



# Marathon News

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## **CONSTRUCTION BEGINS ON MARATHON'S DETROIT REFINERY UPGRADE PROJECT**

*Project to Add 400,000 Gallons of Transportation Fuels Daily, Hundreds of Construction Jobs*

**HOUSTON, June 20, 2008** –Marathon Oil Corporation (NYSE: MRO) today announced that construction of the estimated \$1.9 billion heavy oil upgrading project at its Detroit refinery is underway following issuance of an air quality permit by the Michigan Department of Environmental Quality (MDEQ).

With expected completion in late 2010, the project will increase the refinery's total capacity from 102,000 barrels per day (bpd) to 115,000 bpd, which will include an additional 80,000 bpd of heavy oil capacity. The increased refining capacity will supply more than 400,000 additional gallons of clean transportation fuels a day to the marketplace.

“The Detroit Heavy Oil Upgrade Project is illustrative of strategic investments we’re making across our downstream business to increase coking capacity, lower feedstock costs as well as increase efficiency and flexibility, so we can continue providing competitive returns in a challenging downstream environment,” said Gary R. Heminger, executive vice president of Marathon and president of the company’s refining, marketing and transportation operations.

Marathon’s Detroit Heavy Oil Upgrade Project will require an average of 800 construction workers a day until its completion. In addition, the expansion will increase the refinery workforce by 135 full-time employees. There are 480 full-time employees at the refinery today.

“By sourcing additional crude oil from our North American neighbors in Canada, this important project will provide improved crude oil supply security for Michigan’s only refinery. Since purchasing the refinery in 1959, Marathon has made substantial investments in the facility, including the completion of a more than \$300 million expansion and clean fuels project in 2005. Safety and environmental stewardship will continue to be our primary focus during the construction of the Detroit Heavy Oil Upgrade Project,” Heminger said.

In addition to compliance with the stringent environmental requirements set out by the MDEQ permitting process, Marathon has committed to going beyond compliance with additional environmental enhancements that include:

- Retrofitting 150 Detroit Public Schools' buses with diesel emissions controls;
- Adding eight additional continuous air emission monitors on process unit stacks to further monitor compliance with permit requirements;
- Installing at least four ambient air monitoring stations on the refinery perimeter to monitor air quality;
- Capturing emissions from trucks hauling petroleum coke at the refinery;
- Enhancing street sweeping of paved roads near the refinery;
- Collaborating on the city/county emergency notification system; and
- Sharing emissions data with the refinery's Community Advisory Panel and community-based organizations near the refinery.

Fluor Corporation (NYSE:FLR) will provide integrated engineering, procurement and construction services for the refinery project.

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

For additional details about the project, visit [www.DetroitHOUP.com](http://www.DetroitHOUP.com).

Marathon is the fourth-largest U.S.-based fully integrated international energy company engaged in exploration and production; integrated gas; oil sands mining; 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. Marathon is the fifth largest refiner in the U.S. with 1,016,000 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 87 light product and asphalt terminals and the Company owns, operates, leases or has an ownership interest in approximately 9,700 miles of pipeline. For more information, visit the Company's Web site at [www.marathon.com](http://www.marathon.com).

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*Unlike capital expenditures reported under generally accepted accounting principles, the estimated costs for the Detroit refinery heavy oil upgrading project discussed in this release does not include capitalized interest. Capitalized interest is budgeted at the corporate level.*

*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, 2007, 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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