



# Marathon News

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## **MARATHON BOARD APPROVES \$1.9 BILLION DETROIT REFINERY EXPANSION AND HEAVY OIL UPGRADE PROJECT**

### **Project Will Create 135 New Jobs at Michigan's Only Refinery in Detroit, Generate Hundreds of Construction Jobs, Increase Transportation Fuels**

**HOUSTON, Oct. 31, 2007** – Marathon Oil Corporation (NYSE: MRO) today announced that its board of directors has approved a projected \$1.9 billion expansion and heavy oil upgrade project at the Company's Detroit, Mich., refinery. The project will increase the refinery's heavy oil processing capacity, including Canadian bitumen blends, by about 80,000 barrels per day (bpd), and will increase its total crude oil refining capacity by about 15 percent, from 100,000 bpd to 115,000 bpd. When completed in late 2010, the project will add more than 400,000 gallons of clean transportation fuels per day to the marketplace. Construction is expected to begin in late 2007 or early 2008, subject to obtaining the necessary permits from applicable regulatory agencies.

“The Detroit refinery expansion and upgrade will enable us to link our recently acquired Canadian oil sands production, along with its significant growth potential, with a lower cost, higher value refining option,” said Clarence P. Cazalot, Jr., president and CEO of Marathon. “The estimated cost of this refinery expansion and upgrade project, at \$22,000 per additional barrel of heavy oil capacity and excluding pipeline investments, is less than half the cost of announced bitumen upgrading projects in Alberta. Additionally, our project will provide high value refined products versus the synthetic crude produced at other upgrading projects, which still needs to be refined.”

Cazalot added, “We are realizing our strategy of value creation through full integration, while at the same time ensuring a long-life stable supply of crude oil from Canada for Marathon's Midwest refineries.”

### **Job Creation for Michigan**

“Marathon has been a part of the Detroit community since purchasing the refinery in 1959, and we are pleased to be able to benefit the Detroit economy and improve the

viability of the refinery with the Detroit Heavy Oil Upgrade Project,” said Gary R. Heminger, executive vice president of Marathon and president of the company’s refining, marketing and transportation operations. “This project has advanced with the strong leadership and support of the city of Detroit and Michigan state officials. We are committed to being a good neighbor and to completing the project with the best safety and environmental control technology.”

The project will create approximately 60 new full-time refinery jobs and 75 additional full-time contract employee positions. The refinery currently employs about 320 full-time employees and about 160 full-time contract employees. Modifications at the refinery will provide construction trade work for an average 800 workers per day, peaking at 1,200 workers during the three-year construction period. The Detroit Heavy Oil Upgrade Project will include a 28,000 bpd delayed coker; a 280 long ton per day sulfur recovery complex and a 33,000 bpd distillate hydrotreater.

In addition, an associated pipeline project in six Monroe County, Mich., townships and one township in Wayne County will create hundreds of temporary construction jobs for the duration of the installation. Construction on the 29-mile segment of pipeline is expected to begin in mid-2009 with completion in 2010.

Marathon is the fourth-largest U.S.-based fully integrated international energy company engaged in exploration and production; oil sands mining; integrated gas; and refining, marketing and transportation operations. The Company has exploration and production activities in the United States, the United Kingdom, Angola, Canada, Equatorial Guinea, Gabon, Indonesia, Ireland, Libya and Norway and oil sands mining operations in Canada. Marathon also is developing integrated gas projects that are linking stranded natural gas resources with key demand areas where domestic production is declining and demand is growing, particularly in North America. Marathon is the fifth-largest refiner in the U.S. with 974,000 bpd of crude processing capacity in its seven-refinery system. The Company's retail marketing system comprises approximately 6,000 locations in 18 states; nearly three-quarters are Marathon brand locations. Marathon serves the Midwest and Southeast as a petroleum products marketer with 84 light product and asphalt terminals and the Company owns, operates, leases or has an ownership interest in approximately 9,900 miles of pipeline.

This release contains forward-looking statements with respect to the Detroit Heavy Oil Upgrade Project and a pipeline expansion project. Some factors that could cause the actual results to be different than expected include necessary regulatory and third-party approvals, transportation logistics, availability of materials and labor, unforeseen hazards such as weather conditions, and other risks customarily associated with construction projects. The foregoing factors (among others) could cause actual results to differ materially from those set forth in the forward-looking statements. In accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Marathon Oil Corporation has included in its Annual Report on Form 10-K for the year ended December 31, 2006, and subsequent Forms 10-Q and 8-K, cautionary language identifying other important factors, though not necessarily all such factors, that could cause future outcomes to differ materially from those set forth in the forward-looking statements.

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