

Marathon Oil Announces 2023 Capital Budget and Reports Fourth Quarter and Full Year 2022 Results

15.02.2023 | [PR Newswire](#)

WTI, \$3.00/MMBtu Henry Hub, and \$20/MMBtu TTF.

Marathon Oil expects to deliver maintenance-level total Company oil production of 190,000 net bopd at the midpoint of guidance range. Total Company oil-equivalent production is expected to be 395,000 net boed at the midpoint of guidance range, excluding the impact of production downtime associated with a planned second quarter E.G. turnaround.

During 2023, Marathon Oil plans to average approximately nine rigs and three to four frac crews, excluding joint venture activity. The Company expects to run approximately four rigs and two frac crews in the Eagle Ford, including on its new acreage from Ensign.

Marathon Oil has not assumed any U.S. cash federal income tax payments in its 2023 financial guidance.

4Q22 Operations

UNITED STATES (U.S.): U.S. production averaged 278,000 net barrels of oil equivalent per day (boed) for fourth quarter. Production averaged 156,000 net barrels of oil per day (bopd). Winter Storm Elliot negatively affected fourth quarter oil production by approximately 5,000 net bopd, with the impact primarily concentrated in the Bakken. U.S. unit production costs were \$6.00 per boe for fourth quarter.

The Company brought a total of 22 gross Company-operated wells to sales during fourth quarter. Marathon Oil's fourth quarter production in the Eagle Ford averaged 91,000 net boed, including 62,000 net bopd of oil, with 12 gross Company-operated wells to sales. In the Bakken, production averaged 94,000 net boed, including oil production of 59,000 net bopd, with four gross Company-operated wells to sales. Oklahoma production averaged 50,000 net boed, including oil production of 11,000 net bopd. Northern Delaware production averaged 33,000 net boed, including oil production of 20,000 net bopd, with six gross company-operated wells to sales.

ENSIGN NATURAL RESOURCES ACQUISITION: As previously announced, Marathon Oil closed on the acquisition of the assets of Ensign Natural Resources on Dec. 27, 2022. The acquisition is expected to be immediately and significantly accretive to Marathon Oil's key financial metrics and Return of Capital Framework; adds more than 600 high-quality undrilled locations representing an inventory life greater than 15 years; and materially increases Marathon Oil's Eagle Ford scale. Early initial production on the asset is progressing ahead of schedule, and initial well performance is exceeding expectations. Since acquisition close, the asset has brought nine wells to sales with average 30-day initial production rates delivering top decile oil productivity in the Eagle Ford.

INTERNATIONAL: E.G. production averaged 55,000 net boed for fourth quarter, including 10,000 net bopd of oil. Unit production costs averaged \$3.94 per boe. Fourth quarter net income from equity method investees totaled \$144 million while total dividend income from equity method companies amounted to \$136 million.

Corporate Overview

2022 RESERVES: Year-end 2022 proved reserves totaled 1,338 million barrels of oil equivalent (mmbob), an increase of 21%, compared to year-end 2021 proved reserves. 2022 proved reserve additions were primarily attributable to acquisition, expansion of proved areas, higher commodity prices, and 5-year plan optimization. Oil and liquids accounted for 48% and 52% of the Company's year-end 2022 proved reserves, respectively.

BALANCE SHEET AND LIQUIDITY: Marathon Oil ended fourth quarter with total liquidity of \$2.4 billion, including \$334 million of cash and cash equivalents and available borrowings on the Company's revolving credit facility that has been extended to 2025.

FOURTH QUARTER ADJUSTMENTS TO NET INCOME: The adjustments to net income for fourth quarter totaled \$38 million, primarily due to net losses on asset sales, transaction fees associated with the Ensign acquisition, and other non-core items, partially offset by the income impact related to net unrealized gains on derivative instruments.

ESG Excellence

SAFETY: Marathon Oil holds safety as a core value and a key component of its ESG commitment. The Company strives to create safe, healthy, and secure workplaces by maintaining strong safety performance, as measured by Total Recordable Incidents (TRIR) for employees and contractors. During 2022, Marathon Oil achieved a TRIR of 0.30. Marathon Oil's safety performance remains a key element of its executive compensation scorecard, underscoring the Company's commitment to keeping employees and contractors safe.

ENVIRONMENTAL: Marathon Oil aims to help meet global oil and gas demand with strong environmental performance.

significant improvement to both the greenhouse gas (GHG) and methane intensity of its operations, consistent with the Paris Climate Agreement. The Company continues to execute against a combination of near-term (2023), medium-term longer-term (2030) goals covering GHG intensity, methane intensity, natural gas capture, and zero routine flaring. The annual GHG intensity remains a key element of its executive compensation scorecard.

SOCIAL: Marathon Oil is committed to promoting a diverse and inclusive workplace, respecting human rights, and making investments to build healthier, safer, more resilient, and stronger local communities. During 2022, Marathon Oil published Opportunity and Employment (EEO-1) data and released a new Human Rights Policy to further acknowledge its longstanding commitment to the dignity and rights of all people. Key strategic social investments during 2022 included: ongoing support of Equatorial Guinea's Bioko Island Malaria Elimination Project; partnership with the National Fish and Wildlife Foundation on restoration projects in the Bakken; awarding grants to teachers across operating areas through the Unconventional Thinking Teaching Program; and continued support of the Barbara Bush Houston Literacy Foundation My Home Library Program.

GOVERNANCE: Marathon Oil believes best-in-class governance is foundational to delivering shareholder value. The Company is especially focused on displaying industry leadership in aligning executive compensation with the most critical drivers of value and on maintaining an independent and diverse board of directors with strong skills and experience. During 2022, the Company continued to enhance its board of director oversight through its focus on refreshment, independence, and diversity. The Company elected two new board members in 2022. Eight of nine directors are independent, average director tenure remains below industry average while maintaining a diverse mix of short and longer-tenured directors, three directors are female (including the Chair) and two directors self-identify as ethnically/racially diverse.

A slide deck and Quarterly Investor Packet will be posted to the Company's website following this release today, February 15, Thursday, February 16, at 9:00 a.m. ET, the Company will conduct a question-and-answer webcast/call, which will include forward-looking information. The live webcast, replay and all related materials will be available at <https://ir.marathonoil.com>.

Media Relations Contact:
Karina Brooks: 713-296-2191

Investor Relations Contacts:
Guy Baber: 713-296-1892
John Reid: 713-296-4380

Footnotes:

¹ Total recordable incident rate (TRIR) measures combined employee and contractor workforce incidents per 200,000 hours worked.

About Marathon Oil

[Marathon Oil Corp.](#) (NYSE: MRO) is an independent oil and gas exploration and production (E&P) company focused on the most competitive resource plays in the U.S. - Eagle Ford, Texas; Bakken, North Dakota; STACK and SCOOP in Oklahoma; Permian in New Mexico and Texas; complemented by a world-class integrated gas business in Equatorial Guinea. The Company's Framework for Success is founded on a strong balance sheet, ESG excellence and the competitive advantages of a high-quality multi-basin portfolio. For more information, please visit www.marathonoil.com.

Non-GAAP Measures

In analyzing and planning for its business, Marathon Oil supplements its use of GAAP financial measures with non-GAAP financial measures, including adjusted net income (loss), adjusted net income (loss) per share, net cash provided by operating activities, changes in working capital (adjusted CFO), free cash flow, adjusted free cash flow, capital expenditures (accrued) and debt-to-capitalization ratio.

Our presentation of adjusted net income (loss) and adjusted net income (loss) per share is a non-GAAP measure. Adjusted net income (loss) is defined as net income (loss) adjusted for gains or losses on dispositions, impairments of proved and certain unproved properties, goodwill and equity method investments, changes in our valuation allowance, unrealized derivative gains or losses on commodity and interest rate derivative instruments, effects of pension settlements and curtailments and other items that are considered "non-operating" or "non-core" in nature. Management believes this is useful to investors as another tool to represent our operating performance and to compare Marathon to certain competitors. Adjusted net income (loss) and adjusted net income (loss) per share should not be considered in isolation or as an alternative to, or more meaningful than, net income (loss) per share as determined in accordance with U.S. GAAP.

Our presentation of adjusted CFO is defined as net cash provided by operating activities adjusted for changes in working capital and is a non-GAAP measure. Management believes this is useful to investors as an indicator of Marathon's ability to generate cash quarterly or year-to-date by eliminating differences caused by the timing of certain working capital items. Adjusted CFO should not be considered in isolation or as an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with U.S. GAAP.

Our presentation of free cash flow is a non-GAAP measure. Free cash flow is defined as net cash provided by operating activities less cash additions to property, plant and equipment. Management believes this is useful to investors as a measure of Marathon's ability to fund its capital expenditure programs, service debt, and fund other distributions to stockholders. Free cash flow should not be considered in isolation or as an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with U.S. GAAP.

Our presentation of adjusted free cash flow is a non-GAAP measure. Adjusted free cash flow before dividend ("adjusted free cash flow") is defined as adjusted CFO, capital expenditures (accrued), and EG return of capital and other. Management believes this is useful to investors as a measure of Marathon's ability to fund its capital expenditure programs, service debt, and fund other distributions to stockholders. Adjusted free cash flow should not be considered in isolation or as an alternative to, or more meaningful than, net cash provided by operating activities as determined in accordance with U.S. GAAP.

Our presentation of capital expenditures (accrued) is a non-GAAP measure. Capital expenditures (accrued) is defined as cash additions to property, plant and equipment adjusted for the change in capital accrual and additions to other assets. Management believes this is useful to investors as an indicator of Marathon's commitment to capital expenditure discipline by eliminating differences caused by the timing of capital accrual and other items. Capital expenditures (accrued) should not be considered in isolation or as an alternative to, or more meaningful than, cash additions to property, plant and equipment as determined in accordance with U.S. GAAP.

Our presentation of reinvestment rate is a non-GAAP measure. The reinvestment rate in the context of adjusted free cash flow is defined as capital expenditures (accrued) divided by adjusted CFO. The reinvestment rate in the context of free cash flow is defined as capital expenditures (accrued) divided by net cash provided by operating activities. Management believes this reinvestment rate is useful to investors to demonstrate the Company's commitment to generating cash for use towards shareholder-friendly purposes (which includes balance sheet enhancement, base dividend and other return of capital).

These non-GAAP financial measures reflect an additional way of viewing aspects of the business that, when viewed with GAAP financial measures, may provide a more complete understanding of factors and trends affecting the business and are a useful tool to help management and investors make informed decisions about Marathon Oil's financial and operating performance. These measures should not be considered in isolation or as an alternative to their most directly comparable GAAP financial measures. A reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures can be found in our investor package on our website at <https://ir.marathonoil.com> in the tables below. Marathon Oil strongly encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety and not rely on any single financial measure.

Forward-looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 27A of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, including without limitation statements regarding the Company's future capital budgets and allocations, future performance (both absolute and relative), the anticipated benefits of the Ensign acquisition (including accretion to key financial metrics, Return of Capital Framework and inventory), adjusted free cash flow, reinvestment rates, returns to investors (including dividends and share repurchases, and the timing of the business strategy, capital expenditure guidance, production guidance, rig counts, future E.G. earnings and cash flow, E.G. method income guidance, tax assumptions and other statements regarding management's plans and objectives for future periods are forward-looking statements. Words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "outlook," "plan," "positioned," "project," "seek," "should," "target," "will," "would," or similar words are used to identify forward-looking statements; however, the absence of these words does not mean that the statements are not forward-looking. While the Company believes its assumptions concerning future events are reasonable, a number of factors could cause actual results to differ materially from those projected, including, but not limited to: conditions in the oil and gas industry, including supply/demand levels for crude oil and condensate, NGLs and natural gas and the resulting impact on price; changes in expected reserve or production levels; changes in political or economic conditions in the U.S. and Equatorial Guinea, including changes in foreign currency exchange rates, interest rates, inflation rates and global and domestic market conditions; actions by the members of the Organization of the Petroleum Exporting Countries (OPEC) and Russia affecting the production and price of crude oil and other global and domestic political, economic or diplomatic developments; capital available for exploration and development; risks related to the Company's hedging activities; voluntary or involuntary curtailments, delays or cancellations of drilling activities; well production timing; liabilities or corrective actions resulting from litigation, other proceedings and

alleged violations of law or permits; drilling and operating risks; lack of, or disruption in, access to storage capacity, pipeline transportation methods; availability of drilling rigs, materials and labor, including the costs associated therewith; difficulty in obtaining necessary approvals and permits; the availability, cost, terms and timing of issuance or execution of, competition for, and access to, mineral licenses and leases and governmental and other permits and rights-of-way, and our ability to retain mineral licenses; non-performance by third parties of contractual or legal obligations, including due to bankruptcy; unexpected events; impact distributions from our equity method investees; changes in our credit ratings; hazards such as weather conditions; the COVID-19 pandemic (including COVID-19), acts of war or terrorist acts and the government or military response thereto; the impact of supply chain disruptions that began during the COVID-19 pandemic and the resulting inflationary environment; security threats and cybersecurity threats and disruptions to our business and operations from breaches of our information technology systems; breaches of the information technology systems, facilities and infrastructure of third parties with which we transact business; compliance with, in safety, health, environmental, tax and other regulations, requirements or initiatives, including initiatives addressing the impact of global climate change, air emissions, or water management; our ability to achieve, reach or otherwise meet initiatives, plans or ambitions with respect to ESG matters; our ability to pay dividends and make share repurchases; our ability to secure insurance; our exposure to the global LNG market in 2024; impacts of the Inflation Reduction Act of 2022; and our assumptions relating to the risk that the Ensign assets do not perform consistent with our expectations, including with respect to future production of oil and gas inventory; other geological, operating and economic considerations; and the risk factors, forward-looking statements and uncertainties described in the Company's 2021 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings and press releases, available at <https://ir.marathonoil.com/>. Except as required by law, the Company undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise.

Consolidated Statements of Income (Unaudited)	Three Months Ended			Year Ended	
	Dec. 31	Sept. 30	Dec. 31	Dec. 31	Dec. 31
(In millions, except per share data)	2022	2022	2021	2022	2021
Revenues and other income:					
Revenues from contracts with customers	\$ 1,603	\$ 2,008	\$ 1,732	\$ 7,540	\$ 5,601
Net gain (loss) on commodity derivatives	15	41	15	(114)	(383)
Income from equity method investments	144	190	74	613	253
Net gain (loss) on disposal of assets	(39)	2	(27)	(38)	(19)
Other income	10	6	6	35	15
Total revenues and other income	1,733	2,247	1,800	8,036	5,467
Costs and expenses:					
Production	181	193	156	690	534
Shipping, handling and other operating	158	199	189	733	727
Exploration	18	73	27	110	136
Depreciation, depletion and amortization	434	460	516	1,753	2,066
Impairments	3	2	-	7	60
Taxes other than income	103	137	109	484	345
General and administrative	88	79	64	308	291
Total costs and expenses	985	1,143	1,061	4,085	4,159
Income from operations					

748

1,104

739

3,951

1,308

Net interest and other	(60)	(52)	(59)	(188)	(188)
Other net periodic benefit credits	2	5	3	16	5
Loss on early extinguishment of debt	-	-	-	-	(121)
Income before income taxes	690	1,057	683	3,779	1,004
Provision for income taxes	165	240	34	167	58
Net income	\$ 525	\$ 817	\$ 649	\$ 3,612	\$ 946
Adjusted Net Income					
Net income	\$ 525	\$ 817	\$ 649	\$ 3,612	\$ 946
Adjustments for special items (pre-tax):					
Net (gain) loss on disposal of assets	39	(2)	27	38	19
Proved property impairments	3	2	-	7	60
Exploratory dry well costs, unproved property impairments and other	12	62	16	74	71
Pension settlement	2	-	1	2	9
Unrealized (gain) loss on derivative instruments	(22)	(67)	(146)	(18)	(16)
Unrealized (gain) loss on interest rate swaps	-	-	43	27	(14)
Reduction in workforce	-	-	-	-	12
Loss on early extinguishment of debt	-	-	-	-	121
Acquisition transaction costs	18	-	-	18	-
Other	(2)	23	5	46	36
Provision (benefit) for income taxes related to special items ^(a)	(12)	(3)	(3)	(43)	(3)
Valuation allowance	-	-	-	(685)	-
Adjustments for special items	38	15	(57)	(534)	295
Adjusted net income ^(b)	\$ 563	\$ 832	\$ 592	\$ 3,078	\$ 1,241
Per diluted share:					
Net income	\$ 0.82	\$ 1.22	\$ 0.84	\$ 5.26	\$ 1.20
Adjusted net income ^(b)	\$ 0.88	\$ 1.24	\$ 0.77	\$ 4.48	\$ 1.57
Weighted average diluted shares	637	672	773	687	788

^(a) In 2022, we applied the estimated U.S. and state statutory rate of 22% to our special items. The remaining adjusted special items for the year of 2021 pertain to our U.S. operations and do not include a tax provision benefit as we maintained a full valuation allowance on our net federal deferred tax assets.

^(b) Non-GAAP financial measure. See "Non-GAAP Measures" above for further discussion.

Supplemental Data (Unaudited)	Three Months Ended			Year Ended	
	Dec. 31	Sept. 30	Dec. 31	Dec. 31	Dec. 31
(Per share)	2022	2022	2021	2022	2021
Adjusted Net Income Per Diluted Share					
Net income	\$ 0.82	\$ 1.22	\$ 0.84	\$ 5.26	\$ 1.20
Adjustments for special items (pre-tax):					
Net (gain) loss on disposal of assets	0.06	-	0.03	0.06	0.02
Proved property impairments	-	-	-	0.01	0.08
Exploratory dry well costs, unproved property impairments and other	0.02	0.09	0.02	0.11	0.09
Pension settlement	-	-	-	-	0.01
Unrealized (gain) loss on derivative instruments	(0.03)	(0.10)	(0.19)	(0.03)	(0.02)
Unrealized (gain) loss on interest rate swaps	-	-	0.06	0.04	(0.02)
Reduction in workforce	-	-	-	-	0.02
Loss on early extinguishment of debt	-	-	-	-	0.15
Acquisition transaction costs	0.03	-	-	0.03	-
Other	-	0.03	0.01	0.06	0.04
Provision (benefit) for income taxes related to special items	(0.02)	-	-	(0.06)	-
Valuation allowance	-	-	-	(1.00)	-
Adjustments for special items	0.06	0.02	(0.07)	(0.78)	0.37
Adjusted net income per share ^(a)	\$ 0.88	\$ 1.24	\$ 0.77	\$ 4.48	\$ 1.57

(a) Non-GAAP financial measure. See "Non-GAAP Measures" above for further discussion.

Supplemental Data (Unaudited)	Three Months Ended			Year Ended	
	Dec. 31	Sept. 30	Dec. 31	Dec. 31	Dec. 31
(In millions)	2022	2022	2021	2022	2021
Segment income					
United States	\$ 510	\$ 723	\$ 553	\$ 2,740	\$ 1,277
International	129	181	106	585	317
Not allocated to segments	(114)	(87)	(10)	287	(648)
Net income	\$ 525	\$ 817	\$ 649	\$ 3,612	\$ 946
Net operating cash flow before changes in working capital (Adjusted CFO)					
Net cash provided by operating activities	\$ 1,127	\$ 1,556	\$ 1,146	\$ 5,428	\$ 3,239
Changes in working capital	(23)	(116)	(45)	(18)	(25)
Adjusted CFO ^(a)	\$ 1,104	\$ 1,440	\$ 1,101	\$ 5,410	\$ 3,214
Free cash flow					
Net cash provided by operating activities	\$ 1,127	\$ 1,556	\$ 1,146	\$ 5,428	\$ 3,239
Cash additions to property, plant and equipment	(333)	(430)	(274)	(1,450)	(1,046)
Free cash flow	\$ 794	\$ 1,126	\$ 872	\$ 3,978	\$ 2,193
Adjusted free cash flow					
Adjusted CFO	\$ 1,104	\$ 1,440	\$ 1,101	\$ 5,410	\$ 3,214
Adjustments:					
Capital expenditures (accrued)	(344)	(413)	(251)	(1,480)	(1,032)
EG return of capital and other	3	4	48	17	57
Adjusted free cash flow ^(a)	\$ 763	\$ 1,031	\$ 898	\$ 3,947	\$ 2,239
Reinvestment rate ^(a)	31 %	29 %	22 %	27 %	32 %
Capital expenditures (accrued)					
Cash additions to property, plant and equipment	\$ (333)	\$ (430)	\$ (274)	\$ (1,450)	\$ (1,046)
Change in capital accrual	(11)	17	23	(30)	14
Capital expenditures (accrued) ^(a)	\$ (344)	\$ (413)	\$ (251)	\$ (1,480)	\$ (1,032)

(a) Non-GAAP financial measure. See "Non-GAAP Measures" above for further discussion.

Supplemental Data (Unaudited)	2023 Adjusted Free Cash Flow Outlook (a)
(In millions)	
Expected adjusted CFO	
Net cash provided by operating activities	\$ 4,500
Changes in working capital	-
Expected adjusted CFO ^(b)	\$ 4,500
Expected adjusted free cash flow	
Expected adjusted CFO	\$ 4,500
Adjustments:	
Capital expenditures (accrued)	(1,900) - (2,000)
EG return of capital and other	-
Expected adjusted free cash flow ^(b)	\$ 2,600
Expected reinvestment rate ^(b)	43 %

(a) Based upon an \$80/bbl WTI, \$3.00/MMbtu Henry Hub and \$20/MMbtu TTF price assumption.

(b) Non-GAAP financial measure. See "Non-GAAP Measures" above for further discussion.

Supplemental Statistics (Unaudited)	Three Months Ended			Year Ended	
	Dec. 31	Sept. 30	Dec. 31	Dec. 31	Dec. 31
	2022	2022	2021	2022	2021
Net Production					
Equivalent Production (mboed)					
United States	278	295	304	284	287
International	55	57	49	59	61
Total net production	333	352	353	343	348
Oil Production (mbbl/d)					
United States	156	166	172	159	162
International	10	10	9	10	11
Total net production	166	176	181	169	173

Supplemental Statistics (Unaudited)	Three Months Ended			Year Ended	
	Dec. 31	Sept. 30	Dec. 31	Dec. 31	Dec. 31
	2022	2022	2021	2022	2021
United States - net sales volumes					
Crude oil and condensate (mbbl/d)	156	166	171	159	161
Eagle Ford	62	61	60	57	58
Bakken	59	75	81	71	74
Oklahoma	10	12	13	12	12
Northern Delaware	20	13	12	14	13
Other United States	5	5	5	5	4
Natural gas liquids (mbbl/d)	59	69	70	64	62
Eagle Ford	14	16	17	15	15
Bakken	22	27	27	25	23
Oklahoma	15	19	19	17	17
Northern Delaware	6	5	5	5	5
Other United States	2	2	2	2	2
Natural gas (mmcf/d)	371	363	379	363	379
Eagle Ford					

Bakken	80	94	95	87	90
Oklahoma	143	140	146	140	147
Northern Delaware	40	34	30	34	32
Other United States	15	13	14	16	13
Total United States (mboed)	277	295	304	284	286
International - net sales volumes					
Crude oil and condensate (mmbld)	11	11	13	10	11
Equatorial Guinea	11	11	13	10	11
Natural gas liquids (mmbld)	6	7	5	7	7
Equatorial Guinea	6	7	5	7	7
Natural gas (mmcf)	235	241	207	252	259
Equatorial Guinea	235	241	207	252	259
Total International (mboed)	56	58	53	59	61
Total Company - net sales volumes (mboed)	333	353	357	343	347
Net sales volumes of equity method investees					
LNG (mtd)	1,653	2,536	2,213	2,565	2,941
Supplemental Statistics (Unaudited)	Three Months Ended			Year Ended	
Methanol (mtd)	1,328	956	1,148	1,058	1,140
	Dec. 31	Sept. 30	Dec. 31	Dec. 31	Dec. 31
Condensate and LPG (boed)	7,540	7,060	6,123	7,969	8,560
	2022	2022	2021	2022	2021
United States - average price realizations (a)					
Crude oil and condensate (\$ per bbl) (b)	\$ 84.29	\$ 93.67	\$ 77.03	\$ 95.58	\$ 66.88
Eagle Ford	84.26	94.05	77.68	95.73	68.26
Bakken	84.93	94.01	76.49	96.40	65.86
Oklahoma	82.36	92.48	77.39	95.26	66.82
Northern Delaware	84.21	91.81	77.70	92.25	66.99
Other United States	81.74	91.70	75.26	91.74	65.73
Natural gas liquids (\$ per bbl)	\$ 26.02	\$ 34.00	\$ 34.99	\$ 34.55	\$ 28.89
Eagle Ford	26.47	34.25	34.26	34.12	29.34
Bakken	23.17	33.06	34.79	33.80	28.94
Oklahoma	30.14	35.92	36.42	37.09	29.28

Northern Delaware	25.82	31.85	33.79	31.75	26.22
Other United States	24.55	32.63	33.85	33.30	28.14
Natural gas (\$ per mcf)	\$ 4.93	\$ 7.84	\$ 5.24	\$ 6.11	\$ 4.57
Eagle Ford	4.99	7.35	5.25	5.94	4.50
Bakken	5.55	7.74	5.58	6.23	3.63
Oklahoma	4.95	8.25	5.08	6.27	5.22
Northern Delaware	3.83	7.39	4.68	5.65	4.70
Other United States	3.96	8.31	5.65	5.89	3.93
International - average price realizations					
Crude oil and condensate (\$ per bbl)	\$ 59.27	\$ 74.01	\$ 71.29	\$ 68.67	\$ 57.46
Equatorial Guinea	59.27	74.01	71.29	68.67	57.46
Natural gas liquids (\$ per bbl)	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Equatorial Guinea (c)	1.00	1.00	1.00	1.00	1.00
Natural gas (\$ per mcf)	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
Equatorial Guinea (c)	0.24	0.24	0.24	0.24	0.24
Benchmark					
WTI crude oil (per bbl)	\$ 82.64	\$ 91.43	\$ 77.10	\$ 94.33	\$ 68.11
Brent (Europe) crude oil (per bbl) (d)	\$ 88.56	\$ 100.71	\$ 79.59	\$ 100.78	\$ 70.68
(a) Excludes gains or losses on commodity derivative instruments.					
Mont Belvieu NGLs (per bbl) (e)	\$ 27.18	\$ 36.08	\$ 35.39	\$ 35.78	\$ 29.17
(b) Inclusion of realized gains (losses) on crude oil derivative instruments would have decreased average price realizations by \$0.40 for the fourth quarter of 2021, by \$1.90 for the year ended December 31, 2021, by \$0.26 for the third quarter of 2022, by \$0.25 for the third quarter of 2021, by \$4.86 for the fourth quarter of 2021, by \$1.90 for the year ended December 31, 2022 and \$4.76 for the year ended December 31, 2021.					
TTP natural gas (per mmbtu)	\$ 37.18	\$ 60.68	\$ 32.31	\$ 40.85	\$ 16.25

(c) Represents fixed prices under long-term contracts with Alba Plant LLC, Atlantic Methanol Production Company LLC and/or Equatorial Guinea LNG Holdings Limited, which are equity method investees. The Alba Plant LLC processes the NGLs and then sells secondary condensate, propane, and butane at market prices. Marathon Oil includes its share of income from each of these equity method investees in the International segment.

(d) Average of monthly prices obtained from Energy Information Administration website.

(e) Bloomberg Finance LLP: Y-grade Mix NGL of 55% ethane, 25% propane, 5% butane, 8% isobutane and 7% natural gasoline.

(f) Settlement date average per mmbtu.

The following table sets forth outstanding derivative contracts as of February 13, 2023 and the weighted average prices for those contracts:

	2023			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Natural Gas				
Henry Hub Two-Way Collars				
Volume (MMBtu/day)	50,000	-	-	-
Weighted average price per MMBtu:				
Ceiling	\$ 19.28	\$ -	\$ -	\$ -
Floor	\$ 5.00	\$ -	\$ -	\$ -
Henry Hub Three-Way Collars				
Volume (MMBtu/day)	50,000	50,000	50,000	50,000
Weighted average price per MMBtu:				
Ceiling	\$ 11.14	\$ 11.14	\$ 11.14	\$ 11.14
Floor	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
Sold put	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50

View original content to download

multimedia:<https://www.prnewswire.com/news-releases/marathon-oil-announces-2023-capital-budget-and-reports-fourth-quarter-and-full-year-2022-results.html>

SOURCE [Marathon Oil Corp.](#)