2008 FACT BOOK

Marathon

MARATHON®

Marathon Oil Corporation (NYSE:MRO) is an integrated international energy company engaged in exploration and production; oil sands mining; integrated gas; and refining, marketing and transportation.

Headquartered in Houston, Texas, Marathon has exploration and production activities in the United States, Angola, Canada, Equatorial Guinea, Gabon, Indonesia, Ireland, Libya, Norway and the United Kingdom. Marathon is the fifth largest refiner in the U.S. The Company's retail marketing system comprises approximately 6,200 locations in 18 states.

*On the Cover: Top left — **Exploration and Production:** Marathon's position in the Bakken Shale in North Dakota provides the Company access to significant resources in North America. The Company draws upon its extensive experience in the Rocky Mountain Basins to leverage this substantial position. Top right — **Oil Sands Mining:** Marathon's interest in the Athabasca Oil Sands Project in Canada gives the Company access to stable, long-lived production. Bottom left — **Integrated Gas:** Operations in Equatorial Guinea are a key component of Marathon's integrated gas strategy. LNG from this country promises to play an increasingly important role in meeting growing energy needs. Bottom right — **Refining, Marketing and Transportation:** In 2008, the Company began construction on an upgrading project at its Detroit, Michigan, refinery. When completed, the project will add more than 400,000 gallons per day of clean transportation fuels to the marketplace.*

Contents

Financial Highlights

	Twelve Months Ended December 31			
Dollars in millions, except where noted	**2008**	2007	2006	2005
Revenues	**$ 77,193**	$ 64,552	$ 64,896	$ 62,986
Income from operations	**7,023**	6,640	8,967	5,242
Income from continuing operations	**3,528**	3,948	4,957	3,006
Net income	**3,528**	3,956	5,234	3,032
Per common share data (in dollars) (a)				
Income from continuing operations – basic	**$ 4.97**	$ 5.72	$ 6.92	$ 4.22
Net income – basic	**$ 4.97**	$ 5.73	$ 7.31	$ 4.26
Income from continuing operations – diluted	**$ 4.95**	$ 5.68	$ 6.87	$ 4.19
Net income – diluted	**$ 4.95**	$ 5.69	$ 7.25	$ 4.22
Dividends	**$ 0.96**	$ 0.92	$ 0.76	$ 0.60
Average shares outstanding – diluted (in millions) (a)	**713**	695	722	718
Cash and cash equivalents (b)	**$ 1,285**	$ 1,199	$ 2,585	$ 2,617
Long-term debt (b)	**7,087**	6,084	3,061	3,698
Stockholders' equity (b)	**21,409**	19,223	14,607	11,705
Total assets (b)	**42,686**	42,746	30,831	28,498
Net cash from operating activities (from continuing operations)	**6,782**	6,521	5,418	4,655
Capital expenditures (c)	**7,146**	4,466	3,478	2,890
Average daily net sales: (d)				
Exploration and Production Segment				
Liquid hydrocarbons (mbpd)	**211**	197	223	164
Natural gas (mmcfd) (e)	**1,016**	925	847	932
Barrels of oil equivalent (mboepd)	**381**	351	365	319
Oil Sands Mining Segment				
Synthetic crude oil (mbpd) (f)	**32**	4	—	—
Integrated Gas Segment				
Liquefied natural gas (mtpd)	**6,285**	3,310	1,026	1,068
Methanol (mtpd)	**975**	1,308	905	1,335
Annual net sales: (d)				
Exploration and Production Segment				
Liquid hydrocarbons (mmbbl)	**77**	72	82	60
Natural gas (bcf) (g)	**372**	338	309	340
Barrels of oil equivalent (mmboe)	**139**	128	134	117
Oil Sands Mining Segment				
Synthetic crude oil (mbbl)	**11,517**	1,543	—	—
Integrated Gas Segment				
Liquefied natural gas (thousand metric tonnes)	**2,300**	1,208	374	390
Methanol (thousand metric tonnes)	**357**	477	330	487
Net proved reserves: (b)				
Exploration and Production Segment				
Liquid hydrocarbons (mmbbl)	**636**	650	677	704
Natural gas (bcf)	**3,351**	3,450	3,510	3,547
Barrels of oil equivalent (mmboe)	**1,195**	1,225	1,262	1,295
Oil Sands Mining Segment				
Bitumen (mmbbl)	**388**	421	—	—
Refinery operations: (h)				
Refinery runs – crude oil refined (mbpd)	**944**	1,010	980	973
Refinery runs – other charge and blend stocks (mbpd)	**207**	214	234	205
Refined product sales: (h) (i)				
Volume excluding matching buy/sell transactions (mbpd)	**1,352**	1,410	1,401	1,378
Speedway SuperAmerica LLC: (h)				
Gasoline and distillate sales (million gallons)	**3,215**	3,356	3,301	3,226
Merchandise sales	**$ 2,838**	$ 2,796	$ 2,706	$ 2,531
Number of retail marketing outlets: (h)				
Marathon Brand	**4,577**	4,444	4,166	4,003
Speedway SuperAmerica LLC	**1,617**	1,636	1,636	1,638
Number of employees (b)	**30,360**	29,524	28,195	27,756

(a) Share and per share information has been restated for two-for-one stock split effected June 18, 2007, in the form of a stock dividend. (b) As of end of period presented. (c) Excludes acquisitions. (d) Excludes discontinued operations. (e) Includes natural gas acquired for injection and subsequent resale of 32, 47, 46 and 38 mmcfd in the years ended December 31, 2008, 2007, 2006 and 2005, respectively. (f) The oil sands mining operations were acquired October 18, 2007. Daily volumes for 2007 represent total volumes since the acquisition date over total days in the period. (g) Includes natural gas acquired for injection and subsequent resale of 12, 17, 17 and 14 bcf in the years ended December 31, 2008, 2007, 2006 and 2005, respectively. (h) Statistics include 100 percent of Marathon Petroleum Company LLC, formerly known as Marathon Ashland Petroleum LLC. (i) Total average daily volume of all refined product sales to wholesale, branded and retail customers.

Editor's Note: The information in this publication is current through December 31, 2008, unless otherwise noted. All volumes are net sales.

MARATHON OVERVIEW

Operating across the globe, Marathon is among the world's leading integrated energy companies – applying innovative technologies to discover and develop valuable energy resources, providing high-quality products to the marketplace and delivering value to all of the Company's stakeholders.

Marathon continued to progress major projects in 2008, including first production on Alvheim, Vilje and Neptune, the expansion of the Garyville, Louisiana, and Detroit, Michigan, refineries and investments in Canadian oil sands.

EXPLORATION AND PRODUCTION

Exploration: Marathon's exploration activities are focused on adding profitable production to existing core areas (the U.S., Equatorial Guinea, Libya and the North Sea) and developing potential new core areas (Angola and Indonesia).

Production: Marathon's production operations supply liquid hydrocarbons and natural gas to the growing world energy market. Worldwide production operations are currently focused in the U.S., Africa and Europe. The Company also holds ownership interests in both operated and non-operated oil sands leases in Canada that could be developed using in-situ methods of extraction.

OIL SANDS MINING

Marathon owns a 20 percent outside-operated interest in the Athabasca Oil Sands Project (AOSP), which includes the Muskeg River Mine, the Scotford Upgrader and additional prospective acreage in Alberta, Canada. These assets give Marathon access to stable, long-life Organization for Economic Cooperation and Development (OECD) production through several future phased expansions.

INTEGRATED GAS

Marathon's integrated gas business adds value through the development of opportunities created by the growing demand for natural gas. The Company is linking vast stranded natural gas resources around the globe with areas where a supply gap is emerging due to limited production growth and increasing demand. Integrated gas complements Marathon's exploration and production operations and opens a wide array of investment opportunities designed to add sustainable value growth.

REFINING, MARKETING AND TRANSPORTATION

Marathon has extensive refining, marketing and transportation operations concentrated primarily in the Midwest, Upper Great Plains, Gulf Coast and Southeastern regions of the U.S. Marathon ranks as the fifth largest crude oil refiner in the U.S. and the largest in the Midwest. Strategically located to serve major markets, Marathon's operations include a seven-plant refining network, a comprehensive terminal and transportation system, and extensive marketing operations. This segment also includes Marathon's wholly owned retail marketing subsidiary Speedway SuperAmerica LLC, one of the four largest chains of company-owned and -operated retail gasoline and convenience stores in the U.S. and the largest in the Midwest.

LIVING OUR VALUES

Marathon's corporate values affirm our commitment to health, safety and the environment; corporate social responsibility; ethics and integrity; and diversity. Trust, honesty and respect form the foundation for how we make business decisions, the way we treat our customers and partners, the type of working environment we create and the care we take in the communities where we operate. These are the values we live by every day.

HIGHLIGHTS

March 2008	• Awarded 15 blocks in the Central Gulf of Mexico lease sale.
May 2008	• Announced 27th deepwater discovery offshore Angola.
June 2008	• Achieved first oil on the Alvheim development offshore Norway. • Started construction on Detroit refinery heavy oil upgrade project. • Extended contract for a drilling rig in the deepwater Gulf of Mexico for two years.
July 2008	• Achieved first oil on the Neptune development in the deepwater Gulf of Mexico. • Received approval to proceed with the first deepwater oil development project on Angola Block 31. • Achieved first oil on the Vilje development offshore Norway. • Agreed to sell non-core, outside-operated interests in the Heimdal area offshore Norway with a transaction value of $416 million.
October 2008	• Completed the sale of Marathon's 50 percent ownership interest in Pilot Travel Centers LLC (PTC), in a transaction valued at approximately $700 million. • Participated in a successful discovery well on the Gunflint prospect, located in the deepwater Gulf of Mexico. • Announced 28th deepwater discovery offshore Angola. • Sanctioned Droshky and Ozona development projects in the Gulf of Mexico. • Awarded 49 percent interest in Bone Bay Block offshore Indonesia.
December 2008	• Entered into a definitive agreement to sell Marathon Oil Ireland Limited for an estimated $180 million, excluding post-closing adjustments. The transaction includes the Kinsale Head, Ballycotton and Seven Heads assets. • Reached approximately 75 percent completion of Garyville, Louisiana, refinery expansion. • Converted to 100 percent ethanol blended fuel (E-10 gasohol) at 24 Midwest and three Southeast terminals.

MAJOR PROJECTS

Region	Segment	Asset	Planned First Production or Start-Up	Working Interest
Gulf of Mexico	Upstream	Arnold	2008 (Delivered)	62.5%
Gulf of Mexico	Upstream	Neptune	2008 (Delivered)	30%
Norway	Upstream	Alvheim/Vilje	2008 (Delivered)	65% / 47%
Norway	Upstream	Volund	2009	65%
Louisiana	Downstream	Garyville Refinery	2009	100%
Gulf of Mexico	Upstream	Droshky	2010	100%
Ireland	Upstream	Corrib	2010 – 2011	18.5%
Libya	Upstream	Faregh II	2010 – 2012	16.33%
Canada	Oil Sands	AOSP Expansion 1	2011	20%
Gulf of Mexico	Upstream	Ozona	2011	68%
Angola	Upstream	Block 31 PSVM	2012	10%
Michigan	Downstream	Detroit Refinery	2012	100%
Angola	Upstream	Block 31 Mid	2013+	10%
Angola	Upstream	Block 31 SE	2013+	10%
Angola	Upstream	Block 32 East	2013+	30%
Canada	Oil Sands	In-situ	2013+	Varies
Gulf of Mexico	Upstream	Stones	2013+	25%
Libya	Upstream	Dahra-Jofra	2013+	16.33%
Libya	Upstream	NC-98	2013+	16.33%
Libya	Upstream	North Gialo	2013+	16.33%

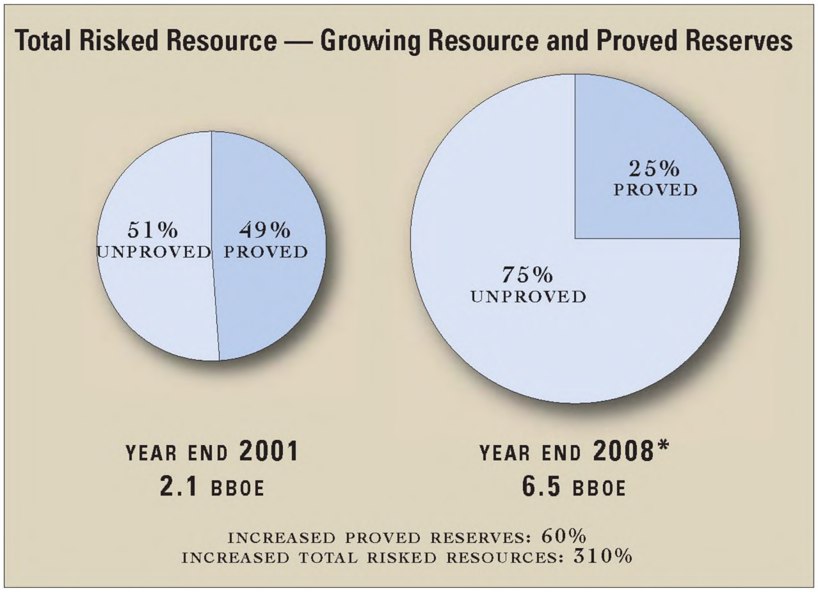
EXPLORATION AND PRODUCTION

Marathon is the fourth largest U.S.-based fully integrated energy company, with exploration and production operations in the U.S., Angola, Canada, Equatorial Guinea, Gabon, Indonesia, Ireland, Libya, Norway and the U.K.

The Company's exploration and production business focuses on growth that is well-defined, profitable and sustainable. During the 12 months ended December 2008, sales averaged 211.5 thousand barrels per day (mbpd) of liquid hydrocarbons and 1.016 billion cubic feet per day (bcfd) of natural gas, or 380.9 thousand barrels of oil equivalent per day (mboepd).

Since 2001, the Company has expanded its risked resource base from 2.1 billion barrels of oil equivalent (bboe) to 6.5* bboe at year-end 2008. During the same time period, the Company has increased its proved reserve base approximately 60 percent from 1.0 bboe to 1.6* bboe.

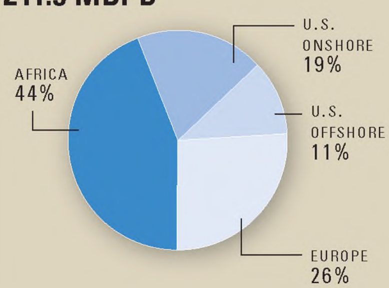
Marathon continues to grow an inventory of strong production projects across the globe. This includes Marathon's re-entry into Libya, the Alvheim/Vilje development in Norway, significant investments in the Gulf of Mexico and the Bakken and Piceance resource plays in the U.S., and increased production in Equatorial Guinea. In addition, the Company is progressing development plans for recent discoveries in Angola and has commenced exploration activities in Indonesia as it seeks to develop new core areas.



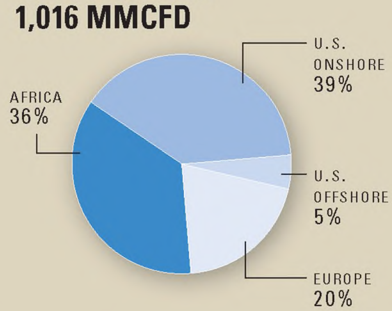
* Includes 0.39 bboe proved and 2.21 bboe risked unproved resources from Canadian Oil Sands. Oil Sands Mining reserves are not included in proved reserves disclosures regulated by the Securities and Exchange Commission (SEC).

WORLDWIDE PRODUCTION Average Daily Net Sales, 12 Months Ended December 2008					
Totals	**Area**	**Liquids MBPD**	**Gas MMCFD**	**Total MBOEPD**	**Percent Worldwide Production**
United States					
	Alaska	0.1	126	21.2	5.6%
	Colorado		5	0.8	0.2%
	Louisiana	1.3	9	2.8	0.7%
	New Mexico	6.4	30	11.4	3.0%
	North Dakota	5.5	2	5.8	1.5%
	Oklahoma	3.5	77	16.3	4.3%
	Texas	4.6	55	13.8	3.6%
	Wyoming	19.2	123	39.7	10.4%
	Gulf of Mexico	22.8	21	26.2	6.9%
Total U.S.		63.4	448	138.0	36.2%
Africa					
	Equatorial Guinea	40.5	366	101.5	26.7%
	Gabon	6.1		6.1	1.6%
	Libya	46.1	4	46.8	12.3%
Total Africa		92.7	370	154.4	40.6%
Europe					
	Ireland		37	6.2	1.6%
	Norway	31.6	36	37.7	9.9%
	United Kingdom	23.8	125	44.6	11.7%
Total Europe		55.4	198	88.5	23.2%
Total Worldwide Production		211.5	1,016	380.9	100%

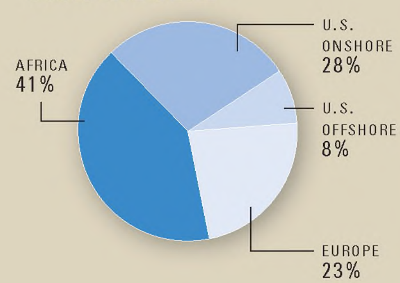
Liquids Production
211.5 MBPD



Gas Production
1,016 MMCFD



Total Production
380.9 MBOEPD



North America

UNITED STATES

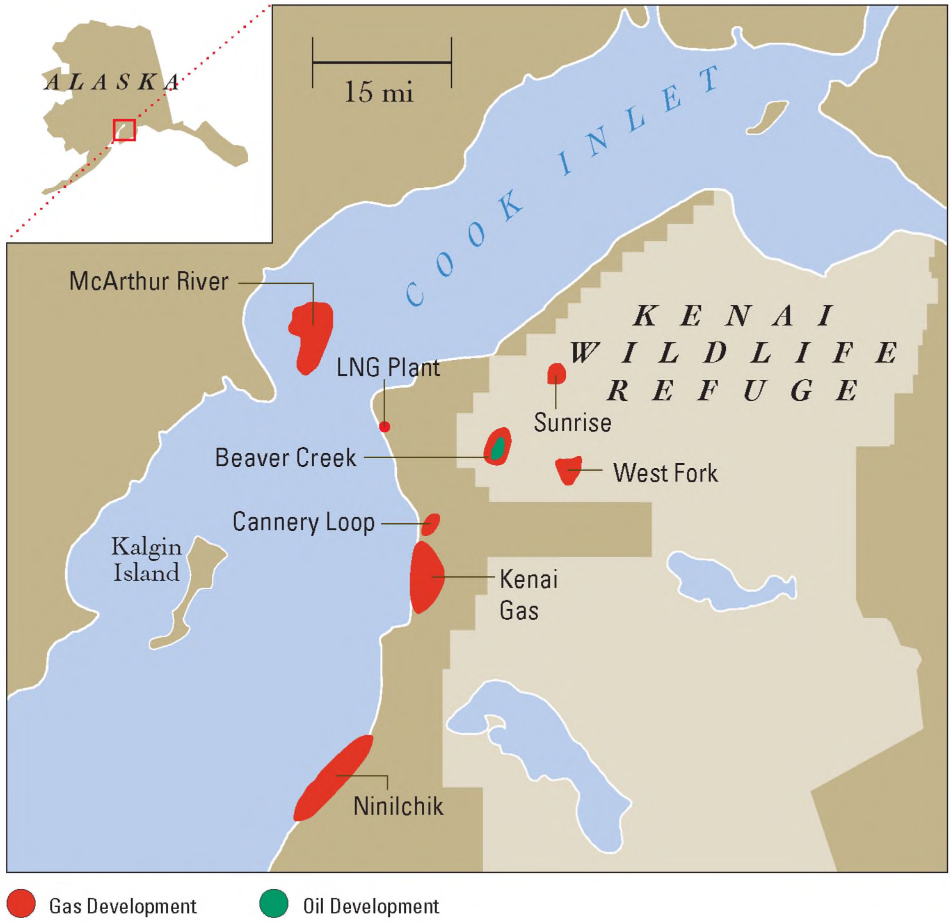
Marathon maintains strong assets in basins in Alaska, Colorado, Louisiana, New Mexico, North Dakota, Oklahoma, Texas, Wyoming and the Gulf of Mexico that have high resource potential. U.S. net liquid hydrocarbon sales for the 12 months ended December 2008 averaged 63.4 mbpd, or 30 percent of the Company's worldwide liquid hydrocarbon sales. Net natural gas sales averaged 448 million cubic feet per day (mmcfd), or 44 percent of Marathon's worldwide gas sales.

ALASKA

Marathon has been exploring for, and developing, hydrocarbons in Alaska for more than 55 years, with exploration activities focused on natural gas. Marathon ranks as one of the largest gas producers and is the most active driller in south central Alaska along the Kenai Peninsula. Net gas sales for the 12 months ended December 2008 averaged 126 mmcfd, representing 28 percent of Marathon's total U.S. gas sales.

In 2008, Marathon drilled nine production wells in the Cook Inlet region in the Beaver Creek, Ninilchik and Kenai Gas fields. These wells targeted the Tyonek and Beluga reservoirs, which are fluvial deposits composed of very fine to fine grained sands. The Beluga, in particular, has a complex reservoir architecture with highly discontinuous sands. The Beluga, and in some cases the Tyonek, stacked pay intervals are completed using Marathon's patented EXcape™ technology. Marathon also progressed exploration efforts with the Sunrise project. Sunrise is located northeast of Marathon's existing fields and targets Tyonek reservoirs.

In 1969, Marathon jointly pioneered the first, and currently only, liquefied natural gas (LNG) liquefaction and export operation from North America. For more information on this joint venture, see page 24.



Alaska — Average Daily Net Sales, 12 Months Ended December 2008

Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	Total MBOEPD
Beaver Creek	100%	Marathon	0.1	12	2.1
Cannery Loop	100%	Marathon		16	2.7
Kenai Gas	100%	Marathon		42	7.1
McArthur River	51%	Chevron		26	4.3
Ninilchik	60%	Marathon		26	4.3
Other	Varies	Varies		4	0.7
Total			0.1	126	21.2

COLORADO

Marathon's leasehold position in Colorado includes approximately 9,000 net acres in the Piceance Basin, with net risked recoverable resources estimated to be as much as 900 billion cubic feet (bcf). The acreage, in Garfield County in the Greater Grand Valley Field Complex, is flanked by, and on-trend with, adjacent production.

The primary reservoir is the Williams Fork Formation of the Mesaverde Group, which is characterized as a massive 3,000-foot thick sequence of stacked overpressured channel sands in a continuous gas accumulation. The target reservoir is encountered at measured depths of 6,500 to 8,500 feet. Marathon anticipates drilling approximately 150 wells over the next five years. The Company is currently running one rig, and anticipates drilling approximately 30 wells within the Basin during 2009. This program has the potential to add net peak production of up to 70 mmcfd of gas by 2018. Net gas sales for the 12 months ended December 2008 averaged 5 mmcfd.

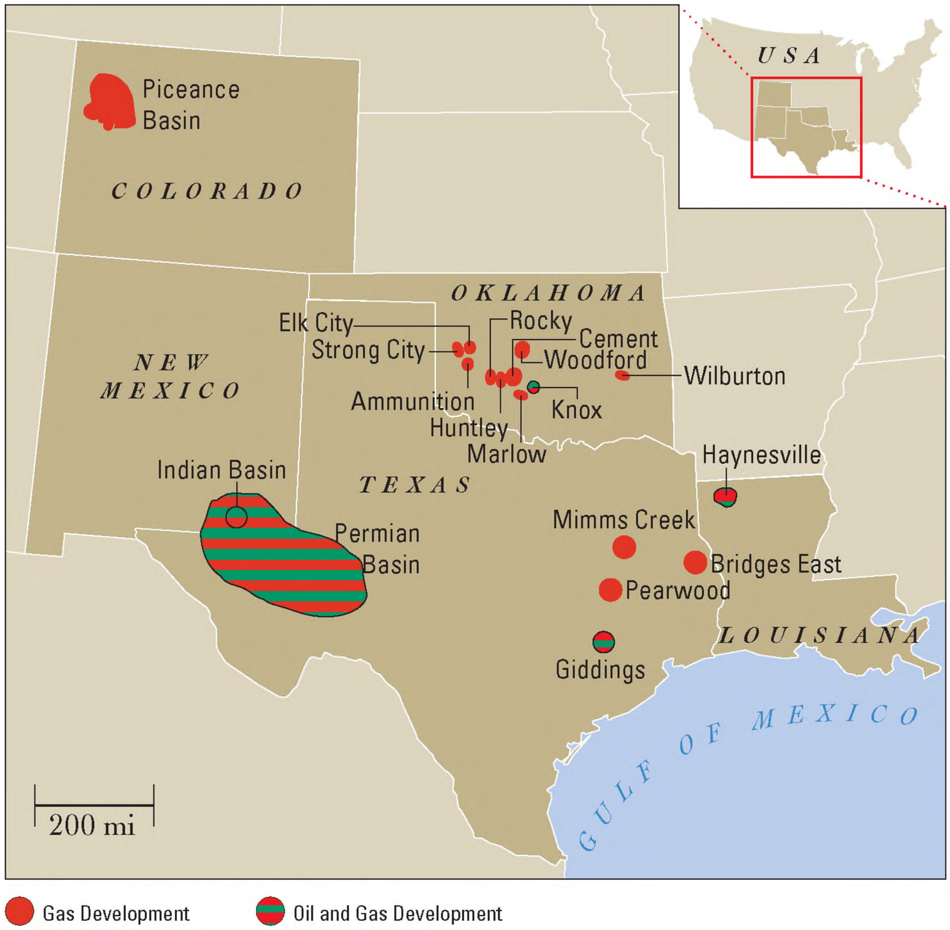
NEW MEXICO

Marathon produces from many of the large legacy fields having multiple producing horizons in New Mexico, including the Indian Basin Field near Carlsbad in Eddy County, and the Drinkard, Eunice, Vacuum and Monument fields in Lea County. Net sales for the 12 months ended December 2008 averaged 6.4 mbpd of liquid hydrocarbons and 30 mmcfd of natural gas, representing 10 percent and 7 percent of Marathon's total U.S. liquid hydrocarbon and natural gas sales, respectively.

NORTH DAKOTA

Marathon holds more than 320,000 net acres in the Bakken oil play in North Dakota and eastern Montana. The Company's acreage is within the established Williston Basin in Billings, Divide, Dunn, McKenzie, Mountrail and Williams counties in North Dakota, and Richland County in Montana, with potential net risked resources of more than 150 million barrels of oil equivalent (mmboe).

This position provides Marathon access to significant resources in North America. The Company draws upon its extensive experience in reservoir characterization, horizontal drilling, well stimulation, and commercial and marketing expertise in the Rocky Mountain Basins to leverage this substantial position in the Bakken formation. Drilling commenced in May 2006, leading to first production from Marathon-operated Bakken wells in August 2006. The Company currently has four rigs drilling in the Basin. Marathon anticipates drilling approximately 225 gross wells over the next five years (46 during 2009), with the potential to have approximately 15 mboepd of net peak production by 2015.



Colorado — Average Daily Net Sales, 12 Months Ended December 2008

Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	NGL MBPD	Total MBOEPD
Piceance Basin (CO)	Varies	Marathon		5		0.8

Indian Basin & Permian Basin — Average Daily Net Sales, 12 Months Ended December 2008

Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	NGL MBPD	Total MBOEPD
Indian Basin (NM)	Varies	Marathon	0.7	17	1.5	5.0
Permian Basin (NM)	Varies	Varies	3.1	13	1.1	6.4
Permian Basin (TX)	Varies	Varies	4.1	4	0.3	5.2
Total			7.9	34	2.9	16.6

Louisiana, Oklahoma & East Texas — Average Daily Net Sales, 12 Months Ended December 2008

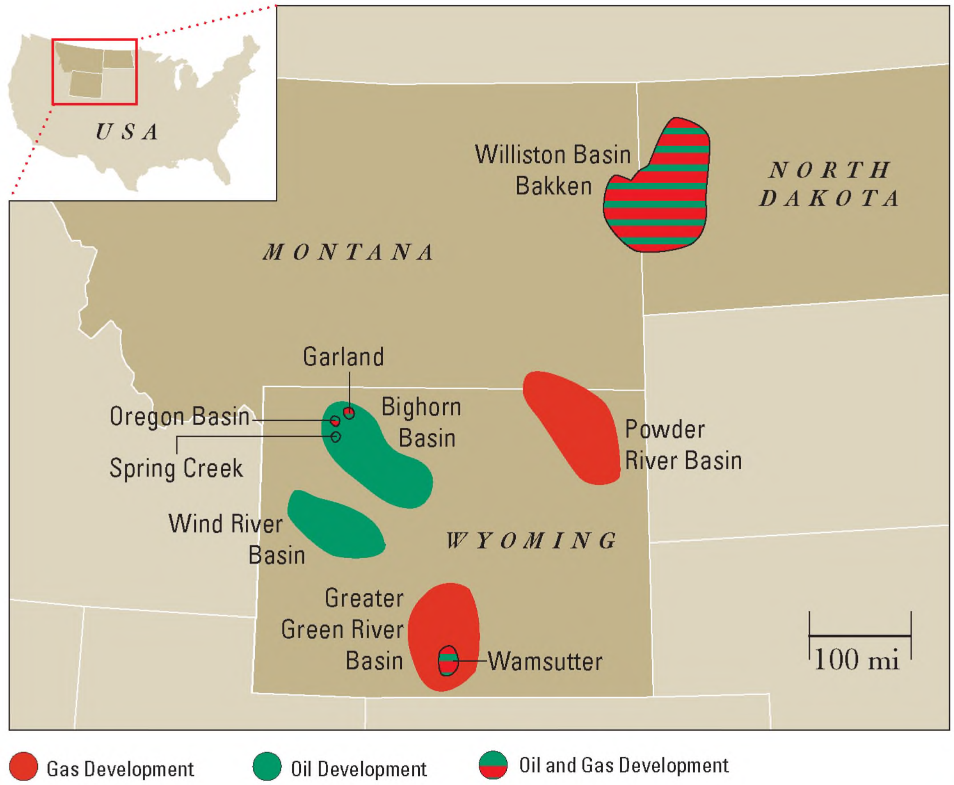
Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	NGL MBPD	Total MBOEPD
Haynesville (LA)	Varies	Marathon	0.5	7	0.6	2.3
Ammunition (OK)	42%	Varies		7	0.4	1.6
Cement (OK)	37%	Varies		7		1.2
Knox (OK)	45%	Varies	0.4	10	0.9	2.9
Rocky (OK)	60%	Varies		13		2.1
Bridges East (TX)	Varies	Marathon		2		0.4
Giddings (TX)	Varies	Marathon	0.2	8		1.4
Mimms Creek (TX)	Varies	Marathon		13		2.2
Pearwood (TX)	Varies	Marathon		13		2.1
Other	Varies	Varies	0.8	57	1.2	11.5
Total			1.9	137	3.1	27.7

OKLAHOMA

Marathon has been actively involved in exploration and production in Oklahoma for more than 70 years. The Company has well-established production in the Anadarko Basin from operations including the Cement, Huntley, Rocky, Knox, Elk City and Ammunition fields. Oklahoma net gas sales for the 12 months ended December 2008 averaged 77 mmcfd, which represents 17 percent of Marathon's total U.S. gas sales.

Targeting deep gas reserves, Marathon has discoveries in the Rocky Field in Wachita County, Huntley and Cement fields in Caddo County, Marlow Field in Stephens County and the Elk City area in Beckham County. In 2008, Marathon acquired more than 23,000 net undeveloped acres in key strategic exploration projects along the Wichita Mt. Front and the Deep Anadarko Basin.

In 2008, Marathon's exploration program resulted in six new discoveries in the Deep Anadarko Basin. These discoveries currently contribute approximately 20 mmcfd net sales and expose Marathon to approximately 18 mmboe of net discovered risked resource. The Company currently holds a 30,000 acreage position in the core of the emerging Woodford Shale play in the Anadarko Basin. In 2008, 27 gross (10 net) exploration and appraisal wells focused in the Deep Anadarko Basin and Woodford play were drilled and completed, with participation in more than 25 development wells throughout the state. In 2008, the Company completed the Cana No. 1-15H discovery well in the Woodford play in Canadian County. The well flowed at an initial rate of 5.2 mmcfd. Drilling activity will focus on the Woodford Shale play in 2009 with continued activity in the Deep Anadarko Basin, targeting multiple pay objectives defined by 3-D seismic technology.



North Dakota — Average Daily Net Sales, 12 Months Ended December 2008						
Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	NGL MBPD	Total MBOEPD
Bakken	Varies	Varies	5.5	2		5.8

Wyoming — Average Daily Net Sales, 12 Months Ended December 2008						
Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	NGL MBPD	Total MBOEPD
Garland (WY)	100%	Marathon	2.4	1		2.7
Oregon Basin (WY)	100%	Marathon	5.5	6	0.1	6.6
Powder River Basin (WY)	Varies	Marathon/ Others		87		14.4
Spring Creek (WY)	100%	Marathon	3.2			3.2
Wamsutter (WY)	40%	Marathon/ Devon/BP/ Others	0.2	20		3.5
Other	Varies	Varies	7.8	9		9.3
Total			19.1	123	0.1	39.7

PENNSYLVANIA AND WEST VIRGINIA

Marathon has expanded its exploration activity into the Eastern U.S., focusing on the Marcellus Shale resource play in the Appalachian Basin in Pennsylvania and West Virginia, where the Company holds approximately 65,000 net acres. Leasing activity has positioned Marathon to be a significant player in this emerging play, with operations to commence in 2009. The Company will draw upon its extensive experience in reservoir characterization, horizontal drilling, well stimulation, and commercial and marketing expertise that it has exhibited in the Bakken play in North Dakota.

TEXAS

Marathon's onshore Texas net sales for the 12 months ended December 2008 averaged 4.6 mbpd of liquid hydrocarbons and 55 mmcfd of natural gas, representing 7 percent and 12 percent of Marathon's total U.S. liquid hydrocarbon and natural gas sales, respectively.

Production in the active Mimms Creek Field in East Texas originates from the Bossier and Cotton Valley sands, which are challenging formations of tight rock more than two miles below the surface. Gross sales from the Marathon-operated Pearwood Field have reached 40 mmcfd since development of the Cotton Valley Carbonate shoal began in early 2005. In 2008, development activity focused on horizontal well drilling in the Pettit formation and vertical drilling in the Travis Peak. Additional development drilling is planned for the Cotton Valley Carbonate shoal, Bossier and James Lime in other asset areas of East Texas.

Marathon also focuses its exploration activity in East Texas on the Deep Bossier reservoirs, acquiring more than 10,000 undeveloped net acres in 2008, with plans to drill several exploration wells in 2009. The Company is also positioned with more than 25,000 net legacy acres in the emerging Haynesville Shale resource play, with initial plans for development in 2009.

WYOMING

Marathon has more than 95 years of experience in exploration and development in Wyoming. The Company continues to be a leading performer in enhancing the recovery of oil from fractured carbonate and sandstone reservoirs in the mature Bighorn Basin and Wind River Basin fields, with an active workover program continuing in 2009 and enhanced oil recovery projects planned for future years.

Marathon's net liquid hydrocarbon sales in Wyoming for the 12 months ended December 2008 averaged 19.2 mbpd, representing 30 percent of the Company's U.S. liquid hydrocarbon sales. Net gas sales averaged 123 mmcfd, representing 27 percent of Marathon's U.S. gas sales.

The Spring Creek Field in the Bighorn Basin was acquired by Marathon in 2000. Subsequent reservoir management and an infill drilling program raised net sales from 800 barrels of oil per day in 2001 to more than 3.2 mbpd currently.

Marathon has conventional gas operations in the Greater Green River Basin of Southwest Wyoming, with primary focus in the Wamsutter Field. Southwest Wyoming net sales for the 12 months ended December 2008 averaged 27 mmcfd.

The Company holds 300,000 net acres in Wyoming's coalbed natural gas resources in the Powder River Basin, most of which the Company operates. During the 12 months ended December 2008, Marathon's net sales in the Basin averaged 87 mmcfd, which represents approximately 19 percent of the Company's U.S. gas sales. Development continues in the Fairway and Sheridan areas, with more than 77 gross wells planned for 2009.

U.S. Gulf of Mexico — Average Daily Net Sales, 12 Months Ended December 2008

Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	NGL MBPD	Total MBOEPD
Ewing Bank (Lobster, Oyster and Arnold)	66.67%, 66.67%, 62.5%	Marathon	4.9	3	0.4	5.7
Neptune	30%	BHP Billiton	3.7	2	0.1	4.2
Petronius	50%	Chevron	9.7	10		11.3
Other	Varies	Varies	3.9	6	0.1	5.0
Total			22.2	21	0.6	26.2

GULF OF MEXICO

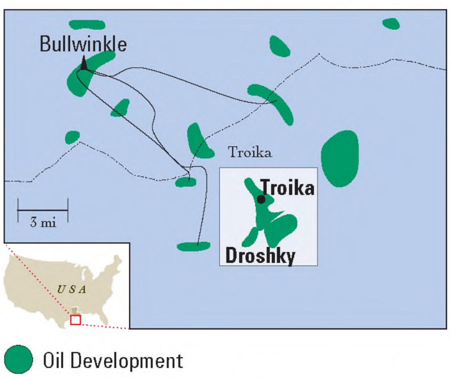
The Gulf of Mexico continues to be a core area for Marathon, with promising development and exploration potential. Marathon's Gulf of Mexico net sales for the 12 months ended December 2008 averaged 22.8 mbpd of liquid hydrocarbons and 21 mmcfd of natural gas, representing 36 percent and 5 percent of Marathon's total U.S. liquid hydrocarbon and gas sales, respectively. The Company currently has interests in six producing fields and three platforms, of which Marathon operates one.

The Company has rebuilt its inventory of prospects for future exploration activity in the deepwater Gulf of Mexico, and over the last 18 months was high bidder on 42 blocks in the Outer Continental Shelf lease sales.

The following is a summary of Marathon's significant production and development projects in the Gulf:

Droshky: The Droshky discovery (formerly named Troika Deep), is two miles south of the Troika Field Production System in approximately 2,900 feet of water. Marathon holds a 100 percent working interest in Droshky, excluding royalty adjustments. The initial well was drilled to a total depth of 21,190 feet and encountered approximately 250 feet of net oil pay. The downdip appraisal sidetrack encountered more than 600 feet of net oil pay, while the lateral sidetrack encountered approximately 300 feet of net oil pay. All pay intervals are Upper Miocene in age. Preliminary analysis suggests that Droshky holds 30- to 32-degree API fluids, similar to the Troika Field. In October 2008, Marathon sanctioned a project that will consist of four development wells. Marathon has secured the Noble Paul Romano rig to begin drilling in 2009, and first production is targeted for 2010. Expected net peak production is about 45 mbpd of liquid hydrocarbons and 37 mmcfd of natural gas, after royalties.

Ewing Bank (Arnold, Lobster and Oyster): Located 130 miles south of New Orleans, Louisiana, this 1994 development serves as a production hub platform. A significant contributor to the Company's Gulf of Mexico portfolio, the Lobster platform stands in 775 feet of water. In March 2008, the Arnold #4 subsea well came onstream. During the 12 months ended December 2008,



net sales averaged 5.3 mbpd of liquid hydrocarbons and 3 mmcfd of natural gas.

Gunflint (Mississippi Canyon Block 948): In October 2008, Marathon participated in a successful discovery well on the Gunflint prospect, located on Mississippi Canyon Block 948, in the deepwater Gulf of Mexico. The well is located approximately 160 miles southeast of New Orleans, and was drilled in about 6,100 feet of water, to a total depth of approximately 29,280 feet. The well encountered more than 550 feet of net hydrocarbon-bearing sands in the Middle and Lower Miocene reservoirs.

Marathon owns a 12.5 percent working interest in Mississippi Canyon Block 948. Noble Energy Inc. holds a 37.5 percent working interest in the well and will serve as operator for the block. BP Exploration & Production Inc. operated the exploration well with a 25 percent working interest. Samson Offshore Company owns the remaining 25 percent working interest.

Neptune (Atwater Valley Blocks 573, 574, 575, 617 & 618): Discovered in 1995, Neptune was the first discovery in the Atwater Foldbelt trend, approximately 120 miles off the coast of Louisiana. Marathon holds a 30 percent working interest in Neptune, which consists of five Outer Continental Shelf blocks. Marathon's partners in Neptune are BHP Billiton, which holds a 35 percent working interest and serves as operator; Woodside Petroleum Limited, with a 20 percent working interest; and Maxus (US) Exploration, a subsidiary of Repsol YPF, with a 15 percent working interest.

Neptune was sanctioned for development in June 2005. Production commenced in July 2008. Field development consists of six subsea wells tied back to a mini-tension leg platform (TLP). The mini-TLP is situated above the Sigsbee Escarpment on Green Canyon Block 613 in approximately 4,300 feet of water. The subsea wells are located below the escarpment in approximately 5,200 feet of water. The oil and gas are exported via the existing Caesar and Cleopatra trunk lines.

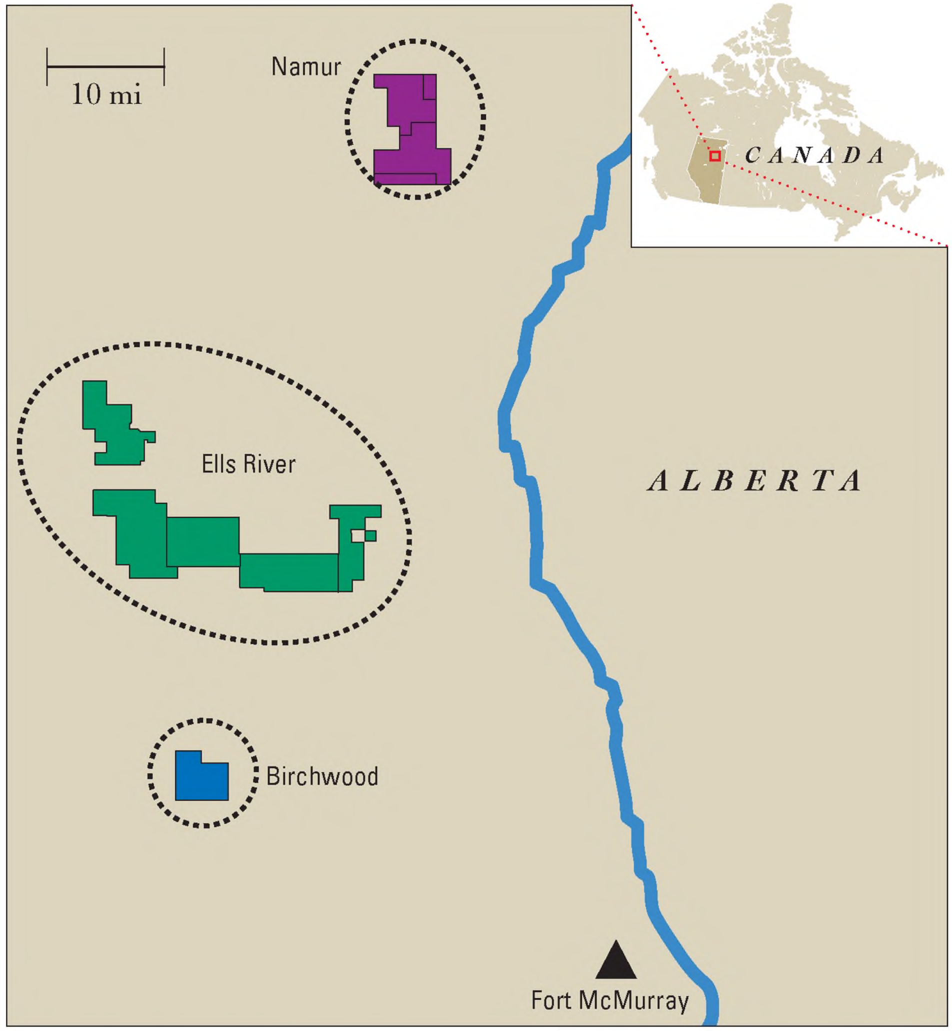
Ozona (Garden Banks Block 515): Marathon holds a 68 percent working interest in the Ozona Field, and serves as operator. Marubeni holds the remaining 32 percent working interest. Ozona was sanctioned for development in October 2008. Marathon has contracted with the Noble Jim Day rig to complete one previously drilled appraisal well, which will be tied back to Shell's Auger platform. First production is expected in 2011, with an anticipated net peak rate of about 6 mbpd of oil and 13 mmcfd of natural gas, after royalties.

Petronius/Perseus (Viosca Knoll Blocks 786/830): Marathon holds a 50 percent working interest in these blocks, approximately 130 miles southeast of New Orleans. Chevron USA holds the remaining 50 percent working interest and serves as operator. The Petronius development consists of a compliant tower structure with production and drilling facilities.

Current net production from Petronius is 9.5 mbpd and 10 mmcfd. The platform was set over six predrilled wells, drilled to several sandstone reservoirs approximately 10,000 feet below sea level. The tower is 2,001 feet tall and is installed in 1,754 feet of water. Petronius is capable of providing processing and transportation services to adjacent third-party fields.

Shenandoah (Walker Ridge Block 52): Marathon holds a 10 percent working interest in the Shenandoah discovery located in Walker Ridge Block 52. This discovery encountered almost 300 feet of net pay. The well targeted the Lower Tertiary trend and is located in 5,815 feet of water and was drilled to a total measured depth of about 30,500 feet. Anadarko is the operator and holds a 30 percent working interest, along with ConocoPhillips (40 percent) and Cobalt (20 percent).

Stones (Walker Ridge Block 508): In 2005, Marathon participated in the Stones #1 discovery well. This well targeted the Lower Tertiary trend. In 2008, Marathon and its partners drilled a successful appraisal well. The well was drilled at a water depth of 7,500 feet to a total depth of 29,400 feet, with oil located in multiple reservoirs. Shell holds a 35 percent working interest and serves as operator; Marathon and Petrobras each hold a 25 percent working interest; and ENI S.p.A holds the remaining 15 percent.



CANADA

Eighty percent of the known resource in Canada's oil sands is too deep to mine, and requires in-situ technology. Marathon is well placed to exploit this resource through its land position and technology development initiatives.

Marathon holds ownership interests in both operated and non-operated oil sands leases that have the potential to be developed using in-situ methods of extraction. These leases cover approximately 143,000 gross acres (55,000 net), and are located near Fort McMurray, Alberta.

Marathon's in-situ recoverable resource from these leases is expected to grow to at least 1.5 billion barrels from several projects:

- The Company operates a 100 percent working interest in the Birchwood project and a 60 percent working interest in the Namur project.
- Marathon also holds a 20 percent working interest in the outside-operated Ells River project.

All three projects have appraisal programs in place.

Africa

ANGOLA

Marathon's holdings offshore Angola include a 10 percent working interest in Block 31 and a 30 percent working interest in Block 32. As of December 2008, Marathon and its partners have participated in 28 discoveries in the Angolan deepwater exploration program. The Company is encouraged by its successes in this exploration trend and sees Angola as a future core area with significant production potential.

BLOCK 31

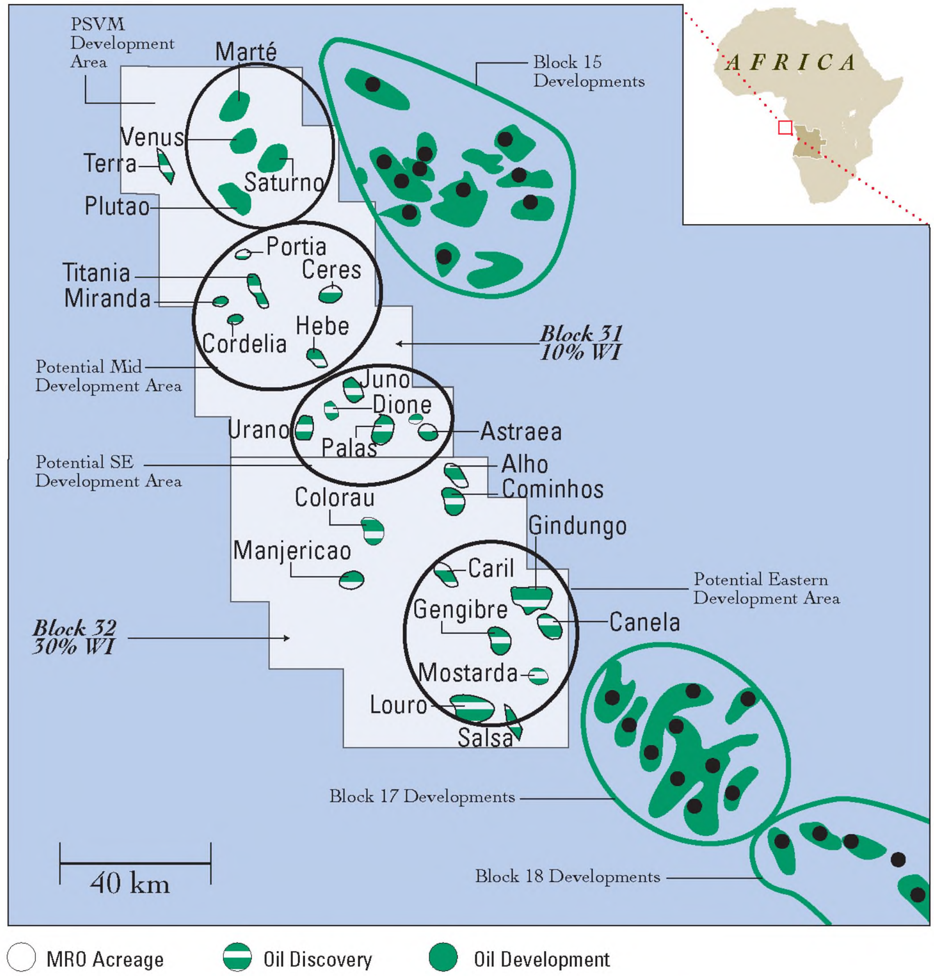
Marathon and its partners have announced 17 successful exploration wells on Block 31 since late 2001. Marathon's partners in Block 31 are BP Exploration Angola (26.67 percent and operator), Esso Exploration and Production Angola (25 percent), Sonangol (20 percent), Statoil Angola A.S. (13.33 percent) and Total Exploration and Production Angola (5 percent).

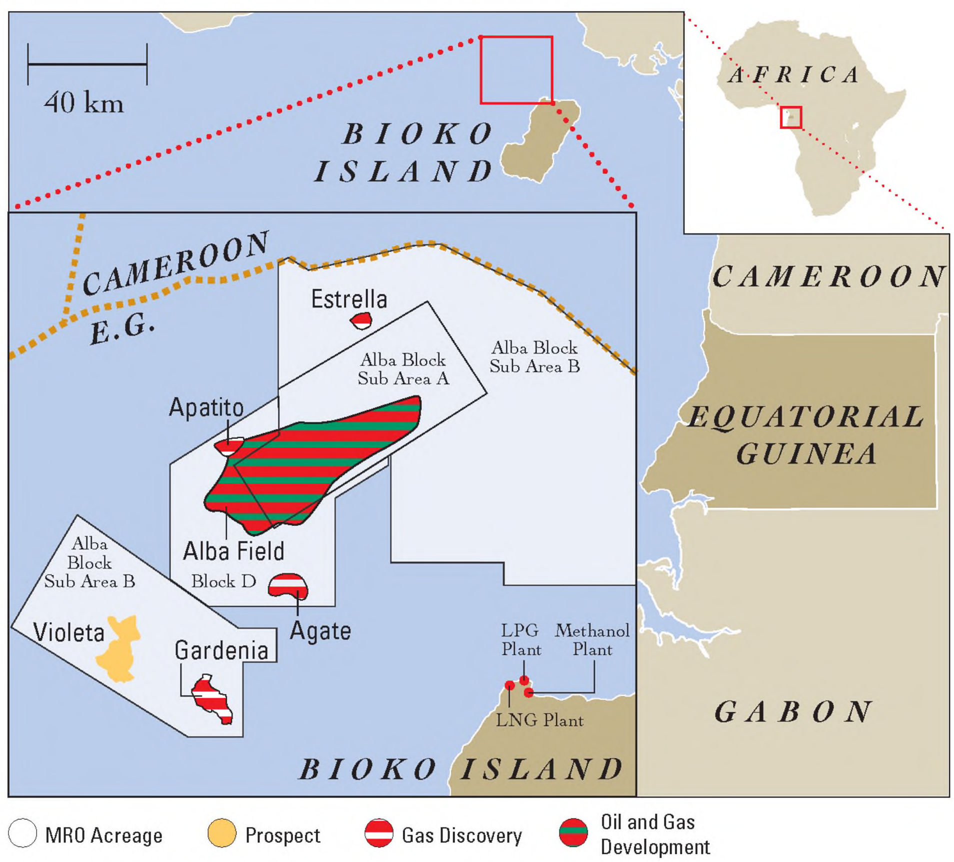
In July 2008, Marathon and its co-venturers received approval to proceed with the first deepwater oil development project on Angola Block 31, comprised of the Plutao, Saturno, Venus and Marté (PSVM) fields. This will be the first of multiple developments anticipated in Block 31. The PSVM will utilize a floating, production, storage and offloading (FPSO) vessel. Key contracts were awarded and construction work began in the second half of 2008. Peak gross production of about 150,000 barrels per day (bpd) is targeted in 2012. A total of 48 production and injection wells are planned.

BLOCK 32

Marathon and its partners have announced 11 successful exploration wells on Block 32.

At least one development is planned on Block 32. Marathon's partners in the block are Total Exploration and Production Angola (30 percent and operator), Sonangol





Angola — Block 31 (Working Interest 10 Percent)				
Well	**Water Depth**	**Total Depth**	**Flow Rate BPD**	**Year Drilled**
Dione	5,500'	10,700'	5,000	2008
Portia	6,500'	15,600'	5,000	2008
Cordelia	7,573'	13,337'	2,063	2007
Miranda	7,990'	17,004'	3,822	2007
Titania	7,060'	17,516'	2,050	2006
Terra	7,637'	20,996'	No DST	2006
Urano	6,444'	20,110'	1,970	2006
Hebe	6,588'	15,823'	5,956	2005
Astraea	4,908'	12,598'	6,513	2005
Juno	5,253'	10,499'	2,676	2005
Ceres	5,358'	14,220'	5,644	2005
Palas	5,256'	12,367'	5,330	2005
Venus	6,600'	14,784'	No DST	2004
Marté	6,489'	13,756'	5,200	2003
Saturno	5,919'	15,444'	5,000	2003
Plutao	6,628'	14,607'	5,357	2002

Angola — Block 32 (Working Interest 30 Percent)				
Well	**Water Depth**	**Total Depth**	**Flow Rate BPD**	**Year Drilled**
Alho	5,273'	16,343'	5,400	2007
Colorau	5,884'	10,995'	2,130	2007
Cominhos	5,227'	14,751'	6,258	2007
Louro	6,178'	16,136'	No DST	2007
Caril	5,489'	13,675'	6,300	2007
Salsa	5,925'	13,205'	3,686	2006
Manjericao	6,487'	13,072'	Mini-DST	2006
Mostarda	5,768'	14,748'	5,347	2006
Gengibre — 1	5,587'	14,541'	4,724	2005
Canela	5,053'	11,975'	6,800	2004
Gindungo	4,739'	15,670'	7,400 & 5,700 from two zones	2003

Equatorial Guinea — Average Daily Net Sales, 12 Months Ended December 2008						
Key Fields	**Working Interest**	**Operator**	**Oil MBPD**	**Gas MMCFD**	**NGL MBPD**	**Total MBOEPD**
Alba	63%	Marathon	29.4	366	11.1	101.5

(20 percent), Esso Exploration and Production Angola (15 percent) and Petrogal (5 percent). Studies are underway in order to establish a development in the Eastern part of the block, and assess the development potential of the other discoveries.

EQUATORIAL GUINEA

Marathon established its exploration and production area in the Alba Field in Equatorial Guinea in early 2002. The Company's current holdings include a 63 percent working interest in the Alba Field, a 52 percent working interest in the Alba liquefied petroleum gas (LPG) plant, a 45 percent working interest in Atlantic Methanol Production Company LLC (AMPCO), and a 60 percent interest in an LNG production facility on Bioko Island.

Net sales for the 12 months ended December 2008 averaged 29.4 mbpd of condensate and 11.1 mbpd of natural gas liquids (NGL) for total net liquid hydrocarbon sales of 40.5 mbpd. This represents 27 percent of the Company's international liquid hydrocarbon sales. Net gas sales averaged 366 mmcfd during this period, representing 64 percent of Marathon's international gas sales.

Approximately 130 mmcfd gross of the dry gas remaining after the condensate and LPG are removed is supplied to the AMPCO plant on Bioko Island, where it is used to manufacture 3,000 tonnes of methanol per day. Marathon and its partners' 3.7 million gross metric tonnes per annum (mmtpa) liquefaction facility is aligned with, and integrated into, Marathon's gas processing operations on Bioko Island. Approximately 650 gross mmcfd of the Alba Field dry gas is supplied to the LNG production facility as feedstock. Approximately 3 trillion gross cubic feet (tcf) of dry gas from the Marathon-operated Alba Field will be processed through the plant under a contract with BG Gas Marketing Ltd. See page 24 for more information on this project.

GABON

Marathon holds a 56.25 percent working interest in three offshore production fields in Gabon: Tchatamba Marin, Tchatamba South and Tchatamba West. Marathon is the operator of all three fields. Production is processed at a single facility at Tchatamba Marin, with processed oil being transported through a pipeline to a non-operated onshore facility. The Tchatamba Marin Field was discovered in 1995 and began production in early 1998. The Tchatamba South and West fields were discovered in 1997 and came on stream in 1999 and 2000, respectively. Development work completed during 2003 brought production levels up to the gross facility capacity of approximately 42 thousand barrels of oil per day (mbopd).

A major project was completed in 2002 that consisted of installing a 27-mile pipeline for tie-in to Total's existing onshore Rabi-Kounga pipeline, which flows to the Cap Lopez offloading terminal just north of Port-Gentil.

During the 12 months ended December 2008, Marathon's net sales in Gabon averaged 6.1 mbopd. This

Gabon — Average Daily Net Sales, 12 Months Ended December 2008			
Key Fields	**Working Interest**	**Operator**	**Oil MBPD**
Tchatamba Marin	56.25%	Marathon	1.3
Tchatamba South	56.25%	Marathon	4.6
Tchatamba West	56.25%	Marathon	0.2
Total			6.1

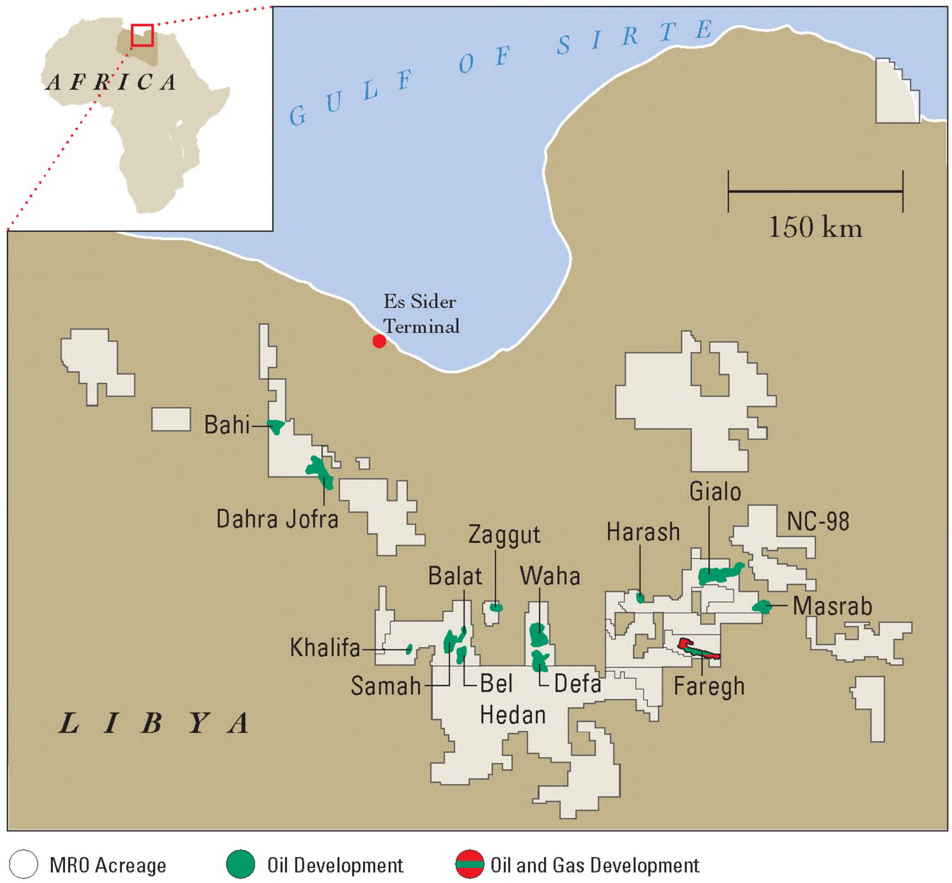
accounts for approximately 4 percent of Marathon's international liquids sales.

LIBYA

Marathon is a member of the Waha Group, which acquired exploration and production rights in Libya in the mid-1950s. Marathon and ConocoPhillips each hold a 16.33 percent working interest in the Waha Concessions, Hess Corporation an 8.16 percent working interest and the Libyan National Oil Corporation (NOC) holds a 59.16 percent working interest.

The Group ceased active participation in the Waha Concessions in 1986 following the imposition of trade sanctions by the U.S. government. From 1986 to 2005, the Waha Concessions were operated by the Waha Oil Company, a wholly owned subsidiary of the Libyan NOC. In 2004, the U.S. government lifted the sanctions on Libya, allowing Marathon and its partners to advance plans to return to the country.

The Concessions, which currently produce approximately 344 gross mbopd, encompass almost 13 million acres in the Sirte Basin. This basin is one of the most prolific oil and gas producing areas of Libya, containing sizable undeveloped oil and gas resources. Marathon added approximately 280 mmboe to the Company's proved reserves as a result of the re-entry into Libya and subsequent development operations.



Libya — Average Daily Net Sales, 12 Months Ended December 2008					
Key Fields	**Working Interest**	**Operator**	**Oil MBPD**	**Gas MMCFD**	**Total MBOEPD**
Waha Concessions	16.33%	Waha	46.1	4	46.8

During the 12 months ended December 2008, the Company's net liquid hydrocarbon sales were 46.1 mbpd. This represents 31 percent of Marathon's international liquid hydrocarbon sales.

Asia

INDONESIA

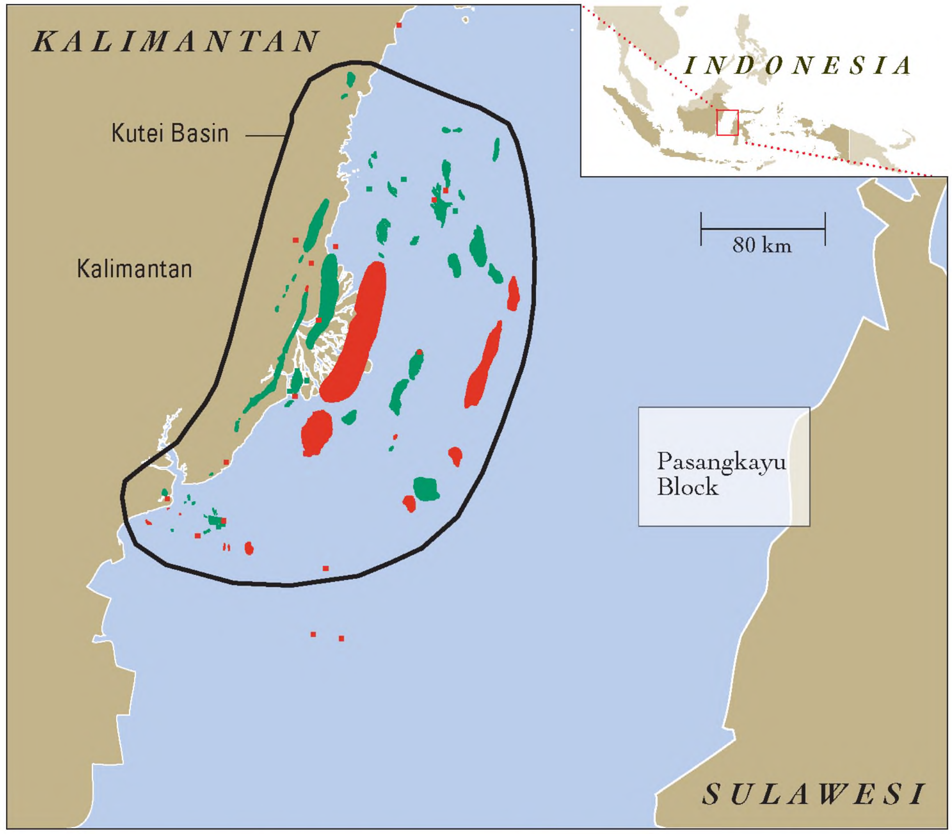
Marathon holds a 70 percent working interest in the 1.2 million-acre Pasangkayu Block, located on and offshore the island of Sulawesi in the Makassar Strait, directly east of the prolific Kutei Basin oil and gas production region. Approximately 10 percent of the block is located on Sulawesi, with the remaining 90 percent in water depths up to 7,200 feet. Water depths for the prospects range from 4,500 feet to 6,900 feet.

Marathon signed a Production Sharing Contract with the Indonesian government in 2006. The Company completed 3-D seismic acquisition in May 2008. Marathon led a consortium of six companies to secure a two-year rig contract for Indonesia. The Global Santa Fe Explorer will commence drilling in Indonesia in 2010. The consortium has the option to extend this rig contract.

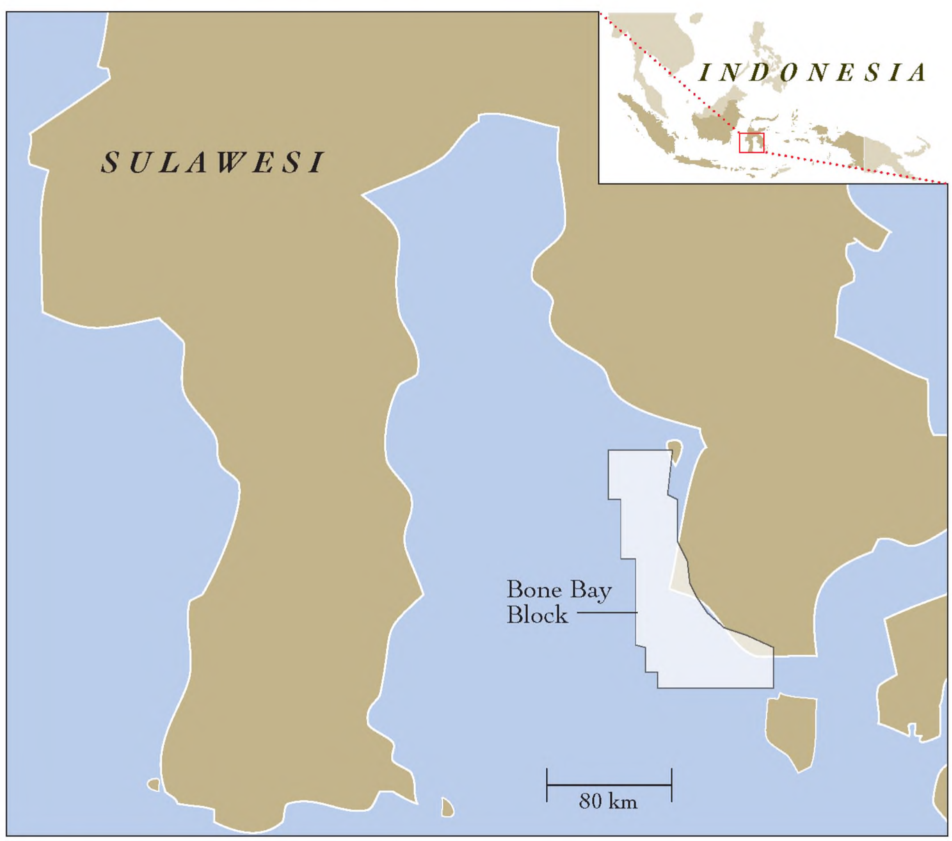
In October 2008, Marathon Oil was awarded a 49 percent interest and operatorship in the Bone Bay Block offshore Indonesia.

The Bone Bay Block is approximately 1.23 million acres and is located predominantly offshore southern Sulawesi Island, in the Bone Bay region. It is a high potential, underexplored area with water depths ranging between 165 to 6,500 feet.

The Bone Bay Block is about 200 miles southeast of Marathon's Pasangkayu Block.



MRO Acreage Oil Development Gas Development

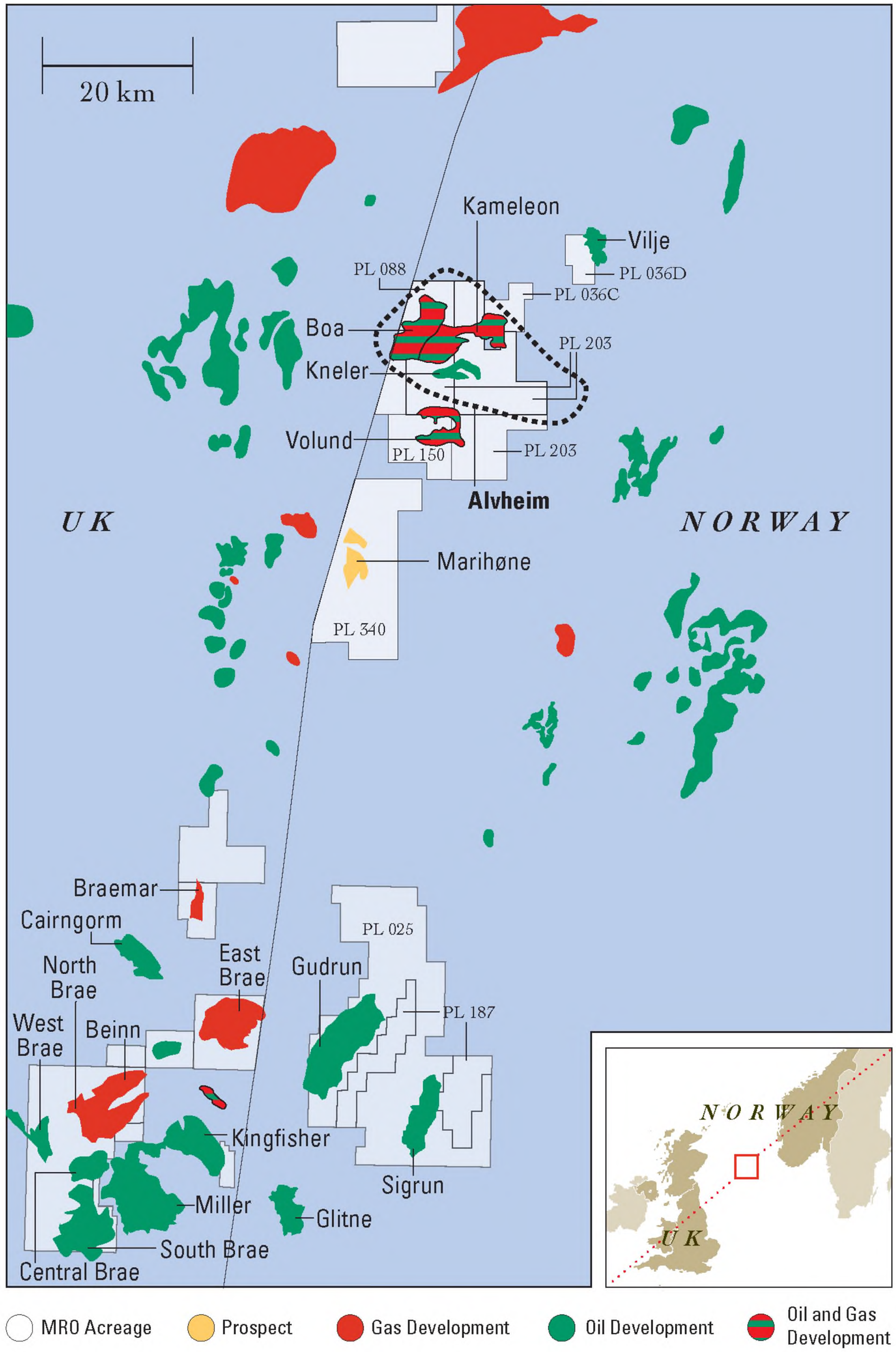


MRO Acreage

Europe

NORWAY

Norway is a strategic and growing core area for Marathon. The Company's first operatorship on the Norwegian Continental Shelf was approved in 2002, where today the Company operates seven licenses. Net sales in Norway averaged 31.6 mbopd and 36 mmcfd of gas for the 12 months ended December 2008. This represents 21 percent of the Company's international liquids sales and 6 percent of international gas sales.



ALVHEIM

Marathon holds a 65 percent working interest in, and serves as operator of, the Alvheim area. Marathon's partners in Alvheim are Norske ConocoPhillips AS, with a 20 percent working interest, and Lundin Norway AS, with the remaining 15 percent working interest. The Alvheim area is comprised of the Kneler, Boa and Kameleon fields and is estimated to contain net risked resources of approximately 130 mmboe. Kneler is eight miles west of the Heimdal platform and was drilled into the prolific Heimdal formation to a total depth of 7,425 feet below sea level, encountering a net oil column of 115 feet. Boa was drilled to a total depth of 7,531 feet below sea level and encountered a 174-foot gross hydrocarbon column, with 82 gross feet of gas on top of 92 gross feet of oil in high-quality sands.

The Phase I drilling program consists of 10 producing wells and two water disposal wells. A Phase 2 drilling program is planned in 2010/2011 for further production wells.

The Alvheim area was developed using a purpose-designed FPSO vessel. The subsea infrastructure is comprised of five drill centers and associated flow lines. The development provides for the transportation of produced oil by shuttle tanker, and transportation of produced natural gas to the existing U.K. Scottish Area Gas Evacuation (SAGE) system using a 14-inch diameter, 24-mile cross-border pipeline. First production began in June 2008, and peak production at a net rate to Marathon of approximately 85 mboepd, including tie-backs from Vilje, was reached in November 2008.

VILJE

Marathon holds a 46.9 percent working interest in the Vilje Field, with partners StatoilHydro (operator) holding a 28.9 percent working interest and Total E&P Norge AS with a 24.2 percent working interest. Vilje has two production wells and is tied back to the Alvheim FPSO. Production commenced in August

Norway — Average Daily Net Sales, 12 Months Ended December 2008					
Production License	Working Interest	Operator	Oil MBPD	Gas MMCFD	Total MBOEPD
Alvheim/Vilje	65%, 46.9%	Marathon	29.5	10	31.1
Other	Varies	Varies	2.1	26	6.6
Total			31.6	36	37.7

Norway — Exploration Portfolio			
License/Block	Working Interest	Operator	Other Owners
PL 025	28.2%	StatoilHydro	BP, Gaz de France
PL 036 C	65%	Marathon	ConocoPhillips, Lundin
PL 036 D	46.9%	StatoilHydro	Total E&P
PL 088	65%	Marathon	ConocoPhillips, Lundin
PL 150	65%	Marathon	Lundin
PL 187	10%	BP	StatoilHydro, Gaz de France
PL 203	65%	Marathon	ConocoPhillips, Lundin
PL 311/311 B	37.5%	Marathon	Gaz de France, Talisman
PL 340	65%	Marathon	ConocoPhillips, Lundin
PL 343	65%	Marathon	Talisman
PL 438	25%	Lundin	Petoro, RWE Dea

2008. Drilled into the Heimdal formation in 2003, Vilje reached a total depth of 7,446 feet and encountered a gross oil column of approximately 223 feet and is estimated to contain net risked resources of approximately 34 mmboe.

VOLUND

The Volund Field, on the Norwegian Continental Shelf, is approximately six miles south of the Alvheim area. Marathon holds a 65 percent working interest in Volund and serves as operator, while Lundin Norway AS holds the remaining 35 percent working interest. In 2007, Marathon and its project partner received approval from the Norwegian Ministry of Petroleum and Energy for the companies' plan for development and operation (PDO) of the Volund Field. The development will include three producing wells and a water injection well and is estimated to contain gross risked resources of approximately 30 net mmboe. Volund will join the Vilje Field as the second third-party field to be developed as a subsea tieback to Alvheim. Volund crude oil will be incorporated into the Alvheim blend and exported via shuttle tankers. Associated gas will be exported via the Alvheim-to-SAGE pipeline. The Volund development is expected to begin production during 2009.

GUDRUN

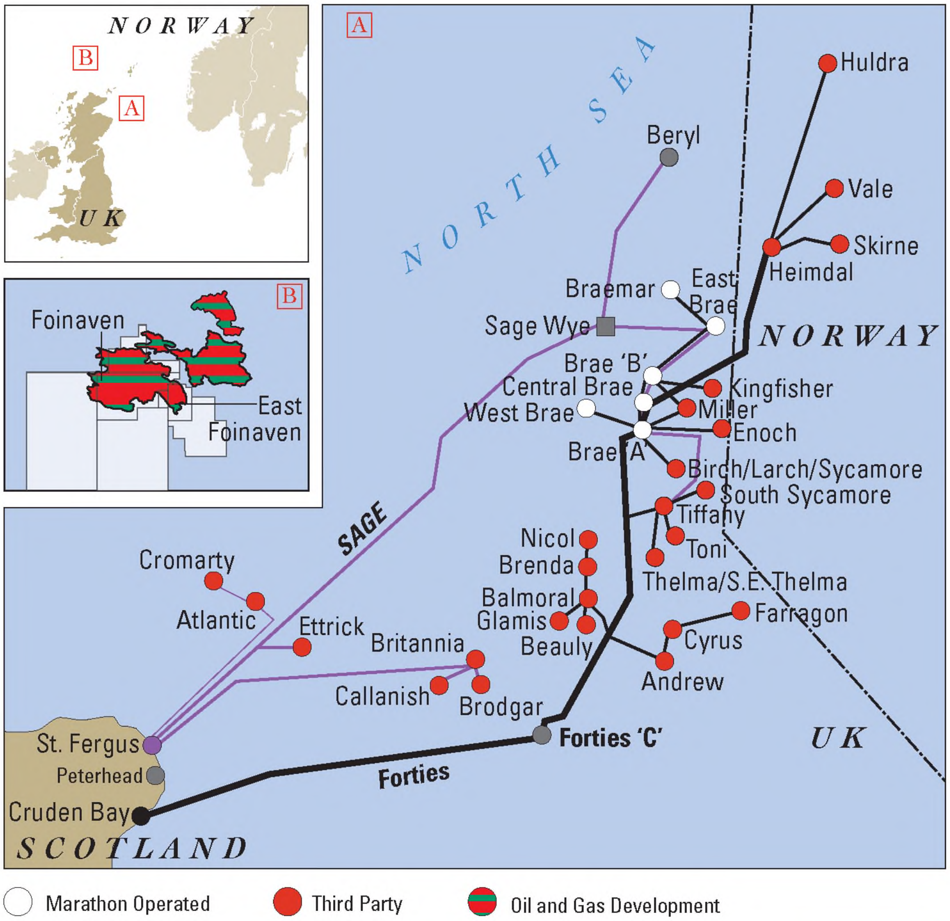
In 2006, Marathon announced a successful appraisal well in PL025 on Gudrun that significantly improved the overall potential for a commercial development. Marathon is working with its partners on additional subsurface studies and the evaluation of potential development scenarios. Norwegian Government approval of the proposed plan for development and operation is expected in late 2009. Marathon holds a 28.2 percent working interest in the Gudrun Field. StatoilHydro is the operator.

HEIMDAL/VALE/SKIRNE

Marathon sold its non-operated interests in the Heimdal infrastructure, related producing fields and associated undeveloped acreage offshore Norway in October 2008.

EXPLORATION

Marathon holds interests in more than 700,000 gross acres offshore Norway. The Company drilled one dry exploration well in Norway (Bjørn, PL 311) in 2008, and PL 311 was subsequently relinquished. Marathon is committed to drill one exploration well in 2009, Marihøne (PL 340) in the North Sea. The major growth focus in 2008 was toward applications for new licenses in the APA 2008 and 20th Round.



UK North Sea — Average Daily Net Sales, 12 Months Ended December 2008

Key Fields	Working Interest	Operator	Oil MBPD	Gas MMCFD	NGL MBPD	Total MBOEPD
Brae Complex	Varies	Marathon	10.1	119	2.1	32.0
Foinaven	Varies	BP	11.6	6		12.6
Total			21.7	125	2.1	44.6

UNITED KINGDOM

The Company's current U.K. interests include the Brae Complex and the Foinaven Field. Marathon's net sales from the U.K. averaged 23.8 mbpd of liquid hydrocarbons and 125 mmcfd of gas for the 12 months ended December 2008. This represents 16 percent of the Company's international liquids sales and 22 percent of international gas sales.

BRAE COMPLEX

Marathon is operator and owns a 42 percent working interest in the South, Central, North and West Brae fields; a 38 percent working interest in the East Brae Field; and a 27.8 percent working interest in the Braemar Field. The Brae Alpha platform and facilities act as host for the underlying South Brae Field, as well as the adjacent Central Brae and West Brae fields. The North Brae Field and the East Brae Field are gas-condensate fields.

For the 12 months ended December 2008, net liquid hydrocarbon sales from the Brae platforms averaged 12.2 mbpd. The export of Brae Field liquids is via the Marathon-operated Brae-Forties pipeline, in which the Company has a 42 percent interest, and via the BP-operated Forties pipeline systems to Cruden Bay in Scotland. Stabilized crude liftings are made at the Firth of Forth loading terminal near Edinburgh, Scotland. For the 12 months ended December 2008, the Brae platforms exported average net gas volumes of approximately 119 mmcfd to the SAGE terminal at St. Fergus in northeast Scotland.

On East and North Brae, low pressure operations projects are helping to maximize gas recovery and maintain high gas deliverability rates into the U.K. market. The strategic location of the Brae platforms and connecting pipeline infrastructure continues to support significant third-party processing and transportation business. There are 28 agreements in place with third-party fields to use the Brae system. Currently, approximately 200 mboepd are processed and/or transported through the Brae infrastructure.

SAGE

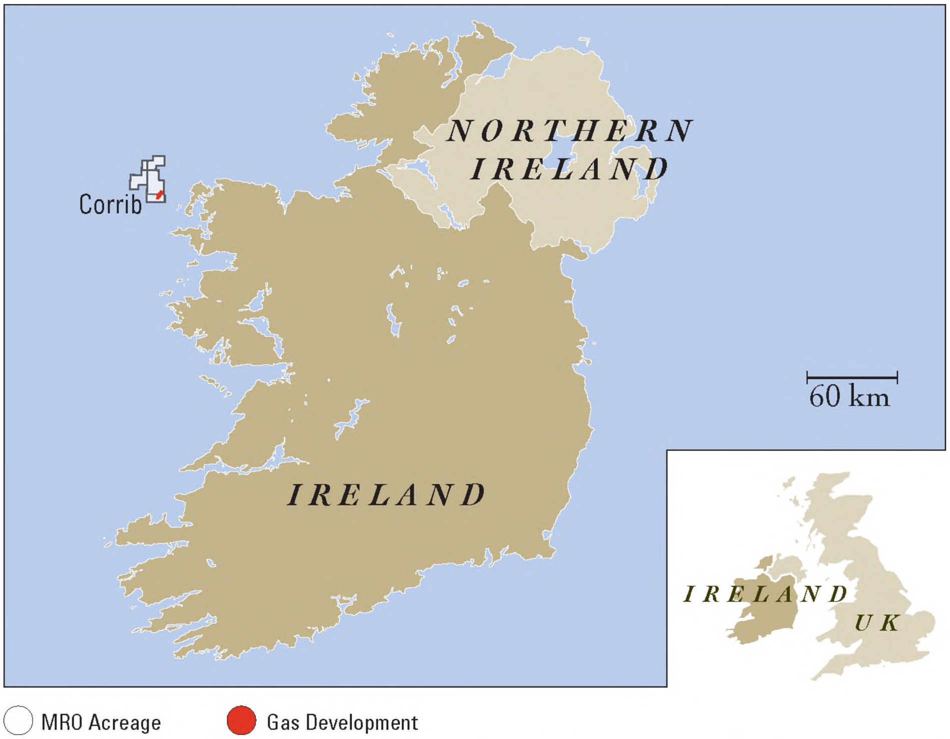
The Brae group owns a 50 percent interest in the outside-operated SAGE pipeline. The SAGE pipeline provides transportation for Brae and Beryl area gas and has a total wet gas capacity of approximately 1.1 bcfd. The SAGE terminal at St. Fergus provides processing for gas from the SAGE pipeline and processing for 1 bcfd of third-party gas.

FOINAVEN

Marathon acquired an interest in the Foinaven Field in late 2000 and holds a non-operated working interest in the Foinaven area, west of the Shetland Islands, in water depths between 1,300 and 1,900 feet. The Company's working interests comprise a 28 percent stake in the main Foinaven Field, 47 percent of East Foinaven and 20 percent of the T35 and T25 accumulations.

The export of Foinaven liquids is via shuttle tanker direct from FPSO to market. Net liquid hydrocarbon sales from Foinaven averaged 11.6 mbpd for the 12 months ended December 2008.

Sales of Foinaven associated gas via the West of Shetland pipeline system commenced in April 2002. All sales are to the non-operated Magnus platform for use as an injection gas.



Ireland — Average Daily Net Sales, 12 Months Ended December 2008				
Key Fields	**Working Interest**	**Operator**	**Gas MMCFD**	**Total MBOEPD**
Kinsale Head Area	100%	Marathon	29	4.9
Seven Heads	86.5%	Marathon	8	1.3
Total			37	6.2

Net gas volumes from Foinaven averaged 6.2 mmcfd for the 12 months ended December 2008.

COAL SEAM GAS

Marathon has a 45 percent interest in five exploratory U.K. onshore coal seam gas (CSG) licenses. Drilling has been completed in five exploration wells in three of the licenses. An evaluation test was conducted in 2007, and three lateral wells for production testing were also drilled in 2008. The Company and its joint venture partner were awarded 11 new blocks for CSG exploration and potential future development during the 13th Onshore Licensing Round in 2008. Marathon is the operator of these new blocks with a 55 percent working interest. After this licensing round, Marathon's interests cover 520,000 gross acres, with an average 50 percent working interest.

IRELAND

In December 2008, Marathon entered into a definitive agreement to sell its interest in the Kinsale Head, Ballycotton and Seven Heads fields off the south coast of Ireland. The Company expects to close this transaction during the first quarter of 2009. This agreement does not include Marathon's interest in the Corrib gas development.

Marathon's total net risked resource associated with these assets as of year-end 2008 was 49 bcf, of which 34 bcf were net proved reserves.

CORRIB

The Corrib gas development project is approximately 40 miles off Ireland's northwest coast, where seven appraisal/development wells have been drilled. Marathon holds an 18.5 percent interest in the Corrib development. Shell serves as the operator holding a 45 percent interest. At peak production, Corrib will supply approximately 60 percent of Ireland's gas demand. First production from the field is expected in late 2010 or the beginning of 2011, with an estimated net production of approximately 50 mmcfd of natural gas.

OIL SANDS MINING

Marathon owns a 20 percent outside-operated interest in the Athabasca Oil Sands Project (AOSP), which includes the Muskeg River Mine, the Scotford Upgrader, and over 215,000 acres of potentially mineable land in Alberta, Canada. As of year-end 2008, Marathon owns or has rights to approximately 2 billion barrels of mineable, risked bitumen resource in the Canadian oil sands, including 388 million barrels of net proven reserves.*

AOSP

The AOSP is a joint venture among Marathon Oil Canada (20 percent), Shell Canada (60 percent) and Chevron Canada (20 percent). Shell is the operator.

The AOSP's base project encompasses the Muskeg River Mine and the Scotford Upgrader. At full production, the mine's current gross production is 155,000 bpd of bitumen, a naturally occurring heavy oil.

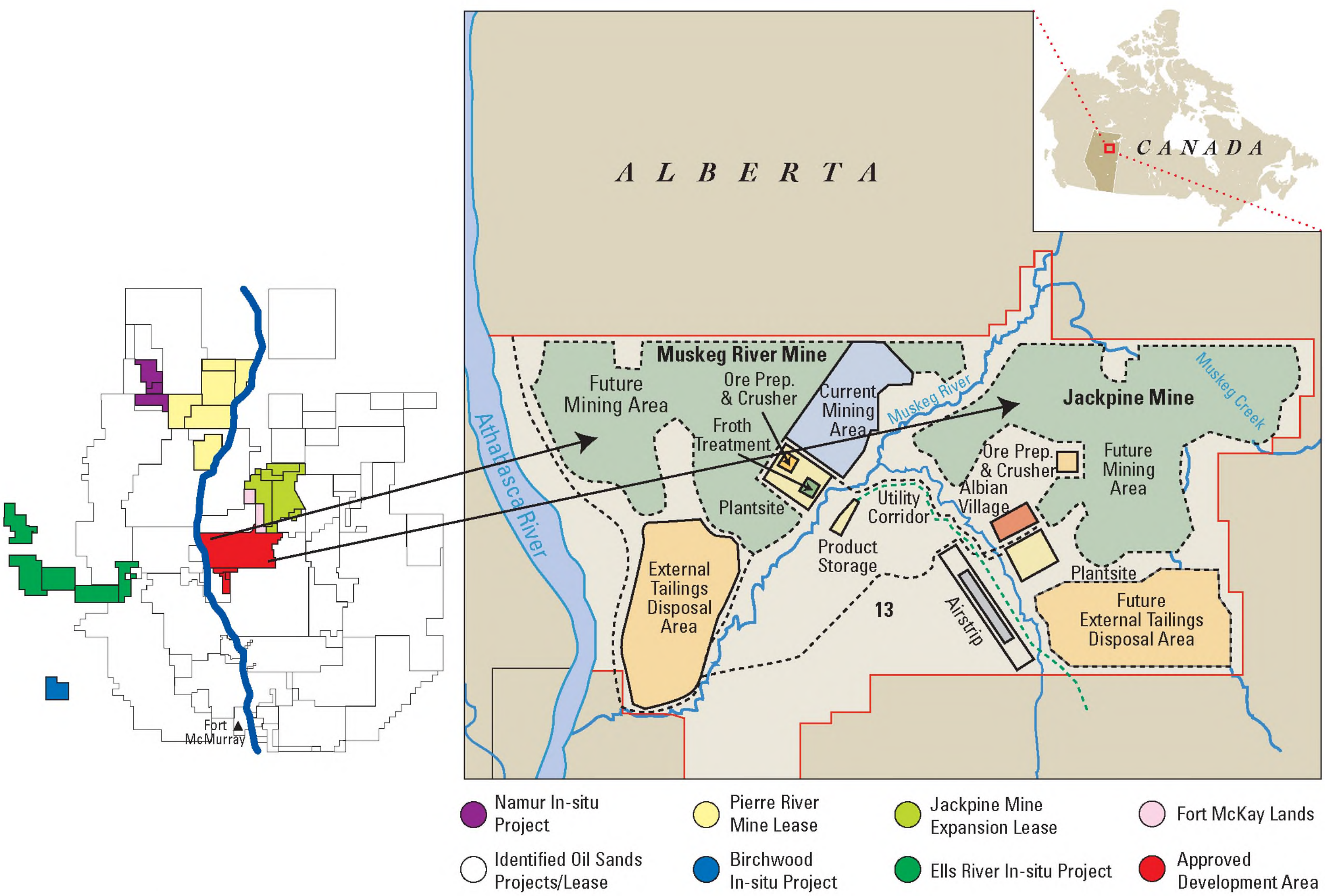
Given the significant resource base, the AOSP joint venture plans to increase production over the next 10 to 20 years. Expansion 1 is currently under construction and will add mining and extraction facilities at the new Jackpine Mine located on the east side of Lease 13.

This expansion, which is anticipated to be in full production in 2011, will also provide expanded froth treatment facilities and an increase in capacity at the Scotford Upgrader. After Expansion 1 is complete, Marathon will have more than 50,000 bpd of production and upgrading capacity in the Canadian oil sands.

In addition, further expansions and debottlenecking opportunities exist, providing Marathon with a secure production stream for decades.

Oil Sands Mining — Net**, 12 Months Ended December 2008

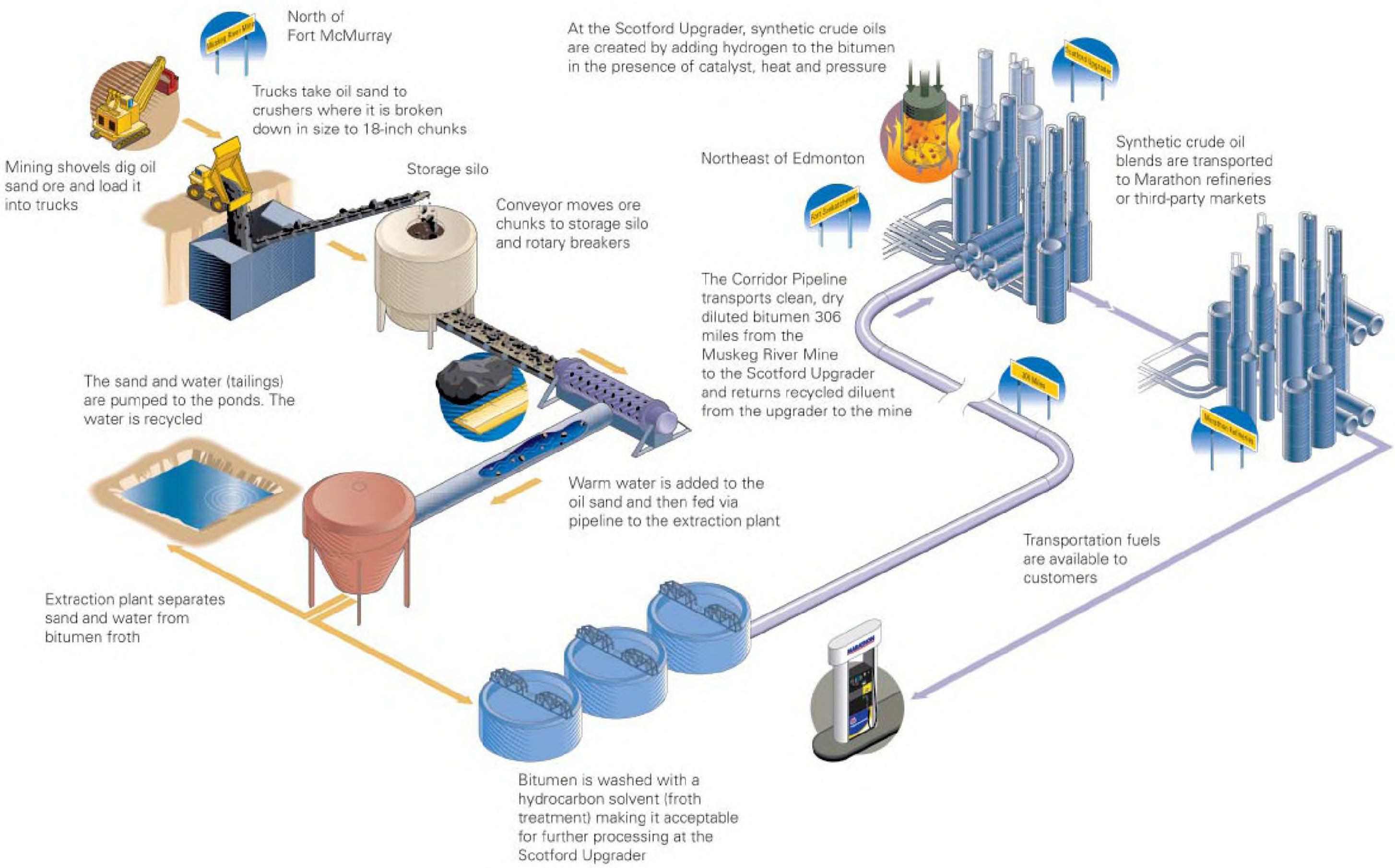
	Working Interest	Operator	Bitumen Production MBPD	Synthetic Crude Sales MBPD
AOSP	20%	Shell	25	32



*Proven reserves recovered through mining techniques are not included in oil and gas reserves disclosures regulated by the SEC.

**Net working interest (gross of royalties)

OIL SANDS MINING PROCESS



There are several steps in the oil sands mining process. With the use of some of the largest trucks and shovels in the world, oil sand is excavated and delivered to a crusher. Warm water is added to the oil sand, which facilitates the separation of the bitumen from the sand and clay particles.

The bitumen is then cleaned and process water removed by a froth treatment facility. The bitumen is diluted with a hydrocarbon solvent and transported through a 300 mile pipeline to the Scotford Upgrader, located in Fort Saskatchewan, Alberta. The upgrading process cracks the large hydrocarbon molecules through a process called hydrogen-addition. This process upgrades the bitumen into synthetic crude oils that are sold into the market for further processing at refineries.

INTEGRATED GAS

Marathon's integrated gas strategy is adding value through the development of opportunities created by the growing demand for natural gas. The Company is linking stranded natural gas resources around the globe with areas where a supply gap is emerging due to limited production growth and increasing demand. Integrated gas complements Marathon's exploration and production operations and opens a wide array of strategic investment opportunities designed to add sustainable value growth.

LIQUEFIED NATURAL GAS

LNG is a key component of Marathon's integrated gas strategy. The Company has established an Atlantic Basin LNG business that encompasses both ends of the LNG process – the liquefaction, or source side, and the regasification, or marketing side. This builds upon a long-running Alaska LNG business where Marathon, along with its partner ConocoPhillips, has owned an LNG liquefaction plant for almost 40 years. LNG net sales in metric tonnes per day (mtpd) were 6,285 for the 12 months ended December 2008.

EQUATORIAL GUINEA

Operations in Equatorial Guinea are a key component of Marathon's integrated gas strategy. LNG from this West African country promises to play an increasingly important role in meeting the growing energy needs of the Atlantic Basin.

Marathon and its partners' LNG Train 1 facility on the northwest side of Bioko Island encompasses a 3.7 mmtpa liquefaction plant that is aligned with, and integrated into, Marathon's Equatorial Guinea gas processing operations. Natural gas is purchased from the Alba Field participants (Marathon, Noble Energy, Inc. and a government-owned entity) under a long-term gas supply agreement. Approximately 3 gross tcf of dry gas from the Alba Field will be processed through the LNG facility under a 17-year offtake agreement with BG Gas Marketing Ltd. Marathon and its partners expect to source additional gas in the region to supply the train following expiration of the contract.

Marathon holds a 60 percent interest in the LNG project, along with partners Sonagas (25 percent), Mitsui & Co. (8.5 percent) and a Marubeni Corporation subsidiary (6.5 percent).

In 2008, Marathon continued discussions with the government of Equatorial Guinea and partners regarding a potential second LNG production facility on Bioko Island. The scope of the potential 4.4 mmtpa LNG project would include feed gas metering, liquefaction, refrigeration, ethylene storage, boil-off gas compression, product transfer to storage and LNG product metering. Marathon expects to make progress in 2009 toward an investment decision.

ALASKA

Marathon has a long history in LNG projects, partnering in 1969 to pioneer the first, and currently only, LNG liquefaction and export operation from North America. This joint venture, which exports LNG from Alaska to Japan, represents the world's longest running LNG export business to Asia.

Under the joint venture, Marathon provides natural gas from its Cook Inlet fields to the Kenai LNG plant where the gas is liquefied. LNG from the joint venture is sold under a long-term contract to Tokyo Electric Power Company and Tokyo Gas Company, Ltd., two of Japan's largest utilities.

In June 2008, Marathon and its partner received approval by the U.S. Department of Energy for a two-year extension of the Kenai LNG facility's export license. This license ends in March 2011.

ELBA ISLAND

Marathon has delivery rights for up to 58 bcf of LNG per year into the Elba Island, Georgia, LNG regasification terminal through 2021, with possible extension to 2023. To further capitalize on growing U.S. demand, Marathon signed an LNG supply agreement with BP Energy Company. Under the terms of the agreement, BP is supplying Marathon with 58 bcf of natural gas per year, as LNG, for a minimum of five years through 2010.

METHANOL

Marathon owns a 45 percent interest in the AMPCO Equatorial Guinea methanol plant, which supplies customers in Europe and the U.S. The plant converts approximately 130 gross mmcfd of natural gas into methanol and has a gross capacity of approximately 3,250 tonnes per day (26 mbpd). Like LNG, methanol is an efficient way of developing and transporting stranded natural gas to growing markets. Methanol is used as an alternative fuel, as well as a solvent for paints, varnishes, cements, inks, plastics and various industrial coatings, and in the production of pharmaceuticals and other chemical products. Methanol net sales were 975 mtpd for the 12 months ended December 2008.

Marathon and its partners' LNG Train 1 facility on Bioko Island encompasses a 3.7 mmtpa liquefaction plant that is aligned with, and integrated into, Marathon's Equatorial Guinea gas processing operations.

TECHNOLOGY

Marathon's technology strategy is focused on providing technical services that maximize the value of existing assets; developing and applying technology that enables access to new resources; and investing in emerging technologies that address challenges facing the energy industry.

CONVENTIONAL TECHNOLOGY

Marathon leverages its technical capabilities in reservoir characterization, drilling and completions, enhanced oil recovery (EOR) and heavy oil/in situ-recovery to capture additional resources from current assets, including unconventional oil and gas reservoirs.

The key to optimizing production and resource development is quick and accurate description of reservoirs. Marathon's expertise in reservoir characterization begins with seismic imaging, but emphasizes integration of all geoscience, petrophysical and engineering data into fully integrated solutions. The benefits of such an approach are higher success rates in discovery, drilling and production activities. Integrated solutions are especially critical in solving challenges associated with more complex unconventional and heavy oil [in-situ] reservoirs.

The Company has extensive experience in evaluating and operating carbon dioxide (CO_2) injection projects, the most widely used EOR method in the world. CO_2 injection reduces reservoir forces that trap oil in place, making it easier for oil to flow. Additional benefits include improved oil quality and reductions in greenhouse gas emissions.

Marathon is working to develop numerous technologies to improve the efficiency of its Canadian oil sands opportunities, including catalyst applications, hydroconversion and hydrocyclone technology to improve sand and bitumen separation, enhanced tailing management processes and innovative froth treatment technologies.

NEW TECHNOLOGY

Marathon is developing a range of gas conversion technologies that connect stranded gas to both conventional and transportation fuel markets.

The Company's proprietary, patented Gas-to-Fuels (GTF™) process is being tested at a pilot scale to convert natural gas directly into high-value transportation fuels. GTF™ would allow Marathon to develop natural gas resources that are removed from existing infrastructure or markets. Marathon developed the technology in five years of laboratory and pilot testing and has built a 10-barrel-per-day demonstration plant. The Company expects to decide within the next year whether to commercialize the GTF™ process.

Marathon is also developing proprietary technology for the production and shipping of stable slurries of natural gas hydrate (NGH) crystals. Marathon holds a hydrate reactor patent and is working with an industry partner to jointly develop this technology. In the future, the Company hopes this technology will have a significant impact on the handling of remote associated gas, offshore facilities minimization, and gas treating/power plant capacity management applications.

Marathon continues to participate in LNG technology enhancements, including those that would enable the commercial application of floating LNG facilities and small-scale LNG facilities.

EMERGING TECHNOLOGY

Marathon has an enterprise-wide focus on technologies such as alternative and renewable fuels, energy efficiency and carbon intensity, and carbon capture and sequestration. Emerging technology provides a forward look at technology development to adapt Marathon's business model to address challenges facing the energy industry and to identify potential investment opportunities that can be leveraged through the Company's expertise and infrastructure.

Biofuels and other renewable energy resources increase the diversity of supply in the U.S. Marathon is investing in manufacturing, blending and distributing of biofuels, a growing component in the U.S. transportation fuel mix. For more than 15 years, Marathon has been a leading blender of corn-based ethanol, a primary renewable fuel in the U.S. The Company has the capability to blend approximately 1.2 billion gallons of ethanol per year and to sell ethanol-blended gasoline across most of its light product gasoline terminal facilities in 17 states.

Marathon has also invested in the manufacture of ethanol through a 50 percent interest in a facility in Ohio and a 35 percent interest in a facility in Indiana. Each plant has capacity to manufacture 110 million gallons per year of ethanol.

The Company is also studying opportunities in next-generation biofuels and has invested $10 million in a company that will identify, patent and deploy microbes and low-cost processes for producing cellulosic ethanol from a range of feedstocks. Next-generation biofuels are those produced from feedstocks that have no food value or are grown on land that cannot be used for producing food.

Other emerging technologies under investigation include carbon capture and storage. Marathon is participating in industry and academic projects related to emerging technologies, such as the Massachusetts Institute of Technology's Carbon Sequestration Initiative, the Gulf Coast Carbon Center and an evaluation of options to capture and store CO_2 in the U.K.

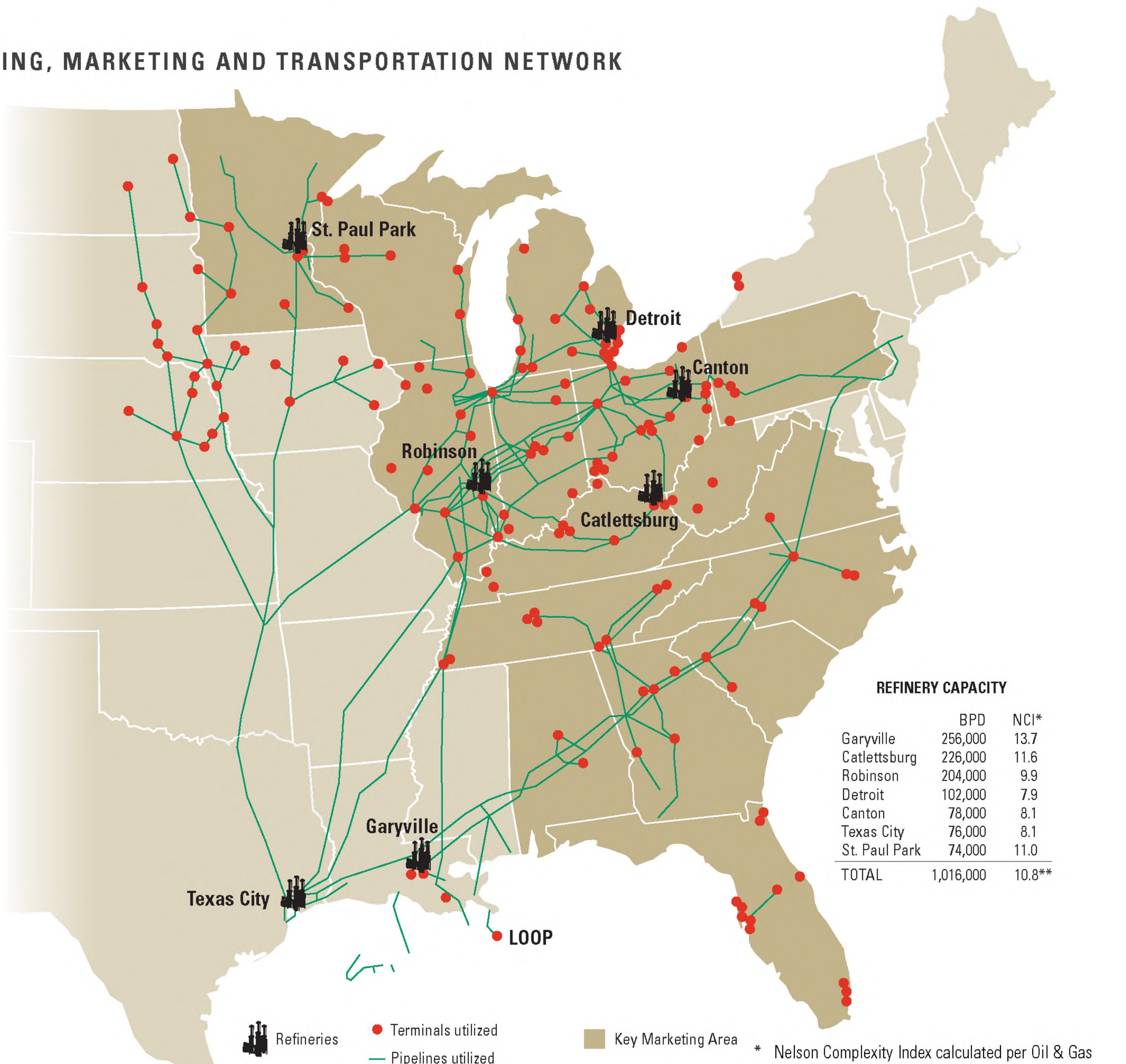
Marathon is applying its proprietary, patented GTF™ technology at a purpose-built demonstration plant.

REFINING, MARKETING AND TRANSPORTATION

Marathon ranks as the fifth largest crude oil refiner in the U.S. and the largest in the Midwest. Operating in the Midwest, Upper Great Plains, Gulf Coast and Southeast regions of the U.S., Marathon's refining, marketing and transportation (RM&T) operations are strategically located to serve major markets and include a seven-plant refining network with 1,016,000 bpd of crude oil throughput capacity, a comprehensive terminal and transportation system, and extensive marketing operations.

Marathon processes a diverse slate of crude oils procured from numerous suppliers. The typical slate over the past few years has consisted of about 52 percent sour crude and 48 percent sweet crude. During 2008, approximately 50 percent of this crude oil was acquired from producers in the U.S., an additional 14 percent came from Canada and 5 percent from Mexico. The remaining 31 percent came from other international sources. The Company also owns a maleic anhydride plant located in Neal, West Virginia, adjacent to Marathon's Catlettsburg, Kentucky, refinery. It also owns and operates 59 Valvoline Instant Oil Change retail outlets in Michigan and Ohio.

REFINING, MARKETING AND TRANSPORTATION NETWORK



REFINERY CAPACITY

	BPD	NCI*
Garyville	256,000	13.7
Catlettsburg	226,000	11.6
Robinson	204,000	9.9
Detroit	102,000	7.9
Canton	78,000	8.1
Texas City	76,000	8.1
St. Paul Park	74,000	11.0
TOTAL	1,016,000	10.8**

* Nelson Complexity Index calculated per Oil & Gas Journal NCI formula

** Weighted Average NCI

Source: Marathon Data. Capacities as of January 2009.

Refining

Marathon's seven refineries are managed as one integrated system, transferring intermediate stocks between refineries and optimizing feedstock and raw material inputs. This results in economies of scale that reduce capital expenditures and optimize capacity.

GARYVILLE, LOUISIANA

Crude capacity: 256,000 bpd

The Garyville refinery, completed in 1976, was the last major grassroots refinery built in the U.S. Located on the Mississippi River, midway between New Orleans and Baton Rouge, Louisiana, the refinery receives heavy sour crude oil delivered via the Mississippi River and the Louisiana Offshore Oil Port (LOOP).

Refinery operations include crude fractionation, catalytic cracking, coking, hydrotreating, reforming, alkylation and sulfur recovery. The product slate is comprised primarily of gasoline and distillate fuels.

The Garyville refinery has earned designation as a U.S. Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) STAR site. In addition, it is the only refinery invited into the U.S. Environmental Protection Agency Performance Track Program.

For more information regarding the Garyville refinery expansion project, see page 30.

CATLETTSBURG, KENTUCKY

Crude capacity: 226,000 bpd

Marathon's Catlettsburg refinery is in northeastern Kentucky on the western bank of the Big Sandy River, near the confluence with the Ohio River. It was purchased in 1924 by Swiss Oil Corporation (then parent company of Ashland Inc.) and became fully owned by Marathon in 2005.

Refinery operations include crude fractionation, catalytic cracking, hydrotreating, reforming, alkylation, sulfur recovery and petrochemical units.

The ISO 9001-2000 approved refinery processes a wide range of sweet and sour crudes, both imported and domestic. The product mix includes gasoline, diesel fuel, kerosene, jet fuel, asphalt, propane, propylene, heavy oil (predominately slurry), cumene, toluene, xylene, sulfur and dilute naphthalene oil. The refinery produces low sulfur gasoline and ultra-low sulfur diesel (ULSD).

ROBINSON, ILLINOIS

Crude capacity: 204,000 bpd

Marathon's Robinson refinery was built in 1906 by the Lincoln Oil Company and purchased by Marathon (then The Ohio Oil Company) in 1924. Today, the state-of-the-art facility has a full conversion processing scheme designed to maximize production of gasoline and diesel fuel.

Refinery operations include crude fractionation, catalytic cracking, hydrocracking, distillate hydrotreating, coking, reforming, alkylation and sulfur recovery. Both sweet and sour crudes are used in the production of gasoline, diesel fuel, kerosene, jet fuel, petroleum coke, propane, propylene, sulfur, slurry and butane. Marathon produces low sulfur gasoline and 100 percent ULSD.

The refinery's commitment to safety has earned it the designation as an OSHA VPP STAR site.

DETROIT, MICHIGAN

Crude capacity: 102,000 bpd

Marathon's Detroit refinery was acquired with the purchase of Aurora Gasoline Company by Marathon (then The Ohio Oil Company) in 1959. It is the only petroleum refinery currently operating in Michigan.

The RC14001 certified refinery processes a wide range of crude oils from

RM&T Fast Facts

- **Fifth largest U.S. crude oil refiner – 1,016,000 bpd of crude oil throughput capacity represents approximately 5.8 percent of total U.S. capacity.**
- **One of the largest wholesale suppliers of motor fuels within its marketing area.**
- **One of the largest petroleum pipeline companies in the U.S., based on total barrels delivered.**
- **Largest U.S. private operator of inland petroleum product barges.**
- **Has one of the largest U.S. asphalt production capacities.**
- **Owns Speedway SuperAmerica, one of the four largest chains of company-owned and -operated retail gasoline and convenience stores in the U.S., and the largest in the Midwest.**
- **Places in the U.S. top 10 for its combined Speedway SuperAmerica company-owned and -operated locations, and Marathon Brand jobber-dealer locations, with a combined total of approximately 6,200 locations.**

Major Refining Projects

In 2006, Marathon reached a final investment decision for a projected $3.35 billion expansion project that will increase the Garyville refinery's capacity by 180,000 bpd. Currently under construction, this expansion will provide an additional 7.5 million gallons of clean transportation fuels to the market each day when completed in the fourth quarter of 2009. The proposed refinery configuration will be designed to provide maximum feedstock flexibility and leverage Marathon's most efficient and profitable downstream asset.

In June 2008, the Company began construction on another refining project at its Detroit refinery. The projected $2.2 billion investment will increase its heavy oil processing capacity by approximately 80,000 bpd and its crude refining capacity by 15 percent. When completed, the project will add more than 400,000 gallons per day of clean transportation fuels to the marketplace. Following completion of this upgrade and expansion project, the Detroit refinery will be well positioned for the significant growth potential of Canadian oil sands production by providing producers with a strategically-located low cost, high value refining option.

light sweets to heavy sours, a significant portion of which are Canadian crudes. Operations include crude fractionation, catalytic cracking, hydrotreating, reforming, alkylation and sulfur recovery. The product mix is comprised of gasoline, distillate, asphalt, slurry, propane, chemical grade propylene and sulfur. The refinery produces low sulfur gasoline and ULSD.

The refinery has been recommended by Michigan OSHA to receive the Michigan VPP in 2009, making it the Company's third refinery to obtain VPP STAR status.

For more information regarding the Detroit refinery heavy oil upgrade project, see sidebar this page.

CANTON, OHIO

Crude capacity: 78,000 bpd

The Canton refinery, built in 1931, was acquired by Ashland in 1948 when it merged with Allied Oil Company, and became fully owned by Marathon in 2005 upon the buyout of Ashland's interest in Marathon Ashland Petroleum. The refinery is a moderate conversion plant with a processing configuration that enables it to run heavy sour crudes as well as sweet crudes.

Refinery operations include crude fractionation, catalytic cracking, catalytic polymerization, hydrotreating, reforming, alkylation and sulfur recovery. The product slate consists of gasoline, distillate, asphalt, heavy fuel oil, propane and sulfur. The addition of a new distillate hydrotreater will enable the refinery to produce ULSD.

TEXAS CITY, TEXAS

Crude capacity: 76,000 bpd

The Texas City refinery was built in 1931 and was acquired by Marathon (then The Ohio Oil Company) in 1962 from Plymouth Oil Company. It is located on Galveston Bay, off the entrance to the Houston Ship Channel.

Refinery operations include crude fractionation, catalytic cracking, alkylation, reforming, aromatics extraction and sulfur recovery. A sweet crude refinery, the product mix includes gasoline, distillate, naphtha, light cycle oil, propane, slurry, propylene, benzene, toluene, xylene and sulfur. It is a full conversion refinery.

ST. PAUL PARK, MINNESOTA

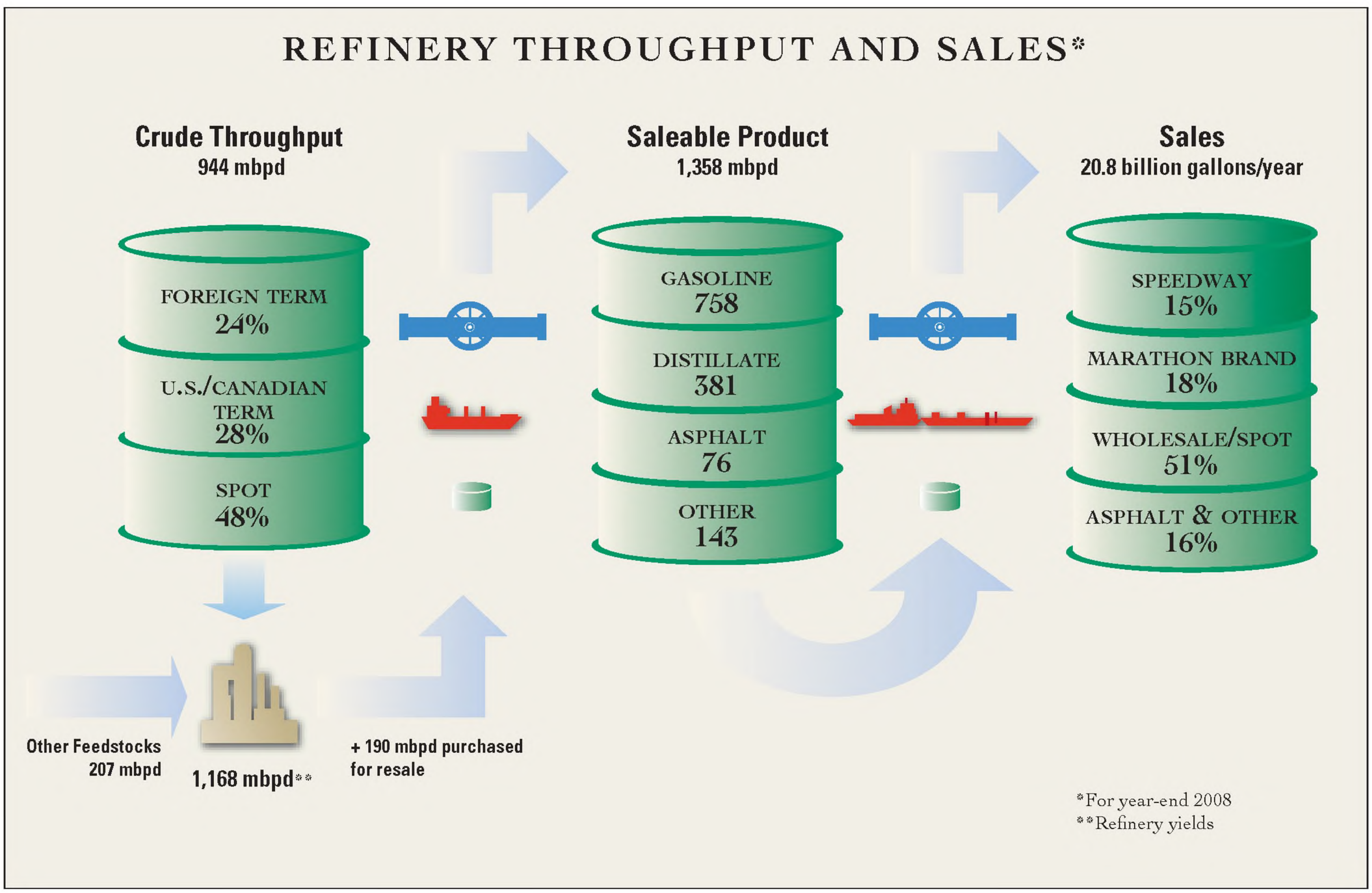
Crude capacity: 74,000 bpd

The St. Paul Park refinery, built in 1939, was acquired by Ashland Inc. in 1970 from Northwestern Refining and became fully owned by Marathon in 2005. It is one of only two refineries in Minnesota. The refinery receives all of its crude supply via pipeline, and processes predominantly Canadian crude.

Refinery operations include crude fractionation, catalytic cracking, hydrotreating, reforming, alkylation, sulfur recovery and a hydrogen plant. The product slate consists of gasoline, distillate, asphalt, heavy fuel oil, propane, propylene and sulfur. The refinery also makes low sulfur gasoline and ULSD.

Refinery Unit and Production Capacity[1] (BPD unless noted)								
	Garyville, Louisiana	Catlettsburg, Kentucky	Robinson, Illinois	Detroit, Michigan	Canton, Ohio	Texas City, Texas	St. Paul Park, Minnesota	Total
Crude	256,000	226,000	204,000	102,000	78,000	76,000	74,000	1,016,000
Vacuum Distillation	134,900	105,000	68,000	52,300	33,300		39,400	432,900
Coking	38,500		27,600					66,100
Catalytic Cracking	124,500	98,800	48,000	30,900	24,700	55,600	27,100	409,600
Catalytic Reforming	45,600	48,500	74,100	20,400	17,600	10,000	18,600	234,800
Catalytic Hydrocracking			26,600					26,600
Catalytic Hydrotreating	352,000	273,500	174,800	96,000	61,300		75,000	1,032,600
Alkylation	26,600	19,500	11,900	4,800	6,700	12,400	5,200	87,100
Polymerization/Dimerization					1,000			1,000
Aromatics		4,700				1,900		6,600
Isomerization	41,900	15,200	11,400				8,100	76,600
Cumene		7,600						7,600
Petroleum Pitch[2]		1,400						1,400
Aliphatic Solvents[2]		5,700						5,700
Hydrogen (mmcfd)							8.5	8.5
Coke (short tons per day[3])	2,610		1,308					3,918
Sulfur (long tons per day[4])	675	400	180	130	110	36	109	1,640
Asphalt	28,500	21,900		21,900	12,800		12,400	97,500

[1] As of January 1, 2009 [2] Production discontinued first quarter 2009 [3] Short ton = 2,000 lbs. [4] Long ton = 2,240 lbs.



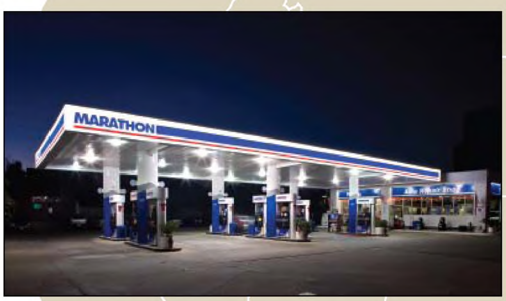
Marketing

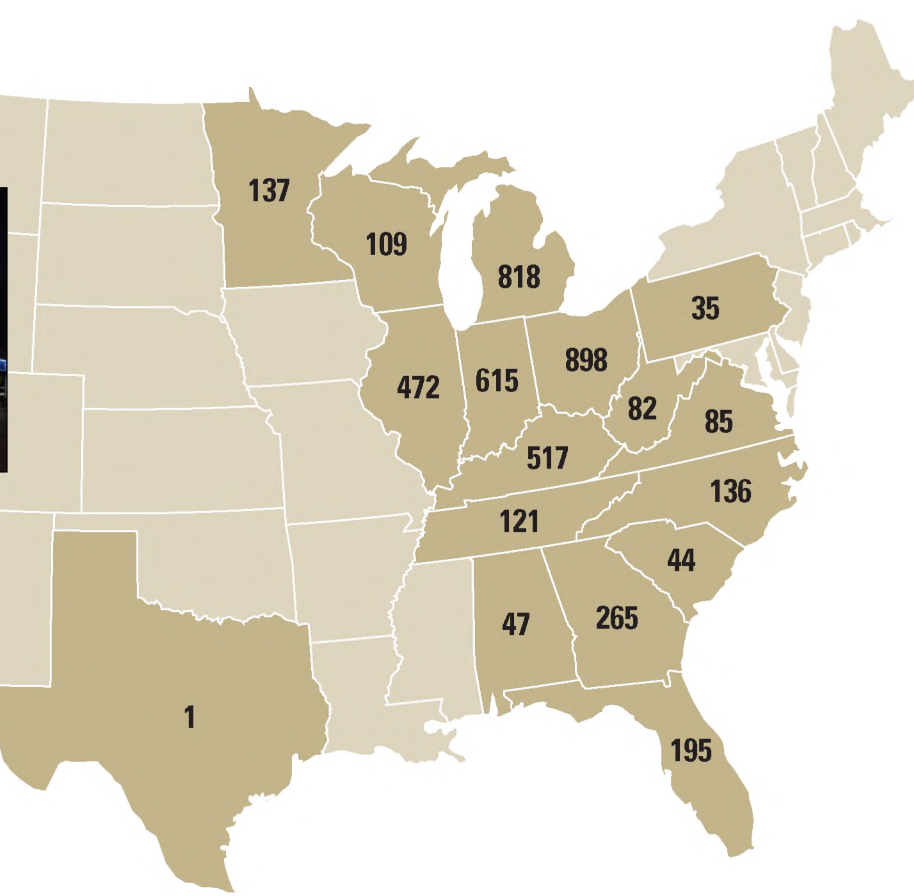
RETAIL

Marathon Brand gasoline is available through approximately 4,600 branded locations in 17 states in the Midwest and Southeast U.S. Marathon locations are operated by independent entrepreneurs. In addition to quality Marathon gasoline, these locations offer a wide range of services, from convenience store products to car washes to co-branded fast food to mechanical repairs and service. During 2008, Marathon Brand outlets sold 3.7 billion gallons of transportation fuels.

Headquartered in Enon, Ohio, Speedway SuperAmerica LLC (SSA) is one of the four largest company-owned and -operated gasoline and convenience store chains in the U.S. and the largest in the Midwest. SSA has approximately 1,600 stores in nine states. Most of the stores are operated under the Speedway and SuperAmerica brand names. Serving more than 2 million customers a day, the convenience stores of SSA pledge to be "The Customer's First Choice for Value and Convenience." SSA's customer focus has resulted in a significant increase in customer satisfaction as evidenced by its number one ratings in all four quarters of 2008 in an independent national survey conducted by Corporate Research International. SSA's aggressive marketing strategy has also enjoyed significant success in the marketplace, posting relatively dramatic category sales increases over the last five years. SSA also has implemented Speedy Rewards™, an industry-leading customer loyalty program that has built active membership to approximately 3 million customers. During 2008, SSA sold approximately 3.2 billion gallons of transportation fuels and an additional $2.8 billion in merchandise.

In October 2008, Marathon sold its 50 percent ownership interest in PTC in a cash transaction valued at approximately $700 million.



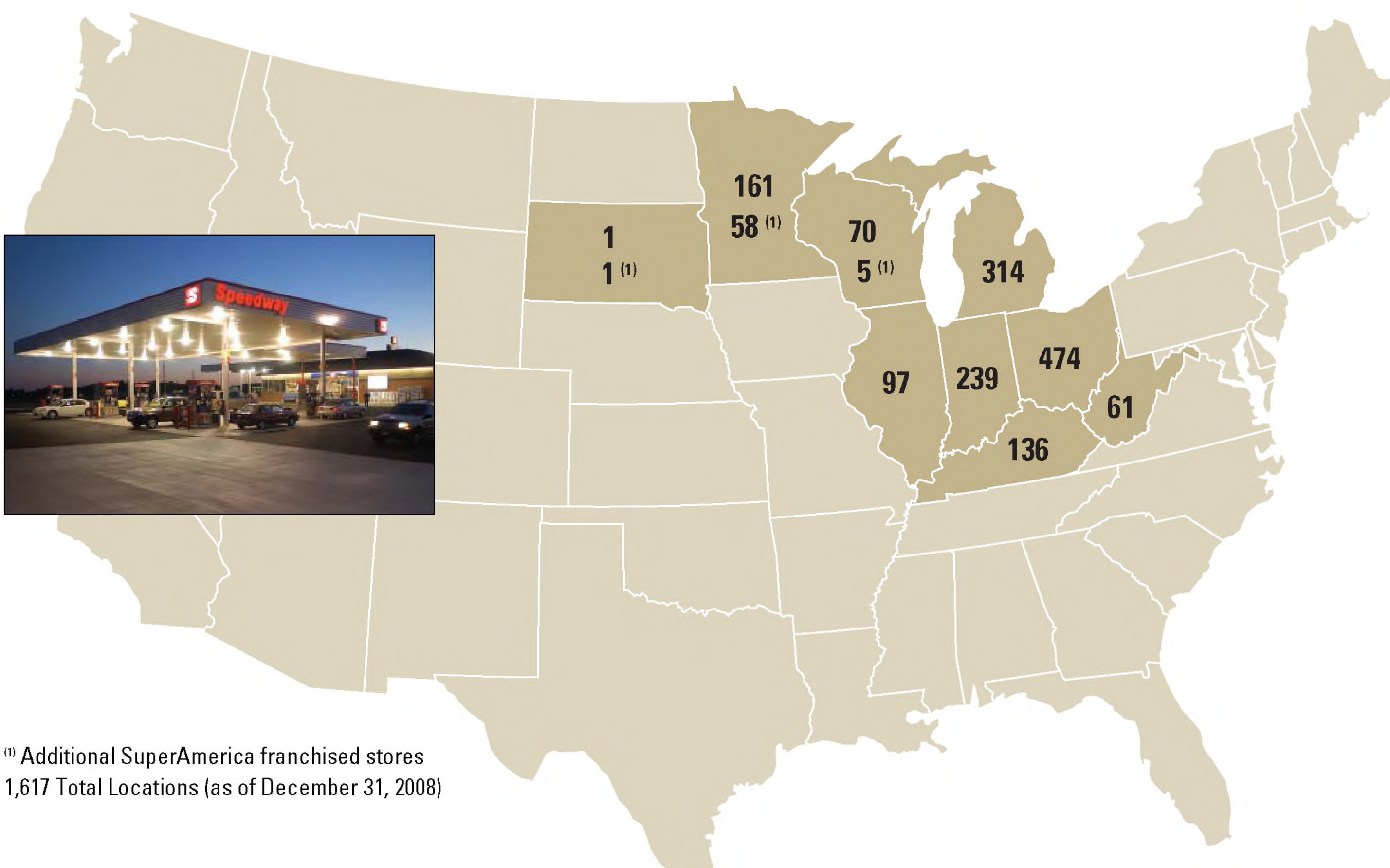


4,577 Total Marathon Brand Locations
(as of December 31, 2008)

GROWING BRAND PRESENCE AND VOLUMES

	Marathon® Brand	Speedway SuperAmerica LLC
Locations	~4,600	~1,600
States	17	9
2008: Gasoline/Distillate Sales (billion gallons)	3.7	3.2
2008: Change from 2007	6.6%	(4.7)% [1]
2008: Merchandise Sales (billion)	N/A	$2.8
2008: Change from 2007	N/A	2.2% [2]

[1] Same-store gasoline/distillate sales.   [2] Same-store merchandise sales.   N/A = Not Applicable



[1] Additional SuperAmerica franchised stores
1,617 Total Locations (as of December 31, 2008)

WHOLESALE MARKETING

Marathon is one of the largest wholesale suppliers of gasoline and distillate to resellers and consumer end-users within its market area. Independent retailers, unbranded jobbers, airlines, transportation companies, railroads, marine companies and utilities form the core of Marathon's customer base. Sales are made at 66* equity and 57 exchange/throughput terminals throughout 23 U.S. states.

ASPHALT, COKE AND HEAVY OIL MARKETING

Marathon is one of the U.S.'s largest asphalt producers in terms of capacity. The Company markets asphalt through 22 owned and 11 other supply points located throughout the Midwest and Southeast that are supplied by five of Marathon's refineries. (Robinson and Texas City do not produce asphalt). The Marathon customer base includes asphalt paving contractors, government entities (states, counties, cities and townships) and asphalt roofing shingle manufacturers. Marathon also markets heavy oil from all seven refineries and petroleum coke from Garyville and Robinson.

SPECIAL PRODUCTS MARKETING

Marathon is a producer and marketer of various petrochemicals and specialty products. Propane and sulfur are produced and sold at all seven Marathon refineries. Propylene, ranging in purity from refinery grade to polymer grade, is produced and sold at all refineries except Canton. The Catlettsburg refinery produces cumene, toluene, xylene and dilute naphthalene oil. The Texas City refinery produces benzene, toluene and xylene. Marathon's Neal, West Virginia, plant produces maleic anhydride. Products are shipped via pipeline, barge, rail and truck from refineries or terminals to customers throughout the U.S.

*Includes sales of diesel from Chattanooga asphalt terminal

Transportation and Logistics

TERMINAL, TRANSPORT AND MARINE

The Terminal, Transport and Marine (TT&M) division is responsible for most of Marathon's product distribution facilities and operations. This includes light product terminals and asphalt/heavy oil terminals. In both categories, Marathon is one of the largest terminal operators in the U.S. The light product terminals receive and store products, load trucks and blend products to meet specifications. The asphalt/heavy oil terminals not only store products and load trucks, but also blend heavy oils and manufacture emulsions and polymer grades of asphalt.

In order to help meet changing customer demand and to support the nation's renewable fuels goals, Marathon converted 24 Midwest and three Southeast terminals to 100 percent ethanol blended fuel (E-10 gasohol) in 2008. Marathon expanded ethanol blending to approximately 870 million gallons in 2008.

The Company completed its investment in terminal rack blending across all of its markets in 2008. Rack blending allows Marathon to blend E-10 to any level with confidence that the fuel meets product specifications. Terminals are equipped with a Marathon-developed system that withholds the bill of lading on any load that fails to meet acceptable tolerances for additives or blend components. The effort complements Marathon's substantial existing program of screening product samples for quality control.

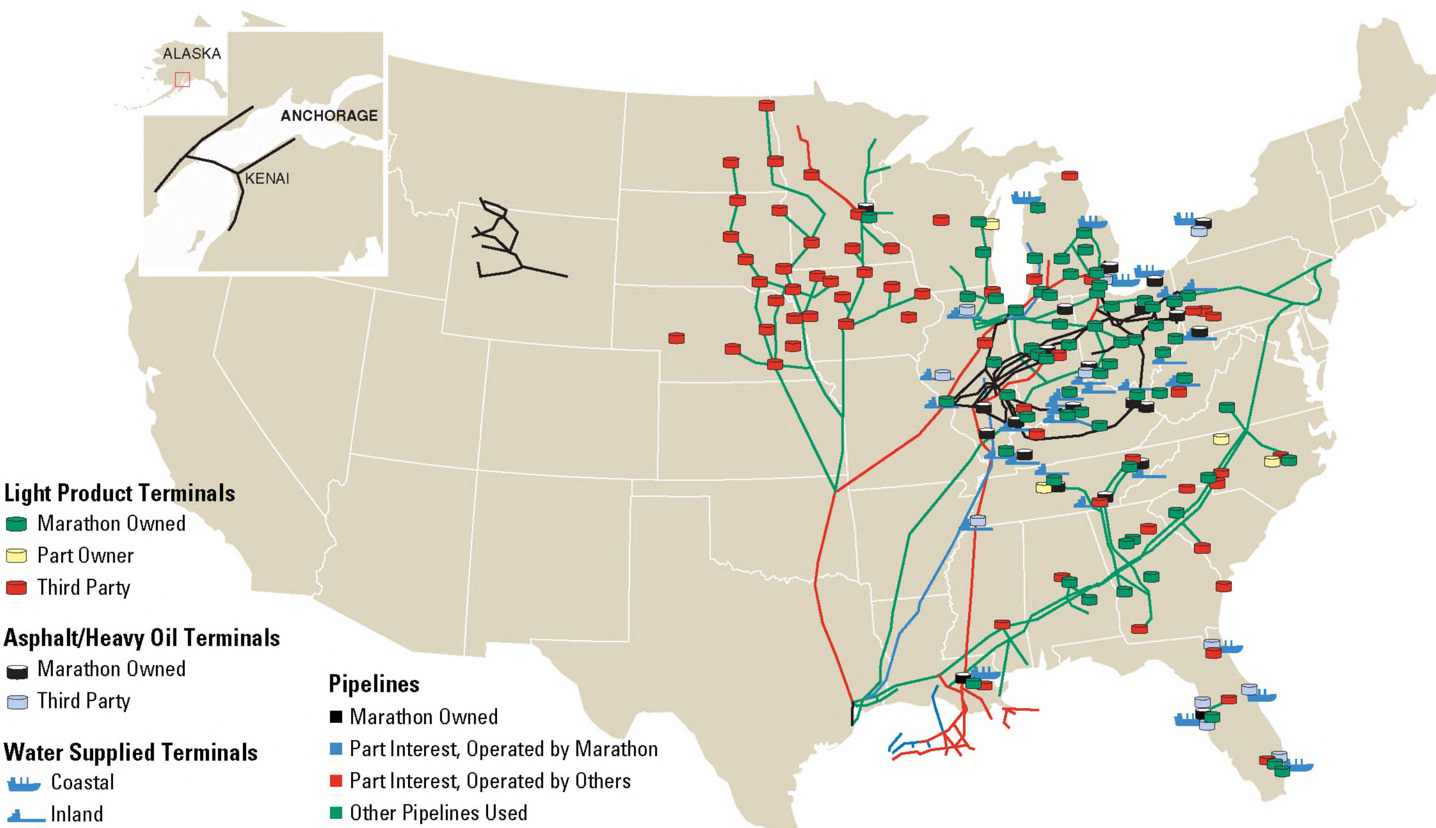
Marathon's marine inland transportation group maintains the largest private inland petroleum products barge fleet in the U.S., which is used to ship crude oil and refined products to optimize the flexibility of Marathon's refining, marketing and transportation system.

TT&M also operates a private fleet of trucks for delivering refined products. Most of the units are used to haul transportation fuels such as gasoline, diesel and jet fuel. The group also hauls chemicals and specialty products, such as molten sulfur. TT&M coordinates all "for-hire" carrier transportation for all Marathon marketing organizations.

TT&M also manages Marathon's rail transportation, including coordinating rail car movements, arranging the procurement of new cars, maintenance of rail cars and rail rate negotiations.

Marathon's product distribution facilities include:

- 65 owned and operated light product terminals, 22 owned and operated asphalt terminals, and 11 leased heavy oil and asphalt terminals in 18 states in the Midwest and Southeast
- 144 owned transport trucks and 268 transport loading racks (192 light product and 76 asphalt)
- 15 inland waterway towboats and 196 barges
- Approximately 2,500 owned or leased railcars



MARATHON PIPE LINE LLC

Marathon Pipe Line LLC (MPL), is one of the largest petroleum pipeline systems in the U.S., based on total barrels delivered. MPL operates pipeline systems that move crude oil from production fields, other pipeline companies and offshore platforms to Marathon refineries, other refineries and other pipeline systems. MPL also operates pipeline systems that move refined products from refineries to product terminals.

Marathon owns, operates, leases or has an ownership interest in approximately 10,000 miles of pipeline, comprised of 72 systems in 16 states and federal waters.

Marathon delivers an average of 116 million gallons of crude oil and petroleum products daily through its pipelines. High-speed computers, constantly evolving technology and satellite communications enable the Company to monitor and control its many pipeline systems throughout the U.S. from a single control center.

- **Marathon's wholly owned system is comprised of approximately 2,200 miles of crude oil trunk, 2,600 miles of product lines and 160 miles of natural gas lines.**
- **The Company also operates nearly 1,100 miles of product lines for joint-interest systems and affiliated companies, including Centennial Pipeline.**
- **Marathon has part ownership interest in approximately 4,000 miles of pipeline that it does not operate. This includes: Capline, Explorer, Wolverine, LOCAP and LOOP.**

Cautionary Note and Statement for the Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995
The United States Securities and Exchange Commission (SEC) permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this Fact Book, such as reserves, resources, risked resources, net risked recoverable resources, risked bitumen resource and other similar terms, which are not yet classified as proved reserves and that the SEC's guidelines strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosures in our Form 10-K, File No. 1-5153, available from us as discussed below. You can also obtain this form from the SEC by calling 1 800-SEC-0330. This booklet also contains forward looking statements about Marathon's four business segments: (1) exploration and production, (2) oil sands mining, (3) integrated gas, and (4) refining, marketing and transportation. Such statements include, but are not limited to, the timing and levels of worldwide net liquid hydrocarbon and natural gas production, the Alvheim/Vilje and Volund developments in Norway, the disposition of interests in the Heimdal area and related assets, the Corrib project in Ireland and other existing and potential developments; future exploration and drilling activity; additional reserves; possible expansion plans of the LNG facility in Equatorial Guinea; the Droshky prospect; potential developments in Angola; potential new leaseholds in Indonesia; expansion plans for oil sands mining; gas-to-fuels, biofuels, and emerging technology developments; potential production development in Libya; the anticipated commencement or completion date of other expansion projects; the Garyville refinery expansion; and, the Detroit heavy oil upgrade project. Where, in any forward-looking statement, the Company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, there can be no assurance that the statement of expectation or belief will result or be achieved. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, Marathon has included in its Annual Report on Form 10-K for the year ended December 31, 2008, cautionary language identifying important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements. Copies of these reports are available at www.marathon.com or by contacting Marathon's Investor Relations Office at +1 713-296-4171. The Company assumes no obligation to update the information in this booklet.

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Glossary

bboe	billion barrels of oil equivalent
bcf	billion cubic feet
bcfd	billion cubic feet per day
bpd	barrels per day
CO_2	carbon dioxide
CSG	coal seam gas
DST	drill stem test
EOR	enhanced oil recovery
FPSO	floating production, storage and offloading vessel
GTF™	gas-to-fuels
LNG	liquefied natural gas
LPG	liquefied petroleum gas
mbbl	thousand barrels
mboepd	thousand barrels of oil equivalent per day
mbopd	thousand barrels of oil per day
mbpd	thousand barrels per day
mmbbl	million barrels
mmboe	million barrels of oil equivalent
mmcfd	million cubic feet per day
mmtpa	million metric tonnes per annum
MPL	Marathon Pipe Line LLC
mtpd	metric tonnes per day
NGH	natural gas hydrates
NGL	natural gas liquids
OSHA	U.S. Occupational Safety and Health Administration
PDO	plan for development and operation
RM&T	refining, marketing and transportation
SAGE	U.K. Scottish Area Gas Evacuation
SSA	Speedway SuperAmerica LLC
tcf	trillion cubic feet
TLP	tension-leg platform
TT&M	terminal, transport and marine
ULSD	ultra-low sulfur diesel

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