

Kerrigan Sylvia J  
 Form 4  
 July 05, 2011

**FORM 4**

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

OMB APPROVAL

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**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 \*  
 Kerrigan Sylvia J

(Last) (First) (Middle)

C/O MARATHON OIL CORPORATION, 5555 SAN FELIPE RD.

(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)  
 06/30/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 V.P., Gen. Counsel & Secretary

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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 Ownership (Instr. 4)
				(A) or (D) Price			
Marathon Oil Corporation Common Stock	06/30/2011		J <sup>(1)</sup>	12,993 A \$ 0	41,016.109	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)

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**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 Underlying (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Employee Stock Option (Right to Buy)	\$ 37.818	06/30/2011		J <sup>(2)</sup>		11,400		06/01/2007 <sup>(3)</sup>	06/01/2016	Common Stock
Employee Stock Option (Right to Buy)	\$ 23.69	06/30/2011		J <sup>(2)</sup>		10,851		06/01/2009	06/01/2016	Common Stock
Employee Stock Option (Right to Buy)	\$ 61.05	06/30/2011		J <sup>(2)</sup>		9,000		05/30/2008 <sup>(4)</sup>	05/30/2017	Common Stock
Employee Stock Option (Right to Buy)	\$ 38.25	06/30/2011		J <sup>(2)</sup>		8,568		05/30/2010	05/30/2017	Common Stock
Employee Stock Option (Right to Buy)	\$ 51.17	06/30/2011		J <sup>(2)</sup>		7,000		05/28/2009 <sup>(5)</sup>	05/28/2018	Common Stock
Employee Stock Option (Right to Buy)	\$ 32.06	06/30/2011		J <sup>(2)</sup>		6,679		05/28/2011	05/28/2018	Common Stock
Employee Stock Option (Right to Buy)	\$ 29.24	06/30/2011		J <sup>(2)(6)</sup>		12,850		05/27/2010 <sup>(7)</sup>	05/27/2019	Common Stock



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- In connection with the spin-off of Marathon Petroleum Corporation ("MPC") on June 30, 2011 by Marathon Oil Corporation ("MRO"), outstanding MRO stock options that are vested, whether held by a current or former officer or employee of MRO or MPC were adjusted, so that the holders hold stock options to purchase both MRO common stock and MPC common stock. The MRO and MPC stock options received, when combined, will generally preserve the intrinsic value of each original stock option grant and the ratio of the exercise price to the fair market value of MRO common stock on the distribution date.
- (2) so that the holders hold stock options to purchase both MRO common stock and MPC common stock. The MRO and MPC stock options received, when combined, will generally preserve the intrinsic value of each original stock option grant and the ratio of the exercise price to the fair market value of MRO common stock on the distribution date.
  - (3) Vested in cumulative installments on June 1, 2007, 2008 and 2009, respectively.
  - (4) Vested in cumulative installments on May 30, 2008, 2009 and 2010, respectively.
  - (5) Vested in cumulative installments on May 28, 2009, 2010 and 2011, respectively.

- In connection with the spin-off of Marathon Petroleum Corporation on June 30, 2011 by Marathon Oil Corporation ("MRO"), outstanding MRO stock options that are not vested and are held by MRO officers or employees, who continued as officers or employees of MRO immediately after the spin-off, were replaced with adjusted MRO stock options to purchase MRO common stock, which will generally preserve the intrinsic value of each original stock option grant and the ratio of the exercise price to the fair market value of MRO common stock on the distribution date.
- (6) of MRO immediately after the spin-off, were replaced with adjusted MRO stock options to purchase MRO common stock, which will generally preserve the intrinsic value of each original stock option grant and the ratio of the exercise price to the fair market value of MRO common stock on the distribution date.
  - (7) Vests in cumulative annual installments of 8,566 and 4,284 shares on May 27, 2011 and 2012, respectively.
  - (8) Vests in cumulative annual installments of 8,155 and 6,837 shares on May 27, 2011 and 2012, respectively.
  - (9) Vests in three cumulative annual installments of 11,700, 11,700 and 11,700 on February 24, 2011, 2012, and 2013, respectively.
  - (10) Vests in three cumulative annual installments of 11,141, 18,679 and 18,679 shares on February 24, 2011, 2012, and 2013, respectively.
  - (11) Vests in three cumulative annual installments of 13,133, 13,133 and 13,134 on February 23, 2012, 2013, and 2014, respectively.
  - (12) Vests in three cumulative annual installments of 20,928, 20,928 and 20,930 on February 23, 2012, 2013, and 2014, respectively.

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