



Learn about changes to the Legacy Formula of the **Retirement Plan.**



You still will be eligible to receive a pension benefit under the Legacy Formula of the Retirement Plan of Marathon Oil. However, **the compensation factor used to calculate your Legacy Formula benefit will be frozen as of July 6, 2015.**

This means your final average pay and the offset for your estimated primary Social Security benefit used to calculate your retirement benefit **will not increase after this date.**

FAST FACTS

- The Retirement Plan is funded by the Company — you do not make contributions toward this benefit.
- Your retirement benefit is made up of your Legacy Formula benefit and your Cash Balance Formula benefit.
- Your Legacy Formula benefit is expressed as a monthly annuity at age 65. The lump sum form of benefit will continue.
- You will be able to grow into the early retirement subsidy factors (i.e., age 50 increase) under the Legacy Formula benefit if you reach age 50 **and** complete 10 years of vesting service.
- The Cash Balance Formula is not changing — you will continue to earn additional pay and interest credits.
- The modeling tool available at www.netbenefits.com/MarathonOil will allow you to model your current retirement benefits through a July 1, 2015, benefit commencement date. By July 2015 the modeling tool will be updated to allow modeling of retirement benefits beyond July 1, 2015.

No action is required by you.

What the Changes Mean

Marathon Oil continually evaluates the benefits we offer while balancing the needs of the business. We decided to freeze final average pay in the Legacy Formula of the Retirement Plan as part of an overall effort to align our cost structure competitively.

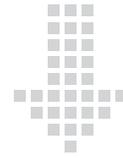
This change will allow the Company to recognize cost savings while still providing competitive retirement benefits. Since not all employees were eligible for the Legacy Formula, it also creates greater consistency among our workforce moving forward.

Who Will Be Affected

These changes apply to active employees with a benefit under the Legacy Formula of the Retirement Plan. This group includes employees who began working for Marathon Oil before 2010 and who have remained in continuous employment.

Employees who were first hired or who were re-hired in 2010 or later, former employees, and current active employees who leave the company before July 6, 2015, will not be affected.

YOUR RETIREMENT PLAN



LEGACY FORMULA

(based on participation service as of December 31, 2009, and final average pay as of July 6, 2015)



CASH BALANCE FORMULA



CASH BALANCE FORMULA FAST FACTS

- Pay credits are added to each participant's Cash Balance account after the end of the year.
 - Participants with less than 50 points receive 7% pay credits.
 - Participants with 50–69 points receive 9% pay credits.
 - Participants with 70+ points receive 11% pay credits.
 - Points equal a participant's age plus service as of the last day of the year.
- Interest credits are also added — based on the 30-year Treasury rate but not less than 3%.

QUESTIONS?

Marathon Oil Company Benefits Service Center at Fidelity

1-800-841-0213

(hearing or speech impaired: 1-800-655-0962)

Representatives are available Monday through Friday, excluding New York Stock Exchange holidays, between 8:30 a.m. and midnight Eastern time (7:30 a.m. and 11 p.m. Central time).



A CLOSER LOOK AT

Calculating the Legacy Formula Benefit

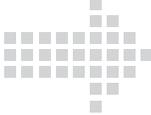
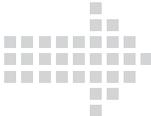
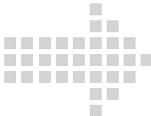
Prior to July 6, 2015, your Legacy Formula benefit is determined under the following formula:

[1.6% x Final Average Pay x Years of Participation]

- [1.33% x Estimated Primary Social Security Benefit x Years of Participation]

After the changes take effect, final average pay will be calculated the same way, but no pay after July 5, 2015, will be included. As a result, your final average pay as of July 6, 2015, will be your final average pay for the purposes of calculating your benefit — it will **not** increase with future salary increases or bonuses.

Beginning July 6, 2015, your Legacy Formula benefit will be calculated based on your:

Years of participation		<ul style="list-style-type: none">• Was frozen December 31, 2009
Final average pay		<ul style="list-style-type: none">• Will be frozen as of July 6, 2015• Then no additional pay considered
Estimated primary Social Security benefit		<ul style="list-style-type: none">• Will be frozen as of July 6, 2015• Freezes benefit calculation before applying the early retirement factors used for the age 50 increase
Age at retirement or separation from employment		
Offset benefit from employment with acquired companies		

ADDITIONAL DETAILS

- Final average pay uses the highest consecutive 36-month period during the 120-month period ending on July 5, 2015. It includes salary and up to three bonuses, but does not include income from restricted stock vesting or other additional bonuses.
- Age factors for purposes of early retirement will not be frozen as of July 6, 2015, and will continue to adjust your monthly retirement benefit until you reach age 62, when you will be eligible for an unreduced benefit under the Legacy Formula. If you are retirement-eligible, there are no further reductions to your monthly retirement benefit based on age beginning at age 62.
- If you are not yet age 50 with 10 years of vesting service, you will be able to grow into the eligibility for the early retirement reduction factors and experience the more favorable factors that apply if you retire after you reach age 50 and complete 10 years of vesting service.

The Effect of the Change — Examples

After July 5, 2015, you will only accrue benefits under the Cash Balance Formula. The following examples illustrate how freezing final average pay under the Legacy Formula of the Retirement Plan will affect the benefits of typical participants. Ages are as of July 6, 2015, legacy service is as of December 31, 2009, and the annual benefit is shown as an immediate life annuity commencing at the age shown.*

EXAMPLE #1:



TYPICAL EARLY CAREER PARTICIPANT
 Age: **35**
 Years of legacy benefit service: **2**
 Years of total benefit service: **8**
 2015 pay: **\$70,000**

Age	Projected Pay	ANNUAL BENEFIT		Percent Reduction
		Before Change	After Change	
49	\$105,900	\$10,904	\$10,475	3.9%
50	\$109,100	\$12,412	\$11,802	4.9%
55	\$126,400	\$20,258	\$19,031	6.1%
58	\$138,200	\$26,563	\$24,823	6.6%
60	\$146,600	\$31,598	\$29,472	6.7%
62	\$155,500	\$37,464	\$34,924	6.8%
65	\$169,900	\$47,784	\$44,796	6.3%

EXAMPLE #2:



TYPICAL EARLY CAREER PARTICIPANT
 Age: **35**
 Years of legacy benefit service: **4**
 Years of total benefit service: **10**
 2015 pay: **\$70,000**

Age	Projected Pay	ANNUAL BENEFIT		Percent Reduction
		Before Change	After Change	
49	\$105,900	\$12,233	\$11,375	7.0%
50	\$109,100	\$14,164	\$12,945	8.6%
55	\$126,400	\$23,027	\$20,575	10.6%
58	\$138,200	\$30,091	\$26,612	11.6%
60	\$146,600	\$35,659	\$31,409	11.9%
62	\$155,500	\$42,070	\$36,994	12.1%
65	\$169,900	\$52,875	\$46,903	11.3%

*The examples reflect each participant's estimated combined Legacy Formula benefit and Cash Balance Formula benefit based upon the following assumptions: (1) legacy service frozen as of December 31, 2009, (2) final average pay and estimated primary Social Security benefit frozen as of July 6, 2015, (3) mortality and interest rate assumptions used to convert the Cash Balance Formula benefit to an annuity as provided in the Retirement Plan, (4) consistent 3% annual increases in compensation, (5) a cash balance interest rate of 3%, which is the 2015 interest crediting rate, and (6) continuous employment through each retirement age shown in the tables.

EXAMPLE #3:



TYPICAL MID-CAREER PARTICIPANT

Age: **45**

Years of legacy benefit service: **14**

Years of total benefit service: **20**

2015 pay: **\$90,000**

Age	Projected Pay	ANNUAL BENEFIT		Percent Reduction
		Before Change	After Change	
49	\$101,300	\$12,631	\$11,686	7.5%
50	\$104,300	\$16,136	\$14,566	9.7%
55	\$121,000	\$27,959	\$23,201	17.0%
58	\$132,200	\$37,240	\$29,597	20.5%
60	\$140,200	\$44,285	\$34,382	22.4%
62	\$148,800	\$52,093	\$40,205	22.8%
65	\$162,600	\$63,238	\$48,349	23.5%

EXAMPLE #4:



TYPICAL LATE CAREER PARTICIPANT

Age: **55**

Years of legacy benefit service: **24**

Years of total benefit service: **30**

2015 pay: **\$100,000**

Age	Projected Pay	ANNUAL BENEFIT		Percent Reduction
		Before Change	After Change	
55	\$100,000	\$25,441	\$25,441	0.0%
58	\$109,300	\$34,522	\$31,791	7.9%
60	\$115,900	\$41,389	\$36,192	12.6%
62	\$123,000	\$48,923	\$40,769	16.7%
65	\$134,400	\$58,511	\$46,104	21.2%

EXAMPLE #5



TYPICAL VERY LATE CAREER PARTICIPANT

Age: **60**

Years of legacy benefit service: **29**

Years of total benefit service: **35**

2015 pay: **\$120,000**

Age	Projected Pay	ANNUAL BENEFIT		Percent Reduction
		Before Change	After Change	
60	\$120,000	\$44,868	\$44,868	0.0%
62	\$127,300	\$53,182	\$49,889	6.2%
65	\$139,100	\$63,186	\$54,573	13.6%

Answers to Your Questions

#1: Will I still be able to get a lump sum?

Yes. The lump sum form of benefit, as well as various annuity forms of benefit, continue to be available under the terms of the Retirement Plan.

#2: I am 48 years old. Will the increase in my Legacy Formula benefit still occur when I reach age 50?

Yes. Your age at the time of separation from employment with Marathon Oil will be used to determine your Legacy Formula benefit. So if you complete 10 years of vesting service, the age 50 increase in the amount of your benefit will still occur.

#3: Will this change have an impact on the future funding of the Retirement Plan? Will this change guarantee that the Retirement Plan is 80% funded?

Freezing final average pay under the Legacy Formula benefit will reduce long-term Retirement Plan costs. Therefore, we expect the funded status of the Retirement Plan to improve over time, and as a result, Marathon Oil's funding obligations will be lower. This change does not guarantee that the Retirement Plan will be 80% funded, but at this time Marathon Oil intends to continue to fund the Retirement Plan so that participants can continue to receive lump sums.

#4: I have a pension benefit from working at Ashland or U. S. Steel. What does this change mean for my benefit?

If you have a prior plan offset, such as Ashland or U. S. Steel, your offset will be applied to the Retirement Plan benefit at the time of retirement in the same way it would have been before these changes.

#5: I have a Qualified Domestic Relations Order (QDRO). How does this affect me?

A QDRO divides a participant's pension benefits when the participant divorces or separates from his or her spouse. Many QDROs allocate a percentage of the participant's benefit to his or her former spouse as of a selected valuation date (for example, the participant's benefit as of the date of divorce). We do not anticipate that QDROs using this method of allocation with a valuation date before July 6, 2015, will be affected by the change.

#6: Will the changes being applied July 6, 2015 affect the existing "excess benefit" calculations based on the Legacy Formula benefit formula?

Yes. Consistent with changes in the qualified Retirement Plan, the final average pay used to calculate your Legacy Formula benefit in the Excess Benefit Plan will be frozen as of July 6, 2015.

QUESTIONS?

If you have questions, call the Marathon Oil Company Benefits Service Center at Fidelity at

1-800-841-0213.

#7: What pay is included in determining final average pay?

Pay generally includes your salary and up to three bonuses during the 120-month period ending on July 5, 2015. Income from restricted stock vesting or other additional bonuses is not included. Refer to Section 6.01(b) of the Retirement Plan text for a more detailed definition of "Gross Pay."

#8: Can I take my Legacy Formula benefit or roll it into the Thrift Plan and continue to work?

You cannot take an in-service distribution from the Retirement Plan due to tax rules. However, if you are age 59½, you can take a distribution from the Thrift Plan without paying the additional tax on early distributions.

#9: If I decide to retire July 1, 2015, how is my final average pay under the Legacy Formula determined? When will I receive my benefit?

If you retire on July 1, 2015 (last day worked June 30, 2015), there is no change in the calculation of final average pay for purposes of determining your Legacy Formula benefit. In order for Fidelity to capture all applicable pay through your last day worked for a retirement calculation, distribution typically would occur five to six weeks after your benefit commencement date.

#10: How can I find out what my projected benefit is if I want to retire?

The modeling tool available at www.netbenefits.com/MarathonOil will allow you to model your current retirement benefits through a July 1, 2015, benefit commencement date. By July 2015 the modeling tool will be updated so you will be able to model your retirement benefits beyond July 1, 2015. Note, that the modeling tool cannot calculate benefits for all participants, e.g., those with multiple plans or QDROs.

#11: If the Federal Government lowers the Social Security benefit after the changes take effect, will the Legacy Formula benefit be adjusted accordingly?

No. The Social Security offset calculation will be determined according to Social Security regulations as of July 6, 2015. Your Legacy Formula benefit will not be affected if the Federal Government changes Social Security benefit levels. However, you have the option to submit your Social Security wage history to Fidelity if you believe your Social Security wages for the period of time before you worked for Marathon Oil were lower than the wages used to estimate your benefit. This could benefit participants with several years of post-secondary education, such as graduate school, as well as other participants who may have worked part-time or taken time away from the workforce.



This document provides information about the Retirement Plan of Marathon Oil Company. The Company's policies, plans, practices and procedures may be amended, terminated or changed at any time at the sole discretion of the Company. If there are discrepancies between this document and the official plan documents, the plan documents will govern.