

CAZALOT CLARENCE P JR  
 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 \*  
 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)  
 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)  
 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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

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 | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date | 7. Title Underlying |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|---------------------|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|---------------------|

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| Security<br>(Instr. 3)                        | or Exercise<br>Price of<br>Derivative<br>Security | any<br>(Month/Day/Year) | Code                |   | Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4, and 5) |         | (Month/Day/Year)          |                    | (Instr. 8) |
|---|---|-------------------------|---------------------|---|--|---------|---------------------------|--------------------|------------|
|   |   |                         | Code                | V | (A)  | (D)     | Date Exercisable          | Expiration<br>Date |            |
| Stock<br>Appreciation<br>Right                | \$ 16.805   | 06/30/2011              | J <sup>(1)</sup>    |   |  | 600,000 | 05/26/2005 <sup>(2)</sup> | 05/26/2014         | Cor<br>St  |
| Stock<br>Appreciation<br>Right                | \$ 10.53  | 06/30/2011              | J <sup>(1)</sup>    |   | 571,278  |         | 05/26/2007                | 05/26/2014         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 23.825   | 06/30/2011              | J <sup>(3)</sup>    |   |  | 353,600 | 05/25/2006 <sup>(4)</sup> | 05/25/2015         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 14.93  | 06/30/2011              | J <sup>(3)</sup>    |   | 336,696  |         | 05/25/2008                | 05/25/2015         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 37.818   | 06/30/2011              | J <sup>(3)</sup>    |   |  | 379,600 | 06/01/2007 <sup>(5)</sup> | 06/01/2016         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 23.69  | 06/30/2011              | J <sup>(3)</sup>    |   | 361,322  |         | 06/01/2009                | 06/01/2016         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 61.05  | 06/30/2011              | J <sup>(3)</sup>    |   |  | 298,600 | 05/30/2008 <sup>(6)</sup> | 05/30/2017         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 38.25  | 06/30/2011              | J <sup>(3)</sup>    |   | 284,289  |         | 05/30/2010                | 05/30/2017         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 54.36  | 06/30/2011              | J <sup>(3)</sup>    |   |  | 223,200 | 02/27/2009 <sup>(7)</sup> | 02/27/2018         | Cor<br>St  |
| Employee<br>Stock Option<br>(Right to<br>Buy) | \$ 34.06  | 06/30/2011              | J <sup>(3)</sup>    |   | 212,341  |         | 02/27/2011                | 02/27/2018         | Cor<br>St  |
| Employee                                      | \$ 23.82  | 06/30/2011              | J <sup>(3)(8)</sup> |   |  | 470,200 | 02/25/2010 <sup>(9)</sup> | 02/25/2019         | Cor        |

|   |          |            |                |         |  |                            |            |
|---|----------|------------|----------------|---------|--|----------------------------|------------|
| Stock Option<br>(Right to Buy)          |          |            |                |         |  |                            |            |
| Employee Stock Option<br>(Right to Buy) | \$ 14.92 | 06/30/2011 | <u>J(3)(8)</u> | 548,486 |  | 02/25/2011 <sup>(10)</sup> | 02/25/2019 |
| Employee Stock Option<br>(Right to Buy) | \$ 29.17 | 06/30/2011 | <u>J(3)(8)</u> | 545,100 |  | 02/24/2011 <sup>(11)</sup> | 02/24/2020 |
| Employee Stock Option<br>(Right to Buy) | \$ 18.28 | 06/30/2011 | <u>J(3)(8)</u> | 753,204 |  | 02/24/2011 <sup>(12)</sup> | 02/24/2020 |
| Employee Stock Option<br>(Right to Buy) | \$ 49.18 | 06/30/2011 | <u>J(3)(8)</u> | 402,900 |  | 02/23/2012 <sup>(13)</sup> | 02/23/2021 |
| Employee Stock Option<br>(Right to Buy) | \$ 30.81 | 06/30/2011 | <u>J(3)(8)</u> | 642,054 |  | 02/23/2012 <sup>(14)</sup> | 02/23/2021 |

## Reporting Owners

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

## Signatures

Yvonne R. Kunetka, Attorney-in-Fact for Clarence P. Cazalot, Jr. 07/05/2011

\_\_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) In connection with the spin-off of Marathon Petroleum Corporation ("MPC") on June 30, 2011 by Marathon Oil Corporation ("MRO"), outstanding vested MRO stock appreciation rights (SARs) were replaced with both adjusted MRO SARs and MPC SARs. Both SARs, when combined, will generally preserve the aggregate intrinsic value of each original SAR grant. They will also generally preserve the ratio of exercise price to the fair market value of MRO common stock on the distribution date.
- (2) Vested in cumulative installments on May 26, 2005, 2006 and 2007, respectively.

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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,
- (3) 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.
  - (4) Vested in cumulative installments on May 25, 2006, 2007 and 2008, respectively.
  - (5) Vested in cumulative installments on June 1, 2007, 2008 and 2009, respectively.
  - (6) Vested in cumulative installments on May 30, 2008, 2009 and 2010, respectively.
  - (7) Vested in cumulative installments on February 27, 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.
- (9) Vests in cumulative annual installments of 156,733, 156,733 and 156,734 shares on February 25, 2010, 2011 and 2012, respectively.
  - (10) Vests in cumulative annual installments of 298,383 and 250,103 shares on February 25, 2011 and 2012, respectively.
  - (11) Vests in three cumulative annual installments of 181,700, 181,700 and 181,700 shares on February 24, 2011, 2012, and 2013, respectively.
  - (12) Vests in three cumulative annual installments of 173,026, 290,089 and 290,089 shares on February 24, 2011, 2012, and 2013, respectively.
  - (13) Vests in cumulative annual installments of 134,300, 134,300 and 134,300 shares on February 23, 2012, 2013 and 2014, respectively.
  - (14) Vests in cumulative annual installments of 214,018, 214,018 and 214,018 shares on February 23, 2012, 2013 and 2014, respectively.

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.