



GOING
FURTHER.
DOING MORE.

Living Our Values

2015 Corporate Sustainability Report

Marathon Oil Corporation's 2015 *Living Our Values Corporate Sustainability Report* illustrates our efforts to advance our [nonfinancial performance](#) and to promote economic, social and environmental sustainability where we live and work. We provide examples of how we are “[living our values](#)” – to be healthy and safe, environmental stewards, open and honest, community partners and results focused – through our business activities.

Unless otherwise stated, all information and performance data relate to exploration and production operations. In some cases, we include information on our non-operated assets, such as Equatorial Guinea LNG Holdings Limited (EG LNG) that is material to our corporate sustainability performance.

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

This report was reviewed by Marathon Oil subject matter experts, legal and accounting staff, executives and the Board of Directors. It was not evaluated by any third party or external assurance agency, except for the financial and operational highlights excerpted from the [2015 Form 10-K Annual Report](#).

Materiality Determination

Report materiality was based on a review of risks identified during the [Enterprise Risk Management](#) process and on engagements with Marathon Oil managers and subject matter experts; socially responsible investors (SRIs) and other investors; business partners; industry associations; nongovernmental organizations; and nonprofit and community partners. Investment reports and media coverage also informed the materiality determination. In addition, we reviewed peer company reports to benchmark our reporting practices. These internal and external perspectives help us identify, understand and consider the risks and opportunities associated with new and emerging issues, regulations, standards and leadership practices.

INQUIRIES OR COMMENTS

Marathon Oil Corporation
The Office of Corporate Communications
5555 San Felipe Street
Houston, TX 77056-2723 USA
Telephone: +1 713-296-3911 
Email: CSRReport@marathonoil.com
www.marathonoil.com

Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These are statements, other than statements of historical fact, that give current expectations or forecasts of future events, including, without limitation: Marathon Oil's operational and financial goals and strategies, including planned expenditures, drilling plans and projects, capital discipline, continuous improvement, reducing operational risk, workforce reductions, non-core asset sales, and emissions mitigation; our ability to successfully effect those strategies and the expected timing and results thereof; Marathon Oil's financial and operational outlook, and ability to fulfill that outlook; expectations regarding future economic and market conditions and their impact on Marathon Oil; our ability to accelerate production when commodity prices rebound; our ability to expand our operations to create

value for shareholders; and our international projects and the expected timing and results thereof. While we believe the assumptions concerning future events are reasonable, a number of factors could cause results to differ materially from those projected, including, but not limited to: conditions in the oil and gas industry, including supply/demand levels and the resulting impact on price; changes in political or economic conditions in the jurisdictions in which we operate; capital available for exploration and development; well production timing; availability of drilling rigs, materials and labor; difficulty 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 thereto; cyber-attacks; changes in safety, health, environmental and other regulations; other geological, operating and economic considerations; and the risk factors, forward-looking statements and challenges and uncertainties described in Marathon Oil's [Annual Report on Form 10-K](#) for the year ended December 31, 2015, Quarterly Reports on Form 10-Q and other public filings and press releases, available at www.MarathonOil.com. We undertake no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

©2016 Marathon Oil Company

MARATHON OIL AT A GLANCE



Marathon Oil Corporation (NYSE: MRO) is an independent global energy company. Based in Houston, Texas, the Company operates in North America, Europe and Africa. Each of the Company's three reportable operating segments is organized based upon both geographic location and the nature of the products and services it offers. The three segments are:

- **North America Exploration and Production (E&P)** – explores for, produces and markets crude oil and condensate, natural gas liquids (NGLs) and natural gas in North America.
- **International E&P** – explores for, produces and markets crude oil and condensate, NGLs and natural gas outside of North America and produces and markets products manufactured from natural gas, such as liquefied natural gas (LNG) and methanol in Equatorial Guinea.
- **Oil Sands Mining** – mines, extracts and transports bitumen from oil sands deposits in Alberta, Canada, and upgrades the bitumen to produce and market synthetic crude oil and vacuum gas oil.

TO OUR STAKEHOLDERS



Marathon Oil Corporation's goal is to be recognized as a premier independent exploration and production (E&P) company, a goal that requires the Company to be a sustainable investment, employer, business partner and corporate citizen. Our business strategy drives what we do to achieve long-term viability, while our core values and corporate sustainability commitments guide how we develop oil and gas in a responsible, ethical and safe manner.

Marathon Oil believes that a company must address its nonfinancial risks and responsibilities to achieve business sustainability. Our 2015 *Living Our Values Corporate Sustainability Report* describes the Company's headway in addressing critical risks in our operations, the communities where we work and our industry, and demonstrates our accountability to stakeholders for our nonfinancial performance. We work with our employees, business partners, communities, regulators, investors and other stakeholders to earn and keep our license to operate.

Our strategy is to be the lowest-cost, highest-margin North American focused independent E&P company. The [low commodity price environment in 2015](#) prompted Marathon Oil to assess every aspect of our business and maintain the programs that further this strategy and deliver results. This led to difficult but necessary decisions, including cutting our capital spending in half, reducing drilling activity, selling non-core assets and reducing our workforce 20 percent compared to 2014.

Living Our Values

Yet, Marathon Oil remained committed to [Living Our Values](#) to be healthy and safe, environmental stewards, open and honest, community partners and results focused. We set a [new safety record](#) for the Total Recordable Incident Rate for employees and contractors combined, even accounting for the lower level of field activity. Third-party contractors remained a large part of our field workforce, and improved safety performance was partly the result of steps we took to further strengthen our contractor management activities.

As environmental stewards who believe compliance is non-negotiable, we broadened the use of technology to improve our ability to comply with the growing number of federal and state environmental regulations. Recognizing that [climate change, global greenhouse gas \(GHG\) emissions and local air emissions are key stakeholder concerns](#), we continued a number of programs to lower methane intensity as a means of reducing GHGs in our operations. In the interest of transparency, this report includes enhanced emissions management disclosures regarding climate change, as well as environmental performance data and management practices.

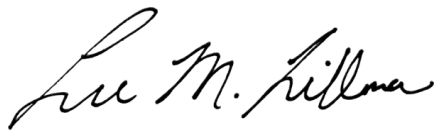
A key accomplishment in 2015 was executive approval of our [Responsible Operations Management System \(ROMS\)](#) to drive continuous improvement and reduce operational risk across the enterprise. ROMS supports our commitment to high standards of health, environmental, safety and security (HES&S) performance. To assure ROMS' effectiveness, each element has an executive owner accountable for setting priorities and reporting progress. ROMS is complemented by Corporate Sustainability Guidelines we developed in 2015 to assist in managing our commitments to economic, environmental, safety and social sustainability in our communities.

As part of our 2015 business assessment, Marathon Oil reviewed our [social investments and philanthropic spending](#) with community partners. As a result, we are supporting select education and public health initiatives most likely to deliver positive outcomes in our communities. We believe investing to develop educated, healthy communities will build a sustainable workforce for the future.

As we move toward sustainability, Marathon Oil can look to our successful [Alba B3 compression project](#) offshore Equatorial Guinea as a model. The project has been executed safely and remains on budget and on schedule, with hook-up and commissioning nearly complete. Start-up is expected in mid-2016. The project supports economic sustainability by extending the life of our Alba field beyond 2030 to provide stable production and cash flow. This in turn allows Marathon Oil to continue [contributing to social programs](#) that build national capacity and improve wellbeing in Equatorial Guinea.

Our clear emphasis is on creating a business that is sustainable for the benefit of our key stakeholders. Guided by our values, Marathon Oil took the necessary steps in 2015 to manage through a challenging period, and we are now laying the groundwork to accelerate production when the price of oil rebounds. We remain committed to operating safely and cost-effectively, complying with regulations, protecting the environment, investing in our employees, creating value for shareholders and positively impacting our communities. Thank you for taking the time to learn about our approach to managing risk, addressing stakeholder concerns and overcoming challenges as we build our business for the long term.

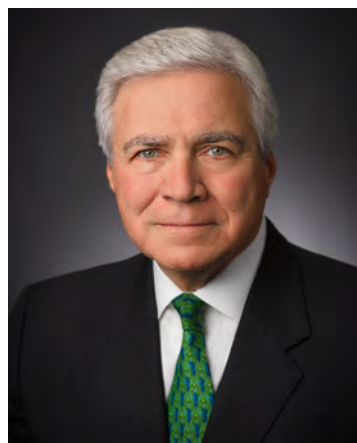
Sincerely,

A handwritten signature in black ink, reading "Lee M. Tillman". The signature is fluid and cursive, with the first name "Lee" being the most prominent.

Lee M. Tillman
President and Chief Executive Officer

©2016 Marathon Oil Company

A MESSAGE FROM OUR BOARD



Amid this year's energy industry pressures, Marathon Oil Corporation's board and management have not been distracted from the Company's longstanding central tenet, "Living Our Values."

We trust these principles, outlined in this online report and the companion brochure, are not merely an advocacy platform for Marathon Oil's license to operate. The objectives, standards of accountability and concrete actions embody the manner in which our people around the world undertake their daily responsibilities.

Admittedly, Marathon Oil's management is challenged by the prolonged market downturn and ever-increasing demands of exploration and production operations. Yet every Marathon Oil employee continues to seek not only improved financial and nonfinancial results and to control risks, but also to demonstrate their fundamental commitment to sustainability.

We believe that this underlying motivation will yield significant benefits to our stakeholders and fellow workers, the industry more broadly and the communities where we operate.

Wherever one stands in the debate on global climate change, there is broad and reasoned consensus on the value of sustainability. And that is reflected in the continued increase in our transparency on environmental performance, detailing water and waste management, spills and releases and – particularly – air emissions.

In addition to improving processes to enhance sustainability, your Company's management – while preparing for the return to higher activity levels – is taking the current environment as an opportunity to strengthen compliance, workforce training and risk management.

This report – conforming with the common framework of the petroleum industry's corporate sustainability reporting – summarizes Marathon Oil's record and progress on these specific matters, as well as aspects of governance and our interactions with government authorities and the broader public. We invite your review of how Marathon Oil's board and management, in the interests of sustainability as well as financial results, are dealing with the environmental, social, political and workplace issues of our business, both recurring and new.

We acknowledge that our shareholders properly focus on how the Company is optimizing our economic value. Marathon Oil's board shares that objective. But we trust there is a common understanding of how stewardship, citizenship and sustainability are irrevocably intertwined with our financial performance.

We hope this report's specificity and commitments inform your evaluation of our achievements and further ambitions. Your comments on our progress and suggestions as to how these efforts may be further invigorated are most welcome.

A handwritten signature in blue ink that reads "Philip Lader". The signature is fluid and cursive.

Philip Lader
Chairman, HES&CR Committee
Marathon Oil Corporation Board of Directors

PERFORMANCE SUMMARY

Sustainability Performance Highlights			
Category	2015	2014	Change
Fatalities (Employee and Contractor Workforce)	0	0	N/A
Global Safety Performance - Total Recordable Incident Rate (TRIR)	0.39	0.75	-48.0%
Social Investments - Philanthropic and Sustainable (million dollars)	\$24.20	\$29.30	-17.4%
Global Greenhouse Gas Emissions (million tonnes CO ₂ e) ^{a, b, c, d}	4.64	4.29	8.2%
Global Greenhouse Gas Intensity (tonnes CO ₂ e on a weighted basis/production) ^{a, b, c}	24.47	23.25	5.2%
Methane Emissions (million tonnes CO ₂ e) ^{a, b, c}	0.64	0.57	12.3%
Methane Intensity (tonnes CO ₂ e on a weighted basis/production) ^{a, b, c}	3.36	3.10	8.4%
Energy Use (trillion BTU) ^a	56.10	56.20	-0.2%
Global Spill Events to the Environment ≥ 1 bbl - number ^{a, e}	47	54	-13.0%
Global Spill Volumes to the Environment ≥ 1 bbl - barrels ^{a, e}	3,605	1,151	213.2%
Employees - Minorities as a Percentage of Workforce (U.S.) ^{f, g}	23.80	23.10	3.0%
Employees - Females as a Percentage of Workforce (Global) ^f	25.20	27.40	-8.0%

^a Excludes East Texas/North Louisiana (discontinued assets).

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

^c Discontinued assets (Norway, and Green River and Powder River Basins in Wyoming) were removed from previous years' data for comparing year-on-year performance.

^d Gross production of all hydrocarbons increased by 5 percent in 2014.

^e Data includes spills outside of secondary containment greater than or equal to 1 barrel.

^f Workforce statistics reflect year-end data.

^g As defined by U.S. Equal Employment Opportunity Commission.

Financial and Operating Highlights (dollars in millions, except per share data) ^a		
Category	2015	2014
Total Revenues and Other Income	\$ 5,861	\$ 11,258
Income (Loss) from Operations	\$ (2,691)	\$ 1,599
Income Tax Expense (Benefit) on Continuing Operations	\$ (754)	\$ 392
Income (Loss) from Continuing Operations	\$ (2,204)	\$ 969
Discontinued Operations	\$ -	\$ 2,077
Net Income (Loss)	\$ (2,204)	\$ 3,046
Income (Loss) from Continuing Operations - Basic	\$ (3.26)	\$ 1.42

Discontinued Operations - Basic	\$ -	\$ 3.06
Net Income (Loss) - Basic	\$ (3.26)	\$ 4.48
Income (Loss) from Continuing Operations - Diluted	\$ (3.26)	\$ 1.42
Discontinued Operations - Diluted	\$ -	\$ 3.04
Net Income (Loss) - Diluted	\$ (3.26)	\$ 4.46
Dividends	\$ 0.68	\$ 0.80
Long-term Debt ^b	\$ 7,276	\$ 5,295
Stockholders' Equity ^b	\$ 18,553	\$ 21,020
Capital Expenditures ^{c, d}	\$ 2,936	\$ 5,495
Average Daily Net Sales:		
North America Exploration and Production Segment (mboed)	269	238
International Exploration and Production Segment (mboed) ^{d, e}	116	127
LNG (mtd) ^f	5,884	6,535
Methanol (mtd) ^f	937	1,092
Condensate and LPG (boed) ^f	13,041	12,208
Oil Sands Mining Segment Synthetic Crude Oil (mbbld) ^g	53	50
Net Proved Reserves: ^b		
Crude Oil and Condensate, Natural Gas Liquids, Natural Gas and Synthetic Crude Oil (mmboe)	2,163	2,198
Number of Employees ^b	2,610	3,330

a Marathon Oil sold our Angola assets and our Norway business and they are reflected as discontinued operations in 2014.

b Reflects year-end data.

c Capital expenditures includes accruals.

d Excludes discontinued operations.

e Includes natural gas acquired for injection and subsequent resale of 8 and 6 mmcf in the years ended December 31, 2015 and 2014, respectively.

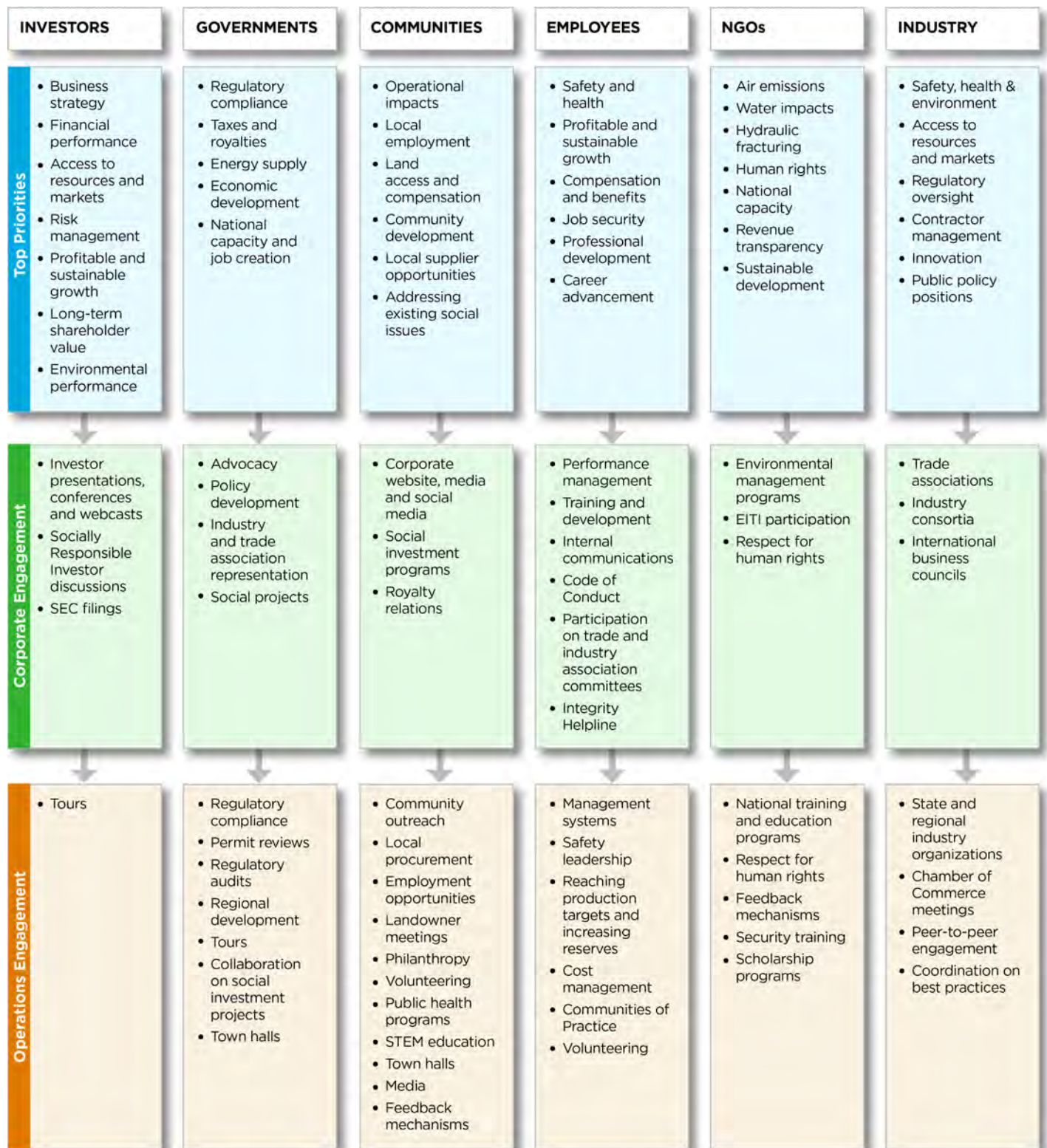
f Reflects net share of equity method investee volumes.

g Includes blendstocks.

©2016 Marathon Oil Company

STAKEHOLDER ENGAGEMENT MAP

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



MANAGEMENT SYSTEMS

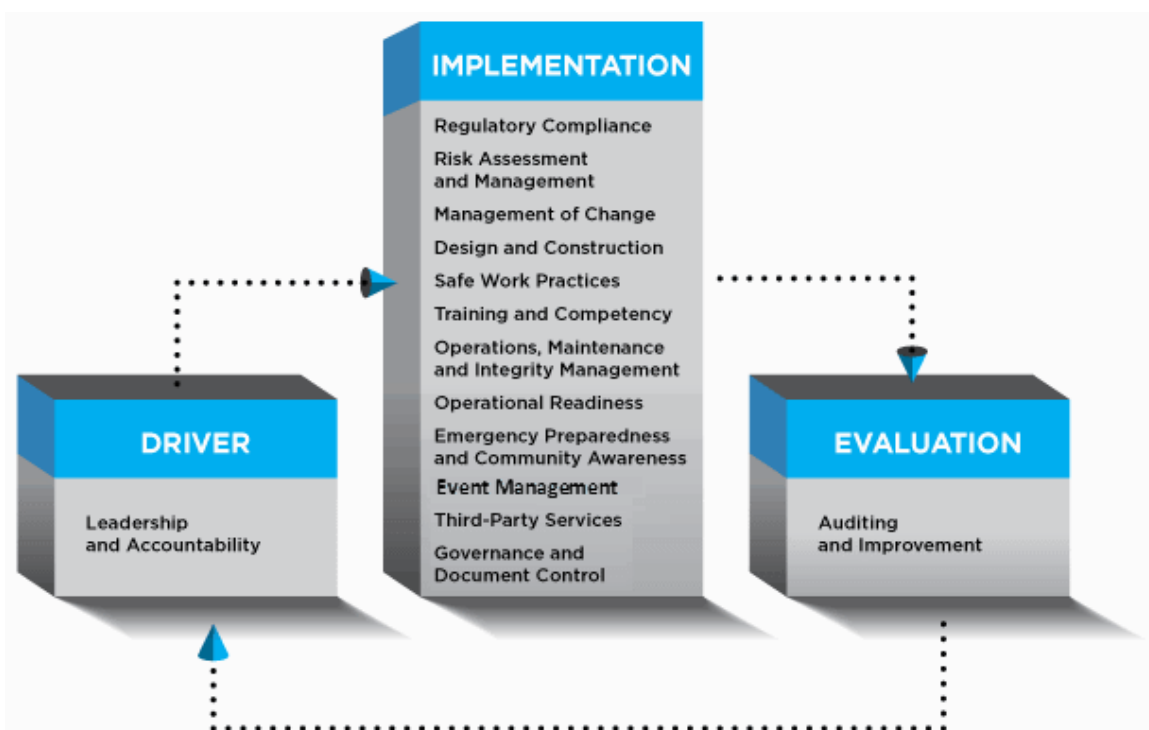
Marathon Oil identifies and monitors our most significant risks and mitigation activities using the recently enhanced Enterprise Risk Management process, with input from executive management, business units and internal audit.

Internal champions, together with the business units, participate in the assessment process that considers current and potential future risks and creates detailed assessments at all levels. Business units are responsible for managing identified risks day-to-day.

Marathon Oil informs our Board of Directors and executive management on our risks and reports the most significant risks in our [2015 Annual Report on Form 10-K](#). In 2015, these risks included, but were not limited to, global oil and natural gas prices, supply and demand; operational costs; OPEC production controls; the level of operational activity in response to market conditions; political instability in producing regions; changes in weather patterns and climate; natural disasters; and governmental regulations and taxes.

RESPONSIBLE OPERATIONS MANAGEMENT SYSTEM (ROMS)

Our [Responsible Operations Management System \(ROMS\)](#) is the framework to drive continuous improvement and reduce operational risk across the enterprise. The goals of ROMS, which replaces our previous management system, are to promote safety and environmental protection and to ensure reliable operations and asset integrity. There are 14 elements with expectations to assist our business units in identifying, addressing and managing their operational risk. The system is scalable to individual business units' size and type of operations.



ROMS supports our commitment to high standards of health, environmental, safety and security (HES&S) performance, while HES&S standards clarify our expectations for organizational performance to drive consistency. Our Corporate Sustainability Guidelines complement ROMS by outlining how we demonstrate our commitment to economic, environmental, safety and social sustainability in the communities where we operate.

By standardizing and simplifying all Marathon Oil standards and tools, ROMS reduces redundancy and highlights opportunities for continuous improvement. Greater consistency will accelerate employee onboarding and transitions among assets, and improve effectiveness and knowledge transfer. ROMS also allows us to quickly identify trends and make decisions based on improved information tracking and sharing.

To develop ROMS, a steering team of executives, senior leaders and subject matter experts reviewed our existing management systems, peer and industry management systems, and industry standards such as ISO 14001 and the American Chemistry Council's Responsible Care performance system.

Subject matter experts performed a gap analysis for each element and identified opportunities for improvement, including:

- Enhancing the Management of Change (MOC) standard process to meet ROMS expectations.
- Improving the risk assessment process by setting minimum expectations, as well as creating a single risk assessment timeline and consequence matrix that applies to all business units and the Enterprise Risk Management process.
- Creating a training standard that sets minimum expectations for operations-related training and competency activities to ensure consistency across the Company.

To assure accountability for ROMS' effectiveness, each element has an executive owner responsible for setting priorities and expectations, and tracking and reporting progress to the executive steering team. In addition, technical advisors work with subject matter experts and other resources on implementation, evaluation, prioritization, resource needs and progress. The business units have a similar structure to further drive accountability. Our business units are expected to complete a gap analysis for each element in 2016 and fully implement ROMS in 2017.

ROMS Element Owners		
ROMS ELEMENT	EXECUTIVE OWNER	TECHNICAL ADVISOR
Leadership and Accountability	CEO	Technology and Innovation VP
Regulatory Compliance	Technology and Innovation VP	Environmental Manager
Risk Assessment and Management	Conventional VP	Conventional HES Manager
Management of Change	Conventional VP	Conventional HES Manager
Design and Construction	Resource Plays VP	Technology Application VP
Safe Work Practices	Conventional VP	Health and Safety Manager
Training and Competency	Technology and Innovation VP	Resource Plays HES Manager
Operations, Maintenance and Integrity Management	Resource Plays VP	Reliability and Process Safety Manager
Operational Readiness	Resource Plays VP	Production Operations Director
Emergency Preparedness and Community Awareness	HES&S and Reliability Director	Security and Emergency Preparedness Manager
Event Management	Technology and Innovation VP	Technical Delivery VP
Third-Party Services	Global Supply Chain Director	Resource Plays HES Manager
Governance and Document Control	Technology and Innovation VP	Worldwide Offshore Drilling and Completions Director
Audit and Improvement	HES&S and Reliability Director	Health and Safety Manager

HES&S STANDARDS, PRACTICES AND AUDITS

Our HES&S standards set expectations and requirements for performance to drive consistency throughout Marathon Oil. These standards are reviewed regularly and updated to reflect changes in laws or regulations, incorporate recommendations arising from audits and incident investigations, and continuously improve performance.

Our HES&S programs make personnel aware of these requirements and their role in meeting the expectations of these standards. The Company's tiered HES&S audit program promotes adherence to these standards and compliance with regulations. Business units develop plans and corrective actions to address audit findings and we have processes to ensure corrective actions are completed. HES&S leadership and executive management are informed of key audit findings and trends so they can prioritize solutions for identified gaps or issues.

CORPORATE COMMITMENTS

Corporate-level commitments covering governance, society, the environment, safety and our workforce guide our sustainability activities. Marathon Oil's operations are responsible for working with key stakeholders to identify and implement programs to fulfill these commitments at the local level and to drive continuous improvement. Highlights of our 2015 commitments and progress and 2016 focus areas are summarized below.



Commitments	2015 Progress	2016 Focus
Participate in the public policy process and maintain employee awareness on issues relevant to our Company and industry.	<ul style="list-style-type: none">• Promoted responsible, state-based regulation of hydraulic fracturing and seismicity; safe and reliable infrastructure; tax structures that encourage investment; regulations that promote clean air and water while enabling energy development; and reliable permitting processes.• Collaborated with industry and successfully secured U.S. oil producers' ability to export crude oil globally.• Conducted oil and gas education sessions and tours for legislators and regulators.	<ul style="list-style-type: none">• Promote responsible, state-based regulation.• Host education sessions and tours for legislators and regulators.
Conduct our business with high standards for responsible operations, business ethics and integrity, corporate governance and transparency.	<ul style="list-style-type: none">• Approved our new Responsible Operations Management System (ROMS).• Conducted mandatory anti-corruption compliance training for all designated employees.• Continued our commitments to transparency (USEITI, UKEITI, Canada, Equatorial Guinea and Kurdistan Region of Iraq).• Conducted emergency response drills in all operated business units and corporate-level spill response exercise in Bakken asset.	<ul style="list-style-type: none">• Business units are expected to complete a gap analysis for each ROMS element.• Register with Canadian government to comply with its Extractive Sector Transparency Measures, and disclose payments under UK EITI if required.• Increase asset-level capabilities to identify, plan and manage security and operational risks.



Commitments	2015 Progress	2016 Focus
Work with stakeholders to understand how our operations impact local communities.	<ul style="list-style-type: none">Developed Corporate Sustainability Guidelines to support economic, environmental, safety and social sustainability in communities where we operate.Developed stakeholder engagement tool kit to help assets identify and engage stakeholders and plan engagements.Increased spending \$4 million year over year with Tribal Employment Rights Office (TERO) Tier One suppliers in North Dakota and put contracts in place with 35 new Tier One suppliers.Developed local content and built national capacity in Equatorial Guinea as part of Alba B3 project.Addressed a major community concern by reducing heavy truck traffic from our Eagle Ford operations, primarily by transporting more crude oil and produced water by pipeline.	<ul style="list-style-type: none">Continue hiring and coaching TERO Tier One suppliers to build capacity and contribute to supplier sustainability.Prepare for oil price and drilling activity upturn by focusing Supply Chain on verifying supplier financial viability, partnering with vendors who can help us compete, optimizing cost, improving efficiency and providing transparency to run our business more effectively.
Partner with community organizations to develop and support projects that address existing social issues related to education, health and the environment.	<ul style="list-style-type: none">Implemented Bioko Island Malaria Control Program interventions to maintain low, pre-elimination malaria transmission rates, and supported first clinical trial of candidate malaria vaccine.Continued support for the National University of Equatorial Guinea's (UNGE) English as a Second Language Program training program.Sponsored national nurse midwife training program in Equatorial Guinea through the auspices of Equatoguinean Ministry of Health and Social Welfare, and UNGE.	<ul style="list-style-type: none">Continue distributing bed nets to targeted families and free malaria combination drug therapy through government health facilities, as well as run second trial to test PfSPZ© vaccine protectiveness in children and adults.Hand over functioning English Language Program to the UNGE in Equatorial Guinea.Maintain and promote

- Continued [supporting education](#) from kindergarten through college, including science, technology, engineering and math (STEM) focused curriculum enhancements, college scholarships and asset-level volunteer programs.
- Promoted community wellbeing through ongoing [partnership with American Heart Association](#), including providing state-mandated CPR training for high schools students near our Eagle Ford assets.
- Provided approximately 170 scholarships to develop a future workforce for the oil and gas industry, including multi-year [Marathon Oil Diversity Scholarships](#).
- [midwife training program in Equatorial Guinea](#).
- Expand [Reasoning Mind math education program](#) in Karnes County Independent School District in South Texas Eagle Ford elementary schools to build on improved math skills and teacher satisfaction.
- Expand [American Heart Association CPR kits](#) to Oklahoma students who need CPR training to graduate from high school.

Manage security activities in a responsible and ethical manner in accordance with the best practices associated with the Voluntary Principles on Security and Human Rights.

- Continued efforts to create one [comprehensive environmental, social and health impact assessment \(ESHIA\)](#) for planning oil and gas activities.
- Revamped [security training](#), and provided scenario-based training and new vetting program for all guard force personnel worldwide.
- Continue to [respect human rights](#) and actively engage in industry discussions around security and human rights.



Commitments	2015 Progress	2016 Focus
Reduce spills and releases, minimize wastes, and promote water management, conservation and biodiversity.	<ul style="list-style-type: none">• Increased emissions management disclosures in this report to include climate change information in continuing efforts to be responsive to stakeholders.• Proactively used infrared cameras to identify solutions to reduce air emissions.• Reduced water consumption in our U.S. onshore operations by 34 percent from 2014 due to lower drilling and completion activity. Approximately 72 percent of water used was nonfresh water.• Decreased by 13 percent the number of spill events to the environment greater than or equal to a barrel from 2014, while the total volume of spills increased 68 percent.	<ul style="list-style-type: none">• Implement strategy to reduce methane intensity 50 percent by 2020 in our Oklahoma operations, primarily by leak detection, flare monitoring and replacing high-bleed pneumatic controllers with low-bleed devices.



Commitments	2015 Progress	2016 Focus
Strive for an accident and injury free workplace, with safe and healthy work practices and conditions throughout our operations.	<ul style="list-style-type: none">Continued work to improve contractor HES performance, including implementing risk management plans for contractors with poor performance. Number of contractor recordable injuries declined by 15 percent from 2014.Reduced Company's Total Recordable Incident Rate (TRIR) by 48 percent and set new safety performance record with a TRIR of 0.39 for employees and contractors combined.Increased focus on hazard awareness and proper glove selection, which contributed to 66 percent decline in recordable hand injuries.Began addressing dropped objects incidents that accounted for one third of the Company's actual and potential serious events in 2014.Established and led industry work group to discuss potential health and safety hazards and best practices associated with tank gauging.Focused on our Serious Event Rate, a leading indicator that helps us prevent events that could impact people, the environment and the Company.Standardized root cause analysis (RCA) methodology companywide to improve the quality of incident investigations, and trained individuals to lead an investigation involving RCA.Implemented a plan for simultaneous operations in Eagle Ford to address an identified risk of conducting drilling and completions operations on producing well sites.	<ul style="list-style-type: none">Focus safety efforts on ROMS implementation, transitioning to electronic safe work permitting and conducting a comprehensive industrial hygiene assessment.Continue reducing number and severity of dropped objects incidents by providing additional tools.Complete major Alba B3 compression project offshore Equatorial Guinea with good overall safety performance.

- Started complying with [North Dakota state requirements to filter crude oil](#) for natural gas liquids to reduce volatility before it is transported by rail.
- Had zero recordable injuries in Oklahoma.
- Marathon E.G. Production Limited (MEGPL) had zero recordable injuries and lost-time events and set a new record in December for longest time to work without a recordable injury (4.8 million exposure hours) or lost-time event (6.9 million exposure hours).
- Equatorial Guinea LNG Holdings Limited (EG LNG) employees and contractors achieved 3 million exposure hours without a recordable injury.

Maintain an inclusive work environment where we attract, develop and retain employees who actively contribute to growing our business.

- [Improved training, competency development and workforce management programs](#) to ensure employees are properly trained and positioned to operate safely in a variety of economic conditions.
- Implemented web-based field [Qualifications Management System \(QMS\)](#).
- Hosted and led the [Hispanic Alliance for Career Advancement \(HACE\)](#) eight-week academy for emerging Hispanic women leaders.
- Determine critical capabilities required to run the core business in our U.S. unconventional resource plays to better predict needs, manage workforce effectively and operate safely in a dynamic pricing environment.

LIVING OUR VALUES FOR ETHICAL, RESPONSIBLE OPERATIONS

At Marathon Oil, we are [Open and Honest](#): We hold ourselves to a high standard of business ethics and integrity and communicate openly and transparently in our operations.



MANAGEMENT APPROACH

The Marathon Oil Board of Directors oversees Company management and risk management to ensure high levels of governance, society, workplace and environmental performance for the benefit of our shareholders. Our [Corporate Governance Principles](#) explain the composition and functions of the board such as director selection, evaluation and compensation.

We maintain an independent Board of Directors in accordance with applicable laws, regulations, New York Stock Exchange rules and our Corporate Governance Principles to ensure proper oversight. Marathon Oil shareholders elect directors annually, with a majority of votes cast required for election. In 2015, Gaurdie E. Banister, Jr., was elected to the board, eight of nine directors qualified as independent, and two women served as directors. Interested parties, including security holders, may [communicate with the board](#) through the Marathon Oil Secretary.

To maintain an independent and effective board, director candidates are screened and evaluated by the [Corporate Governance and Nominating Committee](#), with input from the chairman of the board and the chief executive officer. The committee considers a variety of professional, leadership and personal qualifications for potential board members.

Marathon Oil directors, executives and senior managers have a financial stake in the Company's performance through stock ownership. Executive compensation is designed to drive financial performance and operational results through competitive pay, pay for performance and creation of long-term shareholder value. The guidelines and practices for director and executive stock ownership and compensation are discussed in our [Corporate Governance Principles](#) and the [Marathon Oil Corporation Proxy Statement](#).

The board's Compensation Committee considered operational, financial, safety and environmental performance in determining executive compensation for 2015. Based on the target metrics and shareholder returns, the committee decided to keep 2015 base salary flat with 2014 for named executive officers, limited the 2015 annual cash bonus program and took other actions in the interest of good corporate governance and sound compensation practices.

As part of our commitment to good governance, Marathon Oil respects local laws and regulations wherever we operate. Our [Code of Business Conduct](#) explains our responsibility to governments and the law and provides guidance to employees, directors, contractors and others for complying with laws and regulations.

PROGRESS ON OUR COMMITMENTS

We are committed to participating in the public policy process and maintaining employee awareness on issues relevant to our company and industry. In 2015, we:

- Promoted responsible, state-based regulation of [hydraulic fracturing](#) and [seismicity](#); safe and reliable infrastructure; tax structures that encourage investment; regulations that promote clean air and [water](#) while enabling energy development; and reliable permitting processes.
- Collaborated with industry and successfully advocated for U.S. oil producers' ability to export crude oil globally.
- Conducted oil and gas education sessions and tours for legislators and regulators.

Our commitment is to conduct our business with high standards for responsible operations, business ethics and integrity, corporate governance and transparency. To promote awareness and maintain compliance with relevant laws, regulations and policies, Marathon Oil provides education, training and [resources](#). In 2015, we:

- Approved our new [Responsible Operations Management System \(ROMS\)](#).
- Implemented a new HES&S audit standard to drive consistency throughout the Company.
- Conducted annual, mandatory anti-corruption compliance training for all designated employees.
- Deployed a revised Annual Code of Business Conduct Questionnaire.
- Continued our [commitments to transparency](#) (USEITI, UAEITI, Canada, Equatorial Guinea and the Kurdistan Region of Iraq).
- Conducted [emergency response drills](#) in all of our operated business units and a corporate-level spill response exercise covering our Bakken asset.

BUSINESS ETHICS AND PREVENTING CORRUPTION

Marathon Oil believes integrity, ethical business practices, corruption prevention and transparency of payments are crucial to maintaining our license to operate, and our relationships with key stakeholders.

The Audit and Finance Committee of our Board of Directors oversees Marathon Oil's focus on business ethics and integrity. Internal resources and initiatives to promote and uphold our high standards of integrity and business ethics include:

- Business Integrity Office
- [Integrity Helpline](#)
- Policies and procedures related to ethical, legal and regulatory compliance
- Financial disclosures
- Enterprise Risk Assessment and risk management
- Training
- Annual Code of Business Conduct Questionnaire

Preventing Corruption

Marathon Oil complies with all applicable anti-corruption laws in the countries where we operate, including the U.S. Foreign Corrupt Practices Act (FCPA) and United Kingdom Bribery Act.

Our anti-corruption compliance program aligns with the U.S. Department of Justice's recommendations for an effective corporate compliance program. Designated employees take anti-corruption training, depending on their job responsibilities. We also have an annual anti-corruption compliance audit program for our operations outside the U.S. and outside-operated interests in countries not in the Organization for Economic Cooperation and Development (OECD).

Grievance System

Marathon Oil promotes an open and inclusive workplace to help avoid grievances. We reinforce a culture of treating others with dignity, fairness and respect and encourage employees to work with their supervisors and management to resolve any issues that arise. Employees can report issues confidentially through Human Resources, Audit, HES&S, Law and the Business Integrity Office.

Employees, contractors and members of the public can report concerns about our [Code of Business Conduct](#) to our [Integrity Helpline](#) at any time. Reporting of suspected unethical or illegal activities is anonymous and confidential, and Marathon Oil forbids retaliation against anyone who reports concerns in good faith.

Transparency of Payments

Marathon Oil supports transparent reporting of revenue flows from oil and gas production as a means to prevent bribery and corruption. We have participated in the [Extractive Industries Transparency Initiative \(EITI\)](#) since 2004 in various countries where we have operations to strengthen governance, foster stakeholder cooperation, aid development of civil society and manage risk. The Company also communicates our aggregated payments to governments.

Country	Status
Canada	The Extractive Sector Transparency Measures Act was brought into force on June 1, 2015. Marathon Oil will register with the government in June 2016 and will be required to report by May 2017 for the 2016 calendar year.
Equatorial Guinea	Marathon Oil continues to support the Government of Equatorial Guinea in its efforts to become an EITI Candidate. Marathon Oil is in the multi-stakeholder National Commission in Equatorial Guinea, which comprises representatives from civil society, companies and government. The Commission was formed to oversee EITI implementation.
Gabon	No longer recognized as an EITI implementing country, following delisting in February 2013.
Kurdistan Region of Iraq	Iraq is EITI compliant. In May 2013, it produced an update of its 2010 report, including a chapter on the Kurdistan Region of Iraq's oil and gas production from revenues from exports.
UK	<p>EITI candidate since October 2014. UK oil and gas operators are required to report under the UK EITI. The disclosure threshold is £86,000 (~USD\$125,000) at a group level for each payment type. For the reporting year 2014, submitted in July 2015, Marathon Oil provided data on corporation tax, petroleum revenue tax and petroleum licence fees. The first UK EITI report was published in April 2016.</p> <p>In addition, the EU Accounting Directive requires large listed or UK incorporated oil and gas producers to disclose payments made to the government. The first year of reporting will be for 2015, with an anticipated reporting deadline of November 2016. Marathon Oil UK expects these payments to be required to be consolidated in U.S. Dodd Frank reporting.</p>
US	<p>EITI candidate, but not yet meeting all requirements. The USEITI published its first report in December 2015, including payment data voluntarily reported by Marathon Oil and 30 other extractive industry companies.</p> <p>In December 2015, the U.S. Securities and Exchange Commission issued a proposed rule on disclosure of resource extraction payments by certain public companies, with close consideration of EITI guidance. The final SEC rule is pending.</p>

PUBLIC POLICY AND POLITICAL CONTRIBUTIONS

Marathon Oil's commitment is to participate in the public policy process on issues relevant to our Company and industry. These issues, such as regulations and tax structures that encourage investment, affect our license to operate, build a sustainable company and create shareholder value.

We seek to have a voice in regulatory and legislative decisions so that we can continue to comply with regulations while producing oil and gas cost effectively, offering competitive employment opportunities, protecting the environment and having a positive impact on the communities where we operate.

The Company believes that U.S. state governments are typically best positioned to regulate oil and gas operations. Some proposed federal regulations would slow economic development if enacted because they duplicate or conflict with state or other federal regulations. In 2015, we continued to share insights and concerns related to our U.S. unconventional resource plays with legislators and regulators at the federal, state and local levels.

Political Contributions and Lobbying Activities

Marathon Oil contributed a total of U.S. \$12,500 to candidates, political party organizations and political action committees (PACs), where allowed by law, in the U.S. and Canada in 2015. Contributions are made to candidates who support responsible energy development, are based solely on a candidate's position on business issues and are made without regard for the individual political preferences of Company executives.

Eligible employees may contribute to candidates for U.S. federal and state elected office through the Marathon Oil Company Employees Political Action Committee (MEPAC). MEPAC is registered with the U.S. Federal Election Commission (FEC) and complies with all FEC, state and local rules and reporting requirements. In 2015, MEPAC donated approximately \$83,500 to 55 candidates, political party organizations and PACs, and \$65,000 to the Marathon Oil Company Political Action Committee of Texas (MOCPAC-TX). Our donations to candidates and PACs at the state and local level in Texas are made through MOCPAC-TX. In 2015, MOCPAC-TX donated approximately \$4,500 to four candidates and PACs. MOCPAC-TX is registered with the Texas Ethics Commission and complies with all Texas rules and reporting requirements.

During 2015, we made payments to organizations and trade associations that engage in, among other things, lobbying activities. As part of our commitment to good governance and transparency, we voluntarily provide the 2015 [Report of Lobbying and Political Contributions](#), which discusses in greater detail these payments, along with our policies and procedures for lobbying and political activities. The report also discloses:

- Our corporate contributions made to all tax-exempt 527 organizations that exceed \$35,000.
- The lobbying portion of our payments and dues made to trade organizations that if made directly by Marathon Oil, would not be deductible under section 162(e) of the Internal Revenue Code and that exceed \$35,000. This is based on information provided to us by the trade associations of which Marathon Oil is a member.

EMERGENCY PREPAREDNESS AND RESPONSE CAPABILITIES

Marathon Oil conducts our business with high standards for responsible operations, which we believe demonstrates good governance.

As a responsible operator, we maintain comprehensive [emergency preparedness and response capabilities](#), including:

- Requirements in our Responsible Operations Management System (ROMS)
- Response teams at the local, regional and corporate levels, including the Corporate Emergency Response Team (CERT) that operates under the authority of the executive-level Crisis Management Team
- A network of response contractors and consultants
- Annual training, drills and exercises with government agencies and key stakeholders
- Participation in industry associations to share lessons learned and drive improvements
- A corporate Security and Emergency Preparedness Group with professionals dedicated full time to training, drills and participation in industry emergency response activities

Marathon Oil is increasing business unit ownership of security and emergency preparedness, while focusing the Corporate Security and Emergency Preparedness Group on enterprise-wide activities. This shift is part of a multi-year plan to maintain institutional and role-specific competency at the operating level and to build a corporate effort based on the management system to validate business unit response capabilities. Corporate Security subject matter experts will continue to fill incident command roles and coordinate with business unit leaders to maintain effective response capabilities.

SUSTAINABILITY OVERSIGHT

Marathon Oil believes that a company must address its responsibilities for governance, society, the environment and its workforce to achieve sustainable business success and create value.

We look beyond our office walls and operational facilities to understand how our decisions, actions and operations affect others, and how we can address stakeholders' critical needs.

Our Corporate Sustainability Guidelines outline how the Company will demonstrate our commitment to economic, environmental, safety and social sustainability in the communities where we operate. Together with our [Responsible Operations Management System \(ROMS\)](#) and other resources, these guidelines help employees manage our business and external stakeholder relationships responsibly.

Marathon Oil expects employees to incorporate sustainability processes and activities such as stakeholder engagement and capacity building when conducting our business. Sustainability commitments are set at the corporate level and asset managers determine when and how to apply the guidelines to help achieve asset operational goals and support sustainability locally.

Delivering on sustainability principles is a collaborative effort among internal stakeholders. The executive vice president, general counsel and secretary, and vice president of technology and innovation are responsible for implementing the guidelines, with oversight from the [Health, Environmental, Safety and Corporate Responsibility \(HES&CR\) Committee](#) of our Board of Directors.

The Marathon Oil executive committee, which comprises operating component and support function officers, is accountable to the board for activities related to sustainability.

LIVING OUR VALUES TOWARD SOCIETY

At Marathon Oil, we are community partners: We build stronger communities by developing relationships with our stakeholders and by investing our time, talent and resources.



MANAGEMENT APPROACH

To have a positive impact on communities where we work, Marathon Oil focuses on our core values, strives to earn and protect our license to operate, and drives business performance. The principles by which we demonstrate our commitment to economic, environmental, safety and social sustainability in these communities are outlined in our Corporate Sustainability Guidelines.

PROGRESS ON OUR COMMITMENTS

Our commitments are to work with stakeholders to understand how our operations impact local communities and to partner with community organizations to develop and support projects that address existing social issues related to education, health and the environment. In 2015, we:

- Developed Corporate Sustainability Guidelines to support economic, environmental, safety and social sustainability in communities where we operate.
- Developed a [stakeholder engagement tool kit](#) to help our assets identify and engage stakeholders and plan engagement events.
- Developed [local content and built national capacity in Equatorial Guinea](#) by contracting with an Equatoguinean firm that fabricated the bridge and flare structures for our Alba B3 project.
- Reduced the number of truckloads of crude oil by connecting 10 central facilities to pipelines in the Eagle Ford. The average daily volume of crude oil transported by truck dropped approximately 70 percent during the year as a result of increased pipeline transportation, as well as the overall drop in production due to lower activity.
- Installed approximately 156 miles of pipeline in the Bakken for the Hector Ajax Water Gathering System (HAWGS) along with commissioning 170 Water Allocation Skids (WAS), with five skids to be completed in 2016. Approximately 89 percent of the area's total produced water volume flowed through the pipeline daily at year-end 2015. Transporting this produced water by pipeline eliminated approximately 115 truckloads per day.

- [Continued supporting education from kindergarten through college](#), based on our Integrated Education Funding Model. Our primary efforts were science, technology, engineering and math (STEM) focused curriculum enhancements, college scholarships and asset-level volunteer programs.
- Implemented Bioko Island Malaria Control Project interventions that resulted in the second lowest malaria prevalence rate to date (15 percent of youth population), supported the first clinical trial of a candidate malaria vaccine and sponsored a national nurse midwife training program in Equatorial Guinea.
- Promoted employee and community wellbeing through our ongoing partnership with the American Heart Association, including providing state-mandated CPR training for high school students near our Eagle Ford assets.
- Integrated social and security considerations into the environmental, social and health impact assessment (ESHIA) process to create one comprehensive impact assessment for planning oil and gas activities.
- Revamped security training to incorporate ethical, legal and operational aspects, and provided scenario-based training for our contract and proprietary guard force personnel worldwide.
- Launched and provided training on a new vetting program for all proprietary and contract security personnel.

STAKEHOLDER ENGAGEMENT

We are committed to expanding our operations to create value for shareholders and further economic progress.



At the same time, we will conduct our business with a high regard for the health and safety of our neighbors, communities, employees, contractors and the environment. Marathon Oil believes [stakeholder engagement](#) strengthens our ability to manage [community impacts](#) and risks, access new resources, operate efficiently, avoid project delays and sustain effective relationships.

Our commitment is to work with people interested in Marathon Oil projects or operations to understand how our operations impact local communities and to develop strategies and plans that deliver mutually beneficial results.

The Company's [sustainability guidelines](#) encourage local asset teams to engage stakeholders to share information about our activities, seek feedback and ensure we understand their concerns and priorities. In 2015, we developed a stakeholder engagement tool kit that local asset teams can use to identify stakeholders and critical impacts, assess risk and plan engagement activities. Stakeholder engagements are tracked in our Synergi software as needed to manage risk and monitor follow-through and resolution of issues. Engagements tracked in 2015 included landowner and surface owner concerns about potential environmental and safety issues and Marathon Oil's actions to follow up and resolve the issues.

In 2015, our Oklahoma asset team developed and implemented a stakeholder engagement program to build on strong relationships developed over the past 100 years that Marathon Oil has operated in the state. To support future operational expansion in Oklahoma, the program focuses on engaging employees and government officials, building community awareness of Marathon Oil and strengthening key business and strategic vendor partnerships. Oklahoma is using Synergi to document and verify issues and concerns raised by external stakeholders and to track and communicate planned engagement activities.

©2016 Marathon Oil Company

SOCIAL INVESTMENT

We believe [social investment](#) helps Marathon Oil contribute to the long-term sustainability of communities where we operate.



Philanthropic Focus

Our commitment is to partner with community organizations to develop and support projects that address existing social issues related to education, health and the environment. We often collaborate with business partners and nonprofit organizations and seek to connect our partners to further strengthen programs and communities. Marathon Oil emphasizes capacity building so communities can sustain social programs beyond our investment and involvement.

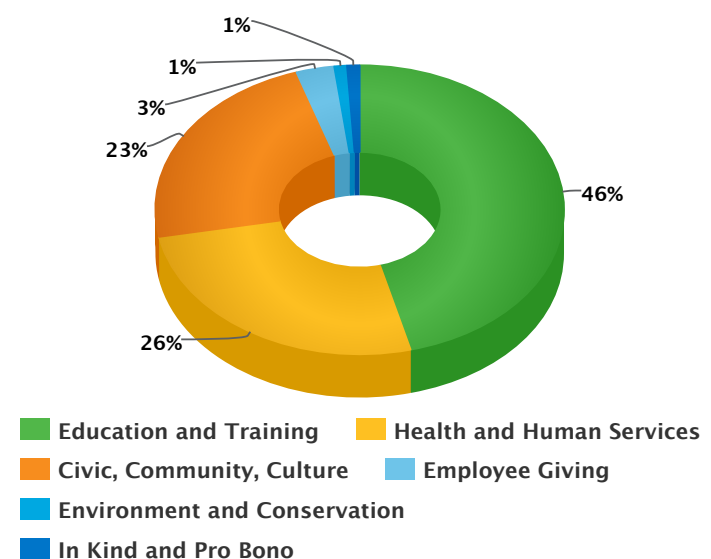
In light of the drop in commodity prices in 2015, Marathon Oil reduced our philanthropic spending 45 percent compared to 2014, while maintaining support for programs that align with our business strategy and demonstrate positive results. We continue to review all philanthropic giving based on the sustainability of Marathon Oil and our communities.

Strengthening Education

Marathon Oil invests in [education](#) from kindergarten through college to strengthen communities and build the foundation for the future workforce. We are guided by our Integrated Education Funding Model to drive positive, meaningful change in academic performance, graduation rates and interest in STEM fields. The model helps us identify and invest in promising programs, measure effectiveness and work with stakeholders to address outside factors that can impact the outcomes of educational programs, such as parental support and underlying social issues. To learn more, please see the case study on our investments in [education](#).

Marathon Oil Social Investments by Giving Area

Total Social Investments: \$24.2 million*



*Total Philanthropic Giving: \$6.7 million in corporate giving and \$.7 million in employee giving; Total Sustainable Investments: \$16.8 million.

Building Healthier Lives

Marathon Oil has an ongoing partnership with the American Heart Association (AHA) as part of our commitment to the health and wellbeing of our employees, their families and communities where we work. AHA emphasizes prevention and building healthier lives free from cardiovascular disease and stroke, which helps ensure a healthy workforce.

Several U.S. states where we operate now mandate that high school students receive cardiopulmonary resuscitation (CPR) education before they graduate. In 2015, we trained almost 100 high school students in our South Texas Eagle Ford asset using life-saving AHA CPR kits. In 2016, we plan to expand this program to our Oklahoma asset.

Supporting Local Communities

To encourage employees to support our nonprofit community partners, the *Marathon Oil Gives* program provides a one to one match for employee donations to Company-supported organizations. In 2015, we matched approximately \$500,000 in employee gifts, for a total of \$1 million to more than 100 nonprofit organizations. *Marathon Oil Gives* also encompasses a matching gift program to U.S. universities and encourages volunteerism by contributing \$500 annually to qualified nonprofit charitable organizations where eligible employees volunteer at least 30 hours outside of their normal workday.

On the local level, our asset teams supported a wide range of community organizations. For example:

- We partnered with public and private stakeholders and non-governmental organizations (NGOs) to [support social programs targeting health, education and community assistance in Equatorial Guinea](#).
- The Oklahoma community relations committee developed and maintained partnerships with local outreach centers, food pantries, fire departments, scholarship funds and health-related charities.
- Our Aberdeen, Scotland, office continued supporting Absafe: The Safe, an interactive safety center to recognize risk in any situation, as well as VSA Friends for Life youth clubs for children and young people with special needs.

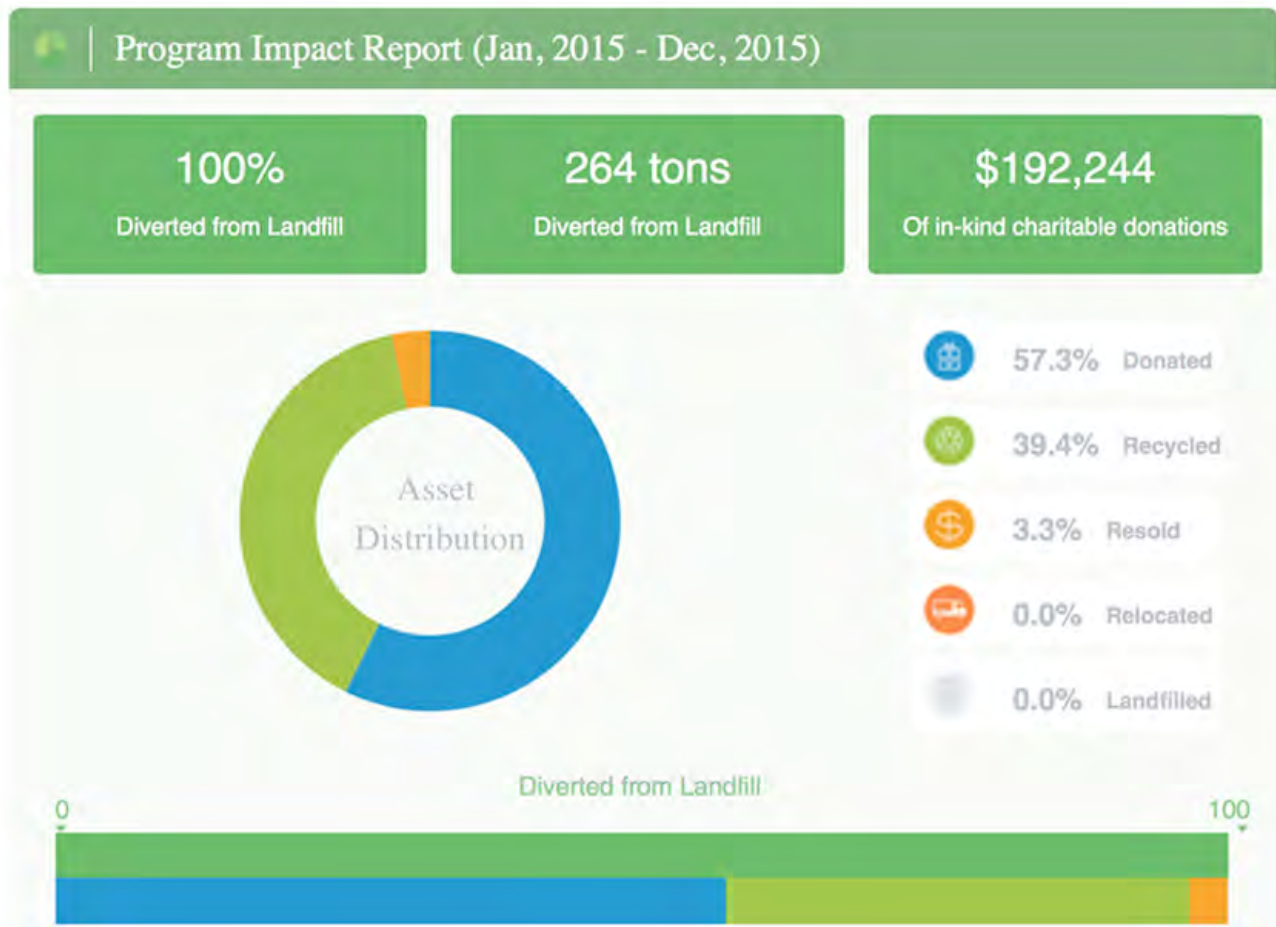
Safeguarding the Environment

To act on our core value of environmental stewardship, Marathon Oil seeks opportunities to protect and conserve natural resources, habitats and environments through social investment and philanthropic giving.

In 2015, we continued to support the National University of Equatorial Guinea (UNGE) Pico Basile Conservation Project that improves forestry management and develops environmental education programs and interventions. The project developed anti-littering and anti-poaching television spots encouraging Equatoguineans to take care of their environments and to respect the national forest reserves. It also developed the first documentary on Equatoguinean wildlife conservation, "[Secrets of the Forest](#)," which is being shown to primary and secondary school children throughout the country in 2016.

Through our partnership with [Green Standards](#) in the U.S., Marathon Oil helped 12 nonprofit organizations while minimizing waste. Whenever possible, we donate surplus furniture, appliances and other materials to Green Standards instead of sending it to a landfill. Green Standards then resells, recycles and donates these materials to minimize waste and help communities.

Green Standards Program Impact



SECURITY AND HUMAN RIGHTS

Marathon Oil respects the human, cultural and legal rights of individuals and communities. Our commitment stems from 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 promote the goals and principles of the UDHR within our business relationships and work to prevent abuses and advance human rights in the communities where we operate.

We have been a participating member in the [Association of the Voluntary Principles on Security and Human Rights](#) since 2005 to emphasize our commitment to the UDHR. Due to the fundamental changes in our business strategy and geographic scope in recent years to focus on North American unconventional resource plays, Marathon Oil withdrew our membership in the Voluntary Principles association in May 2016. In our two significant operating areas outside of the U.S., the U.K. and Equatorial Guinea, we have well-established and effective security and human rights policies. Additionally, Marathon Oil intends to remain actively engaged in dialogue around human rights through our participation in oil and gas industry associations. We will continue to focus on operating safely and securely throughout the world, while respecting human rights.

Before entering a new location, we assess the security and social risks associated with our business activities and determine mitigation measures based on the risks we identify. We develop mitigation activities to promote business continuity, protect assets, safeguard personnel and minimize any potentially adverse impacts of our operations on stakeholders.

Our commitment is to manage security activities in a responsible and ethical manner in accordance with the best practices associated with the Voluntary Principles. We manage security through our [Responsible Operations Management System \(ROMS\)](#) element for Emergency Preparedness and Community Awareness. This element requires Marathon Oil to 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 our three-tiered audit program. In addition, principles in our [Corporate Sustainability Guidelines](#) support our activities related to human rights, stakeholder engagement and other processes in communities where we operate.

In 2015, Marathon Oil had no known security-related incidents that resulted in a human rights violation. Our country-level implementation focused on our operations in Equatorial Guinea, where we are the operator of natural gas production and processing facilities. We employ a proprietary guard force to protect the onshore facilities and engage with the Navy of Equatorial Guinea for protection of offshore gas production facilities. The launch of an offshore exploration program and maritime facility upgrade project in 2015 gave Marathon Oil the opportunity to engage with host country authorities regarding human rights and rules of engagement.

We continue to participate in the IPIECA Responsible Security Task Force, which promotes best practices associated with implementation of the Voluntary Principles. Marathon Oil also participated in a group of Voluntary Principles corporate members that was organized by PAX to draft the Model Clauses for Security Agreements guidance.

Our focus areas in 2016 will be to finalize the Environmental, Social, and Health Impact Assessment (ESHIA) process to support activities in new locations, and work with IPIECA's Responsible Security Task Force and observers to the Voluntary Principles to further develop the Memorandum of Understanding for the full scope of security cooperation between a company and a host nation government.

LIVING OUR VALUES TO PROTECT THE ENVIRONMENT

We are environmental stewards, who responsibly grow and improve our business by effectively applying best-in-class technologies, training and processes to minimize our environmental impact.



MANAGEMENT APPROACH

Marathon Oil believes protecting the environment is essential, and we reinforce with employees and contractors that compliance with regulations and laws is not negotiable. We have a long-standing commitment to environmental stewardship and continuous improvement in our environmental performance. We work to understand and manage our environmental risks to produce energy responsibly by using natural resources efficiently and actively managing potential impacts on air, water, land and wildlife.

Our [Responsible Operations Management System](#) provides a structured approach to managing our environmental risks. We strive to eliminate or reduce the environmental impacts of our operations by developing sound practices for managing emissions, water and waste at the regional and local levels. We employ environmental management strategies and processes to:

- Promote compliance with all applicable regulations or, in the absence of fully developed regulatory structures, with World Bank Guidelines in effect at the time of the engineering design of the facilities or equipment.
- Identify and prioritize significant sources of air emissions, waste and water use.
- Systematically identify, evaluate and implement potential solutions to reduce air emissions, waste and fresh water use and to prevent spills.
- Systematically track and report environmental performance data and management practices to internal and external stakeholders.

PROGRESS ON OUR COMMITMENTS

Our commitment is to reduce spills and releases to the air, minimize wastes, and promote water management, conservation and biodiversity. In 2015, Marathon Oil:

- Increased our [air emissions disclosures](#) in this report in our continuing efforts to be responsive to our stakeholders.

- Proactively used [infrared cameras](#) to identify solutions to reduce air emissions.
- [Reduced water consumption](#) in our U.S. onshore operations by 34 percent from 2014 due to lower drilling and completion activity. Approximately 72 percent of water used was nonfresh water.
- Decreased by 13 percent the number of [spill events to the environment](#) greater than or equal to a barrel from 2014, while the total volume of spills increased 68 percent.
- Participated as part of an operator consortium in North Dakota's Energy & Environmental Research Center (EERC) on improvements to the efficiency of wellsite operations; design and implementation of new approaches to exploration, development and production; and other projects.

CLIMATE CHANGE AND AIR EMISSIONS MANAGEMENT

Marathon Oil recognizes the concern about the potential impact of greenhouse gas (GHG) and other air emissions on global climate. At the same time, we recognize the need for reliable and affordable energy to meet long-term demand, and the important role oil and natural gas are projected to play in meeting that demand.



Marathon Oil remains committed to finding and developing oil and natural gas in a safe and responsible manner, which includes efforts to reduce GHG and other air emissions from our operations in accordance with our standards, policies and applicable regulations.

Marathon Oil understands that additional climate change laws and regulations may be implemented in the future as guided by national policy and supported by more comprehensive global agreements such as that proposed by the 2015 United Nations Climate Change Conference. Our approach to mitigating the risk of additional regulation includes understanding and mitigating our GHG emissions, evaluating climate change risk in our investment decisions and engaging with external stakeholders to understand their perspectives.

2015 Air Emissions Performance

Marathon Oil periodically evaluates and implements air emissions reduction strategies and technologies for our operations, which are described in the [Emissions Overview, Methodology and Mitigation Strategies section](#). Emissions reduction strategies and technologies are used throughout the drilling and production lifecycle, including:

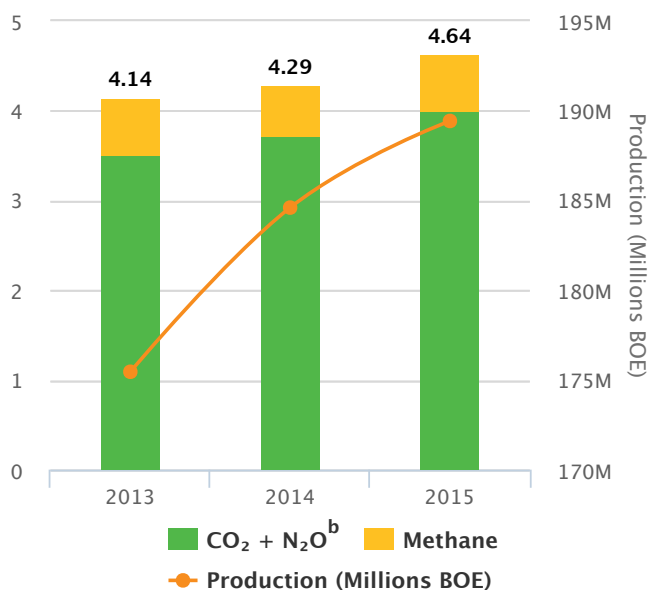
- [Well drilling](#)
- [Well completions, including hydraulic fracturing](#)
- [Storage tank controls](#)
- [Liquids unloading](#)
- [Equipment optimization](#)
- [Pneumatic devices](#)
- [Equipment leaks, including use of infrared cameras](#)
- [Transportation emissions](#)

Because our business is focused on producing hydrocarbon liquids, we evaluate our performance using primarily GHG and methane emissions intensity, expressed as carbon dioxide equivalent (CO₂e) emissions per all hydrocarbon production.

In 2015, the Company's gross production of hydrocarbons increased by 3 percent. However, the reduced capital spending program resulted in lower activity and production in many assets, which contributed to a 5 percent increase in our global GHG emission intensity. Global CO₂ emissions increased by 8 percent, and methane emissions increased by 11 percent.

Global GHG Emissions ^a

Million Tonnes CO₂e

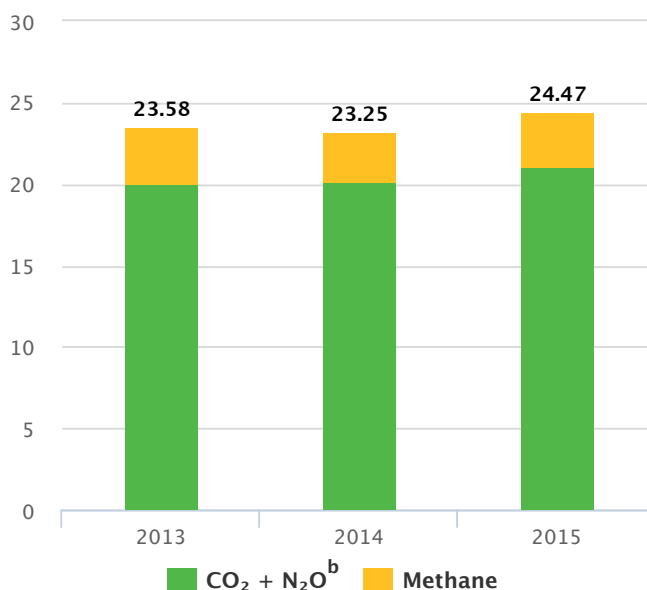


a. Excludes East Texas/North Louisiana (discontinued assets)

b. N₂O emissions are marginal and make up less than 1 percent of the CO₂ and N₂O emissions

Global GHG Intensity ^a

Tonnes CO₂e/thousand BOE



a Excludes East Texas/North Louisiana (discontinued assets)

b N₂O emissions are marginal and make up less than 1 percent of the CO₂ and N₂O emissions

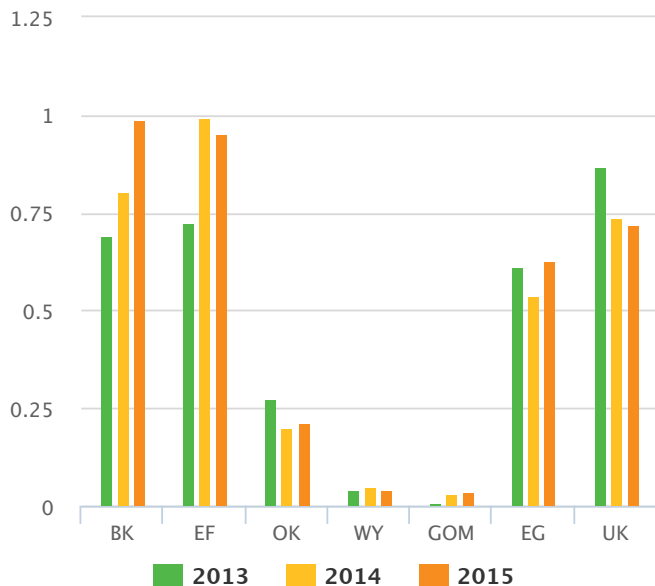
GHG emissions increased in some growth assets, and decreased or remained relatively constant in our legacy assets.

- In Eagle Ford, while production increased by 11 percent, GHG emissions and GHG emission intensity decreased by 4 percent and 13 percent, respectively. Using central facilities to process more production contributed to this decrease by making our operations more efficient and reducing air emissions and the overall land footprint of our operations.
- In Bakken, GHG emissions and GHG emission intensity increased by 23 percent and 10 percent, respectively. While we have connected 98 percent of the production facilities to third-party gas pipelines, flaring of associated gas due to constrained gas pipeline capacity increased GHG emissions. Across the basin, we captured an average 85 percent of produced gas and met the year-end 2015 target mandated by the North Dakota Industrial Commission (NDIC). Our strategies to continue reducing the amount of gas flared include enabling third-party gas gatherers to build gas infrastructure by providing our drilling plans, assisting with landowner right-of-way acquisitions and prioritizing connections to the gas infrastructure. Third-party gas gatherers began to increase the amount of gas they processed during the second half of 2015, which decreased flaring.

- In the UK, GHG emission intensity increased by 2 percent due to production declines. However, total GHG emissions decreased by 5 percent compared to 2014 as a result of operational efficiencies such as processing gas through a single gas compressor train on the East Brae platform, which eliminated emission sources.

Global Emissions by Asset ^a

Million Tonnes CO₂e



BK: Bakken

GOM: Gulf of Mexico

EF: Eagle Ford

EG: Equatorial Guinea

OK: Oklahoma

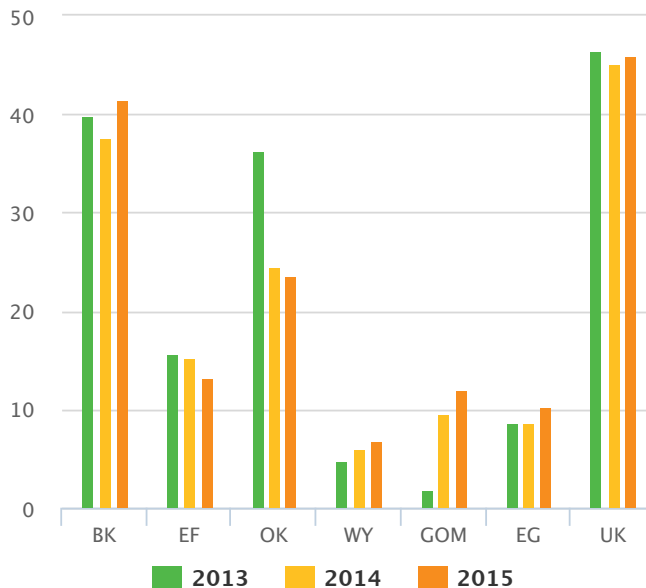
UK: United Kingdom

WY: Wyoming

Excludes East Texas/North Louisiana (discontinued assets)

GHG Intensity by Asset

Tonnes CO₂e/thousand BOE ^a



BK: Bakken

GOM: Gulf of Mexico

EF: Eagle Ford

EG: Equatorial Guinea

OK: Oklahoma

UK: United Kingdom

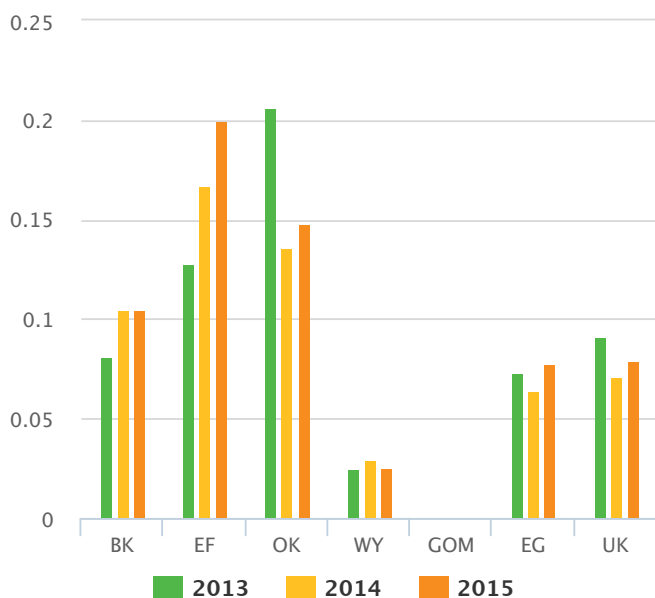
WY: Wyoming

Excludes East Texas/North Louisiana (discontinued assets)

Marathon Oil's methane intensity decreased or remained relatively constant in our growth assets primarily due to improvements in gas capture and operational efficiency. In Oklahoma, methane intensity decreased by 3 percent largely due to improvements in flare systems and installation of low-bleed controllers. Continuing current practice, all new wells in Oklahoma will be outfitted with low-bleed controllers. In addition, Oklahoma set an asset-wide goal to reduce methane intensity 50 percent by 2020.

Methane Emissions by Asset

Million Tonnes CO₂e



BK: Bakken

GOM: Gulf of Mexico

EF: Eagle Ford

EG: Equatorial Guinea

OK: Oklahoma

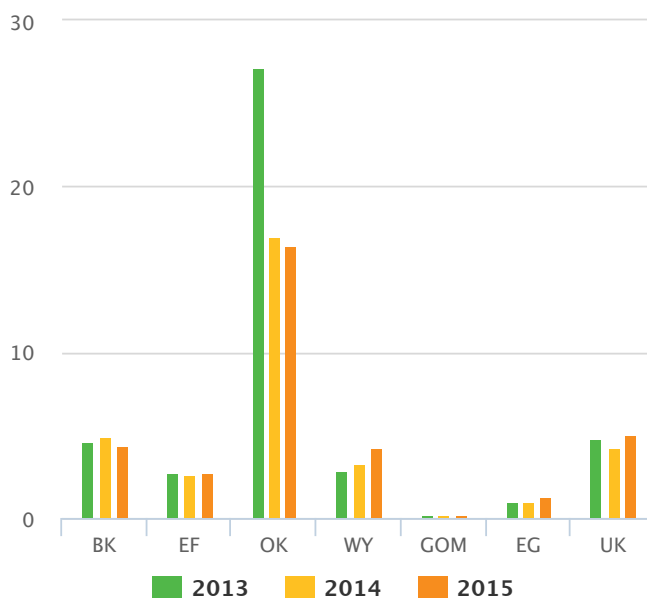
UK: United Kingdom

WY: Wyoming

Excludes East Texas/North Louisiana (discontinued assets)

Methane Intensity by Asset

Tonnes CO₂e/thousand BOE



BK: Bakken

GOM: Gulf of Mexico

EF: Eagle Ford

EG: Equatorial Guinea

OK: Oklahoma

UK: United Kingdom

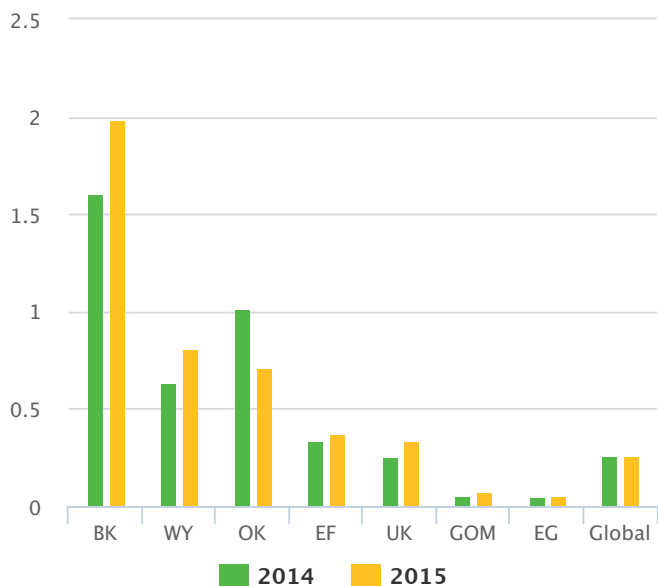
WY: Wyoming

Excludes East Texas/North Louisiana (discontinued assets)

Marathon Oil also evaluates our performance as a measure of total methane emissions as a percentage of total hydrocarbon produced and total methane emissions as a percentage of natural gas produced. Our overall methane emissions ratio remains flat at 0.3 percent.

- Methane increases in Bakken were primarily due to increased fugitive emissions from having more facilities and their associated flaring.
- Our operations in Equatorial Guinea, which account for 56 percent of our total natural gas production, have the Company's lowest methane emissions ratio of 0.1 percent.

Methane Emissions as a % of Natural Gas Produced

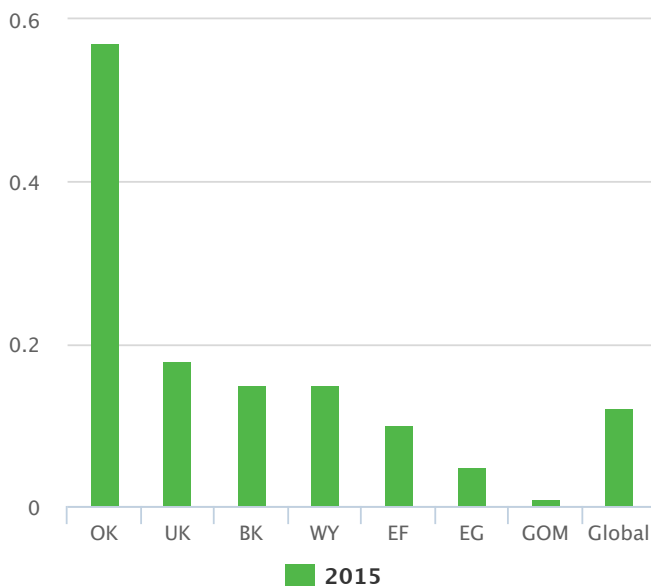


BK: Bakken
WY: Wyoming
OK: Oklahoma
EF: Eagle Ford

UK: United Kingdom
GOM: Gulf of Mexico
EG: Equatorial Guinea

Excludes East Texas/North Louisiana (discontinued assets)

Methane Emissions as a % of Total Hydrocarbons Produced (BOE)



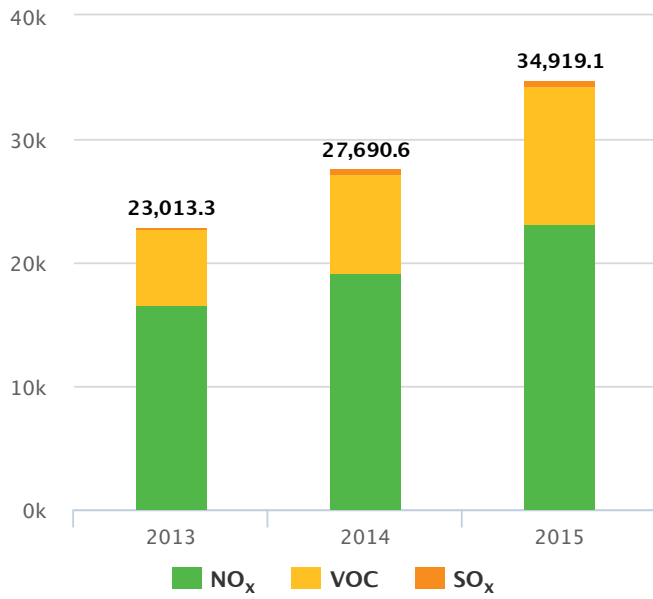
OK: Oklahoma
UK: United Kingdom
BK: Bakken
WY: Wyoming
EF: Eagle Ford
EG: Equatorial Guinea
GOM: Gulf of Mexico

Excludes East Texas/North Louisiana (discontinued assets)

Criteria pollutant emissions, which include nitrogen oxides (NO_x), volatile organic compounds (VOCs) and sulfur oxides (SO_x), increased from 2014 to 2015. Criteria pollutant emission intensity increased by 22 percent. We manage our criteria pollutant emissions in accordance with applicable emissions control regulations. In countries that do not have emission control regulations, we comply with applicable World Bank Guidelines for air quality.

Global Criteria Pollutant Emissions

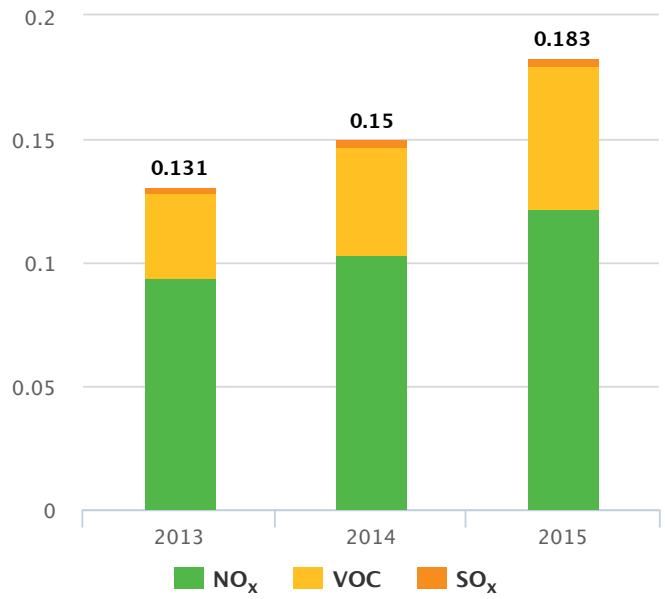
Tons



Excludes East Texas/North Louisiana (discontinued assets)

Global Criteria Pollutant Intensity

Tons/thousand BOE



Excludes East Texas/North Louisiana (discontinued assets)

MANAGING RISKS

Marathon Oil continuously reviews the potential impact that future climate change regulation may have on our business decisions.

We believe that oil and gas development and production will remain crucial to the world economy, and our business models are focused on continued operation in this space. We manage climate change risks, along with many other business risks, through our [Enterprise Risk Management](#), with oversight from Marathon Oil's Board of Directors and management. These risks factor into our business decisions using our capital planning system.

Our capital planning system relies on many inputs including third-party commodity price forecasting to integrate various risks including climate change into our business strategy. These third-party forecasting services, which include IHS, Wood Mackenzie and the PIRA Energy Group, allow us to form price scenarios to test the investment decisions on near- and long-term projects. In addition, projects are stress tested across a broad range of pricing outcomes to ensure they are robust at lower price levels. Price forecasts from these services factor in supply and demand in global markets and consider the market penetration of alternative fuels and potential climate change policies. Each of these services' forecasts are considered along with Company specific insights and guidance to prepare Marathon Oil's forecast. Additionally, the cost of carbon is factored into expense and revenue models for assets in Canada and the UK where current carbon trading regulations exist. Profitability and capital allocation will be based on expected prices, and specific financial targets or strategic objectives must be met to sanction a project.

External Engagements

Marathon Oil advocates for reasonable and balanced regulations that allow flexibility to reduce emissions cost effectively, and in [2015 made payments to organizations and trade associations that engage in lobbying activities](#). Through these trade associations, we participate in the U.S. public policy dialogue about critical environmental and energy policies, including rulemaking comment periods regarding climate change issues

©2016 Marathon Oil Company

WATER MANAGEMENT

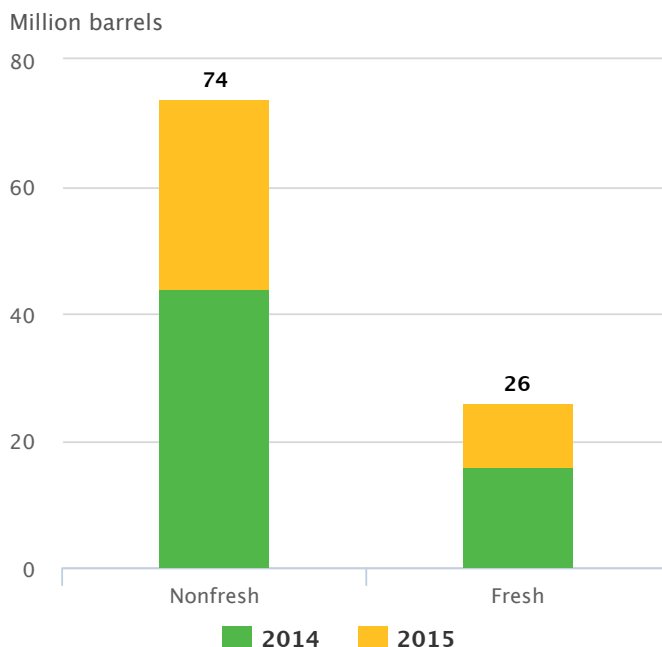
Marathon Oil recognizes that water is a valuable resource that we share with the communities where we operate. Our use of water is guided by the core water stewardship practices of responsible sourcing, conservation, reuse and disposal.

Our water usage in U.S. onshore operations decreased by 34 percent from 2014 to 2015 because of reduced drilling and completion activities. In 2015, we used an estimated 40 million barrels of water, of which 3 percent was recycled and 72 percent was from nonfresh water (i.e., water that meets U.S. drinking water quality standards).

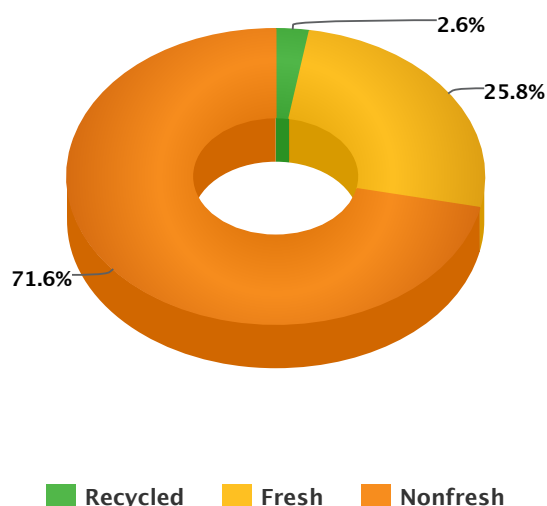
In the Eagle Ford, which accounts for approximately 85 percent of our water use, we preferentially use nonfresh water sources for drilling and completion activities. In 2015, we reduced nonfresh water use by 40 percent from 2014 to 2015. We also permanently installed recycle technology that we had been piloting since 2013, and recycled 1.1 million barrels of produced water for reuse in either stimulation or workover jobs.

This data excludes water usage from international operations where process water is primarily sourced from seawater. We leverage lessons learned across our U.S. resource plays, employ best practices, and participate in industry efforts to be good stewards of water resources and drive technological innovation in water management.

2015 U.S. Onshore Water Usage



2015 U.S. Onshore Water Source



Marathon Oil engages externally to identify solutions for preserving scarce water resources in our U.S. onshore operations. We participated in a multi-operator effort with the Texas Water Development Board (TWDB) to voluntarily provide information obtained from company-owned brackish water wells in South Texas. The collaborative effort allowed the TWDB to fulfill the requirements of Texas legislation to identify brackish groundwater production zones for municipal, industrial and agricultural uses. The proprietary information the companies shared also enables the TWDB to more accurately map the brackish water zones of key aquifers, thereby providing a better picture of this potential future resource.

We also participated in a multi-operator project sponsored by the [South Texas Energy & Economic Roundtable \(STEER\)](#) to study four aquifers in the Evergreen Underground Conservation District. The goal of the study is to provide the district with

additional scientific data to allow for tailored withdrawal schemes for individual aquifers to better use the resource and protect stressed systems.

SPILLS AND RELEASES

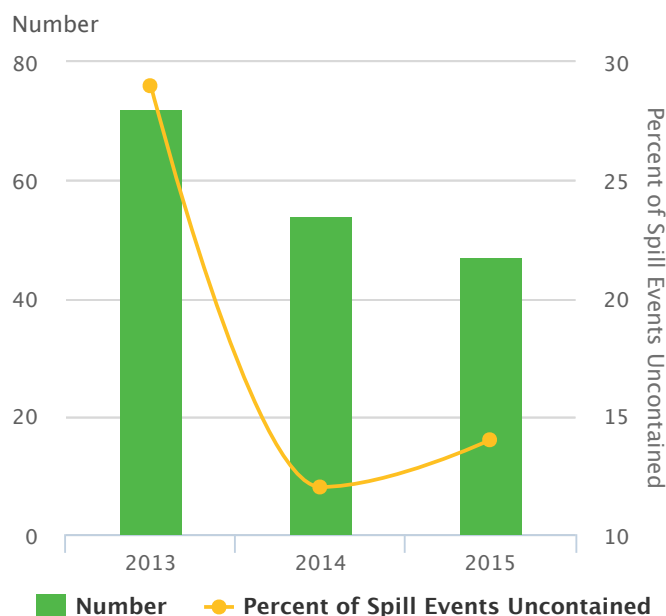
Marathon Oil focuses on preventing spills and releases of oil and gas.

We develop procedures, install mechanical safeguards, and conduct preventive maintenance and equipment inspections to prevent spills and releases. We periodically update our plans for storm water and spill prevention, control and countermeasures to ensure compliance and continuous improvement. When investigating spills and discharges to identify their cause, we look at both the actual and potential spill severity. The Company takes incident-specific actions and, if necessary, broad corrective actions including remediation.

Across our operations in 2015, the total number of spill events to the environment greater than or equal to a barrel decreased by 13 percent from 2014, primarily as a result of reduced drilling and completion activities. However, during the same period the total spill volume increased by 68 percent, mainly due to flowline failures in the Eagle Ford and Wyoming.

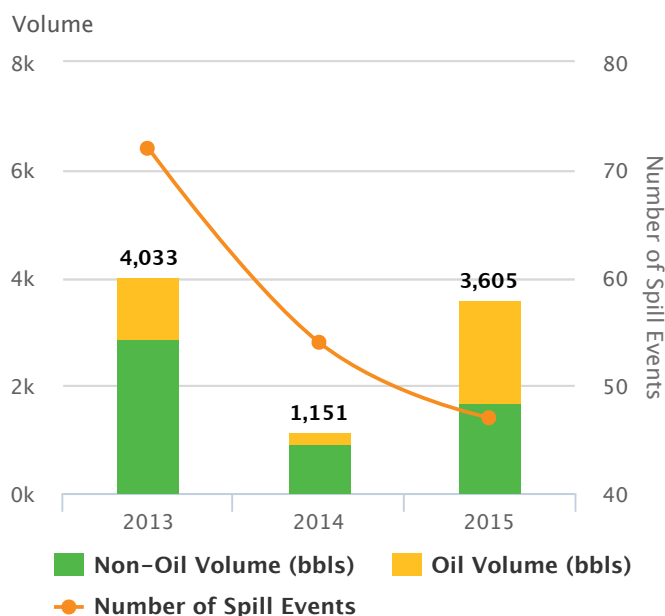
Incident investigations in the Eagle Ford identified microbial-induced corrosion (MIC) as the primary cause of an increasing trend of flowline failures. We have risk-assessed the pipeline distribution system and prioritized corrective actions including increased pigging of flowlines and intensified corrosion treatment. We also perform flyovers of flowlines to improve early detection of spills.

Spill Events to the Environment \geq 1 bbl



Discontinued assets were removed from the previous year's data for comparing year-on-year performance

Spill Volumes to the Environment \geq 1 bbl



Discontinued assets were removed from the previous year's data for comparing year-on-year performance

WASTE MANAGEMENT

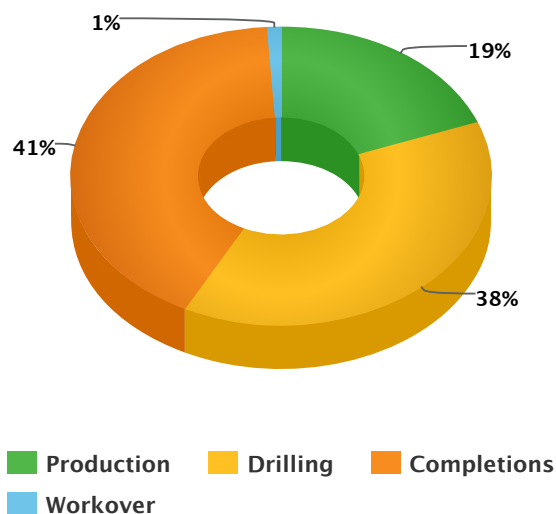
We strive to minimize the environmental impact of generating, storing, transporting and disposing of waste from our operations.

Our operations generate a variety of waste streams, including spent batteries and filters; scrap metal; tank cleaning residue; contaminated soil; office and domestic waste such as paper and light bulbs; and items specific to drilling and production operations.

In 2015, we disposed of approximately 743 thousand tons of waste off-site, nearly all (< 99.99 percent) of which was deemed non-hazardous according to applicable regulations. The volume of waste decreased by 2 percent, relatively flat compared to 2014. Produced water and process wastewater are not included in the waste inventory in accordance with IPIECA's *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*.

2015 Solid Waste Sources

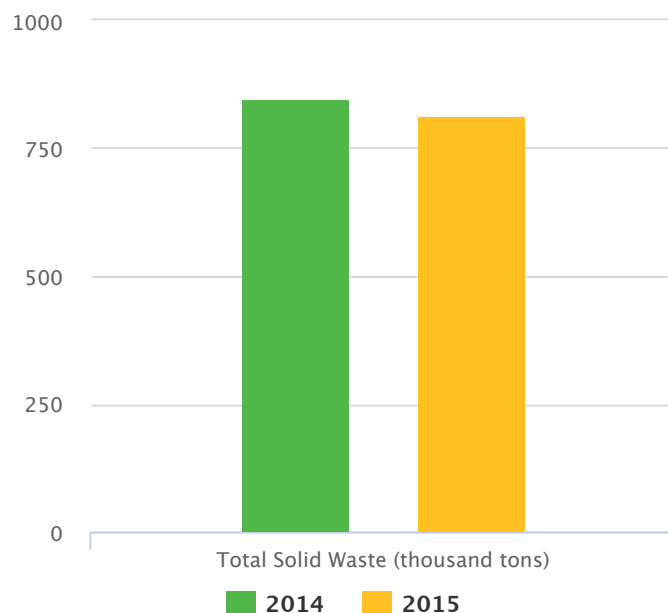
Percentage



Excludes East Texas/North Louisiana (discontinued assets)

Solid Waste to Offsite Disposal

Thousand tons



Excludes East Texas/North Louisiana (discontinued assets)

Company assets develop waste management programs targeting their specific operations. For example, in 2015 Oklahoma implemented a program to reduce the volume of drilling cuttings going to landfills. The program includes separating and recycling oil from oil-based drill cuttings and using the dry cuttings as landfill cover.

Additionally, under our Waste Management Vendor Approval Program, Marathon Oil reviews vendors' HES&S programs and past regulatory compliance performance. Vendors with the highest identified risk undergo an onsite audit, usually conducted by a third party, and are approved or rejected for use based on the audit results. Common reasons for rejecting vendors are significant prior fines and poor safety and environmental performance.

LIVING OUR VALUES IN THE WORKPLACE

Marathon Oil conducts our business with a high regard for the health and safety of our employees, contractors and the communities where we work.



MANAGEMENT APPROACH

Our health, environment, safety and security (HES&S) vision is to achieve an accident- and injury-free workplace. The Responsible Operations Management System (ROMS), HES&S standards and policies, [Statement of HES&S Beliefs](#) and [Life Critical Expectations](#) support our efforts to realize this vision.

Marathon Oil reinforces our commitment to safety by communicating clear expectations, analyzing and managing risk, encouraging reporting of incidents and near misses, investigating incidents and implementing corrective actions. In addition, we engage employees and contractors to share our safety culture, lessons learned and insights.

PROGRESS ON OUR COMMITMENTS

Our commitment is to strive for an accident- and injury-free workplace, with safe and healthy work practices and conditions throughout our operations. To fulfill this commitment, Marathon Oil trains, engages and prepares employees, contractors and third parties to address identified risks specific to our operations.

The challenging commodity price environment in 2015 did not diminish our commitment to safety. During the year, Marathon Oil:

- Continued work to improve contractor HES performance, including implementing risk management plans for all contractors with poor HES performance. The number of contractor recordable injuries declined by 15 percent from 2014.
- Reduced the Company's Total Recordable Incident Rate (TRIR) by 48 percent and set a new safety performance record with a TRIR of 0.39 for employees and contractors combined.
- Increased the focus on hazard awareness and proper glove selection, which contributed to a 66 percent decline in recordable hand injuries.
- Began addressing a global trend of dropped objects incidents that accounted for one third of the Company's actual and potential serious events in 2015.
- Established and led an industry work group to discuss the potential health and safety hazards associated with tank gauging and share best practices.

- Continued to emphasize our Serious Event Rate, a leading indicator that provides a measure of what happened as well as what could have happened during events with the potential to significantly impact people, the environment and the Company. The metric helps us prevent serious events.
- Standardized root cause analysis (RCA) methodology companywide to improve the quality of incident investigations, and trained individuals to lead an investigation involving RCA.
- Implemented a plan for [simultaneous operations \(SIMOPS\)](#) in Eagle Ford to address an identified risk of conducting drilling and completions operations on producing well sites.
- Started testing Bakken facilities to comply with North Dakota state requirements to filter crude oil for natural gas liquids to reduce volatility before it is transported by rail.
- Executed the major Alba B3 compression project offshore Equatorial Guinea with good overall safety performance.

In addition, the following assets reached safety milestones in 2015:

- Oklahoma had zero recordable injuries.
- Marathon E.G. Production Limited (MEGPL) had zero recordable injuries and lost-time events, even with a heavy project workload. In December, MEGPL set a new record for the longest time to work without a recordable injury (4.8 million exposure hours) or lost-time event (6.9 million exposure hours).
- Equatorial Guinea LNG Holdings Limited (EG LNG) employees and contractors in December achieved 3 million exposure hours (representing more than three and one-half years) without a recordable injury for the first time since the plant began operations in 2007.

In 2016, Marathon Oil will focus on ROMS implementation, electronic safe work permitting, dropped objects, a comprehensive industrial hygiene assessment and HES data analysis.

©2016 Marathon Oil Company

SAFETY PERFORMANCE

Marathon Oil wants all of our employees and contractors to go home safely every day. We measure our safety performance, strive for continuous improvement and benchmark our performance against our exploration and production peers.



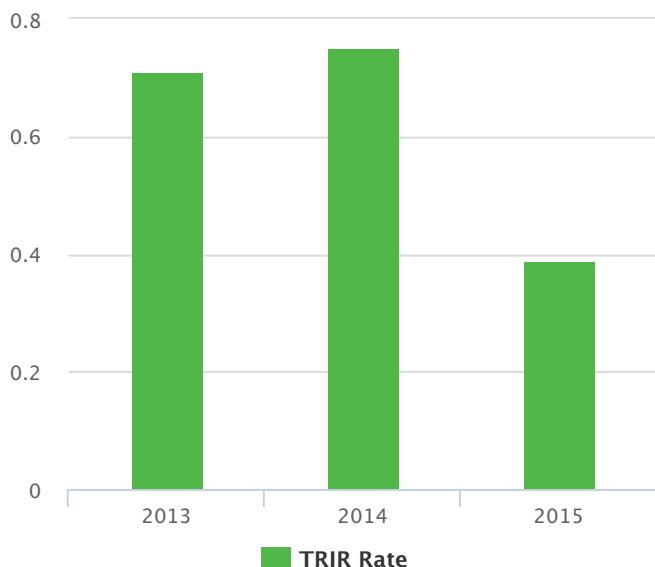
Continuously promoting a positive safety culture and emphasizing that our workforce must take personal responsibility for safety, avoid shortcuts and use their Stop Work Authority are essential to achieving an accident- and injury-free workplace.

Our companywide 2015 Total Recordable Incident Rate (TRIR) was our best ever – 0.39 for employees and contractors combined, compared to 0.75 in 2014. Our U.S. TRIR of 0.47 was approximately 30 percent below the industry average reported by the American Exploration & Production Council (AXPC) and compared favorably to our peer companies' performance. We recorded 23.3 million exposure hours, 26 percent fewer than 2014, primarily in our three U.S. unconventional resource developments. Contractors accounted for 73 percent of all hours worked in 2015.

The primary factors contributing to our improved performance were the ongoing focus by our managers and supervisors on promoting a positive safety culture, and continued strict adherence to the Company's HES processes and standards. In addition, the reduced activity level decreased potentially higher risk activities such as drilling and completions and enabled us to shift more work to contractors with superior HES performance.

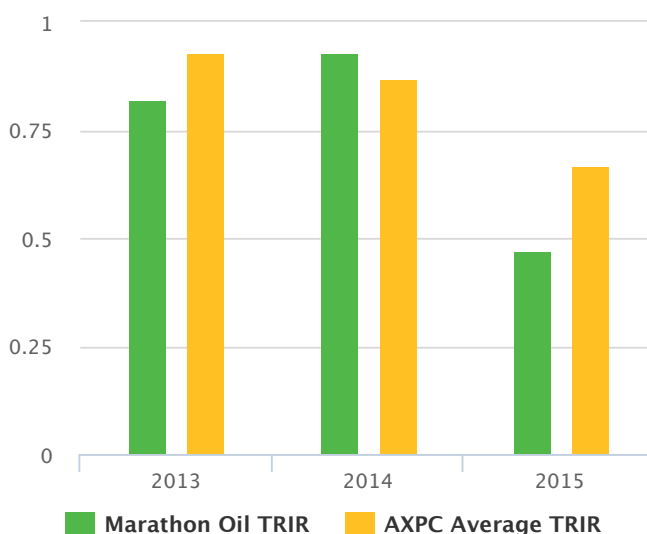
Global Safety Performance

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



U.S. Safety Performance – AXPC Benchmark

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



Some comparator companies do not include contractor workforce

2015 In-Depth Global Safety Performance

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



ADDRESSING MAJOR SAFETY RISKS

After identifying hand injuries as a global trend in our operations in 2014, Marathon Oil promoted awareness of hand safety and proper glove selection. This led to a 66 percent reduction in the number of recordable hand injuries. Notably, Equatorial Guinea had no hand injuries from June 2014 through year-end 2015, although they accounted for approximately 50 percent of recordable incidents in the asset from 2012 to mid-2014.

In 2015, dropped objects caused approximately 33 percent of the Company's serious events globally. Our HES team found that dropped objects correlate more to activities such as drilling derrick lifts than to mechanical

integrity and equipment failure. To reduce the risk of dropped objects, we conducted more work site walkarounds to identify hazards and increased tool inspections. In 2016, the Company is providing additional tools to continue reducing the number and severity of dropped objects incidents.

PROCESS SAFETY METRICS

Process safety includes programs intended to prevent hydrocarbon releases that have the potential to impact people, property and the environment. It is an integral component of Marathon Oil's management system. We work continuously to improve our process safety culture and performance, track and investigate process safety incidents and near misses, develop corrective actions and share them across our operations.

In 2015, Marathon Oil recorded one high consequence and three medium consequence process safety events, all on offshore platforms in our UK operations. We shut down a platform for an extended period to conduct a full investigation of the high consequence event and implement corrective actions. The event was a process pipe failure and we continue to investigate the containment loss. Any findings and the resulting corrective actions will be shared across all our operations. No injuries or impact to the environment occurred as a result of the high or medium consequence events.

©2016 Marathon Oil Company

PRODUCT STEWARDSHIP

The Company produces and uses crude oil, natural gas, diesel fuel and other potentially hazardous materials. As part of our commitment to be a responsible operator, Marathon Oil supplies information to, and works with, applicable parties to foster the safe use, handling, transportation, storage, recycling, reuse and disposal of materials, products and wastes.

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

North Dakota Crude Oil Conditioning

The North Dakota Industrial Commission (NDIC) issued Order 25417 to improve industry transportation safety and marketability of crude oil produced in the Bakken play. It is designed to reduce the potential for transportation incidents.

The order requires operators to condition crude oil to remove light end hydrocarbons and maintain fluid vapor pressure at or below a threshold level, which reduces the volatility of the oil. If the conditions are not met, operators must sample the oil to verify its vapor pressure and address noncompliance within 48 hours.

While Marathon Oil is complying with the order that went into effect on April 1, 2015, we continue to make state regulators aware of the areas of conflict between this order and existing state and federal regulations that require operators to capture all gas and route it to sales pipelines or flares.

©2016 Marathon Oil Company

REDUCING RISK ON DRILLING PADS

A shift to infill drilling in Marathon Oil's Eagle Ford asset in 2014 highlighted the potential risks of simultaneous operations (SIMOPS) on producing pads. As drilling and completions (D&C) crews began moving rigs and crews back onto producing locations, the asset recognized the need to enhance communication and coordination to prevent incidents and injuries.

In 2015, Eagle Ford implemented a SIMOPS plan that defines steps to take to work safely, minimum required distances between work activities and expectations for communications between teams. Before work can start, production and D&C crews perform a risk assessment of the planned activities and agree on timing. The assessment, which includes a site layout to verify the distance between critical equipment, is shared with key stakeholders to assure they are aware of the planned work activities.

As a result of SIMOPS, crews have a better understanding of the full scope of work under way, on-site communications have improved and work activity flows more safely and efficiently. In addition, Eagle Ford improved its forecasting tools to identify and plan future SIMOPS jobs, further improving efficiency. Other Company assets are adapting SIMOPs for their operations or considering using it.

With more drilling shifting to infill drilling, Marathon Oil anticipates that SIMOPS and the related planning concepts will lower the risk and cost of operations.

©2016 Marathon Oil Company

USING MOBILITY TO AID COMPLIANCE

Marathon Oil believes regulatory compliance is non-negotiable. We are expanding the use of mobile software tools at the field level to drive compliance with the growing number of state and federal regulations and improve efficiency.

In 2011, we were one of the first oil and gas companies to use a mobile version of the software compliance management tool (CMO) commonly used in the construction industry. Marathon Oil's CMO contains approximately 250 checklists for Tier 1 audits of activities ranging from inspecting flares to reviewing drilling rig compliance requirements. Third-party advisors observe the work and complete the checklists on iPads to ensure work is performed correctly, complies with HES regulations and meets our internal standards.

Information can be updated rapidly and changes disseminated immediately to give field users the latest information, checklists and operational procedures at their fingertips. Having shared protocols across assets also helps the Company distribute high-priority lessons learned directly to field-level users. All interested stakeholders can review the information electronically.

The software was initially used in our drilling and completions operations worldwide. While using CMO is optional for our assets, in 2015 several of our U.S. unconventional resource plays expanded the application to production operations and to compile daily reports of HES indicators such as behavior based safety observations. Marathon Oil continues to look for ways to leverage CMO to promote compliance and increase efficiency.

©2016 Marathon Oil Company

WORKFORCE HEALTH

As a responsible operator, Marathon Oil collaborates with community leaders where we operate to recognize and advance public health initiatives that promote the common good and protect the public.

Ongoing initiatives in Equatorial Guinea include the Bioko Island Malaria Control Project and related vaccine trials and maternal and child health programs. In addition, we have a corporate partnership with the American Heart Association to spread awareness about cardiovascular health, a major cause of death in the U.S. and other operating areas. Under the [Responsible Operations Management Systems \(ROMS\)](#), Marathon Oil identifies and addresses key health challenges including:

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

Via ROMS, identified health-related risks for each asset are reviewed and prioritized annually for mitigation.

Our exposure assessment process builds upon and aligns with the HES&S risk assessment process. The focus is on the identification, recognition, evaluation and control of chemical, physical and biological exposure risks that may be present in our workplace. We use qualitative assessment techniques to identify and risk rank potential exposure hazards and then apply quantitative assessment (industrial hygiene monitoring) to systematically evaluate, understand and manage workplace exposure risks.

Emergency Services for Field Operations

Marathon Oil contracts with an emergency services provider for employees and contractors in our South Texas Eagle Ford, North Dakota Bakken and Oklahoma assets to reduce stress on community health facilities. In addition to providing emergency and telemedicine services for injured and ill workers, the provider performs routine physical exams, drug and alcohol testing and other basic services.

WORKFORCE PRACTICES AND STATISTICS

Marathon Oil is results focused. We achieve results through an inclusive, diverse and collaborative team culture that allows people to reach their full potential, helping create shareholder value.

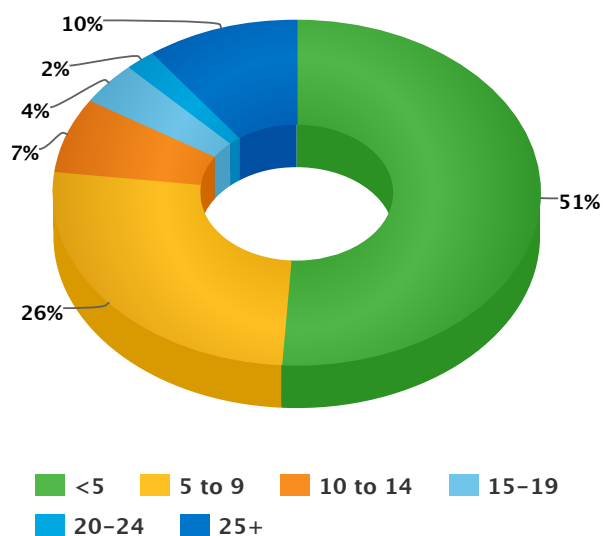


Our commitment is to maintain an inclusive work environment to attract, develop and retain employees who actively contribute to growing our business. To support this, we have integrated programs and systems for recruiting, training, development, compensation, performance management and benefits.

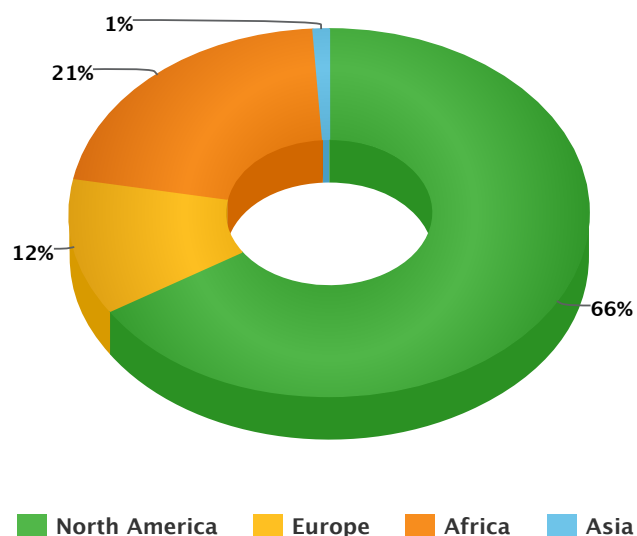
We build and sustain a results-focused workforce by focusing on developing premier leaders, growing a culture of learning and creating well-balanced teams. During the low activity period in 2015, we improved training, competency development and workforce management programs to ensure employees are properly trained and positioned to operate safely in a variety of economic conditions.

Due to the low oil price environment in 2015, Marathon Oil took difficult but necessary steps to manage our business. As part of cutting our capital budget in half from 2014 to \$3 billion, we reduced our workforce by approximately 700 people, or more than 20 percent. At year-end 2015, Marathon Oil had approximately 2,600 active, full-time employees around the world. Our 2015 turnover rate, excluding retirements, was 19.9 percent, compared to 14.4 percent in 2014. This rate includes employees from non-core assets we sold in 2015.

Years of Service

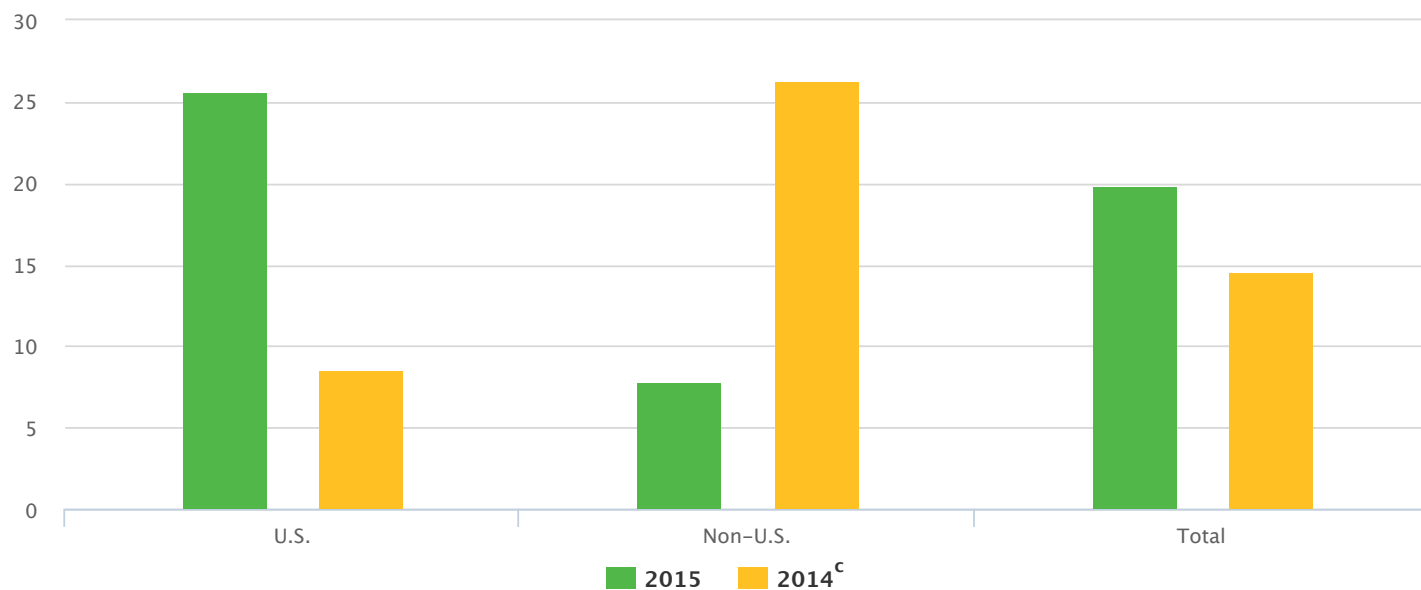


Who We Are



Company Turnover Rate ^{a, b, c}

Percentage



^a Turnover rate methodology has been revised to align with Success Factors standards.

^b Data does not include total retirement rates of 11.2 percent and 4.9 percent for 2015 and 2014, respectively.

^c Rates include employees from asset sales that occurred during respective years.

DIVERSITY AND INCLUSION

Marathon Oil recruits people with a broad spectrum of experience levels, backgrounds and perspectives to be the catalyst for new ideas and innovation that support business growth and sustainability.



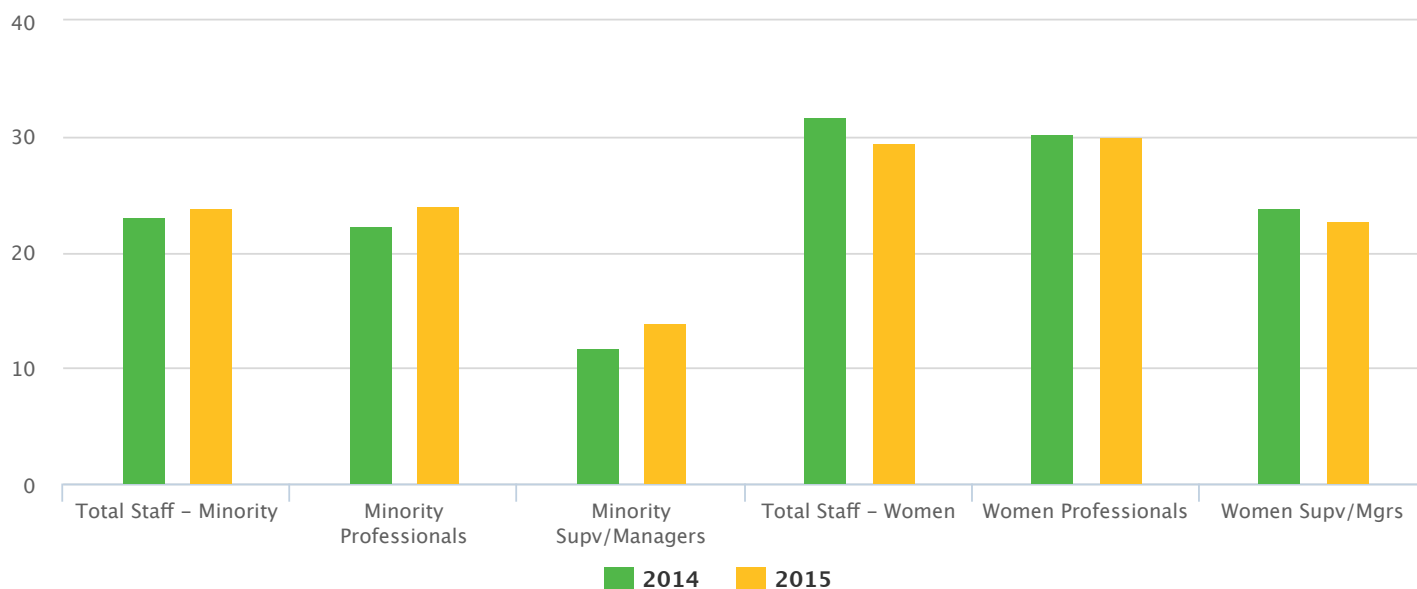
To help diversify our workforce, Marathon Oil partners with local and national organizations such as UNCF, the Women's Energy Network, Human Rights Campaign and API's Workforce of the Future Committee. We partnered with the Hispanic Alliance for Career Advancement (HACE) in 2014, and hosted and led its eight-week academy for emerging Hispanic women leaders in 2015. The Company also partners with organizations like the Congressional Black Caucus Foundation and Congressional Hispanic Caucus Institute to promote education opportunities for underserved communities.

Marathon Oil believes inclusion is essential to diversity. Our commitment is to maintain an inclusive work environment where our employees can collaborate and feel comfortable sharing their ideas and challenging each other. This will enable them to reach their full potential and help us to create a high-performance team of employees who deliver strong operating and financial results.

In 2015, we updated our training on inclusion practices, including how to address unconscious bias and motivate teams. We continue to grow a strong internal community of advocates and champions.

U.S. Workforce ^{a, b}

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

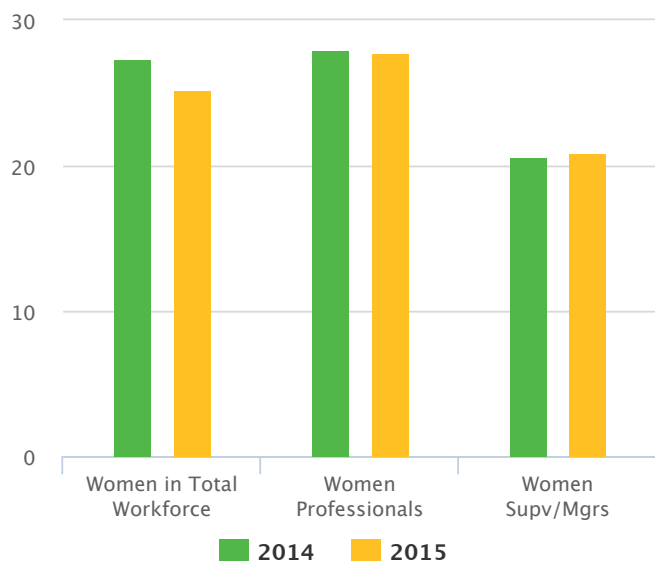


^a Workforce statistics reflect year-end data.

^b As defined by U.S. Equal Employment Opportunity Commission

Global Workforce - Women ^a

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



(^a) Workforce statistics reflect year-end data.

TRAINING AND DEVELOPMENT

At Marathon Oil, we empower employees by creating a culture of learning, growing diverse and inclusive teams and focusing on 12 leadership behaviors that we believe create sustainable results.

We create annual employee development goals to promote and ensure individual growth, address gaps and prepare employees for their next opportunity. Marathon Oil balances training and development to build a high-performance team culture and drive innovation and continuous improvement. We believe well-rounded development plans lead to learning the skills and behaviors employees need to succeed. Our talent development approach focuses on leadership capability, business impact, technical capability and personal impact.

In 2015, we introduced the 70-20-10 model, which recognizes that learning can be strengthened with development occurring 70 percent on the job, 20 percent through relationships and feedback, and 10 percent via formal training programs.

Improvements to our training programs in 2015 included developing a Qualification Management System to meet our [Responsible Operations Management Systems \(ROMS\)](#) requirement to prove field worker competence. The goal is to better predict our workforce needs, manage our workforce effectively and operate safely as changes in activity dictate future workforce requirements.

Employees further demonstrate their commitment to results by aligning with team and organizational performance goals. This is reinforced by our performance management approach and pay-for-performance philosophy to reward individual and Company performance.

©2016 Marathon Oil Company

STRENGTHENING CONTRACTOR SAFETY MANAGEMENT

Contractors, who made up approximately 73 percent of our field workforce in 2015, are vital to the safety, efficiency and reliability of Marathon Oil operations.



We seek contractors who share our commitment to keep people, the environment and communities safe. Contractor management is covered by the Third Party Services element of our [management system](#) and the Marathon Oil Contractor Management Standard, which drives consistency and clear expectations throughout our operations. The Company has a formal methodology to evaluate HES performance of safety-sensitive contractors.

In recent years, we have steadily strengthened our programs to improve contractor safety, starting with verifying their HES&S performance during the qualification process. To work with Marathon Oil, contractors must disclose their written safety programs, OSHA injury and illness records, and performance history. Contractors who supply personnel for safety-sensitive work in North America are required to register with the [ISNetworld](#) global resource and meet our threshold score. This process includes a review and evaluation of the contractor's HES programs. When the only available contractor does not meet our standards, we implement risk management plans to address issues of concern and meet regularly with the contractors to ensure that they are effectively addressing any gaps.

We also take steps to ensure they meet their contractual obligations and comply with our HES&S standards, the [Code of Business Conduct](#) and other programs. These include formal [orientation](#) for new field-based contractors and additional instruction on life critical elements for contractors who issue safe work permits.

In 2015, we maintained our commitment to promote safety leadership and implemented corporate programs such as hand safety. In addition, assets engaged with contractor leaders, field supervisors and field personnel. For example:

- Eagle Ford held approximately 100 face-to-face meetings to determine if contractors were cutting back on training or safety programs.
- Bakken held daily tailgate safety talks, and quarterly meetings with leaders from different supplier categories, such as haulers and electrical contractors, to discuss common issues.
- Oklahoma completed 65 vendor business reviews and implemented an improved Contractor Management Plan.

- Marathon Oil continued the Contractor Field Verification Audit program we initiated in 2013, performing 75 audits in 2015.

Continuously promoting a positive safety culture and emphasizing that our workforce must take personal responsibility for safety, avoid shortcuts and use their Stop Work Authority are essential to achieving an accident- and injury-free workplace.

©2016 Marathon Oil Company

SUPPORTING HEALTH, EDUCATION AND COMMUNITIES IN EQUATORIAL GUINEA

Marathon Oil's social investments in Equatorial Guinea in 2015 exceeded \$6.1 million for a variety of health, education and community programs.



Our primary social responsibility program remains the [Bioko Island Malaria Control Project](#). In 2015, we continued funding Phase III of the project with more than \$3.3 million and made important changes to the project's interventions in response to changing demographics on Bioko Island. In addition, we invested approximately \$760,000 in the first of three trials of a candidate malaria vaccine for the Equato-Guinean Malaria Vaccine Initiative (EGMVI). This safety trial showed that the Sanaria Inc. PfSPZ© vaccine was well tolerated and did not cause adverse effects in trial participants.

In 2016, we will continue distributing bed nets to families with primary school-aged children and pregnant women, distributing free malaria combination drug therapy through government health facilities, and will run a second trial to test the PfSPZ© vaccine protectiveness in youth and senior populations.

As we shift our social investments in Equatorial Guinea to focus on capacity building, we have identified cost-effective projects to train health care workers. These include a midwife nurse training program initiated in 2015 by the Ministry of Health and Social Welfare and the National University of Equatorial Guinea (UNGE) School of Medicine and Nursing. The project, which is run by the NGO Foundation for Nursing Development (FUDEN), recruited 70 midwives who will receive 18 months of training while working in the field. After their training ends in 2017, the midwives will return to their home posts and continue working within the Ministry of Health and Social Welfare.

As part of MEGPL's community assistance programming, in 2015 we piloted a vision screening and eye exam project that donates eye glasses in two public schools. The project serves more than 1,000 youth in the Malabo area of Bioko Island. We also renovated a dormitory for 300 girls at a local orphanage. During the year, Marathon Oil started building a new hospital that will provide much-needed health care infrastructure for 50,000 residents in the Baney District and a reference laboratory to support future malaria vaccine trials and other research activities.

In 2015, Marathon Oil invested \$460,000 in the third and final phase of the UNGE English Language Program. Three instructors went to the United States for three months of intensive English instruction, and are continuing their training at EAFIT University in Medellin, Colombia, in 2016. Five English instructors with the program taught more than 80 UNGE students, with five students graduating with an advanced high level of proficiency. In 2016, specific courses are being designed for UNGE environmental science, geology and petroleum programs so students can better compete for industry internships and jobs in Equatorial Guinea.

Another educational initiative in Equatorial Guinea is the Books for Bioko program founded by Marathon Oil employees in 2004. Since its inception, employees have raised more than \$760,000 for computers, furniture and school supplies for nine schools in the Malabo area. In 2015, employees raised more than \$76,000 through fundraising activities and direct giving. In 2016, local employees and school children will paint large world maps in school common areas to improve geographical literacy and help children visualize the larger world around them.

Equatorial Guinea is a major asset for Marathon Oil, and we will continue to develop the country's people resources, as well as its oil and gas resources, through social investment projects.

©2016 Marathon Oil Company

BUILDING THE FUTURE WORKFORCE THROUGH INVESTMENTS IN EDUCATION

We have a track record of investing in education from kindergarten through college to strengthen the communities where we operate and build the future workforce.



We support science, technology, engineering and math (STEM) curriculum enhancements, literacy, teacher training and development, programs aimed at meeting community social needs that impact educational outcomes, and college scholarships.

Our goals are to stimulate interest in STEM fields and increase the number of students who finish high school and continue their education at a two- or four-year college. We hope pursuing STEM fields leads some of these students to work for Marathon Oil and be industry leaders in the future.

We developed an Integrated Education Funding Model to ensure our investments drive meaningful change in academic performance, graduation rates and interest in STEM fields. The model helps us identify promising programs and measure effectiveness. In addition, it guides stakeholder engagement to address outside factors that can impact the outcomes of educational programs, such as parental support and underlying social issues.

The model establishes roles and responsibilities in helping children succeed in school. Marathon Oil's role is to provide financial assistance and volunteers for mentoring, tutoring, reading programs and campus relations. Other stakeholders include community organizations, parents, teachers and school districts, four-year colleges and vocational/technical programs.

Advancing STEM Education

We have made significant investments in STEM education, particularly in the South Texas counties where we have operated since entering the Eagle Ford in 2011. The dynamic environment in this region has been a proving ground for STEM programs.

Integrated Education Funding Model



Marathon Oil's Integrated Education Funding Model ensures our investments drive meaningful change in academic performance, graduation rates and interest in STEM fields. The model helps us identify promising programs, measure effectiveness and guide stakeholder engagement to other factors that can impact academic outcomes.

We piloted the [Reasoning Mind Program](#) for math education in one elementary school in the Karnes County Independent School District (KCISD) in 2013. Based on the results, in 2014 we expanded the program to a second KCISD school and added a grade level at the pilot school. In the 2014-2015 school year, approximately 420 children in grades 2-5 participated in the program and approximately 150 took algebra readiness assessments at the beginning and end of the school year, with dramatic results. The passing rate on the assessment increased 28-29 percentage points on average at both schools, and fifth graders at one school more than doubled their success rate on the assessment.

In addition, teachers indicated in a survey that they were highly satisfied with Reasoning Mind and felt the program helped them be more effective in the classroom. Given these improvements, Marathon Oil expanded Reasoning Mind to approximately 480 pupils in grades 2-5 at the same schools for the 2015-2016 academic year.

In 2015, Marathon Oil also contributed to the KCISD Education Foundation for a STEM camp and teacher grants, and funded Science Fiction Workshops to train early childhood and elementary school teachers how to cultivate science literacy through storytelling.

In addition, in 2015 Marathon Oil supported:

- IPAA (Independent Petroleum Association of America) petroleum academies that provide students with an advanced academic learning experience in science, mathematics and the emerging technology concepts needed to pursue professional training and degrees in engineering, geology, geophysics and global energy management.
- Visits from the Texas Alliance for Minorities in Engineering's (TAME) Trailblazer science museum on wheels to approximately 400 middle school students in Eagle Ford and Oklahoma. Trailblazer is designed to increase minority and female student involvement in STEM activities and create awareness of STEM careers.
- The Texas A&M University Department of Geology and Geophysics by donating 20 laptop computers for a new undergraduate computer lab. We also donated 52 monitors and two Linux boxes to upgrade the seismic computing lab and graduate working lab. The donations assist the department's efforts to create an Advance Computing Center for Geoscience Research.

Early Childhood Education in Houston

Research shows that 90 percent of brain development occurs by age five, yet only 5 percent of public education dollars are spent on early childhood education. In addition, the majority of children are not ready for letter identification, counting, number recognition and writing their name when they enter kindergarten. To address these issues, in 2015 Marathon Oil supported programs such as United Way's Bright Beginnings program designed to help children from lower-income families enter school ready to succeed.

At Browning Elementary School, we donated 600 books – one for every child at the school. This helped address a startling statistic that only one book is available for every 300 children in low-income area homes, and students who are not reading at grade level by third grade are four times more likely to drop out of school. Through a partnership with the Barbara Bush Houston Literacy Foundation, we sponsored its annual Celebration of Reading event and donated 40 gently used computers to community-based organizations for their literacy and workforce development programs.

College Scholarship Program

To develop a future workforce for the oil and gas industry, we offer college scholarships for students from the U.S., Equatorial Guinea and Kurdistan Region of Iraq to study core disciplines such as geosciences, engineering and supply chain. We are also developing a scholarship program for our asset in Gabon.

2015 University Scholarships		
Country/asset	Number of scholarships	Universities
U.S.	130	<ul style="list-style-type: none">• Colorado School of Mines• Louisiana State University• Montana Tech• Texas A&M University• Texas Tech University• University of Houston• University of North Dakota• University of Oklahoma• University of Texas• GeoForce
Kurdistan Region of Iraq	2	<ul style="list-style-type: none">• Texas A&M University
Equatorial Guinea	31	<ul style="list-style-type: none">• Blinn College• Texas A&M University• University of Houston• University of Petronas (Malaysia)• ITNHGE (Equatorial Guinea)

Marathon Oil also provides scholarships to four-year colleges and technical and vocational training through the Houston Livestock Show and Rodeo, Rotary Club in Karnes County, the NAACP and UNCF.

Guided by our Integrated Education Funding Model, Marathon Oil continues to seek effective programs to educate children, support teachers and strengthen communities.

©2016 Marathon Oil Company

HYDRAULIC FRACTURING

A key technology for producing oil and natural gas in unconventional resource plays across the U.S., and its use is emerging in other countries.



In combination with advanced horizontal drilling technology, hydraulic fracturing makes it possible to develop oil and gas resources that were previously inaccessible. These technologies have unlocked oil and gas deposits for Marathon Oil in the South Texas Eagle Ford, North Dakota Bakken Shale and Oklahoma Resource Basins. In keeping with our commitment to environmental stewardship, we take steps to ensure well integrity, conserve water, [reduce air emissions from flaring](#) and other sources and manage waste responsibly to minimize our impacts.

Well Integrity

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

Water Use

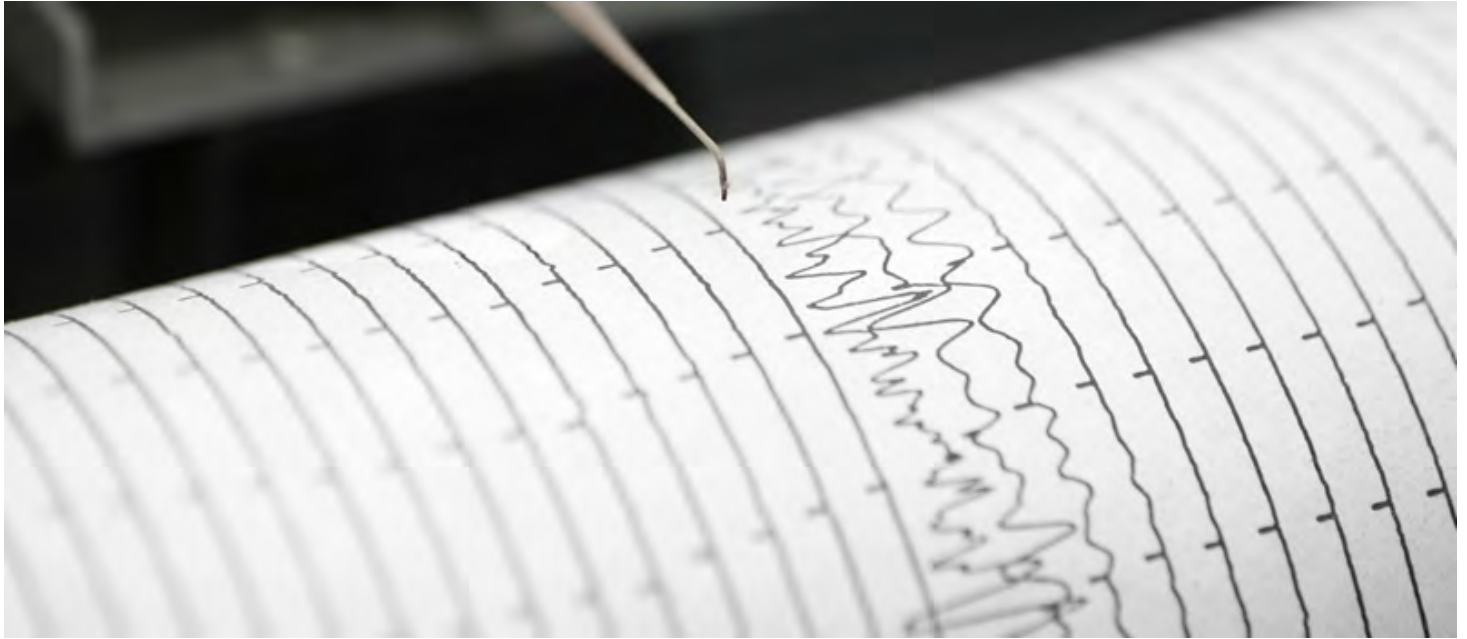
Hydraulic fracturing involves pumping a mixture of mostly water and sand, and a small amount of additives, under high pressure into the reservoir to create fractures, or cracks, in the target rock formation. This increases the production rate and ultimate recovery of oil and natural gas from a well. Marathon Oil continuously looks for ways to use less water in our hydraulic fracturing operations and to minimize the environmental impacts of our operations on local watersheds. We actively pursue alternative sources for water, such as aquifers whose water supply does not meet standards for municipal or agricultural use, as well as evaluate technologies for recycling and treating produced water for reuse in our operations.

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. Marathon Oil supports specific, state-level disclosure of fracturing fluid components. We worked with other operators and trade organizations to develop and implement [FracFocus](#), a voluntary online chemical registry for hydraulically fractured wells. Marathon Oil has entered all of our wells drilled and hydraulically fractured in the U.S. in FracFocus, a total of 2,049 wells through December 2015. We encourage service companies that work with us to disclose their fracturing fluid components as well.

SEISMICITY

As a result of increased seismic activity in Oklahoma and Texas, regulators and public sector groups are studying potential links between the disposal of wastewater from oil and gas operations and seismic events.



Marathon Oil currently does not own or operate any injection wells for wastewater disposal in targeted formations in Oklahoma, and therefore is not directly subject to any existing or proposed future regulations governing injection wells.

However, Marathon Oil monitors all regulatory efforts related to seismic activity in Oklahoma and Texas, to assess their potential commercial and operational impacts. We are evaluating a long-term management strategy that includes alternative waste water disposal methods, and recycling and reuse of produced water.

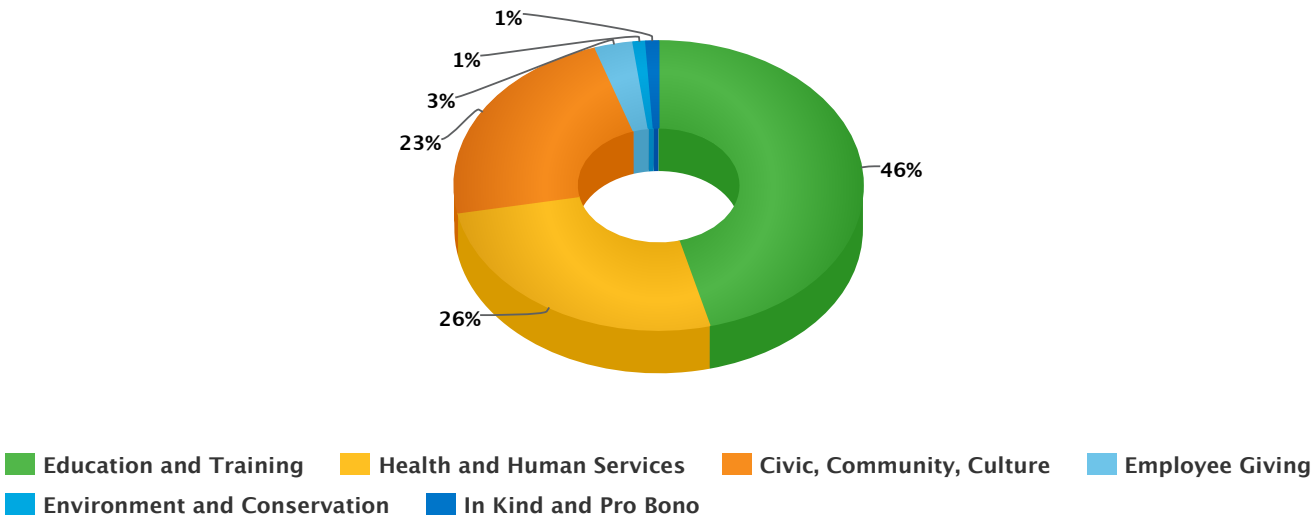
In addition, we continue to engage with state governments, both independently and with API, the Oklahoma Oil and Gas Association (OKOGA), Texas Oil and Gas Association (TXOGA), American Exploration and Production Council (AXPC) and the Oklahoma Independent Producers Association (OIPA). Our activities include monitoring research and complying with permitting requirements for injection of liquids into wells. We are a member of the Stanford Center for Induced and Triggered Seismicity consortium, whose 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. This research is used by state governments to regulate the oil and gas industry.

©2016 Marathon Oil Company

SOCIETY METRICS

Marathon Oil Social Investments by Giving Area

Total Social Investments: \$24.2 million*

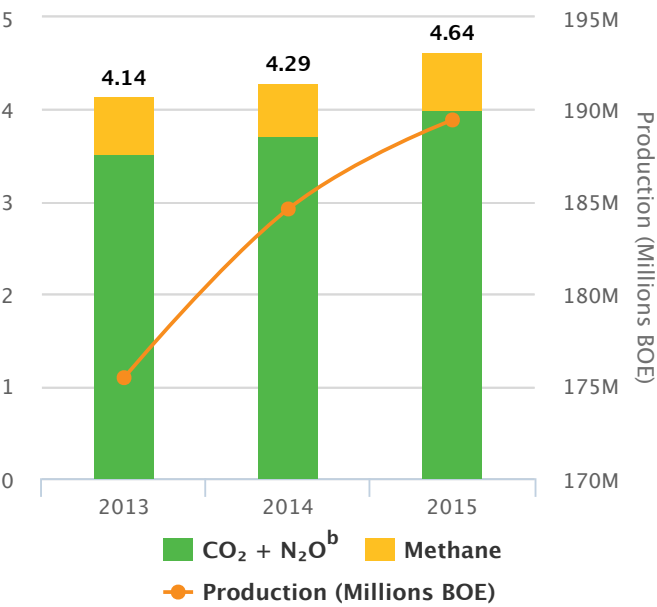


*Total Philanthropic Giving: \$6.7 million in corporate giving and \$.7 million in employee giving; Total Sustainable Investments: \$16.8 million.

ENVIRONMENT METRICS

Global GHG Emissions ^a

Million Tonnes CO₂e

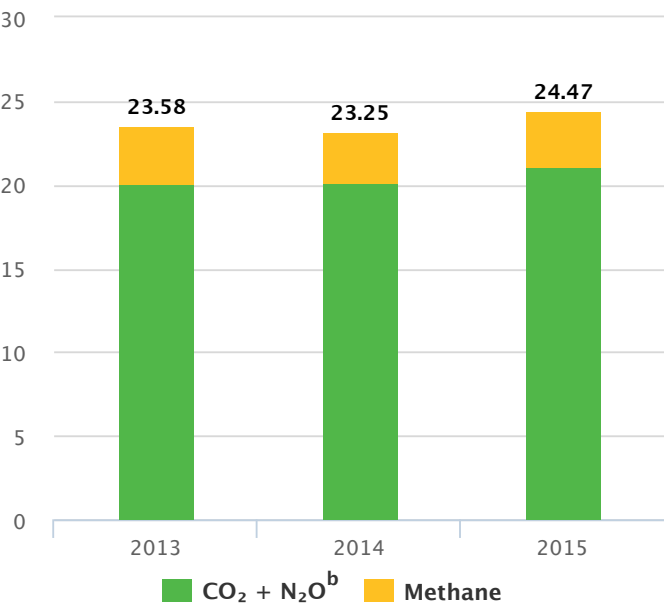


a. Excludes East Texas/North Louisiana (discontinued assets)

b. N₂O emissions are marginal and make up less than 1 percent of the CO₂ and N₂O emissions

Global GHG Intensity ^a

Tonnes CO₂e/thousand BOE

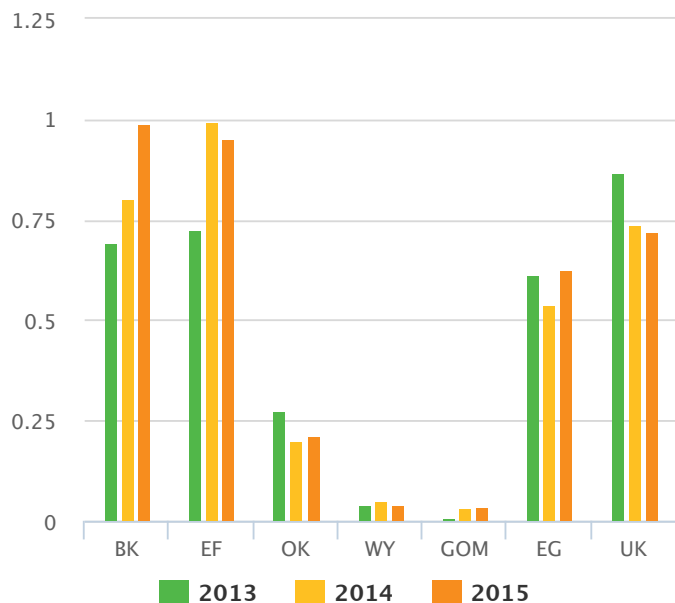


a Excludes East Texas/North Louisiana (discontinued assets)

b N₂O emissions are marginal and make up less than 1 percent of the CO₂ and N₂O emissions

Global Emissions by Asset ^a

Million Tonnes CO₂e



BK: Bakken

EF: Eagle Ford

OK: Oklahoma

WY: Wyoming

GOM: Gulf of Mexico

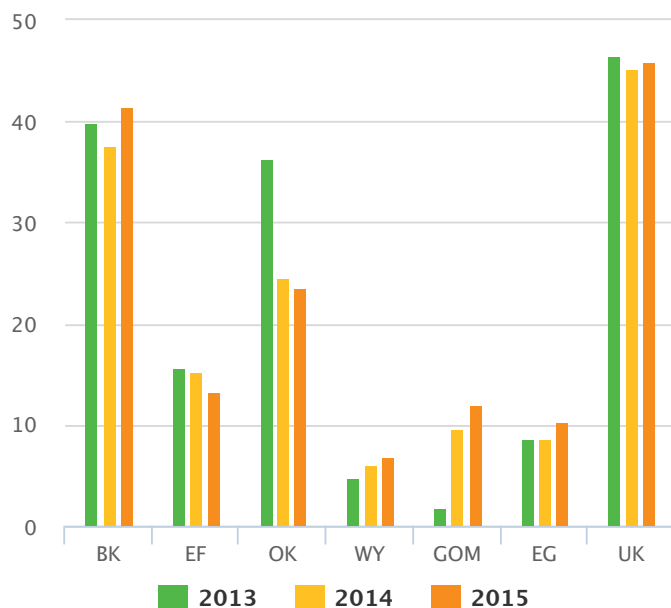
EG: Equatorial Guinea

UK: United Kingdom

Excludes East Texas/North Louisiana (discontinued assets)

GHG Intensity by Asset

Tonnes CO₂e/thousand BOE ^a



BK: Bakken

EF: Eagle Ford

OK: Oklahoma

WY: Wyoming

GOM: Gulf of Mexico

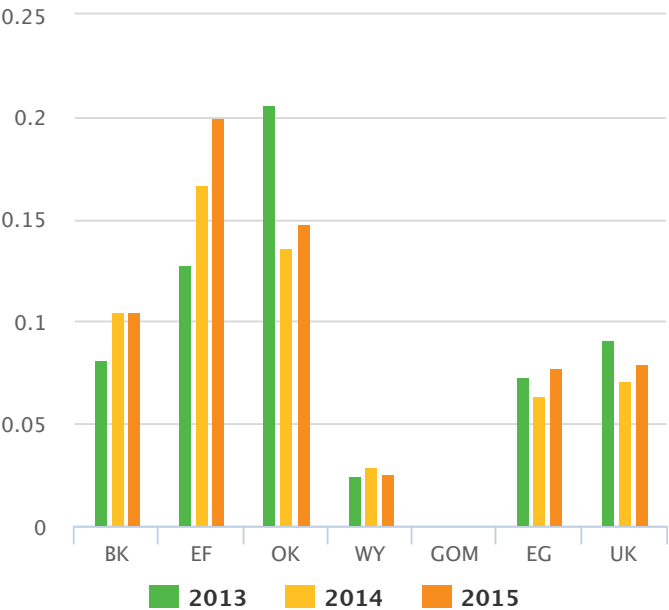
EG: Equatorial Guinea

UK: United Kingdom

Excludes East Texas/North Louisiana (discontinued assets)

Methane Emissions by Asset

Million Tonnes CO₂e



BK: Bakken

EF: Eagle Ford

OK: Oklahoma

WY: Wyoming

GOM: Gulf of Mexico

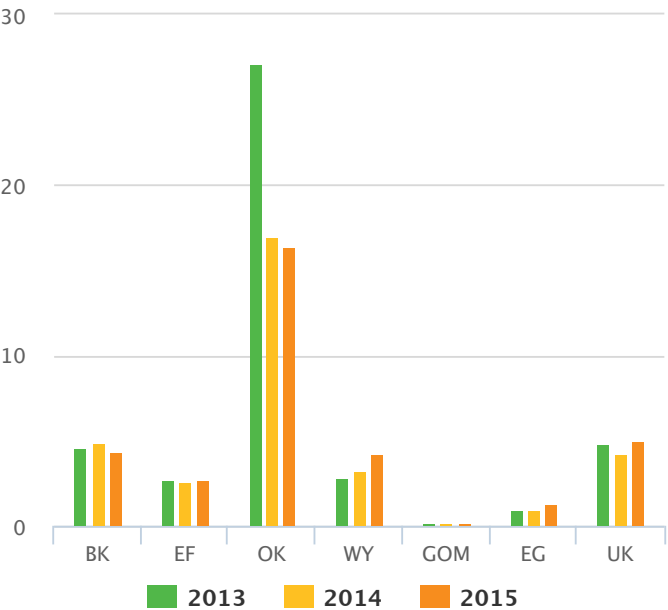
EG: Equatorial Guinea

UK: United Kingdom

Excludes East Texas/North Louisiana (discontinued assets)

Methane Intensity by Asset

Tonnes CO₂e/thousand BOE



BK: Bakken

EF: Eagle Ford

OK: Oklahoma

WY: Wyoming

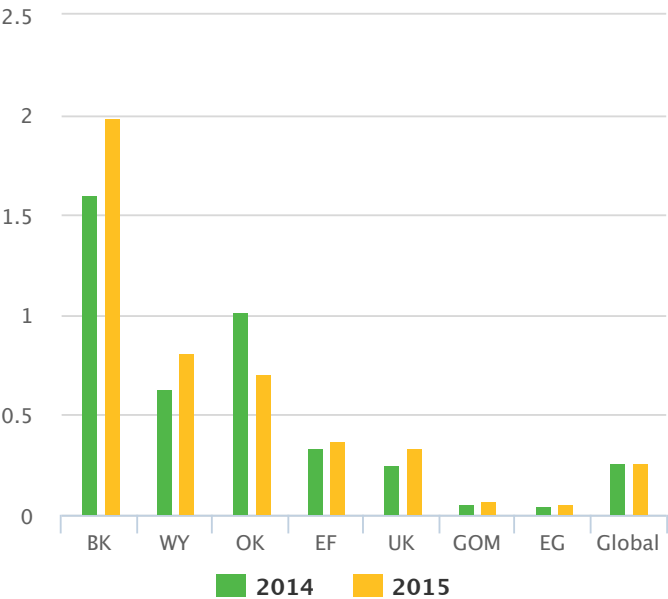
GOM: Gulf of Mexico

EG: Equatorial Guinea

UK: United Kingdom

Excludes East Texas/North Louisiana (discontinued assets)

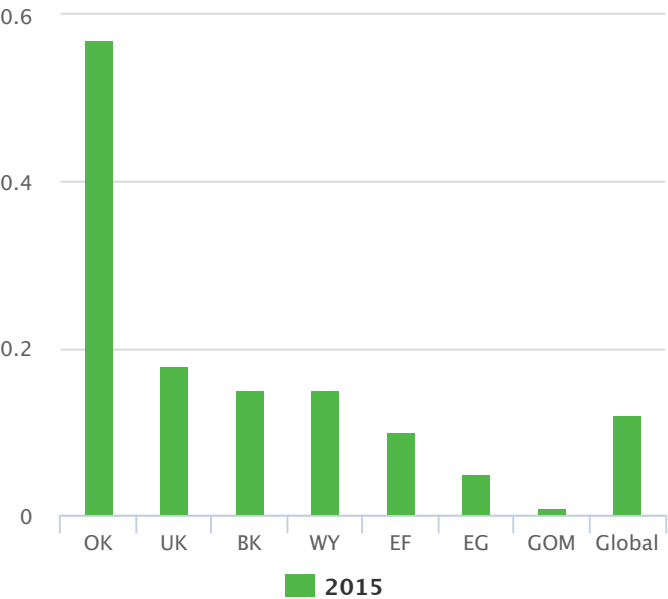
Methane Emissions as a % of Natural Gas Produced



BK: Bakken
WY: Wyoming
OK: Oklahoma
EF: Eagle Ford
UK: United Kingdom
GOM: Gulf of Mexico
EG: Equatorial Guinea

Excludes East Texas/North Louisiana (discontinued assets)

Methane Emissions as a % of Total Hydrocarbons Produced (BOE)

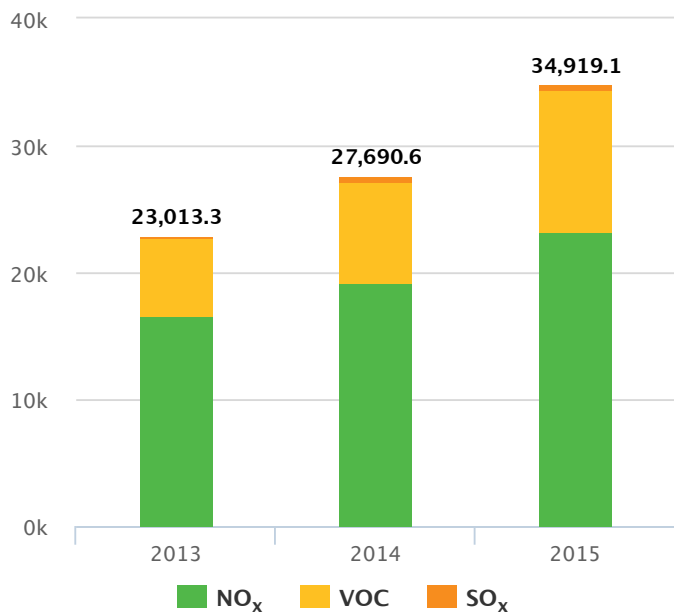


OK: Oklahoma
UK: United Kingdom
BK: Bakken
WY: Wyoming
EF: Eagle Ford
EG: Equatorial Guinea
GOM: Gulf of Mexico

Excludes East Texas/North Louisiana (discontinued assets)

Global Criteria Pollutant Emissions

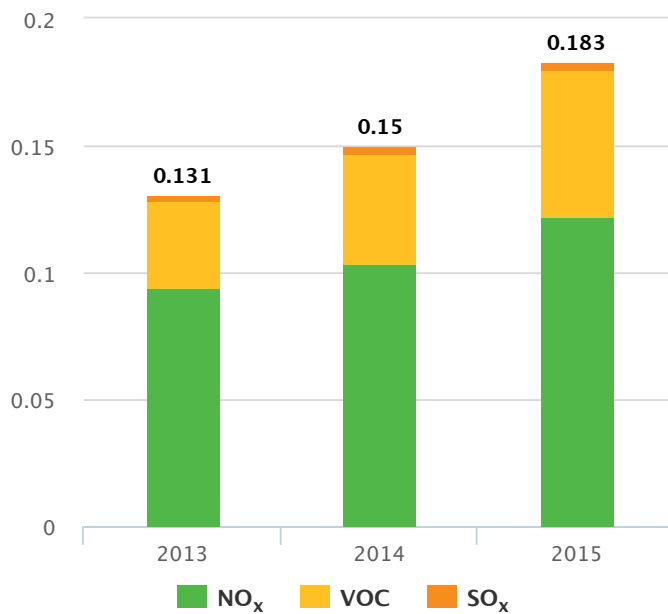
Tons



Excludes East Texas/North Louisiana (discontinued assets)

Global Criteria Pollutant Intensity

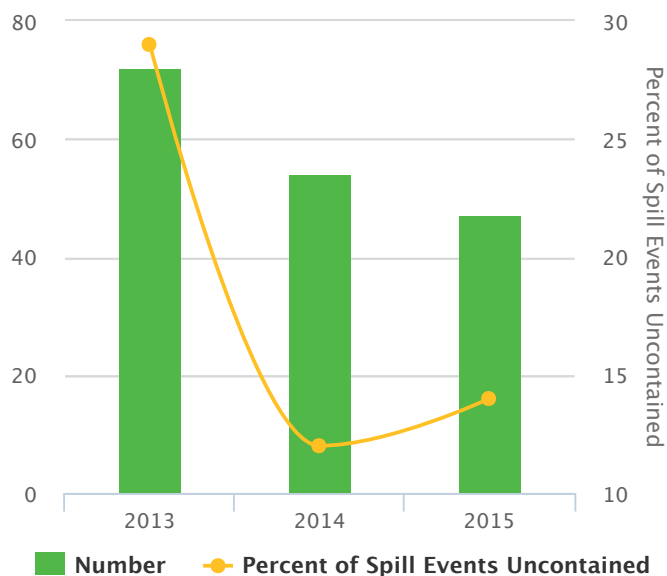
Tons/thousand BOE



Excludes East Texas/North Louisiana (discontinued assets)

Spill Events to the Environment ≥ 1 bbl

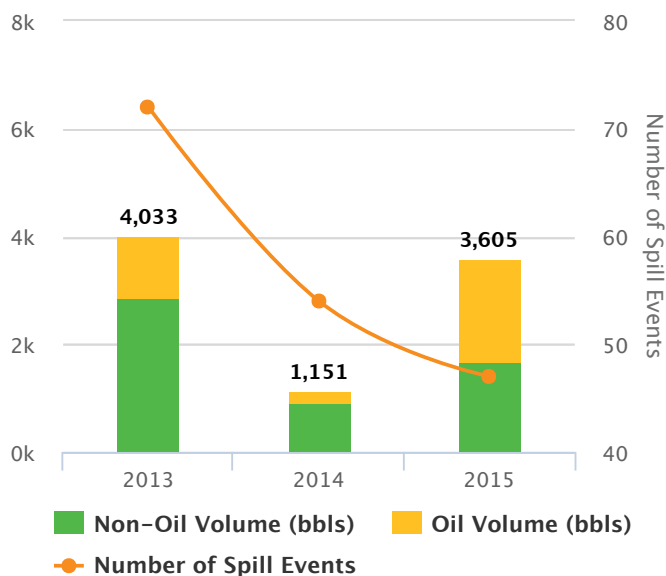
Number



Discontinued assets were removed from the previous year's data for comparing year-on-year performance

Spill Volumes to the Environment ≥ 1 bbl

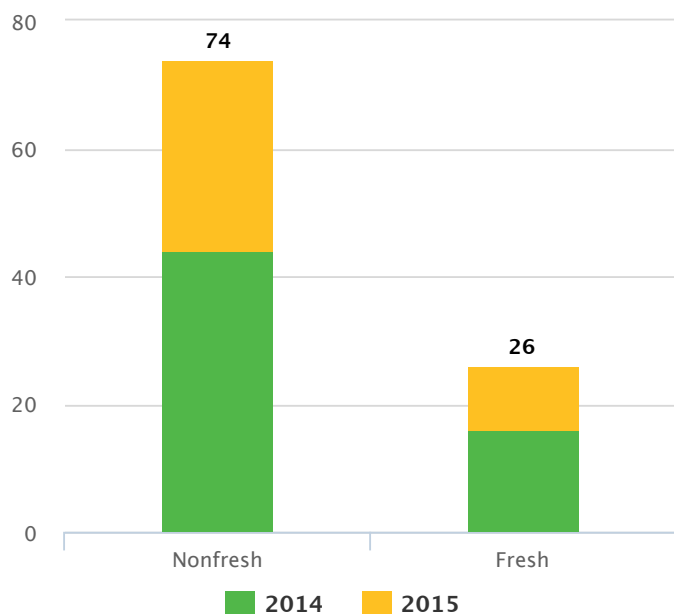
Volume



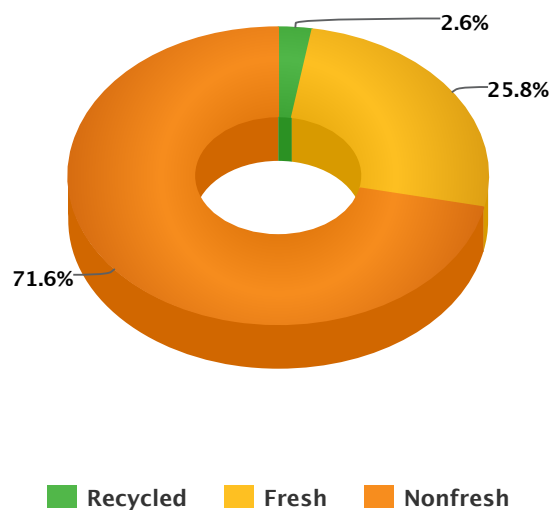
Discontinued assets were removed from the previous year's data for comparing year-on-year performance

2015 U.S. Onshore Water Usage

Million barrels

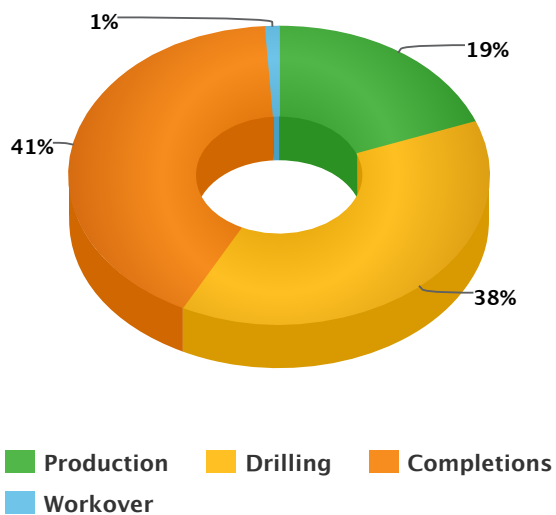


2015 U.S. Onshore Water Source



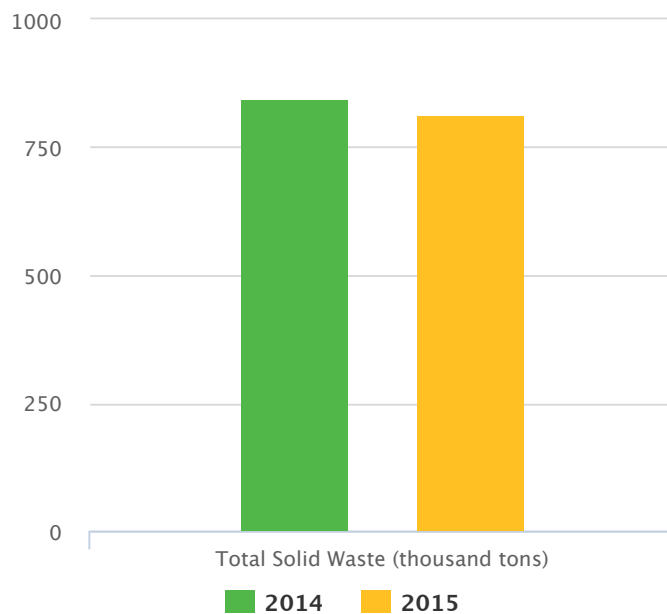
2015 Solid Waste Sources

Percentage



Solid Waste to Offsite Disposal

Thousand tons



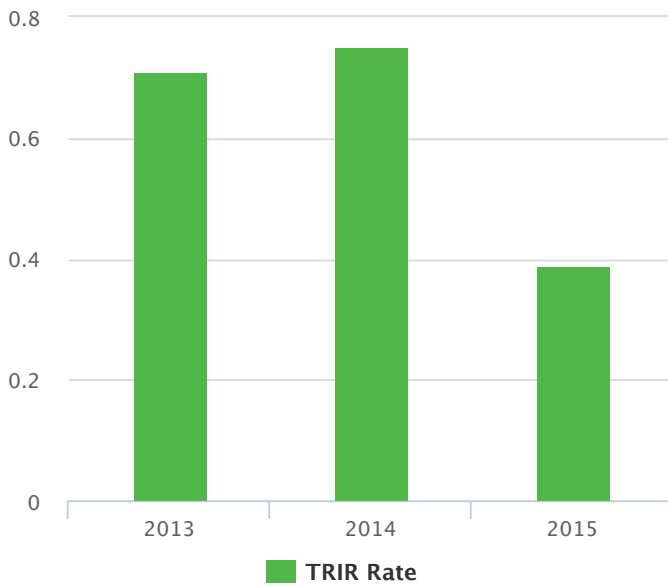
Excludes East Texas/North Louisiana (discontinued assets)

Excludes East Texas/North Louisiana (discontinued assets)

SAFETY METRICS

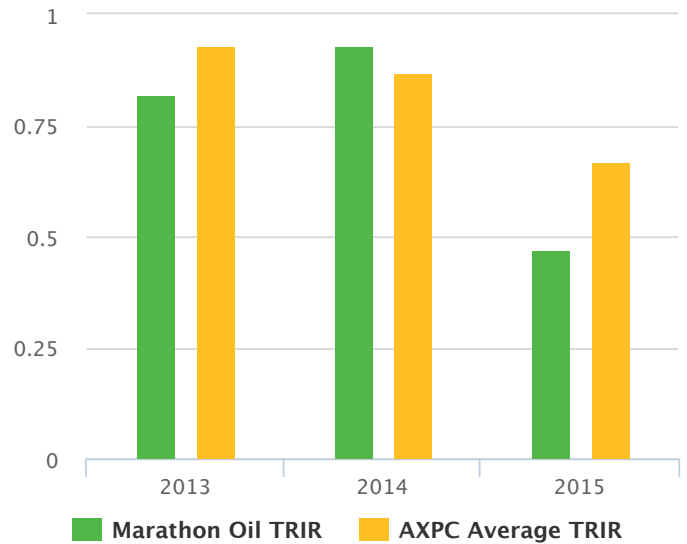
Global Safety Performance

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



U.S. Safety Performance – AXPB Benchmark

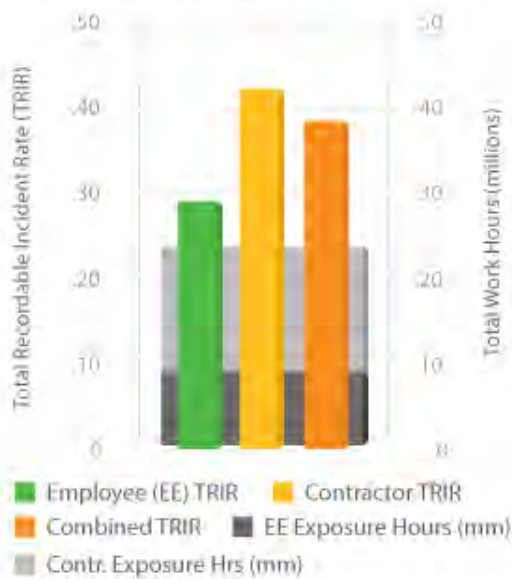
Contractor & Employee; Onshore and Offshore;
Domestic Operations Only.



Some comparator companies do not include contractor workforce

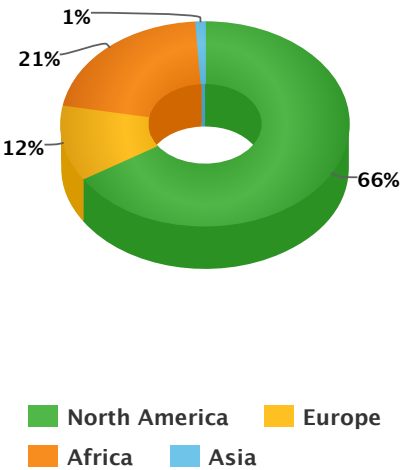
2015 In-Depth Global Safety Performance

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

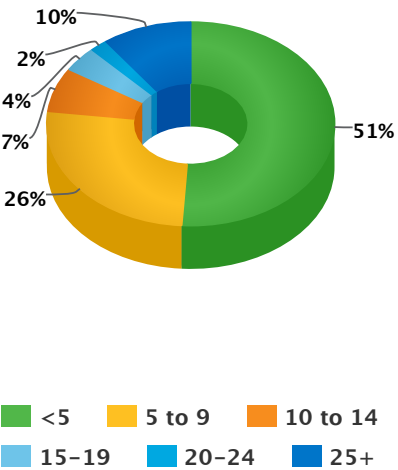


WORKFORCE METRICS

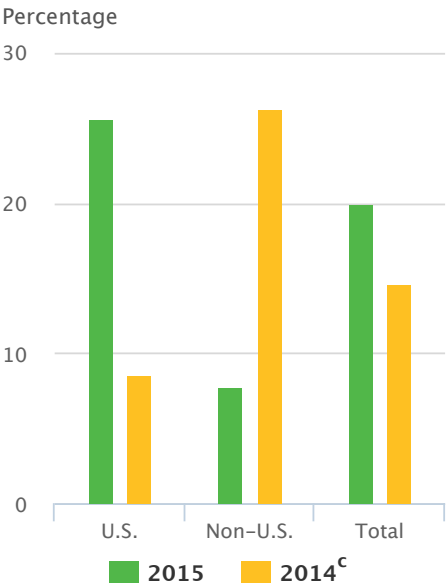
Who We Are



Years of Service



Company Turnover Rate ^{a, b, c}



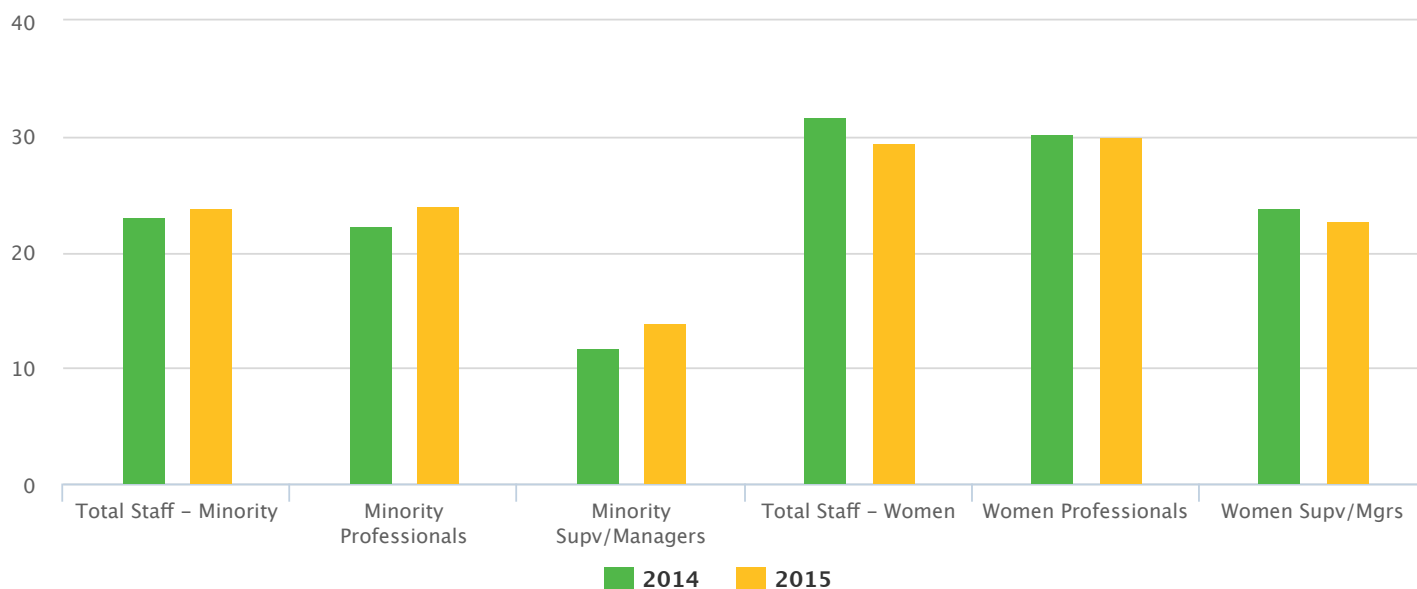
a Turnover rate methodology has been revised to align with Success Factors standards.

b Data does not include total retirement rates of 11.2 percent and 4.9 percent for 2015 and 2014, respectively.

c Rates include employees from asset sales that occurred during respective years.

U.S. Workforce ^{a, b}

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

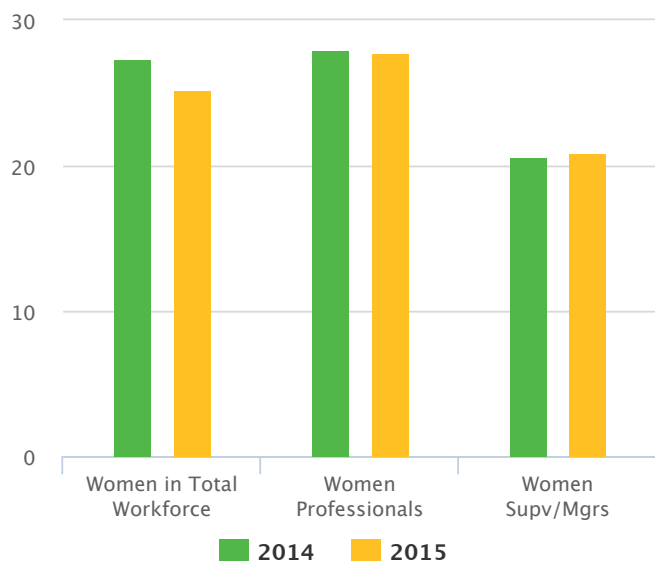


^a Workforce statistics reflect year-end data.

^b As defined by U.S. Equal Employment Opportunity Commission

Global Workforce - Women ^a

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



(^a) Workforce statistics reflect year-end data.

IPIECA/API/IOGP AND GRI INDEX

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

	IPIECA/API/IOGP Indicators	GRI G4 Indicators
Overview		
About This Report		G4-2, G4-7, G4-20, G4-22, G4-28, G4-29, G4-30, G4-31, G4-33
Materiality Determination		G4-18
Marathon Oil at a Glance		G4-3, G4-4, G4-5, G4-6, G4-8, G4-9, G4-17
CEO Message	E1, HS3, SE1, SE4, SE5	G4-1, G4-2, G4-13
A Message from our Board	E1	G4-1, G4-2, G4-48
Performance Summary	E1, E2, E9, HS3, SE4, SE15	G4-9, G4-22, G4-EC1, G4-LA12
Performance Metrics	E1, E2, E6, E9, HS3, HS5, SE4, SE14, SE15	G4-10, G4-22, G4-EN5, G4-EN8, G4-EN15, G4-EN16, G4-EN18, G4-EN21, G4-EN24, G4-LA6, G4-LA12, G4-SO6
Stakeholder Engagement Map		G4-24, G4-26, G4-27
Management Systems		G4-34, G4-46, G4-47
Corporate Commitments	See sections below	See sections below
IPIECA/API/IOGP and GRI Index		G4-32
Governance		
Management Approach		G4-DMA, G4-34, G4-37, G4-38, G4-39, G4-40, G4-41, G4-45, G4-49, G4-51, G4-53
Progress on Our Commitments	SE11, SE13, SE14	
Sustainability Oversight	SE1	G4-26, G4-34, G4-35, G4-36, G4-42, G4-43, G4-44, G4-46, G4-48
Ethical Business Practices	SE11, SE13, SE18	G4-56, G4-57, G4-58, G4-SO3, G4-SO4
Public Policy and Political Contributions	SE1, SE14	G4-16, G4-SO6
Emergency Preparedness		G4-16
Society		
Management Approach	SE1	G4-DMA
Progress on Our Commitments	HS2, SE1, SE4, SE5, SE7, SE10	G4-26
Security and Human Rights	SE8, SE10	G4-15
Stakeholder Engagement	SE1	G4-25, G4-26, G4-SO1
Social Investment	E5, E10, HS2, SE1, SE4	G4-EC7
Local Content: Workforce Integration and Procurement	SE5, SE7	G4-EC8, G4-LA-10
Environment		
Management Approach	SE1	G4-DMA, G4-26
Progress on Our Commitments	E1, E9, E10, SE1	G4-EN3, G4-EN15, G4-EN16
Climate Change and Emissions Management	E1, E4, E8	G4-EN5, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN21
Water Management	E6	G4-EN8, G4-EN10
Spills and Releases	E9	G4-EN24

Waste Management	E10	
Safety and Workforce		
Management Approach	HS1	G4-DMA, G4-LA11
Progress on Our Commitments	HS1, HS3, HS4, HS5	G4-LA6
Our Workforce	SE15	G4-10, G4-LA1
Diversity and Inclusion	SE15	G4-LA12
Safety Performance	HS1, HS2, HS3, HS4, SE16	G4-LA6, G4-PR3
Contractor Safety	HS1	G4-LA6
Workforce Health	HS1, HS2	G4-LA7
Case Studies		
Strengthening Contractor Safety	HS1, SE7	G4-EC9
Alba B3: A Model of Sustainability	E1, E5, E7, E9, E10, HS1, HS2, HS3, SE1, SE4, SE5, SE7, SE15, SE17	G4-EC9, G4-EN13, G4-EN24, G4-LA6, G4-EC1, G4-EC6, G4-EC9, G4-LA10
Social Investments in Equatorial Guinea	HS2, SE1, SE4	G4-LA7, G4-S02, G4-EC1
Building the Future Workforce	SE1, SE4, SE17	G4-S01, G4-EC1
Hydraulic Fracturing	E1, E4, E6, E10, HS4	G4-15, G4-27, G4-EN27
Seismicity	E10, SE14	G4-DMA