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DELTA REPORT

10-Q

MRO WI - MARATHON OIL CORP

10-Q - MARCH 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	1960
CHANGES	212
DELETIONS	799
ADDITIONS	949

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

 QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended September 30, 2022 March 31, 2023

OR

 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____ to ____

Commission file number 1-1513

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Marathon Oil Corporation

(Exact name of registrant as specified in its charter)

Delaware	**25-0996816**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

990 Town and Country Boulevard, Houston, Texas
77024-2217
(Address of principal executive offices)

(713) 629-6600
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $1.00	MRO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o
Smaller reporting company		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No þ

There were 635,067,840 617,604,314 shares of Marathon Oil Corporation common stock outstanding as of October 31, 2022 April 28, 2023.

MARATHON OIL CORPORATION

Unless the context otherwise indicates, references to "Marathon Oil," "we," "our," or "us" in this Form 10-Q are references to Marathon Oil Corporation, including its wholly owned and majority-owned subsidiaries, and its ownership interests in equity method investees (corporate entities, partnerships, limited liability companies and other ventures over which Marathon Oil exerts significant influence by virtue of its ownership interest).

For certain industry specific terms used in this Form 10-Q, please see "Definitions" in our 2021 2022 Annual Report on Form 10-K.

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Part I – FINANCIAL INFORMATION
Item 1. Financial Statements

MARATHON OIL CORPORATION
Consolidated Statements of Income (Unaudited)

(In millions, except per share data)	(In millions, except per share data)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	(In millions, except per share data)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenues and other income:	**Revenues and other income:**					**Revenues and other income:**		
Revenues from contracts with customers	Revenues from contracts with customers	$ 2,008	$ 1,438	$ 5,937	$ 3,869	Revenues from contracts with customers	$ 1,567	$ 1,761
Net gain (loss) on commodity derivatives	Net gain (loss) on commodity derivatives	41	(79)	(129)	(398)	Net gain (loss) on commodity derivatives	15	(143)
Income from equity method investments	Income from equity method investments	190	86	469	179	Income from equity method investments	80	127
Net gain on disposal of assets	Net gain on disposal of assets	2	7	1	8	Net gain on disposal of assets	5	—
Other income	Other income	6	1	25	9	Other income	13	8
Total revenues and other income	Total revenues and other income	2,247	1,453	6,303	3,667	Total revenues and other income	1,680	1,753
Costs and expenses:	**Costs and expenses:**					**Costs and expenses:**		
Production	Production	193	131	509	378	Production	201	152
Shipping, handling and other operating	Shipping, handling and other operating	199	219	575	538	Shipping, handling and other operating	162	185
Exploration	Exploration	73	63	92	109	Exploration	15	11
Depreciation, depletion and amortization	Depreciation, depletion and amortization	460	522	1,319	1,550	Depreciation, depletion and amortization	520	423
Impairments		2	13	4	60			
Taxes other than income	Taxes other than income	137	88	381	236	Taxes other than income	95	104
General and administrative	General and administrative	79	70	220	227	General and administrative	82	73
Total costs and expenses	Total costs and expenses	1,143	1,106	3,100	3,098	Total costs and expenses	1,075	948
Income from operations	**Income from operations**	1,104	347	3,203	569	**Income from operations**	605	805
Net interest and other	Net interest and other	(52)	(57)	(128)	(129)	Net interest and other	(82)	(22)
Other net periodic benefit credits	Other net periodic benefit credits	5	—	14	2	Other net periodic benefit credits	3	4
Loss on early extinguishment of debt		—	(102)	—	(121)			
Income before income taxes	**Income before income taxes**	1,057	188	3,089	321	**Income before income taxes**	526	787
Provision for income taxes		240	4	2	24			
Provision (benefit) for income taxes						Provision (benefit) for income taxes	109	(517)
Net income	**Net income**	$ 817	$ 184	$ 3,087	$ 297	**Net income**	$ 417	$ 1,304
Net income per share:	**Net income per share:**					**Net income per share:**		

Basic	Basic	$ 1.22	$ 0.23	$ 4.40	$ 0.38	Basic	$ 0.66	$ 1.79
Diluted	Diluted	$ 1.22	$ 0.23	$ 4.39	$ 0.38	Diluted	$ 0.66	$ 1.78
Weighted average common shares outstanding:	**Weighted average common shares outstanding:**					**Weighted average common shares outstanding:**		
Basic	Basic	670	789	701	791	Basic	628	730
Diluted	Diluted	672	789	703	791	Diluted	629	732

The accompanying notes are an integral part of these consolidated financial statements.

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MARATHON OIL CORPORATION

Consolidated Statements of Comprehensive Income (Unaudited)

		Three Months Ended September 30,		**Nine Months Ended September 30,**			**Three Months Ended March 31,**	
(In millions)	*(In millions)*	**2022**	**2021**	**2022**	**2021**	*(In millions)*	**2023**	**2022**
Net income	Net income	$ 817	$ 184	$ 3,087	$ 297	Net income	$ 417	$ 1,304
Other comprehensive income, net of tax	Other comprehensive income, net of tax					Other comprehensive income, net of tax		
Change in actuarial gain (loss) and other for postretirement and postemployment plans	Change in actuarial gain (loss) and other for postretirement and postemployment plans	(3)	4	(6)	17	Change in actuarial gain (loss) and other for postretirement and postemployment plans	(5)	(4)
Change in derivative hedges unrecognized gain	Change in derivative hedges unrecognized gain	7	1	23	20	Change in derivative hedges unrecognized gain	(2)	12
Reclassification of de-designated forward interest rate swaps		—	—	—	(28)			
Other		—	—	(1)	—			
Other comprehensive income		4	5	16	9			
Other comprehensive income (loss)						Other comprehensive income (loss)	(7)	8
Comprehensive income	Comprehensive income	$ 821	$ 189	$ 3,103	$ 306	Comprehensive income	$ 410	$ 1,312

The accompanying notes are an integral part of these consolidated financial statements.

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MARATHON OIL CORPORATION

Consolidated Balance Sheets (Unaudited)

		September 30,	**December 31,**		**March 31,**	**December 31,**
(In millions, except par value and share amounts)	*(In millions, except par value and share amounts)*	**2022**	**2021**	*(In millions, except par value and share amounts)*	**2023**	**2022**
Assets	**Assets**			**Assets**		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	$ 1,109	$ 580	Cash and cash equivalents	$ 178	$ 334
Receivables, net	Receivables, net	1,358	1,142	Receivables, net	1,215	1,146
Inventories	Inventories	103	77	Inventories	136	125
Other current assets	Other current assets	66	22	Other current assets	77	66

Total current assets	Total current assets	2,636	1,821	Total current assets	1,606	1,671
Equity method investments	Equity method investments	568	450	Equity method investments	657	577
Property, plant and equipment, net of accumulated depreciation, depletion and amortization of $23,458 and $22,412		14,245	14,499			
Property, plant and equipment, net of accumulated depreciation, depletion and amortization of $24,346 and $23,876				Property, plant and equipment, net of accumulated depreciation, depletion and amortization of $24,346 and $23,876	17,463	17,377
Deferred tax assets		155	—			
Other noncurrent assets	Other noncurrent assets	254	224	Other noncurrent assets	286	315
Total assets	Total assets	$ 17,858	$ 16,994	Total assets	$ 20,012	$ 19,940
Liabilities	**Liabilities**			**Liabilities**		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable	Accounts payable	$ 1,480	$ 1,110	Accounts payable	$ 1,480	$ 1,279
Payroll and benefits payable	Payroll and benefits payable	76	74	Payroll and benefits payable	41	90
Accrued taxes	Accrued taxes	168	157	Accrued taxes	176	171
Other current liabilities	Other current liabilities	305	260	Other current liabilities	318	364
Long-term debt due within one year	Long-term debt due within one year	402	36	Long-term debt due within one year	131	402
Total current liabilities	Total current liabilities	2,431	1,637	Total current liabilities	2,146	2,306
Long-term debt	Long-term debt	3,579	3,978	Long-term debt	5,723	5,521
Deferred tax liabilities	Deferred tax liabilities	159	136	Deferred tax liabilities	209	167
Defined benefit postretirement plan obligations	Defined benefit postretirement plan obligations	117	137	Defined benefit postretirement plan obligations	99	100
Asset retirement obligations	Asset retirement obligations	283	288	Asset retirement obligations	296	295
Deferred credits and other liabilities	Deferred credits and other liabilities	102	132	Deferred credits and other liabilities	151	154
Total liabilities	Total liabilities	6,671	6,308	Total liabilities	8,624	8,543
Commitments and contingencies (Note 22)						
Commitments and contingencies (Note 21)				Commitments and contingencies (Note 21)		
Stockholders' Equity	**Stockholders' Equity**			**Stockholders' Equity**		
Preferred stock – no shares issued or outstanding (no par value, 26 million shares authorized)	Preferred stock – no shares issued or outstanding (no par value, 26 million shares authorized)	—	—	Preferred stock – no shares issued or outstanding (no par value, 26 million shares authorized)	—	—
Common stock:	Common stock:			Common stock:		
Issued – 937 million shares (par value $1 per share, 1.925 billion shares authorized at September 30, 2022 and December 31, 2021)		937	937			
Held in treasury, at cost – 294 million shares and 194 million shares		(7,240)	(4,825)			

Issued – 937 million shares (par value $1 per share, 1.925 billion shares authorized at March 31, 2023 and December 31, 2022)				Issued – 937 million shares (par value $1 per share, 1.925 billion shares authorized at March 31, 2023 and December 31, 2022)	937	937
Held in treasury, at cost – 315 million shares and 304 million shares				Held in treasury, at cost – 315 million shares and 304 million shares	(7,814)	(7,512)
Additional paid-in capital	Additional paid-in capital	7,196	7,221	Additional paid-in capital	7,149	7,203
Retained earnings	Retained earnings	10,196	7,271	Retained earnings	11,017	10,663
Accumulated other comprehensive income	Accumulated other comprehensive income	98	82	Accumulated other comprehensive income	99	106
Total stockholders' equity	Total stockholders' equity	11,187	10,686	Total stockholders' equity	11,388	11,397
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$ 17,858	$ 16,994	Total liabilities and stockholders' equity	$ 20,012	$ 19,940

The accompanying notes are an integral part of these consolidated financial statements.

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MARATHON OIL CORPORATION

Consolidated Statements of Cash Flows (Unaudited)

		Nine Months Ended September 30,			Three Months Ended March 31,	
(In millions)	*(In millions)*	**2022**	**2021**	*(In millions)*	**2023**	**2022**
Increase (decrease) in cash and cash equivalents	***Increase (decrease) in cash and cash equivalents***			***Increase (decrease) in cash and cash equivalents***		
Operating activities:	**Operating activities:**			**Operating activities:**		
Net income	Net income	$ 3,087	$ 297	Net income	$ 417	$ 1,304
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	Depreciation, depletion and amortization	1,319	1,550	Depreciation, depletion and amortization	520	423
Impairments		4	60			
Exploratory dry well costs and unproved property impairments	Exploratory dry well costs and unproved property impairments	85	101	Exploratory dry well costs and unproved property impairments	14	8
Net gain on disposal of assets	Net gain on disposal of assets	(1)	(8)	Net gain on disposal of assets	(5)	—
Loss on early extinguishment of debt		—	121			
Deferred income taxes	Deferred income taxes	(137)	(32)	Deferred income taxes	85	(548)

Unrealized loss on derivative instruments, net		4	130			
Unrealized (gain) loss on derivative instruments, net				Unrealized (gain) loss on derivative instruments, net	(2)	114
Pension and other post retirement benefits, net	Pension and other post retirement benefits, net	(28)	(25)	Pension and other post retirement benefits, net	(7)	(9)
Stock-based compensation	Stock-based compensation	28	29	Stock-based compensation	10	9
Equity method investments, net	Equity method investments, net	(130)	(57)	Equity method investments, net	(80)	(79)
Changes in:	Changes in:			Changes in:		
Current receivables	Current receivables	(221)	(313)	Current receivables	(86)	(307)
Inventories	Inventories	(27)	(1)	Inventories	(12)	(2)
Current accounts payable and accrued liabilities	Current accounts payable and accrued liabilities	300	228	Current accounts payable and accrued liabilities	30	101
Other current assets and liabilities	Other current assets and liabilities	(57)	66	Other current assets and liabilities	(9)	(5)
All other operating, net	All other operating, net	75	(53)	All other operating, net	(10)	58
Net cash provided by operating activities	Net cash provided by operating activities	4,301	2,093	Net cash provided by operating activities	865	1,067
Investing activities:	**Investing activities:**			**Investing activities:**		
Additions to property, plant and equipment	Additions to property, plant and equipment	(1,117)	(772)	Additions to property, plant and equipment	(532)	(332)
Acquisitions, net of cash acquired	Acquisitions, net of cash acquired	2	—	Acquisitions, net of cash acquired	11	—
Disposal of assets, net of cash transferred to the buyer	Disposal of assets, net of cash transferred to the buyer	8	29	Disposal of assets, net of cash transferred to the buyer	(1)	2
Equity method investments - return of capital	Equity method investments - return of capital	12	15	Equity method investments - return of capital	—	7
All other investing, net		—	—			
Net cash used in investing activities	Net cash used in investing activities	(1,095)	(728)	Net cash used in investing activities	(522)	(323)
Financing activities:	**Financing activities:**			**Financing activities:**		
Proceeds from revolving credit facility				Proceeds from revolving credit facility	175	—
Repayments of revolving credit facility				Repayments of revolving credit facility	(175)	—
Debt repayment	Debt repayment	(35)	(1,400)	Debt repayment	(70)	—
Debt extinguishment costs		—	(117)			

Shares repurchased under buyback programs	Shares repurchased under buyback programs	(2,474)	—	Shares repurchased under buyback programs	(334)	(592)
Dividends paid	Dividends paid	(162)	(94)	Dividends paid	(63)	(52)
Purchases of shares for tax withholding obligations	Purchases of shares for tax withholding obligations	(21)	(10)	Purchases of shares for tax withholding obligations	(30)	(21)
All other financing, net	All other financing, net	15	(1)	All other financing, net	(2)	22
Net cash used in financing activities	Net cash used in financing activities	(2,677)	(1,622)	Net cash used in financing activities	(499)	(643)
Net increase (decrease) in cash and cash equivalents	**Net increase (decrease) in cash and cash equivalents**	529	(257)	**Net increase (decrease) in cash and cash equivalents**	(156)	101
Cash and cash equivalents at beginning of period	**Cash and cash equivalents at beginning of period**	580	742	**Cash and cash equivalents at beginning of period**	334	580
Cash and cash equivalents at end of period	**Cash and cash equivalents at end of period**	$ 1,109	$ 485	**Cash and cash equivalents at end of period**	$ 178	$ 681

The accompanying notes are an integral part of these consolidated financial statements.

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MARATHON OIL CORPORATION

Consolidated Statements of Stockholders' Equity (Unaudited)

		Total Equity of Marathon Oil Stockholders						
(In millions)	*(In millions)*	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Equity
Nine Months Ended September 30, 2021								
December 31, 2020 Balance		$ —	$ 937	$ (4,089)	$ 7,174	$ 6,466	$ 73	$10,561
Stock-based compensation		—	—	(24)	21	—	—	(3)
Net income		—	—	—	—	97	—	97
Other comprehensive income		—	—	—	—	—	39	39
Dividends paid (per share amount of $0.03)		—	—	—	—	(23)	—	(23)
March 31, 2021 Balance		$ —	$ 937	$ (4,113)	$ 7,195	$ 6,540	$ 112	$10,671
Stock-based compensation		—	—	8	6	—	—	14
Net income		—	—	—	—	16	—	16
Other comprehensive loss		—	—	—	—	—	(35)	(35)
Dividends paid (per share amount of $0.04)		—	—	—	—	(32)	—	(32)
June 30, 2021 Balance		$ —	$ 937	$ (4,105)	$ 7,201	$ 6,524	$ 77	$10,634
Stock-based compensation		—	—	—	12	—	—	12
Net income		—	—	—	—	184	—	184
Other comprehensive income		—	—	—	—	—	5	5
Dividends paid (per share amount of $0.05)		—	—	—	—	(39)	—	(39)
September 30, 2021 Balance		$ —	$ 937	$ (4,105)	$ 7,213	$ 6,669	$ 82	$10,796
Nine Months Ended September 30, 2022								

	Total Equity of Marathon Oil Stockholders					
(In millions)	Preferred Stock	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumula Other Comprehe Incom

Three Months Ended March 31, 2022									**Three Months Ended March 31, 2022**					
December 31, 2021 Balance	**December 31, 2021 Balance**	$ —	$ 937	$ (4,825)	$ 7,221	$ 7,271	$ 82	$10,686	**December 31, 2021 Balance**	$ —	$ 937	$ (4,825)	$ 7,221	$ 7,271	$
Shares repurchased under buyback programs	Shares repurchased under buyback programs	—	—	(592)	—	—	—	(592)	Shares repurchased under buyback programs	—	—	(592)	—	—	
Stock-based compensation	Stock-based compensation	—	—	55	(43)	—	—	12	Stock-based compensation	—	—	55	(43)	—	
Net income	Net income	—	—	—	—	1,304	—	1,304	Net income	—	—	—	—	1,304	
Other comprehensive income	Other comprehensive income	—	—	—	—	—	8	8	Other comprehensive income	—	—	—	—	—	
Dividends paid (per share amount of $0.07)	Dividends paid (per share amount of $0.07)	—	—	—	—	(52)	—	(52)	Dividends paid (per share amount of $0.07)	—	—	—	—	(52)	
March 31, 2022 Balance	**March 31, 2022 Balance**	$ —	$ 937	$ (5,362)	$ 7,178	$ 8,523	$ 90	$11,366	**March 31, 2022 Balance**	$ —	$ 937	$ (5,362)	$ 7,178	$ 8,523	$
Three Months Ended March 31, 2023									**Three Months Ended March 31, 2023**						
December 31, 2022 Balance									**December 31, 2022 Balance**	$ —	$ 937	$ (7,512)	$ 7,203	$ 10,663	$
Shares repurchased under buyback programs	Shares repurchased under buyback programs	—	—	(760)	—	—	—	(760)	Shares repurchased under buyback programs	—	—	(334)	—	—	
Excise tax on shares repurchased									Excise tax on shares repurchased	—	—	(3)	—	—	
Stock-based compensation	Stock-based compensation	—	—	4	8	—	—	12	Stock-based compensation	—	—	35	(54)	—	
Net income	Net income	—	—	—	—	966	—	966	Net income	—	—	—	—	417	
Other comprehensive income		—	—	—	—	—	4	4							
Dividends paid (per share amount of $0.08)		—	—	—	—	(56)	—	(56)							
June 30, 2022 Balance		$ —	$ 937	$ (6,118)	$ 7,186	$ 9,433	$ 94	$11,532							
Shares repurchased under buyback programs		—	—	(1,122)	—	—	—	(1,122)							
Stock-based compensation		—	—	—	10	—	—	10							
Net income		—	—	—	—	817	—	817							
Other comprehensive income		—	—	—	—	—	4	4							
Dividends paid (per share amount of $0.08)		—	—	—	—	(54)	—	(54)							
September 30, 2022 Balance		$ —	$ 937	$ (7,240)	$ 7,196	$ 10,196	$ 98	$11,187							
Other comprehensive loss									Other comprehensive loss	—	—	—	—	—	
Dividends paid (per share amount of $0.10)									Dividends paid (per share amount of $0.10)	—	—	—	—	(63)	
March 31, 2023 Balance									**March 31, 2023 Balance**	$ —	$ 937	$ (7,814)	$ 7,149	$ 11,017	$

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of Presentation

These consolidated financial statements are unaudited; however, in the opinion of management, these statements reflect all adjustments necessary for a fair statement of the results for the periods reported. All such adjustments are of a normal recurring nature unless disclosed otherwise. These consolidated financial statements, including notes, have been prepared in accordance with the applicable rules of the SEC and do not include all of the information and disclosures required by U.S. GAAP for complete financial statements.

These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our 2021 2022 Annual Report on Form 10-K. The results of operations for the third first quarter and first nine months of 2022 2023 are not necessarily indicative of the results to be expected for the full year.

2. Accounting Standards

Accounting Standards Updates Adopted

No accounting standards were adopted in the third first quarter or first nine months of 2022 2023 that had a material impact on our consolidated financial statements.

Accounting Standards Updates Not Yet Adopted

In March 2020, the FASB There were no issued ASU 2020-04, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions that reference London Interbank Offered Rate (LIBOR) or another reference rate but pending accounting standards expected to be discontinued. The guidance is effective March 12, 2020 and can be applied prospectively through December 31, 2022. Upon adoption, we do not believe it will have a material impact on our consolidated results of operations, financial position and cash flows. statements.

3. Income and Dividends per Common Share

Basic income per share is based on the weighted average number of common shares outstanding. Diluted income per share assumes exercise of stock options in all periods, provided the effect is not antidilutive. The per share calculations below exclude 1 million and 2 million of antidilutive stock options for the three and nine months ended September 30, 2022, respectively, March 31, 2023 and 4 million of stock options for each of the three and nine months ended September 30, 2021, that were antidilutive. 2022, respectively.

		Three Months Ended September 30,		Nine Months Ended September 30,			Three Months Ended March 31,	
(In millions, except per share data)	*(In millions, except per share data)*	2022	2021	2022	2021	*(In millions, except per share data)*	2023	2022
Net income	Net income	$ 817	$ 184	$ 3,087	$ 297	Net income	$ 417	$ 1,304
Weighted average common shares outstanding	Weighted average common shares outstanding	670	789	701	791	Weighted average common shares outstanding	628	730
Effect of dilutive securities	Effect of dilutive securities	2	—	2	—	Effect of dilutive securities	1	2
Weighted average common shares, diluted	Weighted average common shares, diluted	672	789	703	791	Weighted average common shares, diluted	629	732
Net income per share:	**Net income per share:**					**Net income per share:**		
Basic	Basic	$ 1.22	$ 0.23	$ 4.40	$ 0.38	Basic	$ 0.66	$ 1.79
Diluted	Diluted	$ 1.22	$ 0.23	$ 4.39	$ 0.38	Diluted	$ 0.66	$ 1.78
Dividends per share	**Dividends per share**	$ 0.08	$ 0.05	$ 0.23	$ 0.12	**Dividends per share**	$ 0.10	$ 0.07

4. Revenues

The majority of our revenues are derived from the sale of crude oil and condensate, NGLs and natural gas under spot and term agreements with our customers in the United States and Equatorial Guinea.

As of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022, receivables from contracts with customers, included in receivables, net less reserves for credit losses, were $1.1 billion $943 million and $961 million $875 million, respectively.

The following tables present our revenues from contracts with customers disaggregated by product type and geographic areas for the three and nine months ended September 30: March 31:

United States

(In millions)	Three Months Ended March 31, 2023					
	Eagle Ford	**Bakken**	**Oklahoma**	**Permian**	**Other U.S.**	**Total**
Crude oil and condensate	$ 495	$ 431	$ 78	$ 170	$ 11	$ 1,185
Natural gas liquids	71	37	39	22	—	169
Natural gas	56	35	36	11	1	139
Other	2	—	—	—	8	10
Revenues from contracts with customers	$ 624	$ 503	$ 153	$ 203	$ 20	$ 1,503

(In millions)	Three Months Ended September 30, 2022					
	Eagle Ford	**Bakken**	**Oklahoma**	**Northern Delaware**	**Other U.S.**	**Total**
Crude oil and condensate	$ 523	$ 648	$ 104	$ 114	$ 39	$ 1,428
Natural gas liquids	49	82	63	16	6	216
Natural gas	56	67	105	22	11	261
Other	3	—	—	—	19	22
Revenues from contracts with customers	$ 631	$ 797	$ 272	$ 152	$ 75	$ 1,927

(In millions)	Three Months Ended March 31, 2022					
	Eagle Ford	**Bakken**	**Oklahoma**	**Permian**	**Other U.S.**	**Total**
Crude oil and condensate	$ 459	$ 652	$ 99	$ 88	$ 43	$ 1,341
Natural gas liquids	44	89	59	15	9	216
Natural gas	33	43	56	12	7	151
Other	2	—	—	—	4	6
Revenues from contracts with customers	$ 538	$ 784	$ 214	$ 115	$ 63	$ 1,714

(In millions)	Three Months Ended September 30, 2021					
	Eagle Ford	**Bakken**	**Oklahoma**	**Northern Delaware**	**Other U.S.**	**Total**
Crude oil and condensate	$ 391	$ 425	$ 74	$ 75	$ 19	$ 984
Natural gas liquids	50	63	53	12	5	183
Natural gas	38	29	62	12	3	144
Other	2	—	—	—	62	64
Revenues from contracts with customers	$ 481	$ 517	$ 189	$ 99	$ 89	$ 1,375

(In millions)	Nine Months Ended September 30, 2022					
	Eagle Ford	**Bakken**	**Oklahoma**	**Northern Delaware**	**Other U.S.**	**Total**
Crude oil and condensate	$ 1,526	$ 2,049	$ 341	$ 302	$ 124	$ 4,342
Natural gas liquids	148	263	191	46	23	671
Natural gas	145	156	256	55	28	640
Other	6	—	—	—	71	77
Revenues from contracts with customers	$ 1,825	$ 2,468	$ 788	$ 403	$ 246	$ 5,730

(In millions)	Nine Months Ended September 30, 2021					
	Eagle Ford	**Bakken**	**Oklahoma**	**Northern Delaware**	**Other U.S.**	**Total**
Crude oil and condensate	$ 1,003	$ 1,208	$ 206	$ 229	$ 65	$ 2,711
Natural gas liquids	109	152	127	32	10	430

Natural gas	114	71	212	42	11	450
Other	6	—	—	—	99	105
Revenues from contracts with customers	$ 1,232	$ 1,431	$ 545	$ 303	$ 185	$ 3,696

International (E.G.)

	Three Months Ended March 31,	
(In millions)	*2023*	*2022*
Crude oil and condensate	*$ 57*	*$ 40*
Natural gas liquids	*1*	*1*
Natural gas	*5*	*5*
Other	*1*	*1*
Revenues from contracts with customers	*$ 64*	*$ 47*

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2022**	**2021**	**2022**	**2021**
Crude oil and condensate	$ 75	$ 56	$ 186	$ 151
Natural gas liquids	1	—	2	2
Natural gas	5	6	17	18
Other	—	1	2	2
Revenues from contracts with customers	$ 81	$ 63	$ 207	$ 173

MARATHON OIL CORPORATION

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5. Segment Information

We have two reportable operating segments. Both of these segments are organized and managed based upon geographic location and the nature of the products and services offered.

- United States ("U.S.") – explores for, produces and markets crude oil and condensate, NGLs and natural gas in the United States States; and
- International ("Int'l") – explores for, produces and markets crude oil and condensate, NGLs and natural gas outside of the United States as well as produces and markets products manufactured from natural gas, such as LNG and methanol, in Equatorial Guinea ("E.G.")

Segment income represents income that excludes certain items not allocated to our operating segments, net of income taxes. A portion of our corporate and operations general and administrative support costs are not allocated to the operating segments. These unallocated costs primarily consist of employment costs (including pension effects), professional services, facilities and other costs associated with corporate and operations support activities. Additionally, items which affect comparability such as: gains or losses on dispositions, impairments of proved and certain unproved properties, goodwill and equity method investments, dry wells, changes in our valuation allowance, unrealized gains or losses on commodity and interest rate derivative instruments, effects of pension settlements and curtailments, expensed transaction costs for business combinations or other items (as determined by the chief operating decision maker ("CODM")) are not allocated to operating segments.

	Three Months Ended September 30, 2022			
(In millions)	**U.S.**	**Int'l**	**Not Allocated to Segments**	**Total**
Revenues from contracts with customers	$ 1,927	$ 81	$ —	$ 2,008
Net gain (loss) on commodity derivatives	(26)	—	67 (b)	41
Income from equity method investments	—	190	—	190
Net gain on disposal of assets	—	—	2	2
Other income	4	1	1	6
Less costs and expenses:				
Production	173	20	—	193
Shipping, handling and other operating	171	5	23	199
Exploration	11	—	62 (c)	73
Depreciation, depletion and amortization	441	14	5	460
Impairments	—	—	2	2
Taxes other than income	136	—	1	137

General and administrative	37	4	38	79
Net interest and other	—	—	52	52
Other net periodic benefit costs	—	—	(5)	(5)
Income tax provision (benefit)	213	48	(21)	240
Segment income (loss)	$ 723	$ 181	$ (87)	$ 817
Total assets	$ 15,487	$ 1,294	$ 1,077	$ 17,858
Capital expenditures(a)	$ 406	$ 1	$ 6	$ 413

MARATHON OIL CORPORATION
Notes to Consolidated Financial Statements (Unaudited)

	Three Months Ended March 31, 2023			
(In millions)	**U.S.**	**Int'l**	**Not Allocated to Segments**	**Total**
Revenues from contracts with customers	$ 1,503	$ 64	$ —	$ 1,567
Net gain on commodity derivatives	13	—	2 (b)	15
Income from equity method investments	—	80	—	80
Net gain on disposal of assets	—	—	5	5
Other income	11	1	1	13
Less costs and expenses:				
Production	178	23	—	201
Shipping, handling and other operating	159	3	—	162
Exploration	5	—	10 (c)	15
Depreciation, depletion and amortization	505	12	3	520
Taxes other than income	97	—	(2)	95
General and administrative	35	3	44	82
Net interest and other	—	—	82	82
Other net periodic benefit costs	—	—	(3)	(3)
Income tax provision (benefit)	123	15	(29)	109
Segment income (loss)	$ 425	$ 89	$ (97)	$ 417
Total assets	$ 18,696	$ 1,148	$ 168	$ 20,012
Capital expenditures(a)	$ 597	$ 2	$ 2	$ 601

(a) Includes accruals. accruals and excludes acquisitions.

(b) Unrealized gain on commodity derivative instruments (See Note 13 12).

(c) Includes $10 million of dry well costs and unproved property impairments of $48 million for Louisiana exploration leases and $14 million for expense associated with wells in Permian exploration leases (See Note 9 and Note 10).

MARATHON OIL CORPORATION
Notes to Consolidated Financial Statements (Unaudited)

	Three Months Ended September 30, 2021			
(In millions)	**U.S.**	**Int'l**	**Not Allocated to Segments**	**Total**
Revenues from contracts with customers	$ 1,375	$ 63	$ —	$ 1,438
Net gain (loss) on commodity derivatives	(106)	—	27 (b)	(79)
Income from equity method investments	—	86	—	86
Net gain on disposal of assets	—	—	7	7
Other income	—	—	1	1

Less costs and expenses:				
Production	119	12	—	131
Shipping, handling and other operating	209	7	3	219
Exploration	15	—	48 (c)	63
Depreciation, depletion and amortization	499	17	6	522
Impairments	—	—	13 (d)	13
Taxes other than income	88	—	—	88
General and administrative	29	3	38	70
Net interest and other	—	—	57 (e)	57
Other net periodic benefit costs	—	—	—	—
Loss on early extinguishment of debt	—	—	102 (f)	102
Income tax provision (benefit)	5	17	(18)	4
Segment income (loss)	$ 305	$ 93	$ (214)	$ 184
Total assets	$ 15,528	$ 1,071	$ 562	$ 17,161
Capital expenditures(a)	$ 303	$ 2	$ 3	$ 308

(a) Includes accruals.

(b) Unrealized gain on commodity derivative instruments (See Note 13).

(c) Includes unproved property impairments of $20 million for Louisiana exploration leases and$16 million related to the disposition of a Permian lease. Also includes $12 million of dry well costs associated with drilled and uncompleted wells, primarily in Permian.

(d) Includes impairments of $5 million for proved properties in Permian (SeeNote 10) and $8 million associated with decommissioning costs for non-producing long-lived assets in GOM (SeeNote 10and Note 11).

(e) Includes a $5 million gain on 2022 interest rate swaps and a $3 million gain on 2025 interest rate swaps (See Note 13).

(f) Represents costs related to a make-whole provision premium and the write off of issuance costs related to the redemption of the 2025 Notes in September 2021 (See Note 15).

MARATHON OIL CORPORATION

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	Nine Months Ended September 30, 2022					Three Months Ended March 31, 2022				
(In millions)	*(In millions)*	U.S.	Int'l	Not Allocated to Segments	Total	*(In millions)*	U.S.	Int'l	Not Allocated to Segments	Total
Revenues from contracts with customers	Revenues from contracts with customers	$ 5,730	$ 207	$ —	$ 5,937	Revenues from contracts with customers	$ 1,714	$ 47	$ —	$ 1,761
Net loss on commodity derivatives	Net loss on commodity derivatives	(125)	—	(4) (b)	(129)	Net loss on commodity derivatives	(29)	—	(114) (b)	(143)
Income from equity method investments	Income from equity method investments	—	469	—	469	Income from equity method investments	—	127	—	127
Net gain on disposal of assets		—	—	1	1					
Other income	Other income	10	5	10	25	Other income	4	2	2	8
Less costs and expenses:	Less costs and expenses:					Less costs and expenses:				
Production	Production	464	45	—	509	Production	141	11	—	152
Shipping, handling and other operating	Shipping, handling and other operating	508	15	52	575	Shipping, handling and other operating	150	9	26	185
Exploration	Exploration	30	—	62 (c)	92	Exploration	11	—	—	11
Depreciation, depletion and amortization	Depreciation, depletion and amortization	1,260	45	14	1,319	Depreciation, depletion and amortization	404	15	4	423
Impairments		—	—	4	4					

Taxes other than income	Taxes other than income	374	—	7	381	Taxes other than income	99	—	5	104
General and administrative	General and administrative	94	10	116	220	General and administrative	30	3	40	73
Net interest and other	Net interest and other	—	—	128 (d)	128	Net interest and other	—	—	22 (c)	22
Other net periodic benefit costs	Other net periodic benefit costs	—	—	(14)	(14)	Other net periodic benefit costs	—	—	(4)	(4)
Income tax provision (benefit)	Income tax provision (benefit)	655	110	(763) (e)	2	Income tax provision (benefit)	193	23	(733) (d)	(517)
Segment income	Segment income	$ 2,230	$ 456	$ 401	$ 3,087	Segment income	$ 661	$ 115	$ 528	$ 1,304
Total assets	Total assets	$ 15,487	$ 1,294	$ 1,077	$ 17,858	Total assets	$ 15,684	$ 1,102	$ 1,195	$ 17,981
Capital expenditures(a)	Capital expenditures(a)	$ 1,124	$ 1	$ 11	$ 1,136	Capital expenditures(a)	$ 346	$ (1)	$ 3	$ 348

(a) Includes accruals.

(b) Unrealized loss on commodity derivative instruments (See Note 1 123).

(c) Includes dry well costs and unproved property impairments of $48 million for Louisiana exploration leases and $14 million for Permian exploration leases (See Note 9 and Note 10).

(d) Includes a $17 million gain on 2025 interest rate swaps (See Note 13 12).

(e) (d) Includes a $685 million benefit related to the partial release of our valuation allowance (See Note 6).

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Notes to Consolidated Financial Statements (Unaudited)

	Nine Months Ended September 30, 2021			
(In millions)	**U.S.**	**Int'l**	**Not Allocated to Segments**	**Total**
Revenue from contracts with customers	$ 3,696	$ 173	$ —	$ 3,869
Net loss on commodity derivatives	(268)	—	(130) (b)	(398)
Income from equity method investments	—	179	—	179
Net gain on disposal of assets	—	—	8	8
Other income	4	3	2	9
Less costs and expenses:				
Production	343	35	—	378
Shipping, handling and other operating	506	13	19	538
Exploration	54	—	55 (c)	109
Depreciation, depletion and amortization	1,477	54	19	1,550
Impairments	—	—	60 (d)	60
Taxes other than income	238	—	(2)	236
General and administrative	79	9	139 (e)	227
Net interest and other	—	—	129 (f)	129
Other net periodic benefit credit	—	—	(2)	(2)
Loss on early extinguishment of debt	—	—	121 (g)	121
Income tax provision (benefit)	11	33	(20)	24
Segment income (loss)	$ 724	$ 211	$ (638)	$ 297
Total assets	$ 15,528	$ 1,071	$ 562	$ 17,161
Capital expenditures(a)	$ 770	$ 4	$ 7	$ 781

(a) Includes accruals.

(b) Unrealized loss on commodity derivative instruments (See Note 13).

(c) Includes unproved property impairments of $20 million for Louisiana exploration leases and $16 million related to the disposition of a lease in Permian. Also includes $12 million of dry well costs associated with drilled and uncompleted wells, primarily in Permian.

(d) Includes impairments of $24 million for central facilities in Eagle Ford (SeeNote 10), $5 million for proved properties in Permian (SeeNote 10), and $30 million associated with decommissioning costs for non-producing long-lived assets in GOM (SeeNote 10and Note 11).

(e) Includes $13 million associated with the termination of an aircraft lease agreement and $12 million arising from severance expenses associated with a workforce reduction.

(f) Includes a $24 million gain on 2022 interest rate swaps and a $34 million gain on 2025 interest rate swaps (See Note 13).

(g) Represents costs related to a make-whole provision premium and the write off of unamortized discount and issuance costs in regards to the redemption of the 2022 Notes in April 2021 and 2025 Notes in September 2021 (See Note 15).

6. Income Taxes

Effective Tax Rate

The effective income tax rate is influenced by a variety of factors including the geographic and functional sources of income and the relative magnitude of these sources of income. The difference between the total provision and the sum of the amounts allocated to segments is reported in the "Not Allocated to Segments" column of the tables in Note 5.

For the three and nine months ended September 30, 2022 March 31, 2023 and 2021, 2022, our effective income tax rates were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	**2021**	**2022**	**2021**
Effective income tax rate	23 %	2 %	— %	7 %

	Three Months Ended March 31,	
	2023	**2022**
Effective income tax rate	21 %	(66)%

- **2022** — Our effective income tax rate was different from our U.S. statutory tax rate of 21% for the nine three months ended September 30, 2022 March 31, 2022, due to the first quarter 2022 release of the valuation allowance on certain U.S. and state deferred tax assets resulting in a non-cash deferred tax benefit of $685 million. As we previously disclosed in our 2021 Form 10-K, we maintained a full valuation allowance on our net federal deferred tax assets and would continue to do so until there exists sufficient positive evidence to support a reversal of the allowance. In the first quarter, as a result of significant increases in commodity prices, corresponding increases in projections of our future taxable income, and the absence of objective negative evidence such as a cumulative loss in recent years, we determined we have sufficient positive evidence to release a majority of the federal valuation allowance. We retained a partial valuation allowance on certain U.S. deferred tax assets primarily as a result of volatility in commodity prices impacting assessed likelihood of future realizability.
- **2021**— Our effective income tax rate was different from our U.S. statutory tax rate of 21% for the three and nine months ended September 30, 2021, as a result of the valuation allowance on net federal deferred tax assets in the U.S. which was in place at the time. In addition, the income mix of our U.S. and E.G. operations, including the income mix within E.G. between equity method investees and subsidiaries, contributed to the difference.

On August 16, 2022, August 2022, the President signed the Inflation Reduction Act of 2022 ("IRA") into law. The IRA enacted various income tax provisions, including a 15% corporate book minimum tax. The corporate book minimum tax, which became effective on January 1, 2023, applies to corporations with an average annual adjusted financial statement income that exceeds $1 billion for the preceding three years. Under current law and created and extended certain tax-related energy incentives. guidance, we do not anticipate being subject to the corporate book minimum tax in 2023. The tax provisions of the IRA which may apply to us are generally effective in 2023 or later and therefore tax impacts to us in 2022 are U.S. Treasury is expected to publish further guidance and regulations that will be immaterial. We relevant to scoping considerations and the calculation of minimum income tax liabilities. As this guidance is issued, we will continue to monitor evaluate and assess the impact that the IRA may have on our U.S. current and future period income taxes. We have made an accounting policy election to consider the effects of the corporate book minimum tax liability for 2023 or later years. on the realizability of our deferred tax assets, carryforwards and tax credits as a period cost when they arise.

7. Credit Losses

The majority of our receivables are from purchasers of commodities or joint interest owners in properties we operate, both of which are recorded at estimated or invoiced amounts and do not bear interest. The majority of these receivables have payment terms of 30 days or less. At the end of each reporting period, we assess the collectability of our receivables and estimate the expected credit losses using historical data, current market conditions, reasonable and supportable forecasts of future economic conditions and other data as deemed appropriate.

Changes in the allowance for credit losses were as follows:

(In millions)	*(In millions)*	**September 30, 2022**	**December 31, 2021**	*(In millions)*	**March 31, 2023**	**December 31, 2022**

Beginning balance as of January 1	Beginning balance as of January 1	$ 15	$ 22	Beginning balance as of January 1	$ 10	$ 15
Current period provision	Current period provision	(2)	3	Current period provision	2	(3)
Current period write offs	Current period write offs	(1)	(5)	Current period write offs	—	(2)
Recoveries of amounts previously reserved	Recoveries of amounts previously reserved	—	(5)	Recoveries of amounts previously reserved	(1)	—
Ending balance	Ending balance	$ 12	$ 15	Ending balance	$ 11	$ 10

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8. Inventories

Crude oil and natural gas liquids are recorded at weighted average cost and carried at the lower of cost or net realizable value. Supplies and other items consist principally of tubular goods and equipment which are valued at weighted average cost and reviewed periodically for obsolescence or impairment when market conditions indicate.

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(In millions)	*(In millions)*	September 30, 2022	December 31, 2021	*(In millions)*	March 31, 2023	December 31, 2022
Crude oil and natural gas liquids	Crude oil and natural gas liquids	$ 14	$ 8	Crude oil and natural gas liquids	$ 14	$ 15
Supplies and other items	Supplies and other items	89	69	Supplies and other items	122	110
Inventories	Inventories	$ 103	$ 77	Inventories	$ 136	$ 125

9. Property, Plant and Equipment

(In millions)	*(In millions)*	September 30, 2022	December 31, 2021	*(In millions)*	March 31, 2023	December 31, 2022
United States	United States	$ 13,889	$ 14,097	United States	$ 17,130	$ 17,034
International	International	302	347	International	279	288
Corporate	Corporate	54	55	Corporate	54	55
Net property, plant and equipment	Net property, plant and equipment	$ 14,245	$ 14,499	Net property, plant and equipment	$ 17,463	$ 17,377

As of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022, we had $20 million$10 million and $80 million$20 million, respectively, of exploratory exploratory well costs capitalized greater than one year related to suspended wells. Management believes these wells exhibit sufficient quantities of hydrocarbons to justify potential development. The majority All of the suspended wells require completion activities and installation of infrastructure in order to classify the reserves as proved. The decrease during the nine three months ended September 30, 2022 March 31, 2023 included a $46 million reduction in suspended well costs as we resumed drilling or completion activities and brought previously suspended wells to sales. During the third quarter of 2022, we also recorded $14 million $10 million of dry well costs expense associated with drilled and uncompleted exploratory wells primarily in Louisiana Austin Chalk. See **Note 10** for further information.Permian.

10. Impairments

The following table summarizes impairment charges of proved properties and their corresponding fair values.

	Three Months Ended September 30,			
	2022		2021	
(In millions)	Fair Value	Impairment	Fair Value	Impairment
Long-lived assets held for use	$ —	$ —	$ —	$ 5
Asset retirement costs of long-lived assets	$ —	$ 2	$ —	$ 8

	Nine Months Ended September 30,			
	2022		2021	
(In millions)	Fair Value	Impairment	Fair Value	Impairment
Long-lived assets held for use	$ —	$ —	$ —	$ 30
Asset retirement costs of long-lived assets	$ —	$ 4	$ —	$ 30

- 2022— There were no significant impairments of proved property in 2022.

  During the third quarter of 2022, we recognized impairments totaling $48 million of unproved property leases and dry well costs in Louisiana Austin Chalk. The impairments resulted from a combination of factors including timing of lease expiration dates, our assessment of risk and resource, and the decision not to develop the acreage. We also recognized impairments of $14 million for unproved property leases in Permian as a result of an acreage exchange. The combined effects of these impairments were recorded as exploration expense.

- 2021— During the third quarter of 2021, we recognized unproved property impairments of $20 million for Louisiana exploration leases and $16 million related to the disposition of a Permian lease. In addition, we also recognized $12 million of dry well costs associated with drilled and uncompleted wells, primarily in Permian. The combined effects of these impairments were recorded as exploration expense.

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For proved property, during the third quarter of 2021, we recorded an impairment expense of $5 million associated with our interests in outside operated conventional assets located in New Mexico.

In the second quarter of 2021, we recorded an impairment expense of $24 million associated with the decommissioning of two central facilities located in Eagle Ford.

During the nine months ended September 30, 2021, we recognized an incremental $30 million of impairment expense associated with an increase in the estimated future decommissioning costs of certain non-producing wells, pipelines and production facilities for previously divested offshore assets located in the Gulf of Mexico. See Note 11 for further information.

11. Asset Retirement Obligations

Asset retirement obligations primarily consist of estimated costs to remove, dismantle and restore land or seabed at the end of oil and gas production operations. Changes in asset retirement obligations were as follows:

		September 30,			March 31,	
(In millions)	*(In millions)*	2022	2021	*(In millions)*	2023	2022
Beginning balance as of January 1	Beginning balance as of January 1	$ 316	$ 254	Beginning balance as of January 1	$ 340	$ 316
Incurred liabilities, including acquisitions	Incurred liabilities, including acquisitions	10	9	Incurred liabilities, including acquisitions	1	7
Settled liabilities, including dispositions	Settled liabilities, including dispositions	(8)	(3)	Settled liabilities, including dispositions	(9)	(3)
Accretion expense (included in depreciation, depletion and amortization)	Accretion expense (included in depreciation, depletion and amortization)	11	9	Accretion expense (included in depreciation, depletion and amortization)	4	4
Revisions of estimates	Revisions of estimates	(1)	40	Revisions of estimates	5	—
Ending balance as of September 30, total		$ 328	$ 309			
Ending balance as of March 31, total				Ending balance as of March 31, total	$ 341	$ 324
Ending balance as of September 30, short-term		$ 45	$ 23			
Ending balance as of March 31, short-term				Ending balance as of March 31, short-term	$ 45	$ 28

- 2021— In the first nine months of 2021, we had revisions of estimates totaling $37 million related to anticipated costs for decommissioning certain wells, pipelines and production facilities for previously divested offshore non-producing long-lived assets located in the Gulf of Mexico. As of September 30, 2021, $14 million of these Gulf of Mexico related revisions of estimates were classified as short-term. See **Note 22** for further information. Of the $37 million, approximately $30 million was recognized as impairment expense during the nine months ended September 30, 2021. See **Note 10** for further information.

12. 11. Leases

Lessee

Balance sheet information related to right-of-use ("ROU") assets and lease liabilities was as follows:

(In millions)	**Balance Sheet Location:**		**September 30, 2022**		**December 31, 2021**
ROU assets:					
Operating leases	Other noncurrent assets	$	95	$	59
Finance leases	Other noncurrent assets		26		28
Total ROU assets		$	121	$	87
Lease liabilities:					
Current liabilities					
Operating leases	Other current liabilities	$	65	$	40
Finance leases	Other current liabilities		6		6
Noncurrent liabilities					
Operating leases	Deferred credits and other liabilities		35		23
Finance leases	Deferred credits and other liabilities		19		24
Total lease liabilities		$	125	$	93

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(In millions)	**Balance Sheet Location:**		**March 31, 2023**		**December 31, 2022**
ROU assets:					
Operating leases	Other noncurrent assets	$	143	$	123
Finance leases	Other noncurrent assets		22		24
Total ROU assets		$	165	$	147
Lease liabilities:					
Current liabilities					
Operating leases	Other current liabilities	$	99	$	94
Finance leases	Other current liabilities		6		6
Noncurrent liabilities					
Operating leases	Deferred credits and other liabilities		46		32
Finance leases	Deferred credits and other liabilities		16		18
Total lease liabilities		$	167	$	150

Operating Leases

We enter into various lease agreements to support our operations including drilling rigs, well fracturing equipment, compressors, buildings, vessels, vehicles and miscellaneous field equipment. We primarily act as a lessee in these transactions and the majority of our existing leases are classified as either short-term or long-term operating leases.

Finance Leases

In 2018, we signed an agreement with an owner/lessor to construct and lease a new build-to-suit office building in Houston, Texas. The initial lease term is five years and commenced in late September 2021 after the new Houston office was ready for occupancy. In March 2022, we made our first cash lease payment. For the nine three months ended September 30, 2022 March 31, 2023, our we have made cash lease payments were totaling approximately $6 $5 million. At the end of the initial lease term, we can negotiate to extend the lease term for an additional five years, subject to the approval of the participants; purchase the property subject to certain terms and conditions; or remarket the property to an unrelated third party. The lease contains a residual value guarantee of 100% of the total acquisition and construction costs.

Lessor

Our wholly owned subsidiary, Marathon E.G. Production Limited, is a lessor for residential housing in E.G., which is occupied by EGHoldings, a related party equity method investee – see Note 21 20. The lease was classified as an operating lease and expires in 2024, with a lessee option to extend through 2034. Lease payments are fixed for the entire duration of the agreement at approximately $6 million per year. Our lease income is reported in other income in our consolidated statements of income for all periods presented. The undiscounted cash flows to be received under this lease agreement are summarized below.

(In millions)	*(In millions)*		**Operating Lease Future Cash Receipts**	*(In millions)*		**Operating Lease Future Cash Receipts**
2022		$	2			
2023	2023		6	2023	$	5
2024	2024		6	2024		6
2025	2025		6	2025		6
2026	2026		6	2026		6
2027				2027		6
Thereafter	Thereafter		48	Thereafter		42
Total undiscounted cash flows	Total undiscounted cash flows	$	74	Total undiscounted cash flows	$	71

13.

12. Derivatives

We may use derivatives to manage a portion of our exposure to commodity price risk, commodity locational risk and interest rate risk. For further information regarding the fair value measurement of derivative instruments, see Note 14 13. All of our commodity derivatives and interest rate derivatives are subject to enforceable master netting arrangements or similar agreements under which we report net amounts.

The following tables present the gross fair values of our open derivative instruments and the reported net amounts along with where they appear on the their locations in our consolidated balance sheets.

		September 30, 2022					March 31, 2023			
(In millions)	*(In millions)*	**Asset**	**Liability**	**Net Asset (Liability)**	**Balance Sheet Location**	*(In millions)*	**Asset**	**Liability**	**Net Asset (Liability)**	**Balance Sheet Location**
Not Designated as Hedges	**Not Designated as Hedges**					**Not Designated as Hedges**				
Commodity	Commodity	$ —	$ —	$ —	Other current assets	Commodity	$ 12	$ —	$ 12	Other current assets
Commodity		1	12	(11)	Other current liabilities					
Total Not Designated as Hedges	Total Not Designated as Hedges	$ 1	$ 12	$ (11)		Total Not Designated as Hedges	$ 12	$ —	$ 12	
Cash Flow Hedges	**Cash Flow Hedges**					**Cash Flow Hedges**				
Interest Rate	Interest Rate	$ 8	$ —	$ 8	Other current assets	Interest Rate	$ 9	$ —	$ 9	Other current assets
Interest Rate	Interest Rate	18	—	18	Other noncurrent assets	Interest Rate	11	—	11	Other noncurrent assets
Total Designated Hedges	Total Designated Hedges	$ 26	$ —	$ 26		Total Designated Hedges	$ 20	$ —	$ 20	

Total	Total	$	27	$	12	$	15	Total	$	32	$	—	$	32

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		December 31, 2021					December 31, 2022			
(In millions)	*(In millions)*	**Asset**	**Liability**	**Net Asset (Liability)**	**Balance Sheet Location**	*(In millions)*	**Asset**	**Liability**	**Net Asset (Liability)**	**Balance Sheet Location**
Not Designated as Hedges	**Not Designated as Hedges**					**Not Designated as Hedges**				
Commodity						Commodity	$ 10	$ —	$ 10	Other current assets
Commodity		1	8	(7)	Other current liabilities					
Interest Rate		27	—	27	Other noncurrent assets					
Total Not Designated as Hedges	Total Not Designated as Hedges	$ 28	$ 8	$ 20		Total Not Designated as Hedges	$ 10	$ —	$ 10	
Cash Flow Hedges	**Cash Flow Hedges**					**Cash Flow Hedges**				
Interest Rate	Interest Rate	$ —	$ 3	$ (3)	Other current liabilities	Interest Rate	$ 9	$ —	$ 9	Other current assets
Interest Rate	Interest Rate	—	2	(2)	Deferred credits and other liabilities	Interest Rate	15	—	15	Other noncurrent assets
Total Designated Hedges	Total Designated Hedges	$ —	$ 5	$ (5)		Total Designated Hedges	$ 24	$ —	$ 24	
Total	Total	$ 28	$ 13	$ 15		Total	$ 34	$ —	$ 34	

Derivatives Not Designated as Hedges

Commodity Derivatives

We have entered into multiple crude oil and natural gas derivatives indexed to the respective indices Henry Hub as noted in the table below, related to a portion of our forecasted U.S. sales through the first quarter of 2023. These derivatives consist of are three-way collars, two-way collars and NYMEX roll basis swaps. collars. Three-way collars consist of a sold call (ceiling), a purchased put (floor) and a sold put. The ceiling price is the maximum we will receive for the contract volumes; the floor is the minimum price we will receive, unless the market price falls below the sold put strike price. In this case, we receive the NYMEX WTI Henry Hub price plus the difference between the floor and the sold put price. These natural gas derivatives were not designated as hedges.

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The following table sets forth outstanding derivative contracts as of September 30, 2022 March 31, 2023, and the weighted average prices for those contracts:

	2022 Fourth Quarter	**2023 First Quarter**
Crude Oil		

NYMEX WTI Three-Way Collars		
Volume (Bbls/day)	30,000	—
Weighted average price per Bbl:		
Ceiling	$ 97.52	$ —
Floor	$ 56.67	$ —
Sold put	$ 46.67	$ —
NYMEX Roll Basis Swaps		
Volume (Bbls/day)	60,000	—
Weighted average price per Bbl	$ 0.67	$ —
Natural Gas		
Henry Hub ("HH") Two-Way Collars		
Volume (MMBtu/day)	50,000	50,000
Weighted average price per MMBtu:		
Ceiling	$ 19.28	$ 19.28
Floor	$ 5.00	$ 5.00
Henry Hub Three-Way Collars		
Volume (MMBtu/day)	100,000	—
Weighted average price per MMBtu:		
Ceiling	$ 7.13	$ —
Floor	$ 3.88	$ —
Sold Put	$ 2.88	$ —

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	2023		
	Second Quarter	**Third Quarter**	**Fourth Quarter**
Natural Gas			
Henry Hub Three-Way Collars			
Volume (MMBtu/day)	50,000	50,000	50,000
Weighted average price per MMBtu:			
Ceiling	$ 11.14	$ 11.14	$ 11.14
Floor	$ 4.00	$ 4.00	$ 4.00
Sold Put	$ 2.50	$ 2.50	$ 2.50

The unrealized and realized gain (loss) impact of our commodity derivative instruments appears in the table below and is reflected in net gain (loss) on commodity derivatives in the consolidated statements of income.

		Three Months Ended September 30,		**Nine Months Ended September 30,**			**Three Months Ended March 31,**	
(In millions)	*(In millions)*	**2022**	**2021**	**2022**	**2021**	*(In millions)*	**2023**	**2022**
Unrealized gain (loss) on derivative instruments, net	Unrealized gain (loss) on derivative instruments, net	$ 67	$ 27	$ (4)	$ (130)	Unrealized gain (loss) on derivative instruments, net	$ 2	$ (114)
Realized gain (loss) on derivative instruments, net(a)	Realized gain (loss) on derivative instruments, net(a)	$ (26)	$ (106)	$ (125)	$ (268)	Realized gain (loss) on derivative instruments, net(a)	$ 13	$ (29)

(a) During the third first quarter and of 2023, net cash received for settled derivative positions was $10 million. During the first nine months quarter of 2022, net cash paid for settled derivative positions was $56 million and $145 million, respectively. During the third quarter and first nine months of 2021, net cash paid for settled derivative positions was $108 million and $203 million, respectively. $28 million.

Interest Rate Swaps

During 2020, we entered into forward starting interest rate swaps with a notional amount of $500 million to hedge the variations in cash flows related to fluctuations in the London Interbank Offered Rate ("LIBOR") benchmark interest rate related to forecasted interest payments of a future debt issuance in 2022. Each respective derivative contract can be tied to an anticipated underlying dollar notional amount. During the third quarter of 2020, we de-designated these forward starting interest rate swaps previously designated as cash flow hedges. In the first quarter of 2021, the net deferred loss of $2 million in accumulated other comprehensive income related to these de-designated forward starting interest rate swaps was reclassified from accumulated other comprehensive income into earnings as an adjustment to net interest, as we fully redeemed the remainder of our outstanding 2022 notes in April 2021. We recorded a $5 millionmark-to-market gain and a $24 millionmark-to-market gain within net interest to reflect the change in value of these interest rate swaps during the three and nine months ended September 30, 2021, respectively.

During 2020, we entered into forward starting interest rate swaps with a notional amount of $350 million to hedge variations in cash flows arising from fluctuations in the LIBOR benchmark interest rate related to forecasted interest payments of a future debt issuance in 2025. The expected proceeds of the future debt issuance were intended to refinance the our $900 million 3.85% Senior Notes due 2025 (“2025 Notes”). In September 2021, we fully redeemed these 2025 Notes. We recorded a $3 million mark-to-market gain and a $34 million mark-to-market gain within net interest to reflect the change in value of these interest rate swaps during the three and nine months ended September 30, 2021. In March 2022, we closed these positions and settled the interest rate swaps for proceeds of $44 million. $44 million. During the nine three months ended September 30, 2022 March 31, 2022, we recorded a cumulative $17 million gain within net interest for and other within our consolidated statements of income related to these swaps.

During the second quarter of 2021, we de-designated $25 million of the $320 million Houston office cash flow hedges (discussed further in the *Derivatives Designated as Cash Flow Hedges* section below), as the construction cost budget estimate was reduced. These interest rate swap contracts began to settle in January 2022. On June 10, 2022, we closed the $25 million de-designated hedges, which resulted in cash proceeds of approximately $2 million. As of September 30, 2022, the remaining open interest rate swaps for the Houston office (with a notional amount of $295 million) are still classified as cash flow hedges.

The following table presents, by maturity date, information about our de-designated forward starting interest rate swap agreements. These positions were fully liquidated as of September 30, 2022.

	September 30, 2022			December 31, 2021		
Maturity Date		**Aggregate Notional Amount** *(in millions)*	**Weighted Average, LIBOR**		**Aggregate Notional Amount** *(in millions)*	**Weighted Average, LIBOR**
June 1, 2025	$	—	— %	$	350	0.95 %
September 9, 2026	$	—	— %	$	25	1.45 %

Derivatives Designated as Cash Flow Hedges

During 2019, we entered into forward starting interest rate swaps with a total notional amount maturity date of $320 million September 9, 2026 to hedge variations in cash flows related to the 1-month LIBOR interest rate component of future lease payments of our Houston office. During As of March 31, 2023 and December 31, 2022, the second quarter of 2021, we de-designated $25 million of these hedges as the construction cost budget estimate associated with the project was reduced (see discussion in preceding section). The notional amount of open interest rate swaps for the Houston office is was $295 million.

The weighted average secured overnight financing rate (“SOFR”) for the swaps was 1.43% as of both March 31, 2023 and December 31, 2022.

The Houston office lease commenced in September 2021, however, our first cash lease payment for February 2022 rent was paid in March. March 2022. The first settlement date for the interest rate swaps was in January 2022. The last swap will mature in September 2026. During the third quarter and first nine three months of2022, ended March 31, 2023, net cash received/paid received for the settled interest rate swap positions was immaterial. $2 million. As of September 30, 2022 March 31, 2023, we expect to reclassify $8 a $9 million gain from accumulated other comprehensive income into the our consolidated statements of income statement over the next twelve months. See Note 12 11 for further details regarding the lease of the Houston office. office lease.

The following table presents, by maturity date, information about our interest rate swap agreements, including the fixed weighted average LIBOR.

	September 30, 2022			December 31, 2021		
Maturity Date		**Aggregate Notional Amount** *(in millions)*	**Weighted Average, LIBOR**		**Aggregate Notional Amount** *(in millions)*	**Weighted Average, LIBOR**
September 9, 2026	$	295	1.52 %	$	295	1.52 %

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13. Fair Value Measurements

Fair Values – Recurring

The following tables present assets and liabilities accounted for at fair value on a recurring basis as of September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022 by hierarchy level.

(In millions)	*(In millions)*	September 30, 2022				*(In millions)*	March 31, 2023			
		Level 1	**Level 2**	**Level 3**	**Total**		**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative instruments, assets	**Derivative instruments, assets**					**Derivative instruments, assets**				

Commodity(a)						Commodity(a)	$ —	$ 12	$ —	$ 12
Interest rate - designated as cash flow hedges	Interest rate - designated as cash flow hedges	$ —	$ 26	$ —	$ 26	Interest rate - designated as cash flow hedges	$ —	$ 20	$ —	$ 20
Derivative instruments, assets	Derivative instruments, assets	$ —	$ 26	$ —	$ 26	Derivative instruments, assets	$ —	$ 32	$ —	$ 32
Derivative instruments, liabilities										
Commodity(a)		$ (2)	$ (9)	$ —	$ (11)					
Derivative instruments, liabilities		$ (2)	$ (9)	$ —	$ (11)					
Total		$ (2)	$ 17	$ —	$ 15					

		December 31, 2021					December 31, 2022			
(In millions)	*(In millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**	*(In millions)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative instruments, assets	**Derivative instruments, assets**					**Derivative instruments, assets**				
Interest rate - not designated as cash flow hedges		$ —	$ 27	$ —	$ 27					
Derivative instruments, assets		$ —	$ 27	$ —	$ 27					
Derivative instruments, liabilities										
Commodity(a)	Commodity(a)	$ (2)	$ (5)	$ —	$ (7)	Commodity(a)	$ —	$ 10	$ —	$ 10
Interest rate - designated as cash flow hedges	Interest rate - designated as cash flow hedges	—	(5)	—	(5)	Interest rate - designated as cash flow hedges	—	24	—	24
Derivative instruments, liabilities		$ (2)	$ (10)	$ —	$ (12)					
Total		$ (2)	$ 17	$ —	$ 15					
Derivative instruments, assets						Derivative instruments, assets	$ —	$ 34	$ —	$ 34

(a) Commodity derivative instruments are recorded on a net basis in our consolidated balance sheet. See Note 13 12.

Commodity As of March 31, 2023, our commodity derivatives include three-way collars, two-way collars and NYMEX roll basis swaps. collars. These instruments are measured at fair value using either a Black-Scholes or a modified Black-Scholes Model. For commodity swaps, inputs to the models include only commodity prices and interest rates and are categorized as Level 1 because all assumptions and inputs are observable in active markets throughout the term of the instruments. For three-way collars and two-way collars, inputs to the models include commodity prices and implied volatility and are categorized as Level 2 because predominantly all assumptions and inputs are observable in active markets throughout the term of the instruments.

The forward starting interest rate swaps are measured at fair value with a market approach using actionable broker quotes, which are Level 2 inputs. See Note 13 12 for detail details on the forward starting interest rate swaps.

Fair Values – Nonrecurring

See Note 10for detail on our fair values related to impairments.

Fair Values – Financial Instruments

Our current assets and liabilities include financial instruments, the most significant of which are receivables, the current portion of our long-term debt and payables. We believe the carrying values of our receivables and payables approximate fair value. Our fair value assessment incorporates a variety of considerations, including (1) the short-term duration of the instruments, (2) our credit rating and (3) our historical incurrence of and expected future insignificant bad debt expense, which includes an evaluation of counterparty credit risk.

The following table summarizes financial instruments, excluding receivables, payables and derivative financial instruments, and their reported fair values by individual balance sheet line item at September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022.

	September 30, 2022	December 31, 2021	March 31, 2023	December 31, 2022

(In millions)	*(In millions)*	Fair Value	Carrying Amount	Fair Value	Carrying Amount	*(In millions)*	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Financial assets	**Financial assets**					**Financial assets**				
Current assets		$ —	$ —	$ 11	$ 10					
Other noncurrent assets	Other noncurrent assets	10	28	12	27	Other noncurrent assets	10	28	10	28
Total financial assets	Total financial assets	$ 10	$ 28	$ 23	$ 37	Total financial assets	$ 10	$ 28	$ 10	$ 28
Financial liabilities	**Financial liabilities**					**Financial liabilities**				
Current liabilities		$ 107	$ 171	$ 99	$ 136					
Other current liabilities						Other current liabilities	$ 132	$ 197	$ 140	$ 204
Long-term debt, including current portion[(a)]	Long-term debt, including current portion[(a)]	3,793	3,997	4,705	4,033	Long-term debt, including current portion[(a)]	5,789	5,878	5,806	5,948
Deferred credits and other liabilities	Deferred credits and other liabilities	16	15	46	46	Deferred credits and other liabilities	61	60	73	73
Total financial liabilities	Total financial liabilities	$ 3,916	$ 4,183	$ 4,850	$ 4,215	Total financial liabilities	$ 5,982	$ 6,135	$ 6,019	$ 6,225

(a) Excludes debt issuance costs.

Fair values of our financial assets included in other noncurrent assets, and of our financial liabilities included in other current liabilities and deferred credits and other liabilities, are measured using an income approach and most inputs are internally generated, which results in a Level 3 classification. Estimated future cash flows are discounted using a rate deemed appropriate to obtain the fair value.

All of our long-term Our fixed rate debt instruments are publicly traded. A The fair value of our fixed rate debt is measured using a market approach, based upon quotes from major financial institutions, which are Level 2 inputs, inputs. Our floating rate debt is used to measure the non-public and consists of borrowings under our Term Loan Facility and Revolving Credit Facility. The fair value of our debt. floating rate debt approximates the carrying value and is estimated based on observable market-based inputs, which results in a Level 2 classification.

15. 14. Debt

Term Loan Facility

In November 2022, we entered into a term credit agreement, which provides for a two-year $1.5 billion term loan facility ("Term Loan Facility") and we borrowed the full amount thereunder in December 2022. Borrowings under the Term Loan Facility can be prepaid without penalty. As of March 31, 2023, we had $1.5 billion in borrowings under our Term Loan Facility and the weighted average interest rate on borrowings under the Term Loan Facility was 6.36%.

The Term Loan Facility includes a covenant requiring our total debt to total capitalization ratio not to exceed 65% as of the last day of each fiscal quarter. In the event of a default, the lenders holding more than half of the commitments may terminate all of the commitments under the Term Loan Facility and require the immediate repayment of all outstanding borrowings under the Term Loan Facility. As of March 31, 2023, we were in compliance with this covenant with a ratio of 26%.

Revolving Credit Facility

As of September 30, 2022 March 31, 2023, we had no net borrowings of $450 million against our $2.5 billion unsecured revolving credit facility ("Credit Facility").

On July 28, 2022, we executed the seventh amendment to our Revolving Credit Facility. The primary changes to weighted average interest rate on borrowings under the Revolving Credit Facility effected by this amendment were to (i) extend the maturity date of the Credit Facility by three years to July 28, 2027, (ii) decrease the size of the Credit Facility from $3.1 billion to $2.5 billion, (iii) replace the LIBOR interest rate benchmark with the secured overnight financing rate ("SOFR") and (iv) implement certain revisions to the Pricing Schedule. was 6.20%.

The Revolving Credit Facility includes a covenant requiring our total debt to total capitalization ratio not to exceed 65% as of the last day of each fiscal quarter. In the event of a default, the lenders holding more than half of the commitments may terminate the commitments under the Revolving Credit Facility and require the immediate repayment of all outstanding borrowings and the cash collateralization of all outstanding letters of credit under the Revolving Credit Facility. As of September 30, 2022 March 31, 2023, we were in compliance with this covenant with a ratio of 20% 26%.

Debt Redemption

In May 2022, March 2023, we redeemed the $32 million 9.375% $70 million 8.5% Senior Notes on the maturity date.

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In September 2021, we redeemed our outstanding $900 million 3.85% Senior Notes due 2025 (“2025 Notes”). We incurred $102 million in costs related to the make-whole provision premium and the write off of unamortized discount and issuance costs.

In April 2021, we redeemed our outstanding $500 million 2.8% Senior Notes due 2022 (“2022 Notes”). We incurred $19 million in costs related to a make-whole provision premium and the write off of unamortized discount and issuance costs.

Long-term debt

At September 30, 2022 March 31, 2023, we had $4.0 billion $5.9 billion of total long-term debt outstanding, which includes $402 million $131 million of long-term debt due within one year. Included in long-term debt due within one year is $200 million in 2.0% Bonds which feature a mandatory put on April 1, 2023. Refer to our 2021 2022 Annual Report on Form 10-K for a listing of our long-term debt maturities.

Debt Remarketing

16. On April 3, 2023, we closed a $200 million remarketing to investors of sub-series 2017A-1 bonds that are part of the $1 billion St. John the Baptist Parish, State of Louisiana revenue refunding bonds Series 2017. The bonds are subject to an interest rate of 4.05% and a mandatory purchase date of July 1, 2026. At March 31, 2023, these bonds were included in long-term debt on the consolidated balance sheet.

15. Stockholders’ Equity

Our Board of Directors has authorized a share repurchase program. During the first nine three months of 2022, 2023, we repurchased approximately $2.5 billion of 13 million shares of our common stock pursuant to the share repurchase program. The total program at a cost of $334 million. Our remaining share repurchase authorization was approximately $926 million $2.1 billion at September 30, 2022 March 31, 2023. Purchases under the program are made at our discretion and may be in either open market transactions, including block purchases, or in privately negotiated transactions using cash on hand, cash generated from operations or proceeds from potential asset sales. This program may be changed based upon our financial condition or changes in market conditions and is subject to termination prior to completion.

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Additionally, during the first nine three months of 2022 2023 we repurchased $21 million $30 million of shares related to our tax withholding obligation associated with the vesting of employee restricted stock awards and restricted stock units; these repurchases do not impact our share repurchase program authorization.

Subsequent to the quarter, we repurchased approximately $230 $110 million of shares of our common stock through November 2, 2022 May 3, 2023. Effective November 2, 2022, our Board of Directors increased our remaining share repurchase program authorization to $2.5 billion.

17. 16. Incentive Based Compensation

Stock options, restricted stock and restricted stock units

The following table presents a summary of activity for the first nine three months of 2022: 2023:

		Stock Options		Restricted Stock & Units			Stock Options		Restricted Stock & Units	
		Number of Shares	Weighted Average Exercise Price	Number of Shares & Units	Weighted Average Grant Date Fair Value		Number of Shares	Weighted Average Exercise Price	Number of Shares & Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2021		4,274,304	$ 22.13	5,888,242	$ 10.98					
Outstanding at December 31, 2022						Outstanding at December 31, 2022	1,678,524	$ 28.86	4,651,196	$ 14.89
Granted	Granted	—	$ —	1,719,757	$ 22.83	Granted	—	$ —	1,832,506	$ 25.79
Exercised/Vested	Exercised/Vested	(1,842,093)	$ 14.41	(2,796,967)	$ 12.05	Exercised/Vested	(10,417)	$ 10.47	(2,597,783)	$ 11.99
Canceled	Canceled	(414,952)	$ 33.55	(187,859)	$ 14.14	Canceled	(39,110)	$ 33.10	(76,806)	$ 18.38

Outstanding at September 30, 2022	2,017,259	$	26.82	4,623,173	$	14.62						
Outstanding at March 31, 2023							Outstanding at March 31, 2023	1,628,997	$	28.88	3,809,113	$ 22.04

Stock-based performance unit awards

During the first nine three months of 2022, 2023, we granted 167,043 222,464 stock-based performance units to eligible officers, which are settled in shares. The grant date fair value per unit was $34.07. $32.97. During the first nine three months of 2022, 2023, we stock settled the units related to the 2020 grant. At March 31, 2023, there were 686,266 outstanding stock-based performance units to be settled in shares to officers.

During the first three months of 2023, we also granted 167,043 222,464 stock-based performance units to eligible officers, which are settled in cash. At the grant date for these performance units, each unit represents the value of one share of our common stock. The fair value of each cash-settled performance unit was $23.37 $24.06 as of September 30, 2022 March 31, 2023. During the first three months of 2023, we also cash settled the units related to the 2021 grant. At March 31, 2023, there were 389,507 units outstanding of the stock-based performance unit awards to be settled in cash to officers.

18. 17. Defined Benefit Postretirement Plans

The following summarizes the components of net periodic benefit costs (credits):

	Three Months Ended September 30,			
	Pension Benefits		Other Benefits	
(In millions)	2022	2021	2022	2021
Service cost	$ 4	$ 4	$ —	$ —
Interest cost	1	2	1	—
Expected return on plan assets	(2)	(2)	—	—
Amortization:				
– prior service credit	(1)	(1)	(4)	(4)
– actuarial loss	—	1	—	1
Net settlement loss(a)	—	3	—	—
Net periodic benefit costs (credits)(b)	$ 2	$ 7	$ (3)	$ (3)

		Nine Months Ended September 30,					Three Months Ended March 31,			
		Pension Benefits		Other Benefits			Pension Benefits		Other Benefits	
(In millions)	*(In millions)*	2022	2021	2022	2021	*(In millions)*	2023	2022	2023	2022
Service cost	Service cost	$ 11	$ 12	$ —	$ —	Service cost	$ 3	$ 4	$ —	$ —
Interest cost	Interest cost	5	6	2	1	Interest cost	3	2	1	—
Expected return on plan assets	Expected return on plan assets	(7)	(6)	—	—	Expected return on plan assets	(2)	(2)	—	—
Amortization:	Amortization:					Amortization:				
– prior service credit	– prior service credit	(4)	(4)	(12)	(12)	– prior service credit	(2)	(2)	(4)	(4)
– actuarial loss	– actuarial loss	1	4	1	2	– actuarial loss	—	—	—	1
Net settlement loss(a)	Net settlement loss(a)	—	8	—	—	Net settlement loss(a)	1	—	—	—
Net periodic benefit costs (credits)(b)	Net periodic benefit costs (credits)(b)	$ 6	$ 20	$ (9)	$ (9)	Net periodic benefit costs (credits)(b)	$ 3	$ 2	$ (3)	$ (3)

(a) Settlements are recognized as they occur, once it is probable that lump sum payments from a plan for a given year will exceed the plan's total service and interest cost for that year.

(b) Net periodic benefit costs (credits) reflects a calculated market-related value of plan assets which recognizes changes in fair value over three years.

During the first nine months of 2022, we made contributions of $17 million to our funded pension plan. We also made a payment of $7 million related to our other postretirement benefit plans. We expect to contribute an additional $4 million in contributions to our funded pension plan this year.

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During the first three months of 2023, we made contributions of $2 million to our funded pension plan and we expect to make additional contributions of $10 million this year. We also made payments of $3 million and $2 million related to our unfunded pension plan and other postretirement benefit plans, respectively.

18. Reclassifications Out of Accumulated Other Comprehensive Income (Loss)

The following table presents a summary of amounts reclassified from accumulated other comprehensive income (loss):

	Three Months Ended September 30,		Nine Months Ended September 30,		
(In millions)	2022	2021	2022	2021	Income Statement Line
Postretirement and postemployment plans					
Amortization of prior service credit	$ 5	$ 5	$ 16	$ 16	Other net periodic benefit costs
Amortization of actuarial loss	—	(2)	(2)	(6)	Other net periodic benefit costs
Net settlement loss	—	(3)	—	(8)	Other net periodic benefit costs
Interest rate swaps					
Reclassification of de-designated forward interest rate swaps	—	—	—	(28)	Net interest and other
	(1)	—	(3)	—	Provision for income taxes
Total reclassifications of (income) expense, net of tax (a)	$ 4	$ —	$ 11	$ (26)	Net income (loss)

(a) During 2021 we had a full valuation allowance on net federal deferred tax assets in the U.S. and as such, there is no tax impact to our postretirement and postemployment plans for the three and nine months ended September 30, 2021.

	Three Months Ended March 31,		
(In millions)	2023	2022	Income Statement Line
Postretirement and postemployment plans			
Amortization of prior service credit	$ 6	$ 6	Other net periodic benefit credits
Amortization of actuarial loss	—	(1)	Other net periodic benefit credits
Net settlement loss	(1)	—	Other net periodic benefit credits
Income taxes	(1)	(1)	Provision (benefit) for income taxes
Total reclassifications of (income) expense, net of tax	$ 4	$ 4	Net income

20. 19. Supplemental Cash Flow Information

		Nine Months Ended September 30,			Three Months Ended March 31,	
(In millions)	*(In millions)*	2022	2021	*(In millions)*	2023	2022
Included in operating activities:	**Included in operating activities:**			**Included in operating activities:**		
Interest paid (a)	Interest paid (a)	$ 153	$ 185	Interest paid (a)	$ 85	$ 54
Income taxes paid, net of refunds (a)	Income taxes paid, net of refunds (a)	$ 128	$ 8	Income taxes paid, net of refunds (a)	$ 6	$ 12
Noncash investing activities:	**Noncash investing activities:**			**Noncash investing activities:**		
Increase in asset retirement costs	Increase in asset retirement costs	$ 9	$ 49	Increase in asset retirement costs	$ 6	$ 7

(a) The nine increase in the three months ended September 30, 2021 includes $1 million March 31, 2023 compared to the same period in 2022 was primarily related to tax refunds. interest paid on borrowings under the Term Loan Facility and Revolving Credit Facility.

Other noncash investing activities include accrued capital expenditures for the nine three months ended September 30, 2022 March 31, 2023 and 2021 2022 of $99 million $180 million and $104 million $96 million, respectively.

MARATHON OIL CORPORATION
Notes to Consolidated Financial Statements (Unaudited)

21. 20. Equity Method Investments

During the periods ended September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022 our equity method investees were considered related parties. Our investment in our equity method investees are summarized in the following table:

(In millions)	Ownership as of September 30, 2022	September 30, 2022		December 31, 2021	
EGHoldings (a)	56%	$	293	$	148
Alba Plant LLC (b)	52%		142		154
AMPCO (c)	45%		133		148
Total		$	568	$	450

(In millions)	Ownership as of March 31, 2023	March 31, 2023		December 31, 2022	
EGHoldings (a)	56%	$	333	$	287
Alba Plant LLC (b)	52%		176		155
AMPCO (c)	45%		148		135
Total		$	657	$	577

(a) EGHoldings is engaged in LNG production activity.

(b) Alba Plant LLC processes LPG.

(c) AMPCO is engaged in methanol production activity.

MARATHON OIL CORPORATION
Notes to Consolidated Financial Statements (Unaudited)

Summarized, 100% combined financial information for equity method investees is as follows:

(In millions)	*(In millions)*	Three Months Ended September 30, 2022		Three Months Ended September 30, 2021		Nine Months Ended September 30, 2022		Nine Months Ended September 30, 2021		*(In millions)*	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
Income data:	Income data:									Income data:				
Revenues and other income	Revenues and other income	$	499	$	325	$	1,332	$	806	Revenues and other income	$	306	$	374
Income from operations	Income from operations		358		188		893		395	Income from operations		159		229
Net income	Net income	$	335	$	155	$	811	$	312	Net income	$	134	$	204

Revenues from related parties were $7 million $6 million and $22 million $8 million for the three and nine months ended September 30, 2022, respectively, $8 million March 31, 2023 and $24 million for the three and nine months ended September 30, 2021, 2022, respectively, with the majority related to EGHoldings in all both periods.

Cash received from equity investees is classified as dividends or return of capital on the Consolidated Statements of Cash Flows. Dividends from equity method investees are reflected in the Operating activities section in Equity Method Investments, net while return of capital is reflected in the Investing activities section. Our equity investees did not distribute dividends or return of capital during the three months ended March 31, 2023. Dividends and return of capital received by us totaled $150 million and $350 million for during the three and nine months ended September 30, 2022, respectively, and $56 million and $137 million for the three and nine months ended September 30, 2021, respectively. March 31, 2022 totaled $54 million.

Current receivables from related parties at September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022 were $43 million $20 million and $23 $36 million, respectively, with the majority which primarily related to Alba Plant LLC and EGHoldings in both periods. Payables to related parties at September 30, 2022 March 31, 2023 and December 31, 2022 were $6 million, with the majority related to EGHoldings $18 million and $20 million at December 31, 2021, respectively, with the majority related to Alba Plant LLC. LLC in both periods.

MARATHON OIL CORPORATION
Notes to Consolidated Financial Statements (Unaudited)

22. 21. Commitments and Contingencies

Various groups, including the State of North Dakota and three Indian tribes (the "Three Affiliated Tribes") represented by the Bureau of Indian Affairs, have been involved in a dispute regarding the ownership of certain lands underlying the Missouri River and Little Missouri River (the "Disputed Land") from which we currently produce. As a result, as of September 30, 2022 March 31, 2023, we have a $153 million $164 million current liability in suspended royalty and working interest revenue, including interest, of which $138 $145 million was included within accounts payable and $15 $19 million related to accrued interest and was included within other current liabilities on our consolidated balance sheet. Additionally, we have a long-term receivable of $26 million for capital and expenses. The United States Department of the Interior ("DOI") has addressed the United States' position with respect to this dispute several times over the past five years with conflicting opinions. In January 2017, the DOI issued an opinion that the Disputed Land is held in trust for the Three Affiliated Tribes, then in June 2018 and May 2020 the DOI issued opinions concluding that the State of North Dakota held title to the Disputed Land. Most recently, on February 4, 2022, the DOI issued an opinion ("M-Opinion") concluding the DOI's position that the Disputed Land is held in trust for the Three Affiliated Tribes. While the latest M-Opinion is binding on all agencies within the DOI, it is not legally binding on third parties, including Marathon Oil, or a court. Depending on the ultimate outcome of this title dispute, the Three Affiliated Tribes could challenge the validity of certain of our leases relating to a portion of the disputed land, and if such challenge were successful it could result in operational delays and additional costs to us. Given the uncertainty in matters such as these, we are unable to predict the ultimate outcome of this matter at this time; however, we believe the resolution of this matter will not have a material adverse effect on our consolidated financial position, results of operations or cash flows.

We are a defendant in a number of legal and administrative proceedings arising in the ordinary course of business including, but not limited to, royalty claims, contract claims, tax disputes and environmental claims. While the ultimate outcome and impact to us cannot be predicted with certainty, we believe the resolution of these proceedings will not have a material adverse effect on our consolidated financial position, results of operations or cash flows. In addition, we may also be subject to retained liabilities with respect to certain divested assets by operation of law. For example, we are exposed to the risk that owners and/or operators of assets purchased from us become unable to satisfy plugging or abandonment obligations that attach to those assets. In that event, due to operation of law, we may be required to assume plugging or abandonment obligations for those assets. Although we have established reserves for such liabilities, we could be required to accrue additional amounts in the future and these amounts could be material.

Marathon Oil has been named in various lawsuits alleging royalty underpayments in our domestic operations. We intend to vigorously defend ourselves against such claims. For instance, Marathon Oil was named in a lawsuit alleging improper royalty deductions in certain of our Oklahoma operations, and after plaintiffs lost their attempt to certify a class action, a settlement in principle was reached, subject and in the first quarter of 2023 such settlement was approved by the court and paid.

MARATHON OIL CORPORATION

Notes to court approval. Consolidated Financial Statements (Unaudited)

We have accrued for potential liabilities associated with these lawsuits based on currently available information; however, actual losses may exceed our accruals or we could be required to accrue additional amounts in the future.

In January 2020, we received a Notice of Violation ("NOV")'s from the EPA related to allegations of violations of the Clean Air Act relating to our operations on the Fort Berthold Indian Reservation between 2015 and 2019. We are actively negotiating a draft consent decree with the EPA and Department of Justice containing certain proposed injunctive terms relating to this enforcement action. The Resolution of the enforcement action will likely include monetary sanctions and implementation of both environmental mitigation projects and injunctive terms, which would increase both our development costs and operating costs. We maintain an accrual for estimated future costs related to this matter regarding actions required to retrofit or replace existing equipment, which we expect to incur over multiple years. Our accrual does not include possible monetary sanctions or costs associated with mitigation projects as we are unable to estimate those amounts. Through the date of this filing, there exists substantial uncertainty as to the ultimate result of this matter and it is reasonably possible the result could be materially different from our accrual.

In July 2022, the The Company received an NOV NOV's from the EPA relating to alleged Clean Air Act violations following flyovers conducted in 2020 and 2022 over certain of the Company's oil and gas facilities in New Mexico. The notice involves notices involve alleged emission and permitting violations. The Company has We initiated discussions with the EPA to resolve these matters. As we are still investigating these allegations, we are unable to estimate the potential loss associated with this matter, these matters, however, it is reasonably possible that the resolution may result in a fine or penalty in excess of $300,000.

We have incurred and will continue to incur capital, operating and maintenance and remediation expenditures as a result of environmental laws and regulations. If these expenditures, as with all costs, are not ultimately offset by the prices we receive for our products and services, our operating results will be adversely affected. We believe that substantially all of our competitors must comply with similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, marketing areas and production processes. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance.

At September 30, 2022 March 31, 2023, accrued liabilities for remediation relating to environmental laws and regulations were not material. It is not presently possible to estimate the ultimate amount of all remediation cost that might be incurred or the penalties that may be imposed.

In the second quarter of 2019, Marathon E.G. Production Limited ("MEGPL"), a consolidated and wholly owned subsidiary, signed a series of agreements to process third-party Alen Unit gas through existing infrastructure located in Punta Europa, E.G. Our equity method investee, Alba Plant LLC, is also a party to some of the agreements. These agreements require (subject to certain limitations) MEGPL to indemnify the owners of the Alen Unit against injury to Alba Plant LLC's personnel and damage to or loss of Alba Plant LLC's automobiles, as well as third party claims caused by Alba Plant LLC and certain environmental liabilities arising from certain hydrocarbons in the custody of Alba Plant LLC. At this time, we cannot reasonably estimate this obligation as we do not have any history of prior indemnification claims or environmental discharge or contamination. Therefore, we have not recorded a liability with respect to these indemnities since the amount of potential future payments under these indemnification clauses is not determinable.

The agreements to process the third-party Alen Unit gas required the execution of third-party guarantees by Marathon Oil Corporation in favor of the Alen Unit's owners. Two separate guarantees were executed during the second quarter of 2020; one for a maximum of approximately $91 million pertaining to the payment obligations of Equatorial Guinea LNG Operations, S.A. and another for a maximum of $25 million pertaining to the payment obligations of Alba Plant LLC. Payment by us would be required if any of those entities fails to honor its payment obligations pursuant to the relevant agreements with the owners of the Alen Unit. Certain owners of the Alen Unit, or their affiliates, are also direct or indirect shareholders in Equatorial Guinea LNG Operations, S.A. and Alba Plant LLC. Each guarantee expires no later than December 31, 2027. We measured these guarantees at fair value using the net present value of premium payments we expect to receive from our investees. Our liability for these guarantees was approximately $4 million as of September 30, 2022 March 31, 2023. Each of Equatorial Guinea LNG Operations, S.A. and Equatorial Guinea LNG Train 1, S.A. provided us with a pledge of its receivables as recourse against any payments we may make under the guaranty of Equatorial Guinea LNG Operations, S.A.'s performance.

23. Subsequent Event

On November 2, 2022, we executed a definitive purchase agreement to acquire the assets and certain related liabilities of Ensign Natural Resources in the Eagle Ford resource play in Texas for total cash consideration of $3.0 billion. The assets primarily consist of approximately 130,000 net proved and unproved acres, with an average 97% working interest, approximately 700 existing wells, and estimated current production of approximately 67,000 net boepd (including 22,000 net bopd of oil). We expect to fund the acquisition using a combination of cash on hand, borrowings on the company's Credit Facility, and new prepayable debt. The transaction is subject to customary terms and conditions, including closing adjustments, and is expected to close by year-end 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the preceding consolidated financial statements and notes in **Item 1**.

Executive Overview

We are an independent exploration and production company, focused on U.S. resource plays: Eagle Ford in Texas, Bakken in North Dakota, STACK and SCOOP in Oklahoma and Northern Delaware Permian in New Mexico. Mexico and Texas. Our U.S. assets are complemented by our international operations in E.G. Our overall business strategy is to responsibly deliver competitive corporate return levels, free cash flow and cash returns to shareholders, all of which are sustainable and resilient through long-term commodity price cycles. We expect to achieve our business strategy by adherence to a disciplined reinvestment rate capital allocation framework that limits our capital expenditures relative to our expected cash flow from operations. Keeping our workforce safe, maintaining a strong balance sheet, responsibly meeting global energy demand with a focus on continuously improving environmental performance, serving as a trusted partner in our local communities and maintaining best in-class corporate governance standards are foundational to the execution of our strategy.

As discussed in **Note 23** to the consolidated financial statements, In December 2022, we closed on November 2, 2022, we entered into an agreement a transaction to acquire approximately 130,000 net proved and unproved acres, with an average 97% working interest, in the Eagle Ford resource play in Texas. The transaction is subject to customary terms and conditions, including closing adjustments, and is expected to close by year-end 2022.from Ensign Natural Resources ("Ensign") for cash consideration of $3.0 billion.

Compared to the prior year, same period of 2022, we experienced a significant increase decrease in revenues, revenue and net income from operations and operating cash flow, all of which were driven impacted by higher lower commodity prices. Total company net sales volumes were slightly higher for increased during the quarter and roughly flat for the year-to-date period. Our year-to-date cash generated from operations more than funded our capital program, dividend payments and share repurchases. These results and activities are consistent with our prioritization first three months of free cash flow generation and adherence 2023 when compared to our disciplined capital allocation framework. prior year quarter. Below are certain key financial and operational highlights for the quarter:

Improved financial Financial and operational results

- Our net income was $817 million $417 million in the third first quarter of 2022 2023 as compared to net income of $184 million $1.3 billion in the same period last year. Included in our financial results for the current quarter:
  - Revenues from contracts with customers increased $570 million decreased $194 million compared to the same quarter last year as a result of lower realized commodity prices, were significantly higher.
  - Income from equity method investments totaled $190 million, which is an increase of $104 million due to higher realized prices. partially offset by increased sales.

- We recorded a net gain of $41 million $15 million on commodity derivatives as compared to a net loss of $79 million $143 million during the same quarter last year, which increased income by $120 million $158 million.
- As a result Depreciation, depletion and amortization was $520 million, which was an increase of higher income before taxes, our $97 million as compared to the same quarter last year.
- Our provision for income taxes increased by $236 million $626 million compared to the same quarter last year. See Note 6year, primarily due to the consolidated financial statements for discussion first quarter of 2022 $685 million non-cash tax benefit from the partial release of a valuation allowance on certain U.S. and state deferred tax assets.

- Successfully integrated the Eagle Ford assets of Ensign into our existing operations in the resource play.
- In March 2023, we announced the signing of a Heads of Agreement ("HOA") to progress the development of the increase in income taxes. Equatorial Guinea Regional Gas Mega Hub.

Increased

- Net sales volumes in the U.S. segment increased 22% compared to the same period last year, primarily driven by increased production from the acreage acquired from Ensign.

Prioritized return of capital to investors and maintained investment grade balance sheet

- In the first nine three months of 2022, 2023, we repurchased approximately $2.5 billion $334 million of shares through our share repurchase program, of which $1.1 billion occurred during the current quarter. program.
- As of September 30, 2022 March 31, 2023, we have $1.1 billion $178 million of cash on hand and $3.6 billion $2.2 billion of total liquidity.
- Paid $162 million $63 million of dividends, or $0.23 $0.10 per share, during the first nine three months of 2022, 2023, compared to dividends paid of $0.12 $0.07 per share during the first nine three months of 2021. 2022.
- All three primary credit rating agencies continue to rate us as investment grade. grade, with S&P reaffirming our credit rating in March 2023.

Outlook

Capital Budget

In our 2021 Form 10-K filed in February 2022, 2023, we disclosed announced a 2022 2023 capital budget of $1.2 $1.9 billion based on assumed hydrocarbon prices to $2.0 billion that prioritizes free cash flow generation over production growth, consistent with our disciplined capital allocation framework. Approximately 60% of $80/bbl for WTI and $4/mmbtu for Henry Hub gas, which were indicative of market conditions at that time. Given persistent inflationary pressures and our efforts to protect execution and operational momentum into the 2023 we now expect our capital budget is weighted to increase to $1.4 billion.

the first half of the year.

Operations

The following table presents a summary of our sales volumes for each of our segments. Refer to **Results of Operations** for a price-volume analysis for each of the segments.

		Three Months Ended September 30,				Nine Months Ended September 30,					Three Months Ended March 31,			
Net Sales Volumes	**Net Sales Volumes**	**2022**	**2021**	**Increase (Decrease)**		**2022**	**2021**	**Increase (Decrease)**		**Net Sales Volumes**	**2023**	**2022**	**Increase (Decrease)**	
United States *(mboed)*	United States *(mboed)*	295	281	5	%	286	280	2	%	United States *(mboed)*	341	280	22	%
International *(mboed)*	International *(mboed)*	58	61	(5)	%	59	64	(8)	%	International *(mboed)*	56	61	(8)	%
Total *(mboed)*	**Total *(mboed)***	353	342	3	%	345	344	—	%	**Total *(mboed)***	397	341	16	%

United States

The following tables provide additional details regarding net sales volumes, sales mix and operational drilling activity for our significant operations within this segment: segment. The increase in net sales volumes in our U.S. segment compared to the same period in the prior year was primarily a result of our acquisition of the Eagle Ford assets of Ensign in December 2022.

		Three Months Ended September 30,				Nine Months Ended September 30,					Three Months Ended March 31,			
Net Sales Volumes	**Net Sales Volumes**	**2022**	**2021**	**Increase (Decrease)**		**2022**	**2021**	**Increase (Decrease)**		**Net Sales Volumes**	**2023**	**2022**	**Increase (Decrease)**	
Equivalent Barrels *(mboed)*	Equivalent Barrels *(mboed)*									Equivalent Barrels *(mboed)*				
Eagle Ford	Eagle Ford	90	95	(5)	%	85	88	(3)	%	Eagle Ford	144	80	80	%

Bakken	Bakken	118	103	15 %	116	107	8 %	Bakken	95	118	(19) %
Oklahoma	Oklahoma	54	55	(2) %	54	54	— %	Oklahoma	55	51	8 %
Northern Delaware		24	21	14 %	21	24	(13) %				
Permian								Permian	45	20	125 %
Other United States	Other United States	9	7	29 %	10	7	43 %	Other United States	2	11	(82) %
Total United States	**Total United States**	295	281	5 %	286	280	2 %	**Total United States**	341	280	22 %

	Three Months Ended March 31, 2023				
Sales Mix - U.S. Resource Plays	**Eagle Ford**	**Bakken**	**Oklahoma**	**Permian**	**Total**
Crude oil and condensate	52 %	66 %	22 %	55 %	52 %
Natural gas liquids	23 %	19 %	31 %	23 %	23 %
Natural gas	25 %	15 %	47 %	22 %	25 %

	Three Months Ended September 30, 2022				
Sales Mix - U.S. Resource Plays	**Eagle Ford**	**Bakken**	**Oklahoma**	**Northern Delaware**	**Total**
Crude oil and condensate	67 %	64 %	22 %	55 %	56 %
Natural gas liquids	18 %	23 %	35 %	22 %	24 %
Natural gas	15 %	13 %	43 %	23 %	20 %

		Three Months Ended September 30,		Nine Months Ended September 30,			Three Months Ended March 31,	
Drilling Activity - U.S. Resource Plays	**Drilling Activity - U.S. Resource Plays**	**2022**	**2021**	**2022**	**2021**	**Drilling Activity - U.S. Resource Plays**	**2023**	**2022**
Gross Operated	**Gross Operated**					**Gross Operated**		
Eagle Ford:	*Eagle Ford:*					*Eagle Ford:*		
Wells drilled to total depth	Wells drilled to total depth	22	23	86	76	Wells drilled to total depth	35	29
Wells brought to sales	Wells brought to sales	48	29	95	99	Wells brought to sales	36	28
Bakken:	*Bakken:*					*Bakken:*		
Wells drilled to total depth	Wells drilled to total depth	12	16	36	55	Wells drilled to total depth	18	14
Wells brought to sales	Wells brought to sales	9	27	49	46	Wells brought to sales	17	20
Oklahoma:	*Oklahoma:*					*Oklahoma:*		
Wells drilled to total depth	Wells drilled to total depth	4	—	13	—	Wells drilled to total depth	1	3
Wells brought to sales	Wells brought to sales	—	4	19	4	Wells brought to sales	5	9
Northern Delaware:								
Permian:						*Permian:*		
Wells drilled to total depth	Wells drilled to total depth	6	—	12	—	Wells drilled to total depth	8	—
Wells brought to sales	Wells brought to sales	13	3	13	3	Wells brought to sales	8	—

International

Net sales volumes were lower in the third first quarter and first nine months of of 2022 2023 as compared to the third first quarter and first nine months of of 2021 2022 primarily due to natural decline. In addition, timing of sales impacted the sales volumes of our equity method investees in the quarter. The following table provides details regarding net sales volumes for our operations within this segment:

		Three Months Ended September 30,				Nine Months Ended September 30,					Three Months Ended March 31,			
Net Sales Volumes	**Net Sales Volumes**	**2022**	**2021**	**Increase (Decrease)**		**2022**	**2021**	**Increase (Decrease)**		**Net Sales Volumes**	**2023**	**2022**	**Increase (Decrease)**	
Equivalent Barrels *(mboed)*	Equivalent Barrels *(mboed)*									Equivalent Barrels *(mboed)*				
Equatorial Guinea	Equatorial Guinea	58	61	(5)	%	59	64	(8)	%	Equatorial Guinea	56	61	(8)	%
Equity Method Investees	**Equity Method Investees**									**Equity Method Investees**				
LNG *(mtd)*	LNG *(mtd)*	2,536	3,119	(19)	%	2,872	3,186	(10)	%	LNG *(mtd)*	2,112	3,489	(39)	%
Methanol *(mtd)*	Methanol *(mtd)*	956	1,218	(22)	%	967	1,137	(15)	%	Methanol *(mtd)*	1,378	982	40	%
Condensate and LPG *(boed)*	Condensate and LPG *(boed)*	7,060	9,537	(26)	%	8,113	9,382	(14)	%	Condensate and LPG *(boed)*	8,817	6,914	28	%

Market Conditions

Commodity prices are the most significant factor impacting our revenues, profitability, operating cash flows, the amount of capital we invest in our business, redemption of our debt, payment of dividends and funding of share repurchases. C Following the initial COVID outbreak in 2020, commodity ommodity prices steadily increased due to rising oil demand as global economic activity recovered. However, more recently in 2022, commodity prices have experienced significant volatility due to geopolitical events, including in 2022 and this has continued into 2023. Russia's invasion of Ukraine was a geopolitical shock that caused energy prices to spike significantly higher in early to mid-2022. However, Russian oil production has remained at higher levels than expected, European gas shortages were averted as record levels of LNG were imported into that market and an exceptionally warm winter in both the US and Europe has refilled gas inventories to multi year highs causing prices to fall back significantly. Economic headwinds, caused by increasing interest rates as central banks continue to fight inflation, are a threat to demand impacts tied growth as we move forward, but demand growth in China could be a significant offset, as they continue to macroeconomic conditions emerge from global inflation. Price strict COVID restrictions. Price volatility was also exacerbated by ongoing OPEC+ petroleum supply limitations, COVID related impacts, strategic petroleum reserve releases and economic sanctions involving producer countries. We continue to expect commodity price volatility given the complex global dynamics of supply and demand that exist in the market. market. Refer to Item 1A. Risk Factors in our 2021 2022 Annual Report on Form 10-K for further discussion on how volatility in commodity prices could impact us.

United States

The following table presents our average price realizations and the related benchmarks for crude oil and condensate, NGLs and natural gas for the third first quarter of 2023 and first nine months of 2022 and 2021. 2022.

		Three Months Ended September 30,				Nine Months Ended September 30,					Three Months Ended March 31,			
		2022	**2021**	**Increase (Decrease)**		**2022**	**2021**	**Increase (Decrease)**			**2023**	**2022**	**Increase (Decrease)**	
Average Price Realizations(a)	**Average Price Realizations**(a)									**Average Price Realizations**(a)				
Crude oil and condensate *(per bbl)*(b)	Crude oil and condensate *(per bbl)*(b)	$ 93.67	$ 69.40	35	%	$ 99.28	$ 63.16	57	%	Crude oil and condensate *(per bbl)*(b)	$ 74.69	$ 94.43	(21)	%
Natural gas liquids *(per bbl)*(c)	Natural gas liquids *(per bbl)*(c)	34.00	30.68	11	%	37.14	26.50	40	%	Natural gas liquids *(per bbl)*(c)	24.27	37.32	(35)	%
Natural gas *(per mcf)*(d) (c)	Natural gas *(per mcf)*(d) (c)	7.84	4.17	88	%	6.52	4.35	50	%	Natural gas *(per mcf)*(d) (c)	2.95	4.79	(38)	%
Benchmarks	**Benchmarks**									**Benchmarks**				
WTI crude oil average of daily prices *(per bbl)*	WTI crude oil average of daily prices *(per bbl)*	$ 91.43	$ 70.52	30	%	$ 98.25	$ 65.04	51	%	WTI crude oil average of daily prices *(per bbl)*	$ 75.99	$ 95.01	(20)	%

Magellan East Houston ("MEH") crude oil average of daily prices *(per bbl)*	Magellan East Houston ("MEH") crude oil average of daily prices *(per bbl)*	96.12	71.64	34	%	101.71	66.03	54	%	Magellan East Houston ("MEH") crude oil average of daily prices *(per bbl)*	77.36	96.67	(20)	%
Mont Belvieu NGLs *(per bbl)* (e) (d)	Mont Belvieu NGLs *(per bbl)* (e) (d)	36.08	32.27	12	%	38.66	27.08	43	%	Mont Belvieu NGLs *(per bbl)* (e) (d)	25.33	38.24	(34)	%
Henry Hub natural gas settlement date average *(per mmbtu)*	Henry Hub natural gas settlement date average *(per mmbtu)*	8.20	4.01	104	%	6.77	3.18	113	%	Henry Hub natural gas settlement date average *(per mmbtu)*	3.42	4.95	(31)	%

(a) Excludes gains or losses on commodity derivative instruments.

(b) Inclusion of realized gains (losses) on crude oil derivative instruments would have decreased average price realizations by $0.85 per bbl and $4.00 per bbl for the third quarter 2022 and 2021, respectively. Inclusion of realized gains (losses) on crude oil derivative instruments would have decreased average price realizations by $2.39 per bbl and $4.72 $2.00 per bbl for the first nine months quarter of 2022 and 2021, respectively. 2022.

(c) Inclusion of realized gains (losses) on NGL derivative instruments would have no impact on average price realizations for the third quarter 2022 and would have decreased average price realizations by $2.25 per bbl for the third quarter 2021. Inclusion of realized gains (losses) on NGL derivative instruments would have no impact on average price realizations for the first nine months of 2022 and would have decreased average price realizations by $1.61 per bbl for the first nine months of 2021.

(d) Inclusion of realized gains (losses) on natural gas derivative instruments would have minimal impact on average price realizations for the third first quarter 2022 of 2023 and would have decreased average price realizations by $1.08 per mcf for the third quarter 2021. Inclusion of realized gains (losses) on natural gas derivative instruments would have minimal impact on average price realizations the first nine months of 2022 and 2021, respectively. 2022.

(e) (d) Bloomberg Finance LLP: Y-grade Mix NGL of 55% ethane, 25% propane, 5% butane, 8% isobutane and 7% natural gasoline.

Crude oil and condensate – Price realizations may differ from benchmarks due to the quality and location of the product.

Natural gas liquids – The majority of our sales volumes are sold at reference to Mont Belvieu prices.

Natural gas – A significant portion of our volumes are sold at bid-week prices, or first-of-month indices relative to our producing areas.

International (E.G.)

The following table presents our average price realizations and the related benchmark for crude oil for the third first quarter of 2023 and first nine months of 2022 and 2021. 2022.

		Three Months Ended September 30,				Nine Months Ended September 30,					Three Months Ended March 31,			
		2022	2021	Increase (Decrease)		2022	2021	Increase (Decrease)			2023	2022	Increase (Decrease)	
Average Price Realizations	**Average Price Realizations**									**Average Price Realizations**				
Crude oil and condensate *(per bbl)*	Crude oil and condensate *(per bbl)*	$ 74.01	$ 56.36	31	%	$ 72.26	$ 51.54	40	%	Crude oil and condensate *(per bbl)*	$ 58.57	$ 59.63	(2)	%
Natural gas liquids *(per bbl)*	Natural gas liquids *(per bbl)*	1.00	1.00	—	%	1.00	1.00	—	%	Natural gas liquids *(per bbl)*	1.00	1.00	—	%
Natural gas *(per mcf)*	Natural gas *(per mcf)*	0.24	0.24	—	%	0.24	0.24	—	%	Natural gas *(per mcf)*	0.24	0.24	—	%
Benchmark	**Benchmark**									**Benchmark**				
Brent (Europe) crude oil *(per bbl)*(a)	Brent (Europe) crude oil *(per bbl)*(a)	$ 100.71	$ 73.47	37	%	$ 104.85	$ 67.71	55	%	Brent (Europe) crude oil *(per bbl)*(a)	$ 81.17	$ 100.30	(19)	%

(a) Average of monthly prices obtained from the United States Energy Information Agency website.

Crude oil and condensate – Alba field liquids production is primarily condensate. MEGPL and Marathon E.G. International Limited We generally sell their our share of condensate in relation to the Brent crude benchmark. Alba Plant LLC processes the rich hydrocarbon gas which is supplied by the Alba field under a fixed-price long-term long term contract.

Alba Plant LLC extracts NGLs and secondary condensate which is then sold by Alba Plant LLC at market prices, with our share of the revenue reflected in income from equity method investments on the consolidated statements of income. Alba Plant LLC delivers the processed dry natural gas to the Alba Unit Parties for distribution and sale to AMPCO and EG LNG.

Natural gas liquids – Wet gas is sold to Alba Plant LLC at a fixed-price long-term long term contract resulting in realized prices not tracking market price. Alba Plant LLC extracts and keeps NGLs, which are sold at market price, with our share of income from Alba Plant LLC being reflected in the income from equity method investments on the consolidated statements of income.

Natural gas – Dry natural gas, processed by Alba Plant LLC on behalf of the Alba Unit Parties, is sold by the Alba field to EG LNG and AMPCO at fixed-price long-term contracts resulting in realized prices not tracking market price. The gas sales contracts between Alba Unit and EG LNG and AMPCO expire on December 31, 2023 and in 2026, respectively. We derive additional value from the equity investment in our downstream gas processing units EG LNG and AMPCO. EG LNG sells LNG on a market-based long-term contract and AMPCO markets methanol at market prices. In March 2023, we announced the signing of a HOA to progress the development of the Equatorial Guinea Regional Gas Mega Hub. The next phase involves processing Alba Unit gas under new contractual terms effective January 1, 2024 that would increase our exposure to global LNG market prices. In addition to processing Alba Unit gas, Alba Plant LLC and EG LNG process third party third-party gas from the Alen field under a combination of a tolling and a market linked profit-sharing arrangement, the benefits of which are included in our respective share of income from equity method investees. This profit-sharing arrangement provides exposure to global LNG market prices.

Results of Operations

Three Months Ended September 30, 2022 March 31, 2023 vs. Three Months Ended September 30, 2021 March 31, 2022

Revenues from contracts with customers are presented by segment in the table below:

(In millions)	(In millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	(In millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Revenues from contracts with customers	**Revenues from contracts with customers**			**Revenues from contracts with customers**		
United States	United States	$ 1,927	$ 1,375	United States	$ 1,503	$ 1,714
International	International	81	63	International	64	47
Segment revenues from contracts with customers	Segment revenues from contracts with customers	$ 2,008	$ 1,438	Segment revenues from contracts with customers	$ 1,567	$ 1,761

Below is a price/volume analysis for each segment. Refer to the preceding Operations and Market Conditions sections for additional detail related to our net sales volumes and average price realizations.

(In millions)	(In millions)	Three Months Ended September 30, 2021	Increase (Decrease) Related to: Price Realizations	Increase (Decrease) Related to: Net Sales Volumes	Three Months Ended September 30, 2022	(In millions)	Three Months Ended March 31, 2022	Increase (Decrease) Related to: Price Realizations	Increase (Decrease) Related to: Net Sales Volumes	Three Months Ended March 31, 2023
United States Price/Volume Analysis										
Crude oil and condensate	Crude oil and condensate	$ 984	$ 370	$ 74	$ 1,428	Crude oil and condensate	$ 1,341	$ (313)	$ 157	$ 1,185
Natural gas liquids	Natural gas liquids	183	21	12	216	Natural gas liquids	216	(91)	44	169
Natural gas	Natural gas	144	122	(5)	261	Natural gas	151	(86)	74	139
Other sales	Other sales	64			22	Other sales	6			10
Total	Total	$ 1,375			$ 1,927	Total	$ 1,714			$ 1,503
International Price/Volume Analysis										
Crude oil and condensate	Crude oil and condensate	$ 56	$ 19	$ —	$ 75	Crude oil and condensate	$ 40	$ (1)	$ 18	$ 57

Natural gas liquids	Natural gas liquids	—	1	—	1	Natural gas liquids	1	—	—	1
Natural gas	Natural gas	6	—	(1)	5	Natural gas	5	—	—	5
Other sales	Other sales	1			—	Other sales	1			1
Total	Total	$ 63			$ 81	Total	$ 47			$ 64

Net gain (loss) on commodity derivatives in the third first quarter of 2022, 2023 was a gain of $41 million $15 million, compared to a net loss of $79 million $143 million for the same period in 2021. 2022. We have multiple crude oil, natural gas and NGL commodity derivative contracts that which settle against various indices. the Henry Hub index. We record commodity derivative gains/losses as the index pricing and forward curves change each period. See Note 13 12 to the consolidated financial statements for further information.

Income from equity method investments increased $104 million decreased $47 million in third the first quarter of 2022. Our 2023, when compared to the first quarter of 2022, primarily as a result of lower prices realized by our equity method investees benefited from higher price realizations in 2022. during the first quarter of 2023.

Production expenses increased $62 million $49 million in the third first quarter of 2022 2023 versus the same period in 2021, 2022, primarily as a result of our acquisition of the U.S. segment's higher workover activity Eagle Ford assets of Ensign in December 2022 and inflationary pressures on labor, fuel, chemicals and services. when compared to the first quarter of 2022. In addition, in our International segment, production expenses were higher due to planned major non-routine maintenance that was completed in April 2023.

The following table provides production expense and production expense rates (expense per boe) for each segment:

	Three Months Ended September 30,							Three Months Ended March 31,						
($ in millions; rate in $ per boe)	*($ in millions; rate in $ per boe)*	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)	*($ in millions; rate in $ per boe)*	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
Production Expense and Rate	**Production Expense and Rate**	**Expense**			**Rate**			**Production Expense and Rate**	**Expense**			**Rate**		
United States	United States	$ 173	$ 119	45 %	$ 6.40	$ 4.59	39 %	United States	$ 178	$ 141	26 %	$ 5.82	$ 5.59	4 %
International	International	$ 20	$ 12	67 %	$ 3.55	$ 2.17	64 %	International	$ 23	$ 11	109 %	$ 4.54	$ 1.92	136 %

Shipping, handling and other operating decreased $20 million $23 million in the third first quarter of 2022 2023 versus the same period in 2021, 2022, primarily due as a result of costs related to lower purchases retrofit or replacement of commodity volumes for resale (used to satisfy transportation commitments) as compared to equipment in the prior period. Bakken recorded in the first quarter of 2022. See

Exploration expenses Note 21 include unproved property impairments, dry well costs, geological and geophysical and other costs. The dry well costs in to the third quarter of 2022 includes the write-off of drilled and uncompleted exploratory wells, primarily in Louisiana Austin Chalk. consolidated financial statements for further information.

The following table summarizes the components of exploration expenses:

	Three Months Ended September 30,		
(In millions)	2022	2021	Increase (Decrease)
Exploration Expenses			
Unproved property impairments	$ 45	$ 48	(6)%
Dry well costs	26	14	86 %
Other	2	1	100 %
Total exploration expenses	$ 73	$ 63	16 %

Depreciation, depletion and amortization decreased $62 million increased $97 million in the third first quarter of 2022 2023 primarily as a result of lower DD&A (expense per boe) rate impacted by field-level changes in reserves. higher production volumes. In addition, the DD&A rate is impacted by capitalized costs and the sales volume mix between fields.

Our segments apply the units-of-production method to the majority of assets, including capitalized asset retirement costs; therefore, volumes have an impact on DD&A expense. The following table provides DD&A expense and DD&A expense rates for each segment:

	Three Months Ended September 30,							Three Months Ended March 31,						
($ in millions; rate in $ per boe)	*($ in millions; rate in $ per boe)*	2022	2021	Increase (Decrease)	2022	2021	Increase (Decrease)	*($ in millions; rate in $ per boe)*	2023	2022	Increase (Decrease)	2023	2022	Increase (Decrease)
DD&A Expense and Rate	**DD&A Expense and Rate**	**Expense**			**Rate**			**DD&A Expense and Rate**	**Expense**			**Rate**		

United States	United States	$ 441	$ 499	(12) %	$ 16.20	$ 19.29	(16) %	United States	$ 505	$ 404	25 %	$ 16.46	$ 16.02	3 %
International	International	$ 14	$ 17	(18) %	$ 2.82	$ 3.12	(10) %	International	$ 12	$ 15	(20) %	$ 2.41	$ 2.80	(14) %

Taxes Net interest and other than income include production, severance and ad valorem taxes, primarily increased $60 million in the U.S., which tend to increase or decrease in relation to revenue first quarter of 2023 primarily as a result of increased interest expense associated with borrowings on our Term Loan Facility and sales volumes. Taxes other than income increased $49 Revolving Credit Facility and the recording of a $17 million primarily due to higher price realizations gain on the settlement of interest rate swaps in the U.S. segment in the third first quarter of 2022.

Loss on early extinguishment of debt decreased $102 million due to make-whole call provisions paid upon redemption of $900 million in senior unsecured notes in the third quarter of 2021. See **Note 15 12** to the consolidated financial statements for further detail. information.

Provision for income taxes reflects an effective income tax rate of 23% 21% in the third first quarter of 2023. The provision for income taxes in the first quarter of 2022 as compared to an effective income tax rate of 2% in the third quarter of 2021. See **Note 6** to the consolidated financial statements for a more detailed discussion concerning the changes in the effective tax rate.

Segment Income

Segment income represents income that excludes certain items not allocated to our operating segments, net of income taxes. A portion of our corporate and operations general and administrative support costs are not allocated to the operating segments. These unallocated costs primarily consist of employment costs (including pension effects), professional services, facilities and other costs associated with corporate and operations support activities. Additionally, items which affect comparability such as: gains or losses on dispositions, impairments of proved and certain unproved properties, goodwill and equity method investments, changes in our valuation allowance, unrealized gains or losses on commodity and interest rate derivative instruments, effects of pension settlements and curtailments or other items (as determined by the chief operating decision maker ("CODM")) are not allocated to operating segments.

The following table reconciles segment income to net income:

	Three Months Ended September 30,	
(In millions)	**2022**	**2021**
United States	$ 723	$ 305
International	181	93
Segment income	904	398
Items not allocated to segments, net of income taxes	(87)	(214)
Net income	$ 817	$ 184

United States segment income in the third quarter of 2022 was$723 million of income versus $305 million of income for the same period in 2021. The increase in income was primarily due to higher price realizations and lower realized commodity derivative losses, partially offset by higher income taxes, production taxes and production expense in the third quarter of 2022.

International segment income in the third quarter of 2022 was$181 million of income versus $93 million of income for the same period in 2021, primarily due to higher prices realized by our equity method investees.

Items not allocated to segments, net of income taxes in the third quarter of 2022 was a loss of $87 million versus a loss of $214 million for the same period in 2021, primarily due to higher costs in the prior period for the extinguishment of debt and an increase in unrealized net gains on commodity derivatives in the third quarter of 2022.

Results of Operations

Nine Months Ended September 30, 2022 vs. Nine Months Ended September 30, 2021

Revenues from contracts with customers are presented by segment in the table below:

	Nine Months Ended September 30,	
(In millions)	**2022**	**2021**
Revenues from contracts with customers		
United States	$ 5,730	$ 3,696
International	207	173
Segment revenues from contracts with customers	$ 5,937	$ 3,869

Below is a price/volume analysis for each segment. Refer to **Operations** and **Market Conditions** for additional detail related to our net sales volumes and average price realizations.

		Increase (Decrease) Related to		
(In millions)	**Nine Months Ended September 30, 2021**	**Price Realizations**	**Net Sales Volumes**	**Nine Months Ended September 30, 2022**
United States Price/Volume Analysis				
Crude oil and condensate	$ 2,711	$ 1,580	$ 51	$ 4,342

Natural gas liquids	430	192	49	671
Natural gas	450	213	(23)	640
Other sales	105			77
Total	$ 3,696			$ 5,730
International Price/Volume Analysis				
Crude oil and condensate	$ 151	$ 53	$ (18)	$ 186
Natural gas liquids	2	—	—	2
Natural gas	18	—	(1)	17
Other sales	2			2
Total	$ 173			$ 207

Net loss on commodity derivatives decreased $269 million when compared to the same period in 2021. We have multiple crude oil, natural gas and NGL derivative contracts that settle against various indices. We record commodity derivative gains/losses as the index pricing and forward curves change each period. See **Note 13** to the consolidated financial statements for further information.

Income from equity method investments increased $290 million for the first nine months of 2022. Our investees benefited from higher price realizations in the first nine months of 2022.

Production expenses for the first nine months of 2022 increased by $131 million compared to the same period in 2021, primarily as a result of the U.S. segment's higher workover activity and inflationary pressures on labor, fuel, chemicals and services.

The following table provides production expense and production expense rates for each segment:

	Nine Months Ended September 30,					
($ in millions; rate in $ per boe)	**2022**	**2021**	**Increase (Decrease)**	**2022**	**2021**	**Increase (Decrease)**
Production Expense and Rate	**Expense**			**Rate**		
United States	$ 464	$ 343	35 %	$ 5.94	$ 4.49	32 %
International	$ 45	$ 35	29 %	$ 2.76	$ 2.00	38 %

Shipping, handling and other operating expenses increased $37 million in the first nine months of 2022 from the comparable 2021 period. As disclosed in our Form 10-K, certain of our processing arrangements with midstream entities are percentage-of-proceeds contracts. We classify the proceeds retained by the midstream companies as shipping and handling costs. The increase in shipping and handling costs of these percentage-of-proceeds contracts coincides with the increase in realized natural gas liquids prices. In addition, we have experienced an increase in legal costs from the comparable 2021 period.

Exploration expenses include unproved property impairments, dry well costs, geological and geophysical and other costs. The decrease in exploration expenses was primarily driven by lower impairment of unproved property leases, partially offset by higher dry well costs associated with the write-off of drilled and uncompleted exploratory wells, primarily in Louisiana Austin Chalk.

The following table summarizes the components of exploration expenses:

	Nine Months Ended September 30,		
(In millions)	**2022**	**2021**	**Increase (Decrease)**
Exploration Expenses			
Unproved property impairments	$ 59	$ 85	(31)%
Dry well costs	26	16	63 %
Geological and geophysical	1	3	(67)%
Other	6	5	20 %
Total exploration expenses	$ 92	$ 109	(16)%

Depreciation, depletion and amortization decreased $231 million in the first nine months of 2022 primarily as a result of lower DD&A (expense per boe) rate impacted by field-level changes in reserves. In addition, the DD&A rate is impacted by capitalized costs and the sales volume mix between fields.

Our segments apply the units-of-production method to the majority of their assets, including capitalized asset retirement costs; therefore volumes have an impact on DD&A expense. The following table provides DD&A expense and DD&A expense rates for each segment:

	Nine Months Ended September 30,					
($ in millions; rate in $ per boe)	**2022**	**2021**	**Increase (Decrease)**	**2022**	**2021**	**Increase (Decrease)**
DD&A Expense and Rate	**Expense**			**Rate**		
United States	$ 1,260	$ 1,477	(15)%	$ 16.11	$ 19.33	(17)%

International	$ 45	$ 54	(17)%	$ 2.80	$ 3.10	(10)%

Impairments decreased $56 million in the first nine months of 2022. Impairments in 2021 included a $30 million impairment related to an increase in the estimated future decommissioning costs of certain non-producing wells, pipelines and production facilities for previously divested offshore assets located in the Gulf of Mexico and a $24 million impairment as we decommissioned certain Eagle Ford central facilities. See **Note 10** to the consolidated financial statements for discussion of the impairments in further detail.

Taxes other than income include production, severance and ad valorem taxes, primarily in the U.S., which tend to increase or decrease in relation to revenue and sales volumes. Taxes other than income increased $145 million primarily due to higher price realizations in the U.S. segment in the first nine months of 2022.

Loss on early extinguishment of debt decreased $121 million due to make-whole call provisions paid upon redemption of our $500 million 2022 Notes in the second quarter of 2021 and our $900 million 2025 Notes in the third quarter of 2021. See **Note 15** to the consolidated financial statements for further detail.

Provision for income taxes for current year includes a non-cash tax benefit of $685 million arising from the partial release of a valuation allowance on certain U.S. and state deferred tax assets in first quarter of 2022. This was fully offset by the provision related to current year income earned by our operations. assets. See **Note 6** to the consolidated financial statements for a more detailed discussion concerning the rate changes. further information.

Segment Income

Segment income represents income that excludes certain items not allocated to our operating segments, net of income taxes. A portion of our corporate and operations general and administrative support costs are See **Note 5** to the consolidated financial statements for further details regarding items not allocated to the operating segments. These unallocated costs primarily consist of employment costs (including pension effects), professional services, facilities and other costs associated with corporate and operations support activities. Additionally, items which affect comparability such as: gains or losses on dispositions, impairments of proved and certain unproved properties, goodwill and equity method investments, changes in our valuation allowance, unrealized gains or losses on commodity and interest rate derivative instruments, effects of pension settlements and curtailments or other items (as determined by the chief operating decision maker ("CODM")) are not allocated to operating segments.

The following table reconciles segment income to net income:

		Nine Months Ended September 30,			Three Months Ended March 31,	
(In millions)	*(In millions)*	**2022**	**2021**	*(In millions)*	**2023**	**2022**
United States	United States	$ 2,230	$ 724	United States	$ 425	$ 661
International	International	456	211	International	89	115
Segment income	Segment income	2,686	935	Segment income	514	776
Items not allocated to segments, net of income taxes	Items not allocated to segments, net of income taxes	401	(638)	Items not allocated to segments, net of income taxes	(97)	528
Net income	Net income	$ 3,087	$ 297	Net income	$ 417	$ 1,304

United States segment income for in the first nine months quarter of 2022 2023 was $2,230 million$425 million of income versus a $724 million $661 million of income for the same period in 2021. This increase 2022. The decrease in income was primarily due to higher lower price realizations, and lower an increase in DD&A expenses. These favorable changes were expense and production expense, partially offset by higher income taxes, production taxes an increase in net sales volumes and production expense realized net gains on commodity derivatives in the first nine months quarter of 2022. 2023.

International segment income for in the first nine months quarter of 2022 2023 was $456 million$89 million of income versus $211 million $115 million of income for the same period in 2021,2022. The decrease was primarily due to higher prices realized lower price realizations by our equity method investees.

Items not allocated to segments, net of income taxes for in the first nine months quarter of 2022 2023 was $401 million a loss of income $97 million versus a $638 million loss $528 million of income for the same period in 2021. 2022. The increase decrease was primarily due largely attributable to the first quarter 2022 partial release of the a valuation allowance on certain U.S. and state deferred tax assets resulting in the first quarter of 2022, which resulted in a non-cash deferred tax benefit of $685 million. In addition, compared to the same period in 2021, net unrealized losses on commodity derivatives decreased by $126 million, and current year we had increased interest expense not allocated to segments is lower by $121 million as a result of debt extinguishment costs recognized outstanding borrowings on our Term Loan Facility and Revolving Credit Facility, offset by unrealized net gains on commodity derivatives in the prior year. first quarter of 2023.

Critical Accounting Estimates

Other than the item set forth below, there There have been no material changes or developments in the evaluation of the accounting estimates and the underlying assumptions or methodologies pertaining to our Critical Accounting Estimates disclosed in our Form 10-K for the year ended December 31, 2021 December 31, 2022.

Cash Flows

The following table presents sources and uses of cash and cash equivalents:

	Three Months Ended March 31,

(In millions)		2023		2022
Sources of cash and cash equivalents				
Net cash provided by operating activities	$	865	$	1,067
Proceeds from revolving credit facility		175		—
Equity method investments - return of capital		—		7
Other		11		24
Total sources of cash and cash equivalents	$	1,051	$	1,098
Uses of cash and cash equivalents				
Additions to property, plant and equipment	$	(532)	$	(332)
Repayments of revolving credit facility		(175)		—
Debt repayment		(70)		—
Shares repurchased under buyback programs		(334)		(592)
Dividends paid		(63)		(52)
Purchases of shares for tax withholding obligations		(30)		(21)
Other		(3)		—
Total uses of cash and cash equivalents	$	(1,207)	$	(997)

Sources of cash and cash equivalents

Cash flows generated from operating activities during the first quarter of 2023 were 19% lower compared to 2022, primarily as a result of lower realized commodity prices, partially offset by higher volumes resulting from our acquisition of the Eagle Ford assets of Ensign in December 2022.

During the first three months of 2023, we borrowed and repaid $175 million under our Revolving Credit Facility. See the *Liquidity and Capital Resources* section below for further information.

Uses of cash and cash equivalents

During the first three months of 2023, we repurchased approximately 13 million shares of our common stock pursuant to the share repurchase program at a cost of $334 million, paid dividends of $63 million and redeemed the $70 million 8.5% Senior Notes on the maturity date. Additionally, we repurchased $30 million of shares during the first three months of 2023 related to our tax withholding obligations associated with the vesting of employee restricted stock awards and restricted stock units; these repurchases do not impact our share repurchase program authorization.

The following table shows capital expenditures by segment and reconciles to additions to property, plant and equipment as presented in the consolidated statements of cash flows:

		Three Months Ended March 31,		
(In millions)		2023		2022
United States	$	597	$	346
International		2		(1)
Not Allocated to Segments (Corporate)		2		3
Total capital expenditures (accrued)		601		348
Change in capital expenditure accrual		(69)		(16)
Total use of cash and cash equivalents for property, plant and equipment	$	532	$	332

The increase in our capital expenditures for the U.S. segment in the first three months of 2023 compared to the same period in 2022 was largely driven by increased investment and drilling related to the Eagle Ford acreage we acquired from Ensign in December 2022. Additionally, inflationary pressures related to oil field services, labor, drilling materials and equipment, as well as increased activity in the current quarter compared to the same period in 2022, contributed to the increase in capital expenditures.

Liquidity and Capital Resources

Capital Resources and Available Liquidity

Our main sources of liquidity are cash and cash equivalents, internally generated cash flow from operations, capital market transactions and our Revolving Credit Facility. At March 31, 2023, we had approximately $2.2 billion of liquidity consisting of $178 million in cash and cash equivalents and $2.1 billion available under our Revolving Credit Facility.

Our working capital requirements are supported by our cash and cash equivalents and our Revolving Credit Facility. We may draw on our Revolving Credit Facility to meet short-term cash requirements or issue debt or equity securities through the shelf registration statement discussed below as part of our longer-term liquidity and capital management program. Because of the alternatives available to us as discussed above, we believe that our short-term and long-term liquidity are adequate to fund not only our current operations, but also our near-term and long-term funding requirements including our capital spending programs, defined benefit plan contributions, repayment of debt maturities, dividends and other amounts that may ultimately be paid in connection with contingencies. See **Note 21** to the consolidated financial statements for further discussion of how our commitments and contingencies could affect our available liquidity. General economic conditions, commodity prices, and financial, business and other factors could affect our operations and our ability to access the capital markets.

We maintain investment grade ratings at all three primary credit rating agencies. A downgrade in our credit ratings could increase our future cost of financing or limit our ability to access capital and could result in additional credit support requirements. We do not have any triggers on any of our corporate debt that would cause an event of default in the case of a downgrade of our credit ratings. See Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of how a downgrade in our credit ratings could affect us.

We may incur additional debt in order to fund our working capital requirements, capital expenditures, acquisitions or development activities or for general corporate or other purposes. A higher level of indebtedness could increase the risk that our liquidity and financial flexibility deteriorates. See Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 for a further discussion of how our level of indebtedness could affect us.

Credit Arrangements and Borrowings

In November 2022, we entered into a two-year $1.5 billion Term Loan Facility and borrowed the full amount thereunder in December 2022. The Term Loan Facility can be prepaid without penalty.

As of March 31, 2023, we had net borrowings of $450 million against our $2.5 billion Revolving Credit Facility and $5.9 billion of total long-term debt outstanding, of which $131 million is due within the next year.

Both our Term Loan Facility and Revolving Credit Facility include a covenant requiring that our total debt to total capitalization ratio not exceed 65% as of the last day of the fiscal quarter. Our total debt-to-capital ratio was 26% at both March 31, 2023 and December 31, 2022. See **Note 14** to the consolidated financial statements for further information.

Refer to our 2022 Annual Report on Form 10-K for a listing of our long-term debt maturities.

On April 3, 2023, we closed a $200 million remarketing to investors of sub-series 2017A-1 bonds that are part of the $1 billion St. John the Baptist, State of Louisiana revenue refunding bonds Series 2017. The bonds are subject to an interest rate of 4.05% and a mandatory purchase date of July 1, 2026.

Other sources of liquidity

We have an effective universal shelf registration statement filed with the SEC pursuant to which we, as a "well-known seasoned issuer" for purposes of SEC rules, subject to market conditions, are permitted to issue and sell an indeterminate amount of various types of debt, equity securities and other capital instruments, if and when necessary or perceived by us to be opportune, in one or more public offerings.

Capital Requirements

Share Repurchase Program

Our Board of Directors has authorized a share repurchase program. Our remaining authorization at March 31, 2023 was approximately $2.1 billion.

Subsequent to the quarter, we repurchased approximately $110 million of shares of our common stock through May 3, 2023.

Dividends

On April 26, 2023, our Board of Directors approved a dividend of $0.10 per share payable June 12, 2023 to stockholders of record at the close of business on May 17, 2023.

Income Taxes Liquidity and Capital Resources

Capital Resources and Available Liquidity

Our main sources of liquidity are cash and cash equivalents, internally generated cash flow from operations, capital market transactions and our Revolving Credit Facility. At March 31, 2023, we had approximately $2.2 billion of liquidity consisting of $178 million in cash and cash equivalents and $2.1 billion available under our Revolving Credit Facility.

Our working capital requirements are supported by our cash and cash equivalents and our Revolving Credit Facility. We have recorded deferred tax assets and liabilities, measured at enacted tax rates, for temporary differences between book basis and tax basis, tax credit carryforwards and operating loss carryforwards. In accordance with U.S. GAAP, we routinely assess may draw on our Revolving Credit Facility to meet short-term cash requirements or issue debt or equity securities through the realizability shelf registration statement discussed below as part of our deferred tax assets longer-term liquidity and reduce such assets to the expected realizable amount by a valuation allowance if it is more likely than not that some portion or all capital management program. Because of the deferred tax assets will not be realized. In assessing the need for additional or adjustments alternatives available to existing valuation allowances, we consider all available positive and negative evidence. Positive evidence includes reversals of temporary differences, forecasts of future taxable income, assessment of future business assumptions and applicable tax planning strategies that are prudent and feasible. Negative evidence includes losses in recent years us as well as the forecasts of future losses in the realizable period. In making our assessment regarding valuation allowances, we weight the evidence based on objectivity.

We base our future taxable income estimates on projected financial information which discussed above, we believe that our short-term and long-term liquidity are adequate to fund not only our current operations, but also our near-term and long-term funding requirements including our capital spending programs, defined benefit plan contributions, repayment of debt maturities, dividends and other amounts that may ultimately be reasonably likely to occur. Numerous judgments and assumptions are inherent paid in the estimation of future taxable income, including factors such as future operating conditions and the assessment of the effects of foreign taxes on our U.S. federal income taxes. Future operating conditions can be affected by numerous factors, including (i) future crude oil and condensate, NGLs and natural gas prices, (ii) estimated quantities of crude oil and condensate, NGLs and natural gas, (iii) expected timing of production, and (iv) future capital requirements. An estimate of the sensitivity to changes in assumptions resulting in future taxable income calculations is not practicable, given the numerous assumptions that can materially affect our estimates. Unfavorable adjustments to some of the above listed assumptions would likely be offset by favorable adjustments in other assumptions. For example, the impact of sustained reduced commodity prices on future taxable income would likely be partially offset by lower capital expenditures.

Based on the assumptions and judgments described above, during the first quarter of 2022, we re-evaluated the realizability of U.S. and state deferred tax assets and determined that a valuation allowance against certain deferred tax assets was no longer necessary. As such, we recorded a non-cash deferred tax benefit in the first quarter of 2022 for $685 million. connection with contingencies. See **Note 6 21** to the consolidated financial statements for further detail. discussion of how our commitments and contingencies could affect our available liquidity. General economic conditions, commodity prices, and financial, business and other factors could affect our operations and our ability to access the capital markets.

We maintain investment grade ratings at all three primary credit rating agencies. A downgrade in our credit ratings could increase our future cost of financing or limit our ability to access capital and could result in additional credit support requirements. We do not have any triggers on any of our corporate debt that would cause an event of default in the case of a downgrade of our credit ratings. See Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of how a downgrade in our credit ratings could affect us.

Accounting Standards Not Yet Adopted We may incur additional debt in order to fund our working capital requirements, capital expenditures, acquisitions or development activities or for general corporate or other purposes. A higher level of indebtedness could increase the risk that our liquidity and financial flexibility deteriorates. See Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 for a further discussion of how our level of indebtedness could affect us.

Credit Arrangements and Borrowings

In November 2022, we entered into a two-year $1.5 billion Term Loan Facility and borrowed the full amount thereunder in December 2022. The Term Loan Facility can be prepaid without penalty.

As of March 31, 2023, we had net borrowings of $450 million against our $2.5 billion Revolving Credit Facility and $5.9 billion of total long-term debt outstanding, of which $131 million is due within the next year.

Both our Term Loan Facility and Revolving Credit Facility include a covenant requiring that our total debt to total capitalization ratio not exceed 65% as of the last day of the fiscal quarter. Our total debt-to-capital ratio was 26% at both March 31, 2023 and December 31, 2022. See **Note 2 14** to the consolidated financial statements. statements for further information.

Refer to our 2022 Annual Report on Form 10-K for a listing of our long-term debt maturities.

Cash Flows

Commodity prices On April 3, 2023, we closed a $200 million remarketing to investors of sub-series 2017A-1 bonds that are part of the most significant factor impacting our revenues, profitability, operating cash flows, $1 billion St. John the Baptist, State of Louisiana revenue refunding bonds Series 2017. The bonds are subject to an interest rate of 4.05% and a mandatory purchase date of July 1, 2026.

Other sources of liquidity

We have an effective universal shelf registration statement filed with the SEC pursuant to which we, as a “well-known seasoned issuer” for purposes of SEC rules, subject to market conditions, are permitted to issue and sell an indeterminate amount of various types of debt, equity securities and other capital we invest instruments, if and when necessary or perceived by us to be opportune, in our business, principal debt repayments, payment one or more public offerings.

Capital Requirements

Share Repurchase Program

Our Board of dividends and funding of Directors has authorized a share repurchases. We generated significant positive cash flow from operations during the first nine months of 2022. We continue to expect volatility in commodity prices and that could impact the amount of cash flow from operations we generate. The following table presents sources and uses of cash and cash equivalents: repurchase program. Our remaining authorization at March 31, 2023 was approximately $2.1 billion.

	Nine Months Ended September 30,	
(In millions)	**2022**	**2021**
Sources of cash and cash equivalents		
Operating activities	$ 4,301	$ 2,093
Disposal of assets, net of cash transferred to the buyer	8	29
Other	29	15
Total sources of cash and cash equivalents	$ 4,338	$ 2,137
Uses of cash and cash equivalents		
Additions to property, plant and equipment	$ (1,117)	$ (772)
Debt repayment	(35)	(1,400)
Debt extinguishment costs	—	(117)
Shares repurchased under buyback programs	(2,474)	—
Dividends paid	(162)	(94)
Purchases of shares for tax withholding obligations	(21)	(10)
Other	—	(1)
Total uses of cash and cash equivalents	$ (3,809)	$ (2,394)

Cash flows generated from operating activities in the first nine months of 2022 were significantly higher compared Subsequent to the same period in 2021, primarily as quarter, we repurchased approximately $110 million of shares of our common stock through May 3, 2023.

Dividends

On April 26, 2023, our Board of Directors approved a result dividend of higher realized commodity prices.

The following table shows capital expenditures by segment and reconciles $0.10 per share payable June 12, 2023 to additions to property, plant and equipment as presented in stockholders of record at the consolidated statements close of cash flows: business on May 17, 2023.

	Nine Months Ended September 30,	
(In millions)	**2022**	**2021**
United States	$ 1,124	$ 770
International	1	4
Corporate	11	7
Total capital expenditures (accrued)	1,136	781
Change in capital expenditure accrual	(19)	(9)
Total use of cash and cash equivalents for property, plant and equipment	$ 1,117	$ 772

The increase in our capital expenditures for the U.S. segment in the first nine months of 2022 compared to the same period in 2021 largely reflects inflationary pressures related to oil field services, labor, drilling materials and equipment, as well as differences in timing of activities in our drilling and completion program.

Liquidity and Capital Resources

Capital Resources and Available Liquidity

Our main sources of liquidity are cash and cash equivalents, internally generated cash flow from operations, sales of non-core assets, capital market transactions and our revolving Revolving Credit Facility. At September 30, 2022 March 31, 2023, we had approximately $3.6 billion $2.2 billion of liquidity consisting of $1.1 billion $178 million in cash and cash equivalents and $2.5 billion $2.1 billion available under our revolving Revolving Credit Facility. On July 28, 2022, we executed the seventh amendment to our Credit Facility. The primary changes to the Credit Facility effected by this amendment were to (i) extend the maturity date of the Credit Facility by three years to July 28, 2027, (ii) decrease the size of the Credit Facility from $3.1 billion to $2.5 billion, (iii) replace the LIBOR interest rate benchmark with the secured overnight financing rate ("SOFR") and (iv) implement certain revisions to the Pricing Schedule.

Our working capital requirements are supported by our cash and cash equivalents and our Revolving Credit Facility. We may draw on our revolving Revolving Credit Facility to meet short-term cash requirements or issue debt or equity securities through the shelf registration statement discussed below as part of our longer-term liquidity and capital management program. Because of the alternatives available to us as discussed above, we believe that our short-term and long-term liquidity are adequate to fund not only our current operations, but also our near-term and long-term funding requirements including our capital spending programs, defined benefit plan contributions, repayment of debt maturities, dividends and other amounts that may ultimately be paid in connection with contingencies. See **Note 21** to the consolidated financial statements for further discussion of how our commitments and contingencies could affect our available liquidity. General economic conditions, commodity prices, and financial, business and other factors including the global pandemic, could affect our operations and our ability to access the capital markets.

We continue to be rated maintain investment grade ratings at all three primary credit rating agencies. A downgrade in our credit ratings could increase our future cost of financing or limit our ability to access capital and could result in additional credit support requirements. We do not have any triggers on any of our corporate debt that would cause an event of default in the case of a downgrade of our credit ratings. See Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2021 December 31, 2022 for a discussion of how a downgrade in our credit ratings could affect us.

As discussed We may incur additional debt in **Note 23** to the consolidated financial statements, on November 2, 2022, we entered into an agreement to acquire approximately 130,000 net proved and unproved acres, with an average 97% working interest, in the Eagle Ford resource play in Texas for total cash consideration of $3.0 billion. We expect order to fund our working capital requirements, capital expenditures, acquisitions or development activities or for general corporate or other purposes. A higher level of indebtedness could increase the acquisition using risk that our liquidity and financial flexibility deteriorates. See Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2022 for a combination further discussion of cash on hand, borrowings on the company's Credit Facility, and new prepayable debt. The transaction is subject to customary terms and conditions, including closing adjustments, and is expected to close by year-end 2022.how our level of indebtedness could affect us.

Credit Arrangements and Borrowings

Our In November 2022, we entered into a two-year $1.5 billion Term Loan Facility and borrowed the full amount thereunder in December 2022. The Term Loan Facility can be prepaid without penalty.

As of March 31, 2023, we had net borrowings of $450 million against our $2.5 billion Revolving Credit Facility includes and $5.9 billion of total long-term debt outstanding, of which $131 million is due within the next year.

Both our Term Loan Facility and Revolving Credit Facility include a covenant requiring that our total debt to total capitalization ratio not exceed 65% as of the last day of the fiscal quarter. Our total debt-to-capital ratio was 20% 26% at both September 30, 2022 March 31, 2023 and December 31, 2021 December 31, 2022. See **Note 15 14** to the consolidated financial statements for further information.

At September 30, 2022, we had no borrowings on our $2.5 billion Credit Facility and $4.0 billion of total long-term debt outstanding, of which $402 million is due within the next year. In May 2022, we redeemed the $32 million 9.375% Senior Notes on the maturity date. Our next significant long-term debt maturity is in the amount of $1.0 billion due 2027. Refer to our 2021 2022 Annual Report on Form 10-K for a listing of our long-term debt maturities.

Shelf Registration

On April 3, 2023, we closed a $200 million remarketing to investors of sub-series 2017A-1 bonds that are part of the $1 billion St. John the Baptist, State of Louisiana revenue refunding bonds Series 2017. The bonds are subject to an interest rate of 4.05% and a mandatory purchase date of July 1, 2026.

Other sources of liquidity

We have a an effective universal shelf registration statement filed with the SEC under pursuant to which we, as a "well-known seasoned issuer" for purposes of SEC rules, have the ability subject to market conditions, are permitted to issue and sell an indeterminate amount of various types of debt, equity securities and equity securities. other capital instruments, if and when necessary or perceived by us to be opportune, in one or more public offerings.

Capital Requirements

Share Repurchase Program

During the first nine months Our Board of 2022, we repurchased approximately $2.5 billion of shares of our common stock. The total remaining Directors has authorized a share repurchase program. Our remaining authorization at March 31, 2023 was approximately $926 million at September 30, 2022 $2.1 billion. Additionally, we repurchased $21 million of shares during the first nine months of 2022 related to our tax withholding obligations associated with the vesting of employee restricted stock awards and restricted stock units; these repurchases do not impact our share repurchase program authorization.

Subsequent to the quarter, we repurchased approximately $230 $110 million of shares of our common stock through November 2, 2022 May 3, 2023. Effective November 2, 2022, our Board of Directors increased our remaining share repurchase program authorization to $2.5 billion.

Dividends

On October 26, 2022 April 26, 2023, our Board of Directors approved a dividend of $0.09 $0.10 per share payable December 12, 2022 June 12, 2023 to stockholders of record at the close of business on November 16, 2022 May 17, 2023.

Income Taxes

As described in **Note 6** to the consolidated financial statements, the IRA was signed into law during 2022. Under current law and guidance, we do not anticipate being subject to the corporate book minimum tax in 2023. The U.S. Treasury is expected to publish further guidance and regulations that will be relevant to scoping considerations and the calculation of minimum income tax liabilities. As this guidance is issued, we will continue to evaluate and assess the impact the IRA may have on our current and future period income taxes. If we conclude that we do trigger the minimum income tax, we may have to make estimated tax payments.

Other Contractual Cash Obligations

As of September 30, 2022 March 31, 2023, there are no material changes to our consolidated cash obligations to make future payments under existing contracts, as disclosed in our 2021 2022 Annual Report on Form 10-K. Refer to **Note 23** to the consolidated financial statements for discussion of the recently announced acquisition of Eagle Ford acreage.

Environmental Matters and Other Contingencies

We have incurred and will continue to incur capital, operating and maintenance and remediation expenditures as a result of environmental laws and regulations. If these expenditures, as with all costs, are not ultimately offset by the prices we receive for our products and services, our operating results will be adversely affected. We believe that substantially all of our competitors must comply with similar environmental laws and regulations. However, the specific impact on each competitor may vary depending on a number of factors, including the age and location of its operating facilities, marketing areas and production processes. These laws generally provide for control of pollutants released into the environment and require responsible parties to undertake remediation of hazardous waste disposal sites. Penalties may be imposed for noncompliance.

Other than the items set forth in **Part II - Item 1. Legal Proceedings**, there have been no significant changes to the environmental, health and safety matters under Item 1. Business or Item 3. Legal Proceedings in our 2021 2022 Annual Report on Form 10-K. See **Note 22 21** to the consolidated financial statements for a description of other contingencies.

Forward-Looking Statements

This Quarterly Report on Form 10-Q 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 (the "Exchange Act"). All statements, other than statements of historical fact, including without limitation statements regarding our future performance, business strategy, 2022 capital budget and allocations, reserve estimates, asset quality, production guidance, drilling plans, capital plans, future debt retirement, cost and expense estimates, asset acquisitions and dispositions, expected impacts of the IRA, tax assumptions and allowances, future financial position, statements regarding future commodity prices, statements regarding anticipated benefits of the Ensign acquisition, and the anticipated timing and benefits thereof, anticipated acquisition financing and statements regarding management's other plans and objectives for future operations, are forward-looking statements. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "future," "guidance,," "intend," "may," "outlook," "plan," "positioned," "project," "seek," "should," "target," "will," "would" or similar words may be used to identify forward-looking statements; however, the absence of these words does not mean that the statements are not forward-looking. While we believe that our assumptions concerning future events are reasonable, a these expectations may not prove to be correct. A number of factors could cause results to differ materially from those projected, indicated by such forward-looking statements including, but not limited to:

- conditions in the oil and gas industry, including supply and demand levels for crude oil and condensate, NGLs and natural gas and the resulting impact on price;
- changes in expected reserve or production levels;
- changes in political and or economic conditions in the U.S. and E.G., including changes in foreign currency exchange rates, interest rates, inflation rates and global and domestic market conditions;
- actions taken by the members of OPEC and Russia affecting the production and pricing of crude oil; oil and other global and domestic political, economic or diplomatic developments;
- capital available for exploration and development;
- risks related to our hedging activities;
- voluntary and or involuntary curtailments, delays or cancellations of certain drilling activities;

- well production timing;
- liabilities or corrective actions resulting from litigation, other proceedings and investigations or alleged violations of law or permits;
- capital available for exploration and development;
- the inability of any party to satisfy closing conditions or delays in execution with respect to our asset acquisitions and dispositions;
- drilling and operating risks;
- lack of, or disruption in, access to storage capacity, pipelines or other transportation methods;
- well production timing;
- availability of drilling rigs, materials and labor, including the costs associated therewith;
- difficulty in obtaining necessary approvals and permits;
- the availability, cost, terms and timing of issuance or execution of, competition for, and challenges to, mineral licenses and leases and governmental and other permits and rights-of-way, and our ability to retain mineral licenses and leases;
- non-performance by third parties of their contractual or legal obligations, including due to bankruptcy;
- administrative impediments or unexpected events that may impact dividends or other distributions, and the timing thereof, from our equity method investees;
- changes in our credit ratings;
- unforeseen hazards such as weather conditions, a health pandemic (including COVID-19), acts of war or terrorist acts and the governmental or military response thereto;
- shortages the impacts of key personnel, including employees, contractors supply chain disruptions that began during the COVID-19 pandemic and subcontractors; the resulting inflationary environment;
- security threats, including cybersecurity threats and disruptions to our business and operations from breaches of our information technology systems, or breaches of the information technology systems, facilities and infrastructure of third parties with which we transact business;
- changes in safety, health, environmental, tax our ability to achieve, reach or otherwise meet initiatives, plans or ambitions with respect to ESG matters;
- our ability to pay dividends and other regulations or requirements or initiatives including those addressing the impact of make share repurchases;
- our ability to secure increased exposure to global climate change, air emissions or water management; LNG market prices;
- impacts of the Inflation Reduction Act of 2022; IRA;

- delay or failure to consummate the Ensign transaction due to unsatisfied closing conditions or otherwise;

- changes in the ultimate amount of cash consideration to be paid in the Ensign transaction due to purchase price adjustments or otherwise, and the risk that if acquired, the Ensign assets do not perform consistent with our expectations, including with respect to future production or drilling inventory;
- other geological, operating and economic considerations; and
- the risk factors, forward-looking statements and challenges and uncertainties described in our 2021 2022 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the SEC.

All forward-looking statements included in this report are based on information available to us on the date of this report. Except as required by law, we undertake no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the normal course of business including commodity price risk and interest rate risk. We employ various strategies, including the use of financial derivatives to manage the risks related to commodity price and interest rate fluctuations. See **Note 13 12** and **Note 14 13** to the consolidated financial statements for detail relating to our open commodity derivative positions, including underlying notional quantities, how they are reported in our consolidated financial statements and how their fair values are measured.

Commodity Price Risk

As of September 30, 2022 March 31, 2023, we had various open commodity derivatives. derivatives related to natural gas. Based on the September 30, 2022 March 31, 2023 published NYMEX WTI and natural gas futures prices, a hypothetical 10% change (per bbl MMBtu for crude oil and per MMBtu for natural gas) would change the fair values of our commodity derivative positions to the following:

(In millions)	*(In millions)*	**Fair Value at September 30, 2022**	**Hypothetical Price Increase of 10%**	**Hypothetical Price Decrease of 10%**	*(In millions)*	**Fair Value at March 31, 2023**	**Hypothetical Price Increase of 10%**	**Hypothetical Price Decrease of 10%**

Derivative asset (liability) - Crude Oil		$ (7)	$ (12)	$ (4)				
Derivative asset (liability) - Natural Gas	Derivative asset (liability) - Natural Gas	(4)	(8)	—	Derivative asset (liability) - Natural Gas	$ 12	$ 11	$ 14
Total		$ (11)	$ (20)	$ (4)				

Interest Rate Risk

At September 30, 2022 March 31, 2023, our portfolio of current and long-term debt is comprised of floating rate debt and fixed-rate instruments. Our Term Loan Facility and Revolving Credit Facility are floating rate debt instruments, with an which expose us to the risk of earnings or cash flow losses as the result of potential increases in market interest rates. At March 31, 2023, we had $2.0 billion outstanding balance borrowings under floating rate debt instruments. Assuming no change in the amount of $4.0 billion. floating rate debt outstanding, a hypothetical 100 basis point increase in the average interest rate under these borrowings would increase our annual interest expense by approximately $20 million. Actual results may vary due to changes in the amount of floating rate debt outstanding.

At March 31, 2023, we had $3.9 billion outstanding borrowings under fixed-rate debt instruments. Our sensitivity to interest rate movements and corresponding changes in the fair value of our fixed-rate debt portfolio affects our results of operations and cash flows only when we elect to repurchase or otherwise retire fixed-rate debt at prices different than carrying value.

At September 30, 2022 March 31, 2023, we had forward starting interest rate swap agreements with a total notional amount of $295 million designated as cash flow hedges. We utilize cash flow hedges to manage our exposure to interest rate movements by utilizing interest rate swap agreements to hedge variations in cash flows related to the 1-month LIBOR SOFR interest component of future lease payments on our Houston office. A hypothetical 10% change in interest rates would change the fair values of our cash flow hedge hedges to the following as of September 30, 2022 March 31, 2023:

(In millions)	*(In millions)*	Fair Value at September 30, 2022	Hypothetical Interest Rate Increase of 10%	Hypothetical Interest Rate Decrease of 10%	*(In millions)*	Fair Value at March 31, 2023	Hypothetical Interest Rate Increase of 10%	Hypothetical Interest Rate Decrease of 10%
Interest rate asset (liability) - designated as cash flow hedges	Interest rate asset (liability) - designated as cash flow hedges	$ 26	$ 31	$ 22	Interest rate asset (liability) - designated as cash flow hedges	$ 20	$ 23	$ 16

Item 4. Controls and Procedures

An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer. As of the end of the period covered by this Report based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as of September 30, 2022 March 31, 2023.

During the first nine three months of 2022, 2023, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1. Legal Proceedings

In January 2020, we We have received a Notice of Violation ("NOV") NOV's from the EPA related to allegations of violations of the Clean Air Act relating to our operations on the Fort Berthold Indian Reservation between 2015 and 2019. We continue to actively negotiate a draft consent decree with the EPA and Department of Justice containing certain proposed injunctive terms relating to this enforcement action. The resolution of the enforcement action will likely include monetary sanctions and implementation of both environmental mitigation projects and injunctive terms, which would increase both our development costs and operating costs. We do not believe resolution of this matter will have a material adverse effect on our business or operations. We maintain an accrual for estimated future costs related to this matter regarding actions required to retrofit or replace existing equipment, which we expect to incur over multiple years. Our accrual does not include possible monetary sanctions or costs associated with mitigation projects as we are unable to estimate those amounts. Through the date of this filing, there exists substantial uncertainty as to the ultimate result of this matter and it is reasonably possible the result could be materially different from our accrual.

In July 2022, the The Company received an NOV NOV's from the EPA relating to alleged Clean Air Act violations following flyovers conducted in 2020 and 2022 over certain of the Company's oil and gas facilities in New Mexico. The notice involves notices involve alleged emission and permitting violations. The Company has initiated discussions with the EPA to resolve these matters. As we are still investigating these allegations, we are unable to estimate the potential loss associated with this matter, these matters, however, it is reasonably possible that the resolution may result in a fine or penalty in excess of $300,000.

Marathon Oil has been named in various lawsuits alleging royalty underpayments in our domestic operations. We intend to vigorously defend ourselves against such claims. For instance, Marathon Oil was named in a lawsuit alleging improper royalty deductions in certain of our Oklahoma operations, and after plaintiffs lost their attempt to certify a class action, a settlement in principle was reached, subject to court approval. We have accrued for potential liabilities associated with these lawsuits based on currently available information; however, actual losses may exceed our accruals or we could be required to accrue additional amounts and in the future. first quarter of 2023 such settlement was approved by the court and paid.

Other than the items set forth above, there have been no significant changes to Item 3. Legal Proceedings in our 2021 2022 Annual Report on Form 10-K. See **Note 22 21** to the consolidated financial statements included in Part I, Item I for a description of such legal and administrative proceedings and Item 3. Legal Proceedings in our 2021 2022 Annual Report on Form 10-K.

Item 1A. Risk Factors

We are subject to various risks and uncertainties in the course of our business. In addition to the other information set forth in this Quarterly Report on Form 10-Q, the reader should carefully consider the factors discussed in Item 1A. Risk Factors in our 2021 2022 Annual Report on Form 10-K. Other than the risk factor set forth below, there There have been no material changes or updates to the risk factors from those listed in Item 1A. Risk Factors previously disclosed in our 2021 2022 Annual Report on Form 10-K.

Our sector and the broader US economy have experienced higher than expected inflationary pressures in the first nine months of 2022, related to continued supply chain disruptions, labor shortages and geopolitical instability. Should these conditions persist, it may impact our ability to procure materials and equipment on a cost-effective basis, or at all, and, as a result, our business, results of operations and cash flows could be materially and adversely affected.

Throughout the first nine months of 2022, we have experienced significant increases in the costs of certain materials, including steel, sand and fuel, as a result of availability constraints, supply chain disruption, increased demand, labor shortages associated with a fully employed US labor force, inflation and other factors. Though we incorporated inflationary factors into our 2022 business plan, inflation has outpaced those original assumptions. These challenges are due in large measure to increased demand for oil and gas production driven by the continued economic recovery from the COVID-19 pandemic and more broadly, systemic underinvestment in global oil and gas development. These supply and demand fundamentals have been further aggravated by disruptions in global energy supply caused by multiple geopolitical events, including the ongoing conflict between Russia and Ukraine. We continue to undertake actions and implement plans to strengthen our supply chain to address these pressures and protect the requisite access to commodities and services. Nevertheless, we expect for the foreseeable future to experience supply chain constraints and inflationary pressure on our cost structure. These supply chain constraints and inflationary pressures will likely continue to adversely impact our cost of operations and if we are unable to manage our global supply chain, it may impact our ability to procure materials and equipment in a timely and cost-effective manner, if at all, which could result in reduced margins and production delays and, as a result, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

Changes in U.S. and international tax rules and regulations, or interpretations thereof, may materially and adversely affect our cash flows, results of operations and financial condition.

We are subject to income- and non-income-based taxes in the United States under federal, state, and local jurisdictions and in the foreign jurisdictions in which we operate. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Our tax liabilities could be affected by numerous factors, such as changes in tax, accounting and other laws, regulations, administrative practices, principles and interpretations, the mix and level of earnings in a given taxing jurisdiction or our ownership or capital structure. For example, on August 16, 2022, the United States enacted the Inflation Reduction Act of 2022 (IRA), which is highly complex, subject to interpretation, and contains significant changes to U.S. tax law including, but not limited to, a corporate minimum tax and a 1% excise tax on stock repurchases. The U.S. Department of the Treasury and the U.S. Internal Revenue Service (IRS) are expected to release regulations and interpretive guidance implementing the legislation contained in the IRA, but the details and timing of such regulations are subject to uncertainty at this time. The tax provisions of the IRA which may apply to us are generally effective in 2023 or later and therefore tax impacts to us in 2022 are expected to be immaterial. However, it is possible that the enactment of changes in the U.S. corporate tax system, including in connection with the IRA, could have a material effect on our consolidated cash taxes in the future.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about purchases by Marathon Oil, during the quarter ended September 30, 2022 March 31, 2023 of equity securities that are registered by Marathon Oil pursuant to Section 12 of the Securities Exchange Act of 1934: 1934.

Period	Total Number of Shares Purchased(a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(b)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(b)
07/01/2022 - 07/31/2022	11,256,188	$ 21.77	11,256,188	$ 1,801,759,039
08/01/2022 - 08/31/2022	10,434,951	$ 23.81	10,415,936	$ 1,553,750,872
09/01/2022 - 09/30/2022	24,417,720	$ 25.73	24,406,892	$ 925,752,032
Total	46,108,859	$ 24.33	46,079,016	

Period	Total Number of Shares Purchased(a)	Average Price Paid per Share(b)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(c)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(b)(c)
01/01/2023 - 01/31/2023	2,011,312	$ 27.85	2,010,438	$ 2,414,000,321
02/01/2023 - 02/28/2023	4,971,788	$ 26.41	4,922,742	$ 2,284,000,156
03/01/2023 - 03/31/2023	6,489,962	$ 23.76	6,248,996	$ 2,136,000,136
Total	13,473,062	$ 25.35	13,182,176	

(a) 29,843 290,886 shares of restricted stock were delivered by employees to Marathon Oil, upon vesting, to satisfy tax withholding requirements.

(b) Excludes 1% excise tax on share repurchases.

(c) Refer to our 2021 2022 Annual Report on Form 10-K for historical share repurchase program authorizations and repurchase activity through December 31, 2021 December 31, 2022. Effective November 2, 2022 As of March 31, 2023, our Board we have approximately $2.1 billion of Directors increased our authorization remaining under the share repurchase program authorization to $2.5 billion. program. Purchases under the program are made at our discretion and may be in either open market transactions, including block purchases or in privately negotiated transactions using cash on hand, cash generated from operations or proceeds from potential asset sales. This program may be changed based upon our financial condition or changes in market conditions and is subject to termination prior to completion. Shares repurchased as of September 30, 2022 March 31, 2023 were held as treasury stock.

Item 6. Exhibits

		Incorporated by Reference (File No. 001-05153, unless otherwise indicated)		
Exhibit Number	**Exhibit Description**	**Form**	**Exhibit**	**Filing Date**
3.1	Restated Certificate of Incorporation of Marathon Oil Corporation	8-K	3.1	6/1/2018
3.2	Marathon Oil Corporation By-laws (amended and restated as of February 24, 2016)	10-Q	3.2	8/4/2016
3.3	Specimen of Common Stock Certificate	10-K	3.3	2/28/2014
4.1	Indenture, dated as of February 26, 2002, between Marathon Oil Corporation and The Bank of New York Trust Company, N.A., successor in interest to JPMorgan Chase Bank as Trustee, relating to senior debt securities of Marathon Oil Corporation. Pursuant to CFR 229.601(b)(4)(iii), instruments with respect to long-term debt issues have been omitted where the amount of securities authorized under such instruments does not exceed 10% of the total consolidated assets of Marathon Oil. Marathon Oil hereby agrees to furnish a copy of any such instrument to the SEC upon its request	10-K	4.2	2/28/2014
10.1	Seventh Amendment, dated as of July 28, 2022, to the Amended and Restated Credit Agreement dated as of May 28, 2014, as amended by the First Amendment, dated as of May 5, 2015, the Second Amendment, dated as of June 22, 2017, the Third Amendment, dated as of October 18, 2018, the Fourth Amendment, dated as of September 24, 2019, the Fifth Amendment, dated as of December 4, 2020 and the Sixth Amendment, dated as of June 21, 2021, and as supplemented by the Incremental Commitments Supplement, dated as of March 4, 2016 and Incremental Commitments Supplement, dated as of July 11, 2017, among Marathon Oil Corporation, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and certain other financial institutions named therein	8-K	10.1	8/2/2022
10.2†*	Marathon Oil Corporation Executive Tax, Estate and Financial Planning Program, Amended and Restated Effective July 27, 2022			
31.1*	Certification of President and Chief Executive Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934			
31.2*	Certification of Executive Vice President and Chief Financial Officer pursuant to Rule 13(a)-14 and 15(d)-14 under the Securities Exchange Act of 1934			
32.1*	Certification of President and Chief Executive Officer pursuant to 18 U.S.C. Section 1350			
32.2*	Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350			
101.INS*	XBRL Instance Document - the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document			
101.SCH*	XBRL Taxonomy Extension Schema			
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase			
101.DEF*	XBRL Taxonomy Extension Definition Linkbase			
101.LAB*	XBRL Taxonomy Extension Label Linkbase			
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase			
104*	Cover Page Interactive Data File, formatted in iXBRL and contained in Exhibit 101			
*	Filed herewith.			
†	Management contract or compensatory plan or arrangement.			

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10.1†*	2023 Form of Marathon Oil Corporation 2019 Incentive Compensation Plan Performance Unit Award Agreement 2023 - 2024 Performance Cycle for Section 16 Officers			
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*	Filed herewith.			
†	Management contract or compensatory plan or arrangement.			

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

November 3, 2022 May 4, 2023

MARATHON OIL CORPORATION

By: /s/ Rob L. White

Rob L. White

Vice President, Controller and Chief Accounting Officer

(Duly Authorized Officer)

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Exhibit 10.1

MARATHON OIL CORPORATION
2019 INCENTIVE COMPENSATION PLAN

Marathon Oil Corporation PERFORMANCE UNIT AWARD AGREEMENT
Executive Tax, Estate and Financial Planning Program 2023 - 2024 PERFORMANCE CYCLE
Amended and Restated Effective July 27, 2022

Section 16 Officer

I. 1.Grant of Performance Units. Introduction

Marathon Oil Corporation established Pursuant to this Award Agreement and the Marathon Oil Corporation Executive Tax, Estate 2019 Incentive Compensation Plan (the "Plan"), **MARATHON OIL CORPORATION** (the "Corporation") hereby grants to **[NAME]** (the "Participant"), an employee of the Corporation or a Subsidiary, on ___________, 2023, **[NUMBER]** Performance Units, subject to the terms and Financial Planning Program (the "Program"), effective July 1, 2002, conditions set forth in this Award Agreement and the Plan. The Participant has no legally binding right to assist eligible executive officers any payment prior to the vesting of the Performance Units in obtaining professional advice for personal tax, estate and financial planning matters. The Corporation hereby amends and restates accordance with the Program effective July 27, 2022. terms of this Award Agreement.

II. 2.Definitions Relationship to the Plan and Definitions.

As used herein, (a) This grant of Performance Units is subject to all of the terms, set forth below conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Committee. Except as defined in this Award Agreement, capitalized terms shall have the following respective meanings: same meanings ascribed to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan.

(b) For purposes of this Award Agreement:

"Controlled Group" Aggregate Banked Value" means, as of any date of determination of level of FCF achieved, the Corporation and any other entity required to be aggregated with the Corporation pursuant to Section 414(b), (c), (m), (n) or (o) sum of the Internal Revenue Code of 1986, as amended.

"Corporation" means Marathon Oil Corporation, a Delaware corporation, or any successor thereto.

"Covered Service" means a tax, financial planning or estate planning service that is eligible Banked Values achieved prior to be covered under the Program pursuant to Section V, below.

"Dependent Child" means an unmarried dependent child of the Executive Officer who is eligible for coverage under the health program of the Marathon Oil Company Health and Welfare Plan or another group health plan sponsored or maintained by a member of the Controlled Group. such date.

"Executive Officer" Aggregate Banked Vesting Percentage" means, (i) an officer as of any date of determination of level of FCF achieved, the sum of the Corporation Banked Vesting Percentages achieved prior to such date (the sum of which will, in compensation grade 88 or above, (ii) an officer of a subsidiary or affiliate of the Corporation that is part of the Controlled Group in compensation grade 88 or above or (iii) a Vice President or above if recommended by the Vice President of Human Resources of the Corporation (or, if there is no Vice President of Human Resources of the Corporation, the employee who holds the most equivalent position at the Corporation or Marathon Oil Company) and approved by the President and Chief Executive Officer of the Corporation. event, exceed 100%).

"Retained Firm" Banked Value" means the financial consulting firm retained by and paid directly by 50% Banked Value, the Corporation 50% Incremental Banked Value or one of its subsidiaries the 100% Banked Value, as applicable, to provide the Program benefits. extent achieved, as set out in Paragraph 3.

"Retirement" Banked Vesting Percentage" means termination on the 50% Banked Vesting Percentage, the 50% Incremental Banked Vesting Percentage or after the time at which 100% Banked Vesting Percentage, to the Executive Officer is eligible for retirement under the Retirement Plan of Marathon Oil Company, or extent achieved, as set out in Paragraph 3.

if the Executive Officer does not participate in that plan, has attained age 50 and completed ten years of service **"Employment"** means employment with the Corporation or any of its subsidiaries and affiliates.

"Section 409A" means Section 409A Subsidiaries. For purposes of the Internal Revenue Code this Award Agreement, Employment shall also include any period of 1986, as amended.

III. Eligibility

All Executive Officers are eligible for the Program. Eligibility is effective as of the later of (i) July 1, 2002, or (ii) the date on time during which the individual Participant is initially promoted to or hired for an Executive Officer position.

IV. Benefits on Disability status.

A. "**Benefits During Employment. Final Incremental Value"** An Executive Officer is eligible for up to $15,000 has the meaning set out in Covered Services incurred in each calendar year during which he or she is an Executive Officer. An Executive Officer may receive the Covered Services for a particular calendar year from the Retained Firm or through another provider meeting the criteria set forth in Section V, below.

If the Executive Officer utilizes the Retained Firm to provide the Covered Services, the Corporation or one of its subsidiaries shall be invoiced by the Retained Firm and pay the Retained Firm directly for the Covered Services, subject to the Program limits, on behalf of the Executive Officer.

Alternatively, if an Executive Officer utilizes a provider that is not the Retained Firm to provide the Covered Services for a particular calendar year, the Corporation or one of its subsidiaries shall reimburse the Executive Officer for the Covered Services, based on eligible expenses actually incurred by the Executive Officer during the calendar year and subject to the Program limits. Any provider other than the Retained Firm must meet the criteria set forth in Section V, below, to be eligible for reimbursement.

For purposes of determining the maximum annual benefit and Program expense reimbursement,eligible expenses for Covered Services shall be considered incurred in the calendar year in which the Covered Services are performed. If an Executive Officer is promoted to an Executive Officer position mid-calendar year and any amounts were already incurred and paid or reimbursed in the year of such promotion under the Corporation's comparable program for non-Executive Officers in compensation grades 17 or 18, those amounts shall count towards the Program limits for the year of such promotion. Paragraph 4.

B. Benefits Following Death or Retirement. "Final Payout Value" In has the event of the death or Retirement of an Executive Officer, the benefits available under the Program to the Executive Officer or, if applicable, his or her estate meaning set out in the calendar year of death or Retirement shall be determined under Paragraph A. In the calendar year immediately following the death or Retirement of the Executive Officer, the Corporation shall reimburse the Executive Officer or, if applicable, the estate for up to $3,000 of tax return preparation services that otherwise qualify as Covered Services. No other Program benefits shall be made available to the Executive Officer or the estate following the death or Retirement of the Executive Officer. 4.

C. Benefits Following Termination or Resignation. "Final Vesting Percentage" In has the event an Executive Officer resigns or is terminated, meaning set out in Paragraph 4.

"Forfeiture Event" means the occurrence of at least one of the following: (a) the Corporation shall (i) pay is required, pursuant to a determination made by the Securities and Exchange Commission or by the Audit and Finance Committee of the Board, to prepare a material accounting restatement due to the Retained Firm noncompliance of the Corporation with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Committee determines that (1) the Participant knowingly engaged in the misconduct, (2) the Participant was grossly negligent with respect to such misconduct or (3) the Participant knowingly or grossly negligently failed to prevent the misconduct or (b) the Committee concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Corporation.

"Free Cash Flow" or "FCF" is free cash flow before dividends, which is defined as "net cash provided by operating activities adjusted for working capital", *less* "capital expenditures" *and includes* "EG LNG return of capital and other". FCF will be modified to exclude the impact (whether positive or negative) of any major acquisition or disposition, as determined by the Committee.

"Mandatory Retirement" means termination of Employment as a result of the Corporation's policy, if any, requiring the mandatory retirement of officers and/or other employees upon reaching a certain age or milestone.

"Performance Cycle" means the period from January 1, 2023, to December 31, 2024.

"Performance Unit" means an unfunded and unsecured right to receive a cash payment determined in accordance with the terms of this Award Agreement and the Plan.

"Retirement" means, for purposes of this Award Agreement, termination of Employment with the Corporation and its Subsidiaries upon the first to occur of: (i) reaching at least age sixty (60) with at least five years of vesting service based on a Participant's "accredited service date" as reflected in the employment records of the Corporation or its Subsidiaries and (ii) Mandatory Retirement.

"Settlement Time" has the meaning set out in Paragraph 4.

behalf of **"Vesting Percentage"** means the percentage (between 0% and 200%) determined by the Committee in accordance with the procedures set forth in Paragraph 3 or (ii) reimburse the Executive Officer if a provider other than the Retained Firm is used, in each case for Covered Services that were incurred during his or her tenure Paragraph 8, as an Executive Officer, up to the applicable, Program limits. In the case of reimbursement pursuant to this provision, a request for reimbursement must be properly submitted no later than 30 days following the date the Executive Officer's tenure as an Executive Officer concludes. No other Program benefits which shall be made available used to determine the Executive Officer value of each Performance Unit.

3.Determination of Vesting Percentage.

(a)Except as provided in Paragraphs 6 and 8 of this Award Agreement, the Vesting Percentage will depend upon the level of Free Cash Flow achieved by the Corporation as determined by the Committee from time to time. Except as set forth below in respect of a Change in Control or otherwise determined by the Committee, the Committee shall determine the level of Free Cash Flow achieved by the Corporation on a quarterly basis following the end of his or her tenure each quarter forming part of the Performance Cycle. The Vesting Percentage shall correspond to the amount of Free Cash Flow achieved by the Corporation as an Executive Officer. of the last day of the Performance Cycle based on the following, subject to the remaining provisions of this Paragraph 3, with linear interpolation in the event that the level of Free Cash Flow achieved is between two Free Cash Flow levels set forth below and is at least $386,154,000:

Free Cash Flow ($$)	Vesting Percentage
< $386,154,000	0%
$386,154,000	20%
$2,576,561,000	50%
$3,607,186,000	70%
$5,153,123,000	100%
$5,539,277,000	120%
$6,311,586,000	160%
$7,083,895,000	200%

(b) If, at any time during the Performance Cycle, the Committee determines that the Corporation has achieved Free Cash Flow of at least $2,576,561,000 and, as of such determination, the Corporation has achieved Free Cash Flow of less than $5,153,123,000, then: (i) effective as of such determination, the Vesting Percentage for the Performance Units for the Performance Cycle will be deemed to be 50% (the "50% Banked Vesting Percentage"), and (ii) in respect of the 50% Banked Vesting Percentage, the Banked Value will equal the product obtained by multiplying (A) the number of Performance Units granted under this Award Agreement, (B) fifty percent (50%) and (C) the average of the daily closing price of a share of Common Stock during the final thirty (30) calendar days ending on the last trading day of the calendar quarter in which the 50% Banked Vesting Percentage was achieved (the "50% Banked Value").

(c) If, at any time during the Performance Cycle, the Committee determines that the Corporation has achieved Free Cash Flow of at least $5,153,123,000, and prior to such determination, the

Benefits Following Transfer

50% Banked Vesting Percentage was achieved pursuant to Paragraph 3(b), then: (i) effective as of such determination, the "50% Incremental Banked Vesting Percentage" will be deemed to have been achieved, and (ii) in respect of the 50% Incremental Banked Vesting Percentage, the Banked Value will equal the product obtained by multiplying (A) the number of Performance Units granted under this Award Agreement, (B) fifty percent (50%) and (C) the average of the daily closing price of a Non-Executive Officer Position. In share of Common Stock during the event an Executive Officer is transferred to a non-Executive Officer position within final thirty (30) calendar days ending on the Controlled

Group and therefore no longer satisfies the definition of Executive Officer as set forth in Section II, above, he or she shall continue participation in the Program until December 31 last trading day of the calendar year following quarter in which the year 50% Incremental Banked Vesting Percentage was achieved (the "50% Incremental Banked Value"). The Aggregate Banked Value as of such transfer. In determination will equal the event sum of (x) the 50% Banked Value plus (y) the 50% Incremental Banked Value.

(d) If, at any time during the Performance Cycle, the Committee determines that the Corporation has achieved Free Cash Flow of at least $5,153,123,000, and prior to such determination, neither the 50% Banked Vesting Percentage nor the 50% Incremental Banked Vesting Percentage had been achieved pursuant to Paragraphs 3(b) or 3(c), then: (i) effective as of such determination, the Vesting Percentage for the Performance Units for the Performance Cycle will be deemed to be 100% (the "100% Banked Vesting Percentage"), and (ii) in respect of the death, Retirement, termination or resignation 100% Banked Vesting Percentage, the Banked Value will equal the product obtained by multiplying (A) the number of Performance Units granted under this Award Agreement, (B) one hundred percent (100%) and (C) the average of the individual before December 31 daily closing price of a share of Common Stock during the final thirty (30) calendar days ending on the last trading day of the calendar year following quarter in which the year of such transfer, benefits 100% Banked Vesting Percentage was achieved (the "100% Banked Value").

(e) The Committee has sole and absolute authority and discretion to reduce the Vesting Percentage and the Banked Value, including to zero, in either case, as it may deem appropriate; provided, however, that if the Performance Units vest pursuant to Paragraph 8, the Committee shall be provided not reduce the Vesting Percentage or the Banked Value as set forth in Paragraphs B calculated pursuant to this Paragraph 3 and C, above, as applicable. Paragraph 8.

V. 4. Final Vesting Percentage Determination and Vesting of Performance Units Following Completion of Performance Cycle. Covered Services

Services eligible to be received from Unless the Retained Firm and covered under the Program or eligible for reimbursement under the Program ("Covered Services") must meet the following requirements:

A. Services must be provided for the purpose of providing tax planning, tax return preparation, financial planning or estate planning services for the direct benefit of the Executive Officer or the spouse or a Dependent Child of the Executive Officer; and

B. Services must be provided by a Certified Public Accountant, a tax return preparation professional, a lawyer or a registered investment advisor who is in the business of providing such services Participant's right to the public on a regular basis and who Performance Units is not the Corporation's independent auditor.

VI. Requests for Reimbursement

Requests for reimbursement must be submitted via intra-company mail to the Vice President of Human Resources of the Corporation (or, if there is no Vice President of Human Resources of the Corporation, the employee who holds the most equivalent position at the Corporation previously forfeited or Marathon Oil Company) or such other appropriate individual as he or she may designate from time to time. Each reimbursement request must be accompanied by an original invoice and must be submitted no later than December 1 of the calendar year following the calendar year in which the services were performed (unless required to be submitted earlier vested in accordance with Section IV.C., above) Paragraphs 5, 6, 7 or 8, as applicable, the Committee shall determine the Vesting Percentage following the close of the Performance Cycle pursuant to Paragraph 3(a) based on the level of Free Cash Flow achieved as of December 31, 2024 (the "Final Vesting Percentage"). Following the Committee's determination, the Participant shall be eligible to vest in the Performance Units and be entitled to receive a cash payment equal to the sum of (a) the Aggregate Banked Value, if any, plus (b) the Final Incremental Value, if any (the "Final Payout Value"). For purposes of determining this Paragraph 4, the maximum annual benefit, reimbursements Final Incremental Value shall be determined as follows:

(a) If the Aggregate Banked Value is zero, the Final Incremental Value will be attributed to equal the product obtained by multiplying (i) the number of Performance Units granted under this Award Agreement, (ii) the Final Vesting Percentage and (iii) the average of the daily closing price of a share of Common Stock during the final thirty (30) calendar year in which days ending on the services are performed. last trading day of the Performance Cycle.

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VII. 2019 Plan – Section 16 Officer FCF PSU with 2-year cliff vesting (2023 grant) **Time of Payment**

Reimbursements shall be paid within 60 days of the date on which a reimbursement request is submitted, but in no event later than December 31 of the calendar year following the calendar year in which the services were performed. Direct payments to the Retained Firm shall generally be made within 60 days of the date on which the Retained Firm submits an invoice for payment, but in no event later than December 31 of the calendar year following the calendar year in which the Covered Services were performed.

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(b) If the Aggregate Banked Value is positive, the Final Incremental Value will equal the product obtained by multiplying:

VIII. (i) Taxation (A) the Final Vesting Percentage, minus (B) the Aggregate Banked Vesting Percentage (either 50% or 100%, as applicable);
(ii) the number of Program Benefits Performance Units granted under this Award Agreement; and
(iii) the average of the daily closing price of a share of Common Stock during the final thirty (30) calendar days ending on the last trading day of the Performance Cycle.

A. All Program benefits will Subject to the Participant's continued Employment through December 31, 2024, payment of the Final Payout Value shall be subject made on or after January 1, 2025, and not later than March 15, 2025 (the "Settlement Time"). If, in accordance with the Committee's determination under Paragraphs 3 and 4, the Vesting Percentage is zero, the Participant shall forfeit any and all rights to the Performance Units as of the last day of the Performance Cycle. Upon the vesting and/or forfeiture of the Performance Units and making of the related cash payment of the Final Payout Value (including, if applicable, payroll taxes a cash payment for Dividend Equivalents, as provided in Paragraph 9), if any, the rights of the Participant and will the obligations of the Corporation under this Award Agreement shall be reported satisfied in full.

5. Termination of Employment Other than due to Death or Retirement. If the Participant's Employment is terminated prior to the close of the Performance Cycle for any reason other than death or Retirement, the Performance Units shall be forfeited, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be terminated.

6. Vesting Upon Termination of Employment due to Death. If the Participant's Employment is terminated by reason of death prior to the close of the Performance Cycle, the Participant's right to receive the Performance Units shall vest in full as of the date of death; the Final Vesting Percentage shall be deemed to be 100%; and the Final Payout Value for the Participant's Performance Units shall be determined pursuant to Paragraph 4 above, but treating the last trading day of the Performance Cycle as the date of the Participant's death (or if such day is not a trading day, the first trading day following the Participant's death). The Final Payout Value as determined under this Paragraph 6 shall be made to the Participant's estate on or after, but no later than thirty (30) days after, the Participant's death (such payment date, the "Death Settlement Date"). With respect to any Dividend Equivalents payable pursuant to Paragraph 9, the Corporation shall pay in cash to the Participant's estate, on the Executive Officer's Form W-2 Death Settlement Date, an amount equal to (i) the sum of the aggregate amounts of such Dividend Equivalents credited to the Participant, if any, multiplied by (ii) the number of related Performance Units that vest and are paid hereunder. Such vesting and the making of the related cash payment (including, if applicable, a cash payment for Dividend Equivalents, as provided herein) shall satisfy the year rights of reimbursement. Executive Officers the Participant and the obligations of the Corporation under this Award Agreement in full.

7.Vesting for Termination of Employment due to Retirement. In the event of the Retirement of the Participant upon or after completion of half of the Performance Cycle and prior to the completion of the Performance Cycle, the Committee shall determine the Final Payout Value following the close of the Performance Cycle as though the Participant's employment had not terminated due to Retirement, except that, in determining such Final Payout Value that is applicable to the Participant, the Committee shall consider the contributions of the Participant to the Corporation during the Performance Cycle, including the Participant's assistance with transition of his or her responsibilities prior to Retirement and whether the Participant provided appropriate notice of his or her intent to retire. Notwithstanding anything herein to the contrary, in the event the Committee determines that the Participant has accepted or intends to accept employment with a competitor of any business unit of the Corporation, the Vesting Percentage (and Final Payout Value) shall be zero. Following the Committee's determination of the Final Payout Value applicable to the Participant, the Participant shall vest in the Performance Units and be entitled to receive a cash payment equal to the Final Payout Value, pro-rated based on the percentage equal to (a) the days of Participant's Employment during the Performance Cycle, divided by (b) the total days in the Performance Cycle. With respect to any "gross up" payments or tax allowances as compensation for or reimbursement of taxes owed on Program benefits.

B. Program benefits are intended Dividend Equivalents payable pursuant to be exempt from Section 409A or Paragraph 9, the Corporation shall pay in cash to comply with Section 409A as reimbursements of expenses incurred by or paid on behalf of the Participant an Executive Officer. The amount equal to (i) the sum of the expenses incurred during a taxable year of an Executive Officer that is eligible for reimbursement or payment under this Program does not affect the amount of expenses eligible to be reimbursed to or paid on behalf aggregate amounts of such Executive Officer in Dividend Equivalents credited to the Participant, if any, other taxable year. The right to reimbursement to or payment multiplied by (ii) the number of benefits on behalf of an Executive Officer is not subject to liquidation related Performance Units that vest and cannot be exchanged for another benefit.

IX. Amendment or Termination

This Program can be amended or terminated at any time are paid hereunder as described in the sole discretion preceding sentence. Such payments shall be made to the Participant upon the regularly scheduled Settlement Time. If, in accordance with the Committee's determination under Paragraphs 3 and 4 and this Paragraph, the Final Payout Value is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units and the making of the related cash payment (including, if applicable, a cash payment for Dividend Equivalents, as provided herein), if any, the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full. In the event of the Retirement of the Participant before completion of half of the Performance Cycle, the Performance Units shall be forfeited as of the date of his or her termination of employment, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be terminated.

8.Vesting Upon a delegate thereof, except that expenses incurred Change in Control. Notwithstanding anything herein to the contrary, upon the occurrence of a Change in Control prior to the end of the Performance Cycle, the Participant shall vest in the Vesting Percentage of the Performance Units as determined under this Paragraph 8, unless the Performance Units were previously forfeited or vested in accordance with Paragraphs 5, 6, 7 or 8, as applicable. The Committee shall determine the Vesting Percentage pursuant to Paragraph 3 as though the last regular trading date immediately prior to the effective date of such amendment the Change in Control was the last day of the Performance Cycle (such Vesting Percentage, the "Change in Control Vesting Percentage"), and the Committee shall determine the Final Payout Value as follows:

(a) If, as of the date of the Change in Control, the Aggregate Banked Vesting Percentage is zero, the Final Payout Value shall be determined by multiplying (i) the number of Performance Units granted under this Award Agreement, (ii) the greater of (A) the Change in Control Vesting Percentage or termination will remain eligible for reimbursement following (B) one hundred percent (100%) and (iii) the average of the daily closing price of a share of Common Stock

during the final thirty (30) calendar days ending on the last trading day immediately preceding the effective date of amendment the Change in Control;

(b) If, as of the date of the Change in Control, the 50% Incremental Banked Vesting Percentage or termination the 100% Banked Vesting Percentage had been achieved in respect of a prior calendar quarter during the Performance Cycle pursuant to Paragraph 3, and the Change in Control Vesting Percentage does not exceed 100%, then the Final Payout Value will equal the Aggregate Banked Value; or

(c) If, as of the date of the Change in Control, neither Paragraph 8(a) nor Paragraph 8(b) apply, then the Final Payout Value will equal the sum of:

(i) the Aggregate Banked Value; and

(ii) the product obtained by multiplying (A) (1) the greater of 100% or the Change in Control Vesting Percentage, minus (2) the Aggregate Banked Vesting Percentage (either 50% or 100%, as applicable), (B) the number of Performance Units granted under this Award Agreement, and (C) the average of the daily closing price of a share of Common Stock during the final thirty (30) calendar days ending on the last trading day immediately preceding the effective date of the Change in Control.

Payment of the Final Payout Value shall be made on or after, but not later than thirty (30) days after, the Change in Control; provided, however that if such Change in Control fails to qualify as a "change in control event" within the meaning of Treas. Regs. section 1.409A-3(i)(5) or if a later settlement date is otherwise required by Plan terms, then the payment will be made upon the regularly scheduled Settlement Time (the applicable payment timing, the "Change in Control Settlement Time"). With respect to any Dividend Equivalents payable pursuant to Paragraph 9, the Corporation shall pay in cash to the Participant, upon the Change in Control Settlement Time, an amount equal to (i) the sum of the aggregate amounts of such Dividend Equivalents credited to the Participant, if any, multiplied by (ii) the number of related Performance Units that vest and are paid hereunder. Such vesting and the making of the related cash payment (including, if applicable, a cash payment for Dividend Equivalents, as provided herein) shall satisfy the rights of the Participant and the obligations of the Corporation under this Award Agreement in full.

9.Dividend Equivalents. With respect to each of the Performance Units granted under Paragraph 1, the Participant shall be credited with Dividend Equivalents equal to the amount per share of Common Stock of any ordinary cash dividends declared by the Board with record dates during the period beginning on the first day of the Performance Cycle and ending one calendar day prior to the date on which any related vested Performance Units are paid. Except as otherwise provided in Paragraphs 6, 7 and 8, the Corporation shall pay in cash to the Participant an amount equal to (i) the sum of the aggregate amounts of such Dividend Equivalents credited to the Participant, if any, multiplied by (ii) the number of related Performance Units that vest and are paid hereunder, with such amount to be paid upon the regularly scheduled Settlement Time. Any Dividend Equivalents shall be forfeited as and when the related Performance Units are forfeited in accordance with terms no less generous than the terms of the Program Award Agreement.

10.Repayment or Forfeiture Resulting from Forfeiture Event and Other Clawback Provisions.

(a) If there is a Forfeiture Event either while the Participant is employed or within two years after termination of the Participant's Employment, then the Committee may, but is not obligated to, cause some or all of the Participant's outstanding Performance Units to be forfeited by the Participant.

(b) If there is a Forfeiture Event either while the Participant is employed or within two years after termination of the Participant's Employment and a payment has previously been made in settlement of Performance Units granted under this Award Agreement, the Committee may, but is not obligated to, require that the Participant pay to the Corporation an amount (the "Forfeiture Amount") up to (but not in excess of) the amount paid in settlement of the Performance Units.

(c) This Paragraph 10 shall apply notwithstanding any provision of this Award Agreement to the contrary and is meant to provide the Corporation with rights in addition to any other remedy which may exist in law or in equity. Subparagraphs (a) and (b) shall not apply to the Participant following the effective time of a Change in Control.

Additionally, notwithstanding anything to the contrary herein,to the extent that any payment under this Award Agreement is subject to clawback under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission or the rules of any stock exchange on which the Common Stock is listed or quoted (collectively, "Clawback Rules"), such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Clawback Rules and the authority issued thereunder. Further, the Corporation will be entitled to the extent permitted or required by any other applicable law and/or policy of the Corporation as in effect immediately prior from time to time to recoup compensation of whatever kind paid by the Corporation or any of its affiliates at any time to the Participant pursuant to this Award Agreement, except that following the effective time of a Change in Control, the Corporation will be entitled to do so only to the extent required to comply with applicable law, as determined in its sole discretion. Any Performance Units previously granted by the Corporation to the Participant that are outstanding and unvested as of the Grant Date of this Award shall be subject to the same provisions as set forth in this Paragraph 10 to the extent required to comply with applicable law, as determined by the Corporation in its sole discretion, and the Award Agreements for any such amendment Performance Units are deemed so amended.

11.Taxes. In all cases, the Participant will be responsible to pay all required withholding taxes associated with the Performance Units.Pursuant to Section 10 of the Plan, the Corporation or termination. Notwithstanding its designated representative (which may be a Subsidiary) shall have the right to withhold applicable taxes from the cash and Common Stock otherwise payable to the Participant, or from other compensation payable to the Participant, at the time of the vesting and delivery of such cash and Common Stock payment or such other time as may be required under applicable law, to sell or permit the sale of shares of Common Stock to pay such applicable taxes, or to take such other action as may be necessary in the opinion of the Corporation to satisfy all obligations for withholding.

12.No Stockholder Rights. The Participant shall in no way be entitled to any of the rights of a stockholder of the Corporation as a result of this Award Agreement. Specifically, the Performance Units do not have voting rights.

13.Nonassignability. Upon the Participant's death, the Performance Units shall be paid out as provided in Paragraph 6 of this Award Agreement. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Performance Units, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Performance Units shall have no effect.

14.No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Corporation or any Subsidiary or successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

15.Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Corporation, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant under this Award Agreement. Without the consent of the Participant, this Award Agreement may be amended or supplemented (i) to cure any ambiguity or to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein or (ii) to add to the covenants and agreements of the Corporation for the benefit of the Participant or to add to the rights of the Participant or to surrender any right or power reserved to or conferred upon the Corporation in this Award Agreement; provided, in each case, that such changes or corrections shall not adversely affect the rights of the Participant under this Award Agreement without the Participant's consent. Additionally, however, notwithstanding the foregoing or anything to the contrary herein, however, without the consent of the Participant, this Program Award Agreement may be amended or supplemented to make such changes as the Corporation, upon advice of counsel, (i) determines are necessary or advisable because of the adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities or tax laws or (ii) determines are necessary or advisable for this Program the Award either not to be subject to or to be compliant with Section 409A. It is the intention that this Award either not be subject to or be compliant with Section 409A and shall be interpreted accordingly.

Administration

The Program is administered by the Compensation group of the Human Resources Department of the Corporation and its subsidiaries. In the event of any ambiguity, the Compensation Committee of the Board of Directors of the Corporation (including any successor committee to the Compensation Committee of the Board of Directors of the Corporation) or a delegate thereof has the authority to construe, in its, his or her discretion, as applicable, all terms, provisions, conditions and limitations of the Program.

IN WITNESS WHEREOF, the Corporation has executed this Marathon Oil Corporation Executive Tax, Estate and Financial Planning Program, as amended and restated, effective July 27, 2022.

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16. Data Privacy. By accepting the Performance Units subject to the terms of this Award Agreement, the Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data, including but not limited to items of data described in this Paragraph 16, by and among the Corporation and its Subsidiaries and affiliates, including the Participant's employer (collectively referred to as "Marathon Oil" in this Paragraph 16), for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands and acknowledges that Marathon Oil holds certain personal data about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in Marathon Oil, details of all grants or any other entitlement to salary and other cash payments and shares of stock or units awarded, canceled, forfeited, exercised, vested, unvested or outstanding in the Participant's favor, for the purpose of implementing, administering and managing the Plan (which information is collectively referred to as "Data" for purposes of this Paragraph 16). The Participant understands and agrees that Data may be transferred to one or more third parties assisting Marathon Oil in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country of citizenship, country of residence or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country of citizenship or country of residence. The Participant understands that he or she may request a list with the names and addresses of any recipients of the Data by contacting his or her local human resources representative. The Participant, by acceptance of the Performance Units subject to the terms of this Award Agreement, authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit shares or cash following the lapse of applicable restrictions, and reporting to applicable tax and other legal authorities. The Participant understands that he or she may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data to correct inaccuracy or refuse or withdraw the consent provided herein, without cost, by contacting the Participant's local human resources representative in writing. The Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan, and the Participant may obtain additional information about the consequences of refusing to consent or withdrawing consent by contacting his or her local human resources representative.

Marathon Oil Corporation

/s/ Lee M. Tillman
Lee M. Tillman
Chairman, President and
Chief Executive Officer

Exhibit 10.2

MARATHON OIL CORPORATION
2019 INCENTIVE COMPENSATION PLAN

/s/ Jill Ramshaw PERFORMANCE UNIT AWARD AGREEMENT
2023 - 2025 PERFORMANCE CYCLE

Section 16 Officer

By 1. Grant of Performance Units. Pursuant to this Award Agreement and the Marathon Oil Corporation 2019 Incentive Compensation Plan (the "Plan"), **MARATHON OIL CORPORATION** (the "Corporation") hereby grants to **[NAME]** (the "Participant"), an employee of the Corporation or a Subsidiary, on ____________, 2023, **[NUMBER]** Performance Units, representing the right to receive shares of Common Stock, subject to the terms and conditions set forth in this Award Agreement and the Plan. The Participant has no legally binding right to any payment prior to the vesting of the Performance Units in accordance with the terms of this Award Agreement.

Jill Ramshaw

Vice President, Human **2.Relationship to the Plan and Definitions.**

(a) This grant of Performance Units is subject to all of the terms, conditions and provisions of the Plan and administrative interpretations thereunder, if any, that have been adopted by the Committee. Except as defined in this Award Agreement, capitalized terms shall have the same meanings ascribed to them under the Plan. To the extent that any provision of this Award Agreement conflicts with the express terms of the Plan, the terms of the Plan shall control and, if necessary, the applicable provisions of this Award Agreement shall be hereby deemed amended so as to carry out the purpose and intent of the Plan.

(b) For purposes of this Award Agreement:

"Employment" means employment with the Corporation or any of its Subsidiaries. For purposes of this Award Agreement, Employment shall also include any period of time during which the Participant is on Disability status.

"Forfeiture Event" means the occurrence of at least one of the following: (a) the Corporation is required, pursuant to a determination made by the Securities and Exchange Commission or by the Audit and Finance Committee of the Board, to prepare a material accounting restatement due to the noncompliance of the Corporation with any financial reporting requirement under applicable securities laws as a result of misconduct, and the Committee determines that (1) the Participant knowingly engaged in the misconduct, (2) the Participant was grossly negligent with respect to such misconduct or (3) the Participant knowingly or grossly negligently failed to prevent the misconduct or (b) the Committee concludes that the Participant engaged in fraud, embezzlement or other similar misconduct materially detrimental to the Corporation.

"Mandatory Retirement" means termination of Employment as a result of the Corporation's policy, if any, requiring the mandatory retirement of officers and/or other employees upon reaching a certain age or milestone.

“Peer Group” means the following group of companies (in addition to the Corporation) and indices: APA Corporation (APA), Chesapeake Energy Corporation (CHK), Devon Energy Corporation (DVN), Diamondback Energy, Inc. (FANG), EOG Resources, Inc. (EOG), Hess Corporation (HES), Murphy Oil Corporation (MUR), Ovintiv Inc. (OVV), Pioneer Natural Resources Company (PXD), the S&P 500 Energy Index (SPN01) and the S&P 500 Index (SP50). If, during the Performance Cycle, there is an announcement of any event that if completed would result in any Peer Group company (excluding the Corporation) either ceasing to exist or ceasing to be a company for which TSR can be calculated from publicly available information (a “Corporate Event”), then upon announcement of such Corporate Event, such company (or companies) shall no longer be a Peer Group member, and in determining the Vesting Percentage for these Performance Units, adjustments shall be made as set forth in Paragraph 3(b) below.

“Performance Cycle” means the period from January 1, 2023, to December 31, 2025. Notwithstanding the foregoing, if a Change in Control occurs before December 31, 2025, then the Performance Cycle shall be the period from January 1, 2023, to the last regular trading date immediately preceding the effective date of such Change in Control for purposes of the determination under Paragraph 3.

“Performance Unit” means an unfunded and unsecured right to receive a payment of shares of Common Stock determined in accordance with the terms of this Award Agreement and the Plan.

“Retirement” means, for purposes of this Award Agreement, termination of Employment with the Corporation and its Subsidiaries upon the first to occur of: (i) reaching at least age sixty (60) with at least five years of vesting service based on a Participant’s “accredited service date” as reflected in the employment records of the Corporation or its Subsidiaries and (ii) Mandatory Retirement.

“Settlement Time” has the meaning set forth in Paragraph 4.

“Total Shareholder Return” or **“TSR”** means the rate of return achieved with respect to the company’s common stock as if: (i) $100 were invested in the company’s stock, assuming a purchase price equal to the average closing price for the ninety (90) calendar days immediately before the start of the Performance Cycle, (ii) all dividends paid during the Performance Cycle were reinvested into additional shares, and (iii) assuming the company’s stock is valued at the end of the Performance Cycle based on the average closing price during the final ninety (90) calendar days of the Performance Cycle.

“Vesting Percentage” means the percentage (between 0% and 200%) determined by the Committee in accordance with the procedures set forth in Paragraph 3 or Paragraph 8, as applicable, which shall be used to determine the value of each Performance Unit.

3.Determination of Vesting Percentage.

(a)Except as provided in Paragraphs 6 and 8 of this Award Agreement, the Vesting Percentage will depend upon the Corporation’s TSR relative to the TSR of the other companies and indices in the Peer Group. At its first regularly scheduled meeting following the close of the Performance Cycle, the Committee shall determine the Vesting Percentage as follows based on the TSR of the Corporation relative to the TSR of the other companies and indices in the Peer Group:

(1) If the Corporation is one of the top two in the Peer Group’s TSR ranking (i.e., has the highest or the second highest TSR), the Vesting Percentage shall be 200%.
(2) If the Corporation is one of the bottom two in the Peer Group’s TSR ranking (i.e., has the lowest or the next lowest TSR), the Vesting Percentage shall be 0%.
(3) If the Corporation is the third from bottom in the Peer Group’s TSR ranking, the Vesting Percentage shall be 35%.
(4) If the Corporation has any other position in the Peer Group’s TSR ranking (i.e., one that is not in the top two or the bottom three of the Peer Group’s TSR ranking results), linear interpolation will be used between 35% and 200%, based on the proportional relative position of the Corporation’s TSR between the TSR of the 2nd ranked company or index and the company or index with TSR ranked third from the bottom, to determine the applicable Vesting Percentage.

The following table illustrates the methodology:

TSR Ranking of Corporation	Vesting Percentage
1st	200%
2nd	200%
3rd-9th	Determined by linear interpolation between 35% and 200%
10th	35%
11th	0%
12th	0%

(b) If, during the Performance Cycle, there is an announcement of a Corporate Event that results in one of the Peer Group companies ceasing to be a Peer Group member as set forth in the above "Peer Group" definition, then consistent with the original methodology, the Vesting Percentage shall be

200% for a TSR ranking in the top two of the new, smaller Peer Group, shall be 0% for a TSR ranking in the bottom two of the new, smaller Peer Group, shall be 35% for a ranking third from the bottom of the new, smaller Peer Group and shall be determined using linear interpolation between 35% and 200% for other positions in the TSR ranking of the new, smaller Peer Group.

(c) The Committee has sole and absolute authority and discretion to reduce the Vesting Percentage, including to zero, as it may deem appropriate (including, but not limited to, if the TSR calculated for the Performance Cycle is negative); provided, however, that if the Performance Units vest pursuant to Paragraph 8, the Committee shall not reduce the Vesting Percentage as calculated pursuant to Paragraph 3(a) and, if applicable, Paragraph 3(b).

4.Vesting of Performance Units. Unless the Participant's right to the Performance Units is previously forfeited or vested in accordance with Paragraphs 5, 6, 7 or 8, as applicable, the Committee shall determine the Vesting Percentage following the close of the Performance Cycle. Following the Committee's determination, the Participant shall vest in the Performance Units and be entitled to receive a payment of shares of Common Stock equal to the product of (a) the number of Performance Units granted under this Award Agreement and (b) the Vesting Percentage, as determined by the Committee under Paragraph 3, issued in accordance with and subject to Paragraph 10. Such payment shall be made as soon as administratively feasible following the Committee's determination but, in any event, on or after January 1, 2026, and not later than March 15, 2026 (the "Settlement Time"). If, in accordance with the Committee's determination under Paragraph 3, the Vesting Percentage is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units and settling the Performance Units (including, if applicable, a cash payment for Dividend Equivalents, as provided in Paragraph 9), if any, the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full.

5. Termination of Employment Other than due to Death or Retirement. If the Participant's Employment is terminated prior to the close of the Performance Cycle for any reason other than death or Retirement, the Performance Units shall be forfeited, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be terminated.

6. Vesting Upon Termination of Employment due to Death. If the Participant's Employment is terminated by reason of death prior to the close of the Performance Cycle, the Participant's right to receive the Performance Units shall vest in full as of the date of death, and the Vesting Percentage shall be 100%. A payment in shares of Common Stock equal to the product of (a) the number of Performance Units granted under this Award Agreement and (b) the Vesting Percentage, as determined under this Paragraph 6, shall be issued in accordance with and subject to Paragraph 10, on or after, but not later than thirty (30) days after, the Participant's death and transferred to the Participant's designated beneficiary on file with the Plan's third party stock plan administrator or, if none, to the Participant's estate. With respect to any Dividend Equivalents payable pursuant to Paragraph 9, the Corporation shall pay in cash to the Participant's estate, on or after, but not later than thirty (30) days after, the Participant's death an amount equal to (i) the sum of the aggregate amounts of such Dividend Equivalents credited to the Participant, if any, multiplied by (ii) the number of related Performance Units that vest and are paid hereunder. Such vesting and settling of the Performance Units (including, if applicable, a cash payment for Dividend Equivalents, as provided herein) shall satisfy the rights of the Participant and the obligations of the Corporation under this Award Agreement in full.

7.Vesting Upon Termination of Employment due to Retirement. In the event of the Retirement of the Participant upon or after completion of half of the Performance Cycle, the Committee shall determine the Vesting Percentage following the close of the Performance Cycle. In determining the Vesting Percentage that is applicable to the Participant, the Committee shall consider the contributions of the Participant to the Corporation during the Performance Cycle, including the Participant's assistance with transition of his or her responsibilities prior to Retirement and whether the Participant provided appropriate notice of his or her intent to retire. Notwithstanding anything herein to the contrary, in the event the Committee determines that the Participant has accepted or intends to accept employment with a competitor of any business unit of the Corporation, the Vesting Percentage shall be zero. Following the Committee's determination, the Participant shall vest in the Performance Units and be entitled to receive a payment in shares of Common Stock equal to the product of (a) the percentage equal to the days of Participant's Employment during the Performance Cycle, divided by the total days in the Performance Cycle, (b) the number of Performance Units granted under this Award Agreement and (c) the Vesting Percentage, as determined by the Committee under Paragraph 3 and this Paragraph, issued in accordance with and subject to Paragraph 10. With respect to any Dividend Equivalents payable pursuant to Paragraph 9, the Corporation shall pay in cash to the Participant an amount equal to (i) the sum of the aggregate amounts of such Dividend Equivalents credited to the Participant, if any, multiplied by (ii) the number of related Performance Units that vest and are paid hereunder as described in the preceding sentence. Such payments shall be made upon the regularly scheduled Settlement Time. If, in accordance with the Committee's determination under Paragraph 3 and this Paragraph, the Vesting Percentage is zero, the Participant shall immediately forfeit any and all rights to the Performance Units. Upon the vesting and/or forfeiture of the Performance Units and the settlement of such Performance Units (including, if applicable, a cash payment for Dividend Equivalents, as provided herein), if any, the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be satisfied in full. In the event of the Retirement of the Participant before completion of half of the Performance Cycle, the Performance Units shall be forfeited as of the date of his or her termination of employment, and the rights of the Participant and the obligations of the Corporation under this Award Agreement shall be terminated.

8.Vesting Upon a Change in Control. Notwithstanding anything herein to the contrary, upon the occurrence of a Change in Control prior to the end of the Performance Cycle, the Participant shall vest in the Performance Units in full, unless the Performance Units were previously forfeited or vested in accordance with Paragraphs 5, 6, 7 or 8, as applicable. The Vesting Percentage shall be the greater of (a) the percentage calculated as provided under Paragraph 3 or (b) 100%. A payment in shares of Common Stock equal to the product of (a) the number of Performance Units granted under this Award Agreement,

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and (b) the Vesting Percentage, as determined by the Committee under the preceding sentence, issued in accordance with and subject to Paragraph 10, shall be made on or after, but not later than thirty (30) days after, the Change in Control; provided, however, that if such Change in Control fails to qualify as a "change in control event" within the meaning of Treas. Regs. section 1.409A-3(i)(5) or if a later settlement date is otherwise required by Plan terms, then the payment will be made upon the regularly scheduled Settlement Time (the applicable payment timing, the "Change in Control Settlement Time"). With respect to any Dividend Equivalents payable pursuant to Paragraph 9, the Corporation shall pay in cash to the Participant, upon the Change in Control Settlement Time, an amount equal to (i) the sum of the aggregate amounts of such Dividend Equivalents credited to the Participant, if any, multiplied by (ii) the number of related Performance Units that vest and are paid hereunder. Such vesting and settling of the Performance Units (including, if applicable, a cash payment for Dividend Equivalents, as provided herein) shall satisfy the rights of the Participant and the obligations of the Corporation under this Award Agreement in full.

9.Dividend Equivalents. With respect to each of the Performance Units granted under Paragraph 1, the Participant shall be credited with Dividend Equivalents equal to the amount per share of Common Stock of any ordinary cash dividends declared by the Board with record dates during the period beginning on the first day of the Performance Cycle and ending one calendar day prior to the date on which any related vested Performance Units are paid. Except as otherwise provided in Paragraphs 6, 7 and 8, the Corporation shall pay in cash to the Participant an amount equal to (i) the sum of the aggregate amounts of such Dividend Equivalents credited to the Participant, if any, multiplied by (ii) the number of related Performance Units that vest and are paid hereunder, with such amount to be paid upon the regularly scheduled Settlement Time. Any Dividend Equivalents shall be forfeited as and when the related Performance Units are forfeited in accordance with the terms of the Award Agreement.

10. Issuance of Shares. During the period of time between the Grant Date and the earlier of the date on which the Performance Units vest or are forfeited, the Performance Units will be evidenced by a credit to a bookkeeping account evidencing the unfunded and unsecured right of the Participant to receive shares of Common Stock, subject to the terms and conditions applicable to the Performance Units under the Plan and this Award Agreement. Upon the vesting of all or a portion of the Participant's Performance Units pursuant to this Award Agreement, a number of shares of Common Stock equal to the number of vested Performance Units shall be registered in the name of the Participant in accordance with the applicable timing set forth in Paragraphs 4, 6, 7 or 8 herein. No fractional shares will be issued, and any rights to fractional shares of Common Stock will be forfeited without compensation for such fractional shares.

11.Repayment or Forfeiture Resulting from Forfeiture Event and other Clawback Provisions.

(a) If there is a Forfeiture Event either while the Participant is employed or within two years after termination of the Participant's Employment, then the Committee may, but is not obligated to, cause

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some or all of the Participant's outstanding Performance Units to be forfeited by the Participant.

(b) If there is a Forfeiture Event either while the Participant is employed or within two years after termination of the Participant's Employment and a payment has previously been made in settlement of Performance Units granted under this Award Agreement, the Committee may, but is not obligated to, require that the Participant pay to the Corporation an amount (the "Forfeiture Amount") up to (but not in excess of) the amount paid in settlement of the Performance Units.

(c) This Paragraph 11 shall apply notwithstanding any provision of this Award Agreement to the contrary and is meant to provide the Corporation with rights in addition to any other remedy which may exist in law or in equity. Subparagraphs (a) and (b) shall not apply to the Participant following the effective time of a Change in Control.

Additionally, notwithstanding anything to the contrary herein,to the extent that any payment under this Award Agreement is subject to clawback under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission orthe rules of any stock exchange on which the Common Stock is listed or quoted (collectively, "Clawback Rules"), such amount will be clawed back in appropriate circumstances, as determined under the terms and conditions prescribed by such Clawback Rules and the authority issued thereunder. Further, the Corporation will be entitled to the extent permitted or required by any other applicable law and/or policy of the Corporation as in effect from time to time to recoup compensation of whatever kind paid by the Corporation or any of its affiliates at any time to the Participant pursuant to this Award Agreement, except that following the effective time of a Change in Control, the Corporation will be entitled to do so only to the extent required to comply with applicable law, as determined in its sole discretion. Any Performance Units previously granted by the Corporation to the Participant that are outstanding and unvested as of the Grant Date of this Award shall be subject to the same provisions as set forth in this Paragraph 11 to the extent required to comply with applicable law, as determined by the Corporation in its sole discretion, and the Award Agreements for any such Performance Units are deemed so amended.

12.Taxes. In all cases, the Participant will be responsible to pay all required withholding taxes associated with the Performance Units.Pursuant to Section 10 of the Plan, the Corporation or its designated representative (which may be a Subsidiary) shall have the right to withhold applicable taxes from the cash and Common Stock otherwise payable to the Participant, or from other compensation payable to the Participant, at the time of the vesting and delivery of such cash and Common Stock payment or such other time as may be required under applicable law, to sell or permit the sale of shares of Common Stock to pay such applicable taxes, or to take such other action as may be necessary in the opinion of the Corporation to satisfy all obligations for withholding.

13.No Stockholder Rights. The Participant shall in no way be entitled to any of the rights of a stockholder of the Corporation as a result of this Award Agreement. Specifically, the Performance Units do not have voting rights.

14.Nonassignability. Upon the Participant's death, the Performance Units shall be paid out as provided in Paragraph 6 of this Award Agreement. Otherwise, the Participant may not sell, transfer, assign, pledge or otherwise encumber any portion of the Performance Units, and any attempt to sell, transfer, assign, pledge or encumber any portion of the Performance Units shall have no effect.

15.No Employment Guaranteed. Nothing in this Award Agreement shall give the Participant any rights to (or impose any obligations for) continued Employment by the Corporation or any Subsidiary or successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Participant.

16.Modification of Agreement. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Corporation, provided that no modification may, without the consent of the Participant, adversely affect the rights of the Participant under this Award Agreement. Without the consent of the Participant, this Award Agreement may be amended or supplemented (i) to cure any ambiguity or to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein or (ii) to add to the covenants and agreements of the Corporation for the benefit of the Participant or to add to the rights of the Participant or to surrender any right or power reserved to or conferred upon the Corporation in this Award Agreement; provided, in each case, that such changes or corrections shall not adversely affect the rights of the Participant under this Award Agreement without the Participant's consent. Additionally, however, notwithstanding the foregoing or anything to the contrary herein, without the consent of the Participant, this Award Agreement may be amended or supplemented to make such changes as the Corporation, upon advice of counsel, (i) determines are necessary or advisable because of the adoption or promulgation of, or change in or of the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities or tax laws or (ii) determines are necessary or advisable for the Award either not to be subject to or to be compliant with Section 409A. It is the intention that this Award either not be subject to or be compliant with Section 409A and shall be interpreted accordingly.

17. Data Privacy. By accepting the Performance Units subject to the terms of this Award Agreement, the Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data, including, but not limited to, items of data described in this Paragraph 17, by and among the Corporation and its Subsidiaries and affiliates, including the Participant's employer (collectively referred to as "Marathon Oil" in this Paragraph 17), for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands and acknowledges that Marathon Oil holds certain personal data about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of

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stock or directorships held in Marathon Oil, details of all grants or any other entitlement to salary and other cash payments and shares of stock or units awarded, canceled, forfeited, exercised, vested, unvested or outstanding in the Participant's favor, for the purpose of implementing, administering and managing the Plan (which information is collectively referred to as "Data" for purposes of this Paragraph 17). The Participant understands and agrees that Data may be transferred to one or more third parties assisting Marathon Oil in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country of citizenship, country of residence or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country of citizenship or country of residence. The Participant understands that he or she may request a list with the names and addresses of any recipients of the Data by contacting his or her local human resources representative. The Participant, by acceptance of the Performance Units subject to the terms of this Award Agreement, authorizes the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Participant may elect to deposit shares or cash following the lapse of applicable restrictions, and reporting to applicable tax and other legal authorities. The Participant understands that he or she may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data to correct inaccuracy or refuse or withdraw the consent provided herein, without cost, by contacting the Participant's local human resources representative in writing. The Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan, and the Participant may obtain additional information about the consequences of refusing to consent or withdrawing consent by contacting his or her local human resources representative.

Marathon Oil Corporation

/s/ Lee M. Tillman
Chairman, President and
Chief Executive Officer

Exhibit 31.1

MARATHON OIL CORPORATION

CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Lee M. Tillman, certify that:

1. I have reviewed this report on Form 10-Q of Marathon Oil Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022 May 4, 2023

/s/ Lee M. Tillman
Lee M. Tillman
Chairman, President and Chief Executive Officer

Exhibit 31.2

MARATHON OIL CORPORATION

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Dane E. Whitehead, certify that:

1. I have reviewed this report on Form 10-Q of Marathon Oil Corporation;

1. 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

2. 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

3. 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

4. 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022 May 4, 2023

/s/ Dane E. Whitehead

Dane E. Whitehead

Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Marathon Oil Corporation (the "Company") on Form 10-Q for the period ending September 30, 2022 March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lee M. Tillman, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 3, 2022 May 4, 2023

/s/ Lee M. Tillman

Lee M. Tillman

Chairman, President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Marathon Oil Corporation (the "Company") on Form 10-Q for the period ending September 30, 2022 March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dane E. Whitehead, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 3, 2022 May 4, 2023	/s/ Dane E. Whitehead
	Dane E. Whitehead
	Executive Vice President and Chief Financial Officer