math.¹ In the Houston area, only 21% of third graders have mastered reading standards and 29% failed to meet minimum reading expectations.²

Marathon Oil has partnered with the Barbara Bush Houston Literacy Foundation and its related programs for more than a decade to combat Houston's literacy crisis. Funding and volunteers from Marathon Oil directly address strategies shown to enhance literacy, such as increasing the number of books in a home, reading to children and focusing on economically disadvantaged children who are most likely to read below standard. In 2018, more than 60 employees volunteered at foundation-supported programs such as My Home Library and the free summer literacy Camp Adventure! Employees teamed up with the Children's Museum, the Houston Food Bank, Houston Symphony, Theater Under the Stars (TUTS) and the Houston Independent School District to help approximately 400 children strengthen their reading, STEM knowledge and literacy skills through music and theater integration. In all, our volunteers' involvement in the Barbara Bush Houston Literacy Foundation impacted a total of 25,500 children city-wide in 2018.

Approximately 50 employees taught Junior Achievement (JA) courses in financial literacy to Browning Elementary School students in 2018. For more than 18 years, our JA volunteers have helped the Browning students learn entrepreneurship skills and increase their work readiness, with JA participants demonstrating a significant understanding of economics and business concepts.

Keeping Kids in School

Every 26 seconds, a student drops out of high school. Studies show that high school dropouts in Texas are unemployed at a rate four times higher than high school graduates, and earn \$7,000 less per year than high school graduates, according to Communities in Schools (CIS). In addition, in the greater Houston area, 14% of young adults ages 16-24 are neither in school nor employed, which leads to significant lifetime economic loss. To help more Houston children stay in school, Marathon



¹Source: U.N. Sustainable Development Goals

²Barbara Bush Houston Literacy Foundation Imagine if.... Strategic Plan

Oil contributes to CIS and its on-campus integrated support for children in pre-k through community college.

CIS surrounds at-risk students on 160 Houston-area campuses with a community of support that empowers them to stay in school and achieve in life. Our donations help fund supportive guidance and counseling, academic support, health and human services, college and career readiness, parent and family engagement, and enrichment activities. The CIS Mental Health Initiative helped address growing needs in our partner schools by giving almost 7,000 students the support and tools they need to stay in school and succeed. In 2018, CIS served over 117,000 students and referred almost 199,000 students to community agencies. Of CIS case-managed students, 99% stayed in school and 96% in grades k-11 were promoted to the next grade.

Promoting STEM Education

Marathon Oil has made significant investments in STEM education, particularly in the South Texas counties where we have been operating since entering the Eagle Ford in 2011. We piloted the Reasoning Mind (now Imagine Learning) math education program in one elementary school in the Karnes City Independent School District (KCISD) in 2013. Based on math performance improvements among students learning with Imagine Learning curriculum, we have steadily expanded the program to three schools in KCISD, Kenedy ISD and Pawnee ISD. Approximately 2,200 students have participated in the program since its inception, and Imagine Learning reported an average 17.5% improvement in standardized test scores from year to year.

In the 2017-2018 academic year, 980 students participated in Imagine Learning programming. Based on state standardized test scores, all students continued to improve their overall math proficiency and teachers observed an increase in mathematical knowledge among their early learners with the addition of the Blueprint program for children in pre-k through first grade.

In addition, teachers who participate in the program receive ongoing support, training and professional development. Feedback from these teachers in the 2017-2018 academic year indicated that Imagine Learning programs were vital for helping their students learn foundational math skills and for overall growth in math, while engaging and helping kids enjoy learning math. Through Marathon Oil's support in the 2018-2019 academic year, we're making the program available to 1,200 students in the Karnes City, Kenedy and Pawnee ISDs.

To build on the success of the math program, we added Imagine Learning's Language & Literacy program for Pawnee Elementary School students. The supplemental program provides reading and literacy skills for students in pre-k-6. Every grade experienced an increase in the Lexile measure of a student reader's ability, with first grade realizing the biggest gain of 308, compared to an average increase of 50-100 at

IMAGINE LEARNING
POWERED A

+17%

IMPROVEMENT

*In standardized test scores
among participants from
year to year*

other Imagine Learning schools nationwide. District-wide, Pawnee saw a 4% increase in students moving up from below grade level in reading at the beginning of the school year to on grade level at mid-year.

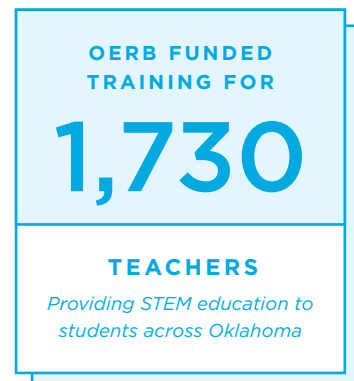
To further empower students in the Eagle Ford region, we supported the 2018 San Antonio Divisional STEM Competition organized by the Texas Alliance for Minorities in Engineering and participated in the San Antonio Hispanic Chamber of Commerce's CORE4 STEM Expo for education and career opportunities.

As a member of IPAA (Independent Petroleum Association of America), Marathon Oil is a founding sponsor of the IPAA/PESA Energy Education Center. Our involvement contributes to the center's education outreach, supporting the five high school Petroleum Academies in Houston and Fort Worth, Texas, and the Middle School STEM Career Exploration Program focused in the Permian Basin. The middle school program launched in August 2018 is the first of its kind, with both digital and classroom discussion components. Available in 16 middle schools, the program quickly engaged almost 1,000 students – well over the goal of 600-800 students. IPAA/PESA is continuing outreach to add schools in the New Mexico and Texas Permian Basin region.

Marathon Oil received the PESA Explorer's of Houston Award in 2018 for our support of field trips, incoming freshman summer camps, externships, co-op programs for high school students and scholarships. We continue to support the IPAA/PESA Energy Education Center to develop a well-educated workforce with STEM skills to keep innovating, advancing technology and solving problems.

Our Bakken asset supports STEM programs in five local high schools and is donating to construction of a new building on tribal lands for the Mandaree Head Start program that promotes school readiness for children under the age of 5 from low-income families.

In Oklahoma, our employees volunteered for the Oklahoma Works career expo for Oklahoma City Public Schools (OKCPS) and the Oklahoma Energy Resources Board (OERB) STEM night in Duncan. Marathon Oil is a long-standing supporter of the OERB, a state agency funded by oil and natural gas producers and royalty owners. Through a voluntary one-tenth of 1% assessment on the sale of oil and natural gas in the state, OERB funds STEM education curriculum and tools for Oklahoma students and professional development for teachers. In 2018, OERB provided \$2 million in STEM grants for materials and equipment to every public school in Oklahoma and training to 1,730 teachers, reaching the milestone of 16,000 teachers trained to date. OERB also supports the environmental clean-up of abandoned and orphaned well sites, including dedicating \$3.89 million to restore 600 well sites in 2018 and approximately \$117 million to restore over 16,550 since 1993. As part of our commitment to the OERB's mission, a Marathon Oil employee volunteered as a board member for the agency in 2018.



Fighting Hunger

Hunger is one of the biggest obstacles to staying in school. Children who receive proper nutrition can pay attention in class, process learned information and retain knowledge more easily than undernourished children. To fight hunger, Marathon Oil supports the Houston Food Bank, Regional Food Bank of Oklahoma, San Antonio Food Bank and Great Plains Food Bank in Dickinson, North Dakota. In 2018, we sponsored Backpack Buddy programs in Houston, Oklahoma City and Dickinson to give children at-risk of hunger outside of school reliable, nutritious foods on the weekend. Employees stuffed backpacks at volunteer days in Houston and Oklahoma City.

Through our donations and volunteer activities, Marathon Oil provided approximately 140,000 nutritious meals to hungry children, adults and seniors in Houston, Oklahoma and North Dakota.

IN 2018 MARATHON
OIL PROVIDED

140_k

NUTRITIOUS MEALS
TO THE HUNGRY

*in conjunction with nonprofit
partners*

DICKINSON FRIENDSHIP PARK

Marathon Oil engages with local organizations to address economic, environmental, safety and social issues. For example, our North Dakota Bakken asset supported construction of Dickinson's Friendship Park, a safe and accessible playground for people of all ages and abilities scheduled to open in 2019, and provided funding for playgrounds in Killdeer.

Right: A park rendering distributed by the Dickinson Area Community Foundation



SUPPLY CHAIN MANAGEMENT

IMPROVING LOCAL ECONOMIC DEVELOPMENT

Marathon Oil is committed to safety, environmental stewardship, ethical business conduct, sound labor practices and human rights, and we expect our contractors and suppliers to share our commitment.

The standards, policies and procedures for contractors and suppliers primarily serving field operations are found in the Third-party Services and health, environment and safety (HES)-related elements of our Responsible Operations Management System (ROMS). In addition, Marathon Oil's commercial agreements reinforce 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.

We assess and approve contractors and suppliers before they can begin work at a Marathon Oil location. The company develops customized plans for contractors and suppliers based on the spend level and/or their potential to impact the safety of other workers, the public, environment or our facilities. The plans reflect industry recognized practices such as those published by API and IOGP. Contractors who supply personnel for safety-sensitive work in the U.S. must register with ISNetwork, a global online source to manage, evaluate and qualify contractors based on Marathon Oil's criteria. They're also required to complete our HES orientation and training, and aren't allowed on our work sites if they fail to do so.

We seek out suppliers that represent our diverse communities, and offer competitively priced products and services. In areas like the New Mexico Permian Basin where demand for quality resources is high, Marathon Oil aligns with strategic suppliers to provide training, coaching, mentoring and additional frontline or HES oversight to raise the performance level of contractor personnel. To develop local capacity in the Bakken, Marathon Oil strives to award business to companies that comply with the Tribal Employment Rights Office (TERO) on the Fort Berthold Indian Reservation. We contract with TERO Tier One suppliers, which means that they're 100% owned by a certified member of the Three Affiliated Tribes, when they're available. We 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 2018, we had contracts in place with 33 TERO Tier One suppliers.

DIVE DEEPER	
Our Approach to Business Ethics	+
Safety and Workforce	+
Our Operations in Equatorial Guinea	+

To ensure that contractors are prepared to meet our HES expectations, our HES team conducts formal, structured safety leadership engagements with critical and new contractors and 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 doesn't improve.

We take these extra steps because we believe that building relationships, helping contractors improve their performance and maintaining a stable workforce is more sustainable than operating with high contractor turnover.

Marathon Oil performs three types of audits of supplier invoices to ensure compliance with our contracts and pricing agreements. In 2018, approximately 57% of our commercial spend was systematically verified through our detailed price book program. In addition, internal resources spot check random samples of invoices and conduct more targeted compliance audits if warranted. The final layer of compliance enforcement involves a third party to identify discrepancies and provide insight into areas where we can improve our contract language and incorporate best practices with supply chain staff.

Our Global Supply Chain organization is responsible for sourcing cost-competitive products and services. In 2018, it reduced costs by self-sourcing sand used in hydraulic fracturing and diesel fuel, and arranged for a new, cost-neutral sand delivery method. Global Supply Chain continually works with operations teams to identify similar areas of opportunity to reduce costs and gain efficiencies.

SECURITY AND HUMAN RIGHTS



SECURITY AND HUMAN RIGHTS

ASSESSING SECURITY AND SOCIAL RISKS

Marathon Oil respects the human, cultural and legal rights of individuals and communities, while focusing on responsible, safe, 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 discuss human rights in industry associations.

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.

Marathon Oil has well-established and effective security and human rights policies 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 2018. To bolster safety and security at Equatoguinean ports, we worked with the government of Equatorial Guinea and the U.S. 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.

DIVE DEEPER	
Our Operations in Equatorial Guinea	+
Our Approach to Corporate Governance	+



SECTION VII

METRICS

Above:
Team members monitor
performance at an Operations
Control Center
Bakken

METRICS

PERFORMANCE HIGHLIGHTS

Marathon Oil has demonstrated our commitment to sustainability across the enterprise.

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Metric	2018	2017	Change
Fatalities (Employee and Contractor Workforce)	0	0	n/a
Global Safety Performance - Total Recordable Incident Rate (TRIR)	0.53	0.64	-17.2%
Social Investments - Philanthropic and Sustainable (million dollars)	\$19.30	\$21.70	-11.1%
Global Greenhouse Gas Emissions (million tonnes CO ₂ e) ^a	5.36	4.06	32.0%
Global Greenhouse Gas Intensity (tonnes CO ₂ e on a weighted basis/production) ^a	25.35	22.06	14.9%
Methane Emissions (million tonnes CO ₂ e) ^a	0.57	0.62	-8.1%
Methane Intensity (tonnes CO ₂ e on a weighted basis/production) ^a	2.70	3.35	-19.4%
Energy Use (trillion BTU)	44.86	43.70	2.7%
Global Spill Events to the Environment ≥ 1 bbl - number ^b	47	35	34.3%
Global Spill Volumes to the Environment ≥ 1 bbl - barrels ^b	947	1,028	-7.9%
Employees - Minorities as a Percentage of Workforce (U.S.) ^{c,d}	33.3	30.1	10.6%
Employees - Females as a Percentage of Workforce (Global) ^c	28.1	26.1	7.7%

^aGreenhouse gas (GHG) carbon dioxide equivalent (CO₂e) emissions are based on carbon dioxide, methane and nitrous oxide from Marathon Oil-operated facilities only

^cWorkforce statistics reflect year-end data

^dAs defined by U.S. Equal Employment Opportunity Commission

^bData includes spills outside of secondary containment ≥ 1 barrel

FINANCIAL AND OPERATING HIGHLIGHTS

Dollars in Millions, Except Per Share Data

Metric	2018	2017
Total Revenues and Other Income	\$ 6,582	\$ 4,765
Income (Loss) from Operations	\$ 1,667	\$ (114)
Income Tax Expense (Benefit) on Continuing Operations	\$ 331	\$ 376
Income (Loss) from Continuing Operations	\$ 1,096	\$ (830)
Discontinued Operations	\$ -	\$ (4,893)
Net Income (Loss)	\$ 1,096	\$ (5,723)
Income (Loss) from Continuing Operations per share - Basic	\$ 1.30	\$ (0.97)
Discontinued Operations per share - Basic	\$ -	\$ (5.76)
Net Income (Loss) per share - Basic	\$ 1.30	\$ (6.73)
Dividends per share	\$ 0.20	\$ 0.20
Long-term Debt	\$ 5,499	\$ 5,494
Stockholders' Equity	\$ 12,128	\$ 11,708
Capital Expenditures ^{a,b}	\$ 2,685	\$ 2,150

FINANCIAL AND OPERATING HIGHLIGHTS: CONTINUED


FINANCIAL AND OPERATING HIGHLIGHTS^(CONT'D)

Metric	2018	2017
Average Daily Net Sales:		
United States Segment (mboed)	298	234
International Segment (mboed) ^c	122	145
LNG (mtd) ^d	5,805	6,423
Methanol (mtd) ^d	1,241	1,374
Condensate and LPG (boed) ^d	13,034	14,501
Net Proved Reserves: ^b		
Crude Oil and Condensate, Natural Gas Liquids and Natural Gas (mmboe)	1,281	1,449
Number of Employees ^e	2,400	2,300

^aCapital expenditures include accruals

^dReflects net share of equity method investee volumes

^bExcludes discontinued operations

^eReflects year-end data

^cIncludes natural gas acquired for injection and subsequent resale

METRICS

5-YEAR PERFORMANCE DATA

As a supplement to the metrics provided within each section, the following 5-year performance data provides a picture of how the business has performed over time.

GOVERNANCE

Metric	2018	2017	2016	2015	2014
Independent Board Members - percent	86	89	89	89	89
Political Contributions - thousand dollars ^a	289	65	194	165	321

PERFORMANCE DATA: CONTINUED



ENVIRONMENT

Metric	2018	2017	2016	2015	2014
GHG Emissions (Global) ^{b,c}					
Direct Emissions - million tonnes CO ₂ e	5.20	3.91	3.07	3.58	3.55
Indirect Emissions - million tonnes CO ₂ e	0.16	0.16	0.19	1.06	0.96
Total GHG Emissions - million tonnes CO ₂ e	5.36	4.06	3.26	4.65	4.52
Total Methane Emissions - million tonnes CO ₂ e	0.57	0.62	0.67	0.64	0.72
GHG Intensity - tonnes CO ₂ e on a weighted basis/ production (mboe)	25.35	22.06	18.11	24.52	24.47
Total Methane Intensity - tonnes CO ₂ e on a weighted basis/production (mboe)	2.70	3.35	3.71	3.36	3.89
Methane Emissions as a % of Natural Gas Produced	0.19	0.21	0.24	0.26	0.26
Energy Use - trillion BTU	44.86	43.74	49.44	—	—
Other Operational Air Emissions (Global)					
Sulfur Dioxide (SO _x) - tons	560.0	538.1	104.5	497.6	530.8
Nitrogen Oxides (NO _x) - tons	29,050	27,923	23,733	23,295	20,974
Volatile Organic Compounds (VOCs) - tons ^d	12,959	22,739	16,226	11,127	8,274
U.S. Onshore Water Usage - million barrels used	82	70	29	40	—
Global Spill Events to the Environment ≥ 1 bbl - number ^e	47	35	29	47	56
Global Spill Volumes to the Environment ≥ 1 bbl - barrels ^e	974	1,028	1,580	3,605	1,153
Total Offsite Waste Disposal (thousand tons)	73	26	16	—	—
Orphan Site Remediation and Reclamation - million dollars	1.8	0.9	1.0	4.1	1.3

SAFETY AND WORKFORCE

Metric	2018	2017	2016	2015	2014
Safety - Global (combined employee and contractor)					
Fatalities - number	0	0	0	0	0
Total Recordable Incident Rate (TRIR) - incidents/200,000 work hours	0.53	0.64	0.35	0.39	0.75
Process Safety Management					
Tier 1 Process Safety Events - number	2	0	0	1	0
Tier 2 Process Safety Events - number	0	0	0	3	4
Tier 3 Process Safety Events - number	22	31	22	18	86
Employees (Global) - number ^f	2,437	2,345	2,302	2,642	3,356
Turnover - percent ^{f,g}	11.7	13.2	14.5	19.8	18.3
Minority Employees (U.S.) - percent ^{fh}	33.3	30.1	24.5	24.4	23.2
Minority Professionals (U.S.) - percent ^{fh}	31.6	28.8	24.6	24.2	22.3
Minority Supervisors/Managers (U.S.) - percent ^{fh}	20.4	16.1	13.2	13.9	12.2
Female Employees (Global) - percent ^f	28.1	26.1	25.4	26.0	28.1
Female Professionals (Global) - percent ^f	30.7	28.7	23.1	28.2	28.4
Female Supervisors/Managers (Global) - percent ^f	22.4	21.1	19.4	21.2	20.7
Percent of Workforce Represented by Unions (Global) - percent ^f	0.0	0.0	0.0	0.0	0.0

SOCIETY

Metric	2018	2017	2016	2015	2014
Social Investments (Global) - million dollars	19.3	21.7	20.5	24.2	29.3

These tables contain data relevant to Marathon Oil's governance, society, environmental, safety 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.

^aIncludes political action committee and corporate contributions

^bGreenhouse gas (GHG) carbon dioxide equivalent (CO₂e) emissions are based on carbon dioxide, methane and nitrous oxide from Marathon Oil-operated facilities only

^c2017 air emissions have been updated based on a review and resubmittal of emissions data to the EPA

^dIncrease in VOCs is primarily due to accounting changes in the Resource Plays

^eData includes spills outside of secondary containment ≥ 1 barrel

^fWorkforce statistics reflect year-end data

^gData does not include total retirement rates of 2.4%, 4.2%, 5.1%, 11.1% and 5.2% for 2018, 2017, 2016, 2015 and 2014, respectively

^hAs defined by U.S. Equal Employment Opportunity Commission



SECTION VIII

INDEX

Above:
A technician navigates a
storage facility in the Permian

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) Standard*.¹ The index below lists indicators on which we have fully or partially reported.

OVERVIEW

Section	IPIECA/API/IOGP INDICATORS	GRI CONTENT INDEX
About this Report	—	102-1; 102-32; 102-46; 102-52; 102-53
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¹Important Note: This index does not imply that the Marathon Oil Report is in accordance with the GRI Standard

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ENVIRONMENT

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SAFETY AND WORKFORCE

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Forward-looking Statement

This report contains forward-looking statements. These are statements, other than statements of historical fact, that give current expectations or forecasts of future events, including, without limitation: the company's future performance, business strategy, air emissions mitigation strategies, asset quality, drilling plans, production, oil growth, cost and expense estimates, leasing and exploration activities, future financial position, tax rates and other plans and objectives for future operations. Words such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "future," "guidance," "intend," "may," "outlook," "plan," "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 our assumptions concerning future events are reasonable, a number of factors could cause actual results to differ materially from those projected, including, without limitation: conditions in the oil and gas industry, including supply/demand levels and the resulting impact on price; changes in expected reserve or production levels; changes in political or economic conditions in the jurisdictions in which the company operates, including changes in foreign currency exchange rates, interest rates, inflation rates, and global and domestic market conditions; capital available for exploration and development; risks related to our hedging activities; well production timing; drilling and operating risks; 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 obligations; unforeseen hazards such as weather conditions; acts of war or terrorism, and the governmental or military response to them; cyberattacks; changes in safety, health, environmental, tax and other regulations; other geological, operating and economic considerations; and the risk factors, forward-looking statements, and challenges and uncertainties described in the company's 2018 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other public filings and press releases, available at www.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.



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