

MARATHON OIL CORP  
Form 10-Q  
November 05, 2015

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q  
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the Quarterly Period Ended September 30, 2015

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

Commission file number 1-5153  
Marathon Oil Corporation  
(Exact name of registrant as specified in its charter)  
Delaware  
(State or other jurisdiction of incorporation or organization)  
5555 San Felipe Street, Houston, TX 77056-2723  
(Address of principal executive offices)

25-0996816  
(I.R.S. Employer Identification No.)

(713) 629-6600  
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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

There were 677,260,116 shares of Marathon Oil Corporation common stock outstanding as of October 31, 2015.



## MARATHON OIL CORPORATION

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

For certain industry specific terms used in this Form 10-Q, please see "Definitions" in our 2014 Annual Report on Form 10-K.

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Part I - Financial Information  
Item 1. Financial Statements

MARATHON OIL CORPORATION  
Consolidated Statements of Income (Unaudited)

(In millions, except per share data)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues and other income:				
Sales and other operating revenues, including related party	\$1,300	\$2,316	\$3,887	\$6,735
Marketing revenues	84	554	471	1,713
Income from equity method investments	36	89	98	346
Net loss on disposal of assets	(109)	(3)	(108)	(88)
Other income	12	15	38	55
Total revenues and other income	1,323	2,971	4,386	8,761
Costs and expenses:				
Production	406	593	1,300	1,697
Marketing, including purchases from related parties	84	554	471	1,710
Other operating	93	99	281	303
Exploration	585	96	786	314
Depreciation, depletion and amortization	717	737	2,289	2,060
Impairments	337	109	381	130
Taxes other than income	46	115	191	319
General and administrative	125	160	464	486
Total costs and expenses	2,393	2,463	6,163	7,019
Income (loss) from operations	(1,070)	508	(1,777)	1,742
Net interest and other	(75)	(55)	(180)	(180)
Income (loss) from continuing operations before income taxes	(1,145)	453	(1,957)	1,562
Provision (benefit) for income taxes	(396)	149	(546)	500
Income (loss) from continuing operations	(749)	304	(1,411)	1,062
Discontinued operations	—	127	—	1,058
Net income (loss)	\$(749)	\$431	\$(1,411)	\$2,120
Per basic share:				
Income (loss) from continuing operations	\$(1.11)	\$0.45	\$(2.09)	\$1.56
Discontinued operations	\$—	\$0.19	\$—	\$1.55
Net income (loss)	\$(1.11)	\$0.64	\$(2.09)	\$3.11
Per diluted share:				
Income (loss) from continuing operations	\$(1.11)	\$0.45	\$(2.09)	\$1.55
Discontinued operations	\$—	\$0.19	\$—	\$1.55
Net income (loss)				