

MARATHON OIL CORP  
Form 4  
December 12, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MATHENY KENNETH L

(Last) (First) (Middle)

C/O MARATHON OIL CORPORATION, 5555 SAN FELIPE ROAD

(Street)

HOUSTON, TX 77056

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
MARATHON OIL CORP [MRO]

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/08/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_ Other (specify below)  
V.P.-Investor Rel./Public Aff.

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  |                                | Code V Amount (D) Price   |   |  |   |
| COMMON STOCK                    | 12/08/2006                           |  | M                              | 7,734 A \$ 25.515   | 24,646  | D  |   |
| COMMON STOCK                    | 12/08/2006                           |  | D                              | 7,734 D \$ 93.9   | 16,912  | D  |   |
| COMMON STOCK                    | 12/08/2006                           |  | M                              | 18,466 A \$ 33.61   | 35,378  | D  |   |
| COMMON STOCK                    | 12/08/2006                           |  | D                              | 6,599 D \$ 94.06  | 28,779  | D  |   |
| COMMON STOCK                    | 12/08/2006                           |  | F                              | 4,326 D \$ 94.06  | 24,453  | D  |   |

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|              |            |   |       |   |          |        |   |
|--------------|------------|---|-------|---|----------|--------|---|
| COMMON STOCK | 12/08/2006 | S | 6,700 | D | \$ 93.86 | 17,753 | D |
| COMMON STOCK | 12/08/2006 | S | 841   | D | \$ 93.93 | 16,912 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title |
| Stock Appreciation Right                   | \$ 33.61   | 12/08/2006                           |  | M                              | 18,466  | 05/26/2005 <sup>(1)</sup> 05/26/2014                     | COMMON STOCK  |       |
| Employee Stock Option (Right to Buy)       | \$ 25.515  | 12/08/2006                           |  | M <sup>(2)</sup>               | 7,734   | 05/28/2004 <sup>(3)</sup> 05/28/2013                     | COMMON STOCK  |       |
| Stock Appreciation Right                   | \$ 25.515  | 12/08/2006                           |  | M <sup>(2)</sup>               | 7,734   | 05/28/2004 <sup>(3)</sup> 05/28/2013                     | COMMON STOCK  |       |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                                |       |
|--|---------------|-----------|--------------------------------|-------|
|  | Director      | 10% Owner | Officer                        | Other |
| MATHENY KENNETH L<br>C/O MARATHON OIL CORPORATION<br>5555 SAN FELIPE ROAD<br>HOUSTON, TX 77056 |               |           | V.P.-Investor Rel./Public Aff. |       |

## Signatures

By: R. J. Kolencik, Attorney-in-Fact for Kenneth L.  
Matheny

12/12/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Vests in three cumulative annual installments of 9,233, 9,233, and 9,234 shares on May 26, 2005, 2006, and 2007, respectively.
- (2) Exercise of tandem SAR and cancellation of underlying stock option.
- (3) Vests in three equal annual installments on May 28, 2004, 2005 and 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.