

CAZALOT CLARENCE P JR
Form 4
August 15, 2005

FORM 4

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

OMB APPROVAL

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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 *
CAZALOT CLARENCE P JR

(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)
08/11/2005

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)
President and CEO

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 Beneficial Ownership (Instr. 4)		
				Code	V	Amount	(A) or (D) Price		
COMMON STOCK	08/11/2005		M		100,000	A	\$ 23.4063	445,637	D
COMMON STOCK	08/11/2005		M		140,000	A	\$ 32.52	585,637	D
COMMON STOCK	08/11/2005		M		240,000	A	\$ 28.12	825,637	D
COMMON STOCK	08/11/2005		D		480,000	D	\$ 63.55 (1)	345,637	D

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

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(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 Underlying (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
EMPLOYEE STOCK OPTION (Right to Buy)	\$ 32.52	08/11/2005		M ⁽²⁾	140,000	05/29/2002 05/29/2011	COMMON STOCK	
STOCK APPRECIATION RIGHT	\$ 32.52	08/11/2005		M ⁽²⁾	140,000	05/29/2002 05/29/2011	COMMON STOCK	
EMPLOYEE STOCK OPTION (Right to Buy)	\$ 23.4063	08/11/2005		M ⁽²⁾	100,000	03/03/2005 03/03/2010	COMMON STOCK	
EMPLOYEE STOCK OPTION (Right to Buy)	\$ 28.12	08/11/2005		M ⁽²⁾	240,000	05/28/2003 05/28/2012	COMMON STOCK	
STOCK APPRECIATION RIGHT	\$ 23.4063	08/11/2005		M ⁽²⁾	100,000	03/03/2005 03/03/2010	COMMON STOCK	
STOCK APPRECIATION RIGHT	\$ 28.12	08/11/2005		M ⁽²⁾	240,000	05/28/2003 05/28/2012	COMMON STOCK	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CAZALOT CLARENCE P JR C/O MARATHON OIL CORPORATION 5555 SAN FELIPE ROAD HOUSTON, TX 77056	X		President and CEO	

Signatures

R. J. Kolencik, Attorney-in-Fact for Clarence P.
Cazalot, Jr

08/15/2005

__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).

Under the terms of the Stock Appreciation Right, the Stock Appreciation Right will be adjusted to reflect the highest fair market value of

- (1) Marathon Oil Corporation Common Stock during the ten day trading period commencing August 2, 2005. This Form 4 will be amended if the highest fair market value exceeds the highest fair market value as of August 11, 2005, which is \$63.55.
- (2) Exercise of tandem SAR and cancellation of underlying stock option.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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