

House Resources

March 31, 2011

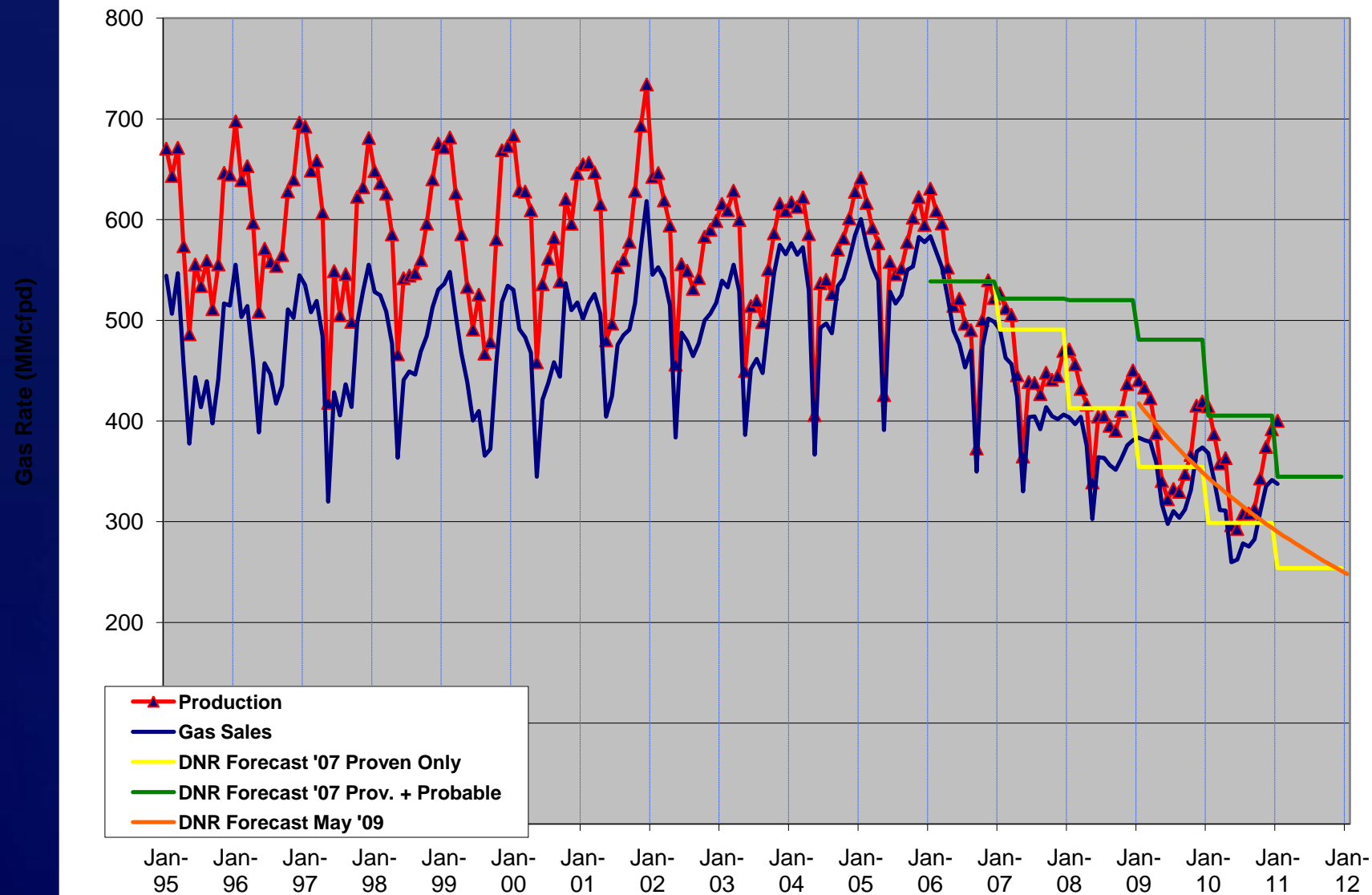
Marathon



Total CI Natural Gas Production



Total Cook Inlet - Gas Production
AOGCC database & DNR Forecast



Overall Operations in Cook Inlet



- ◆ Natural Gas decline remains largely unchanged
- ◆ Collaborative efforts on contingency planning is positive
- ◆ 2010 Legislation
 - Cook Inlet investment tax credits
 - Storage and drilling incentives
- ◆ Utilities are looking at storage
- ◆ Supply and demand balance will remain a delicate balance

Alaska Asset Team – E&P

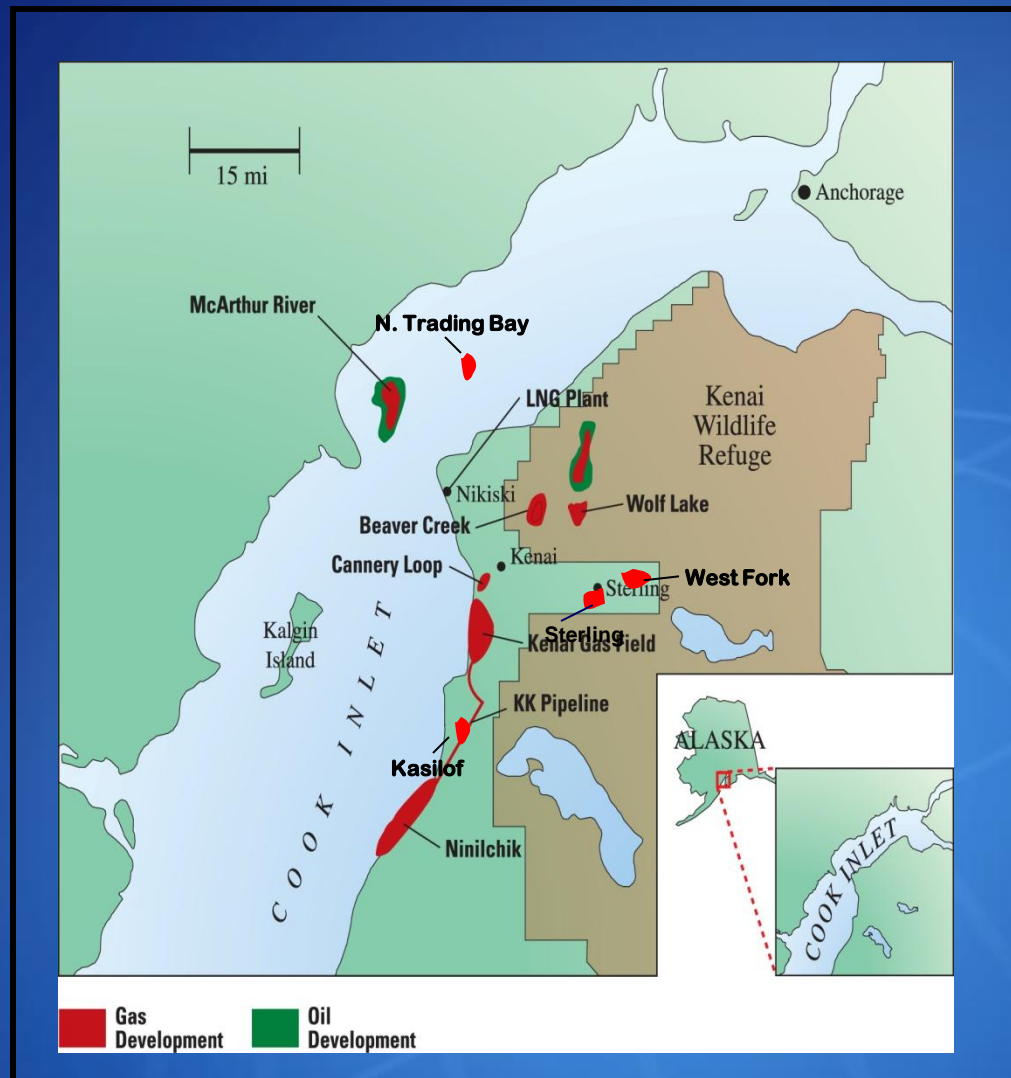


♦ Company-Operated Gas Fields

- Beaver Creek
- Cannery Loop
- Kasilof
- Kenai
 - ~ 2.5 TCF produced since 1960's
 - Gas Storage
- Ninilchik (60% WI)
- N Trading Bay (80.6% WI)
- Sterling
- West Fork
- Wolf Lake

♦ Chevron-Operated

- McArthur River (Steelhead) (51.2% WI)



Marathon's efforts to meet daily demands



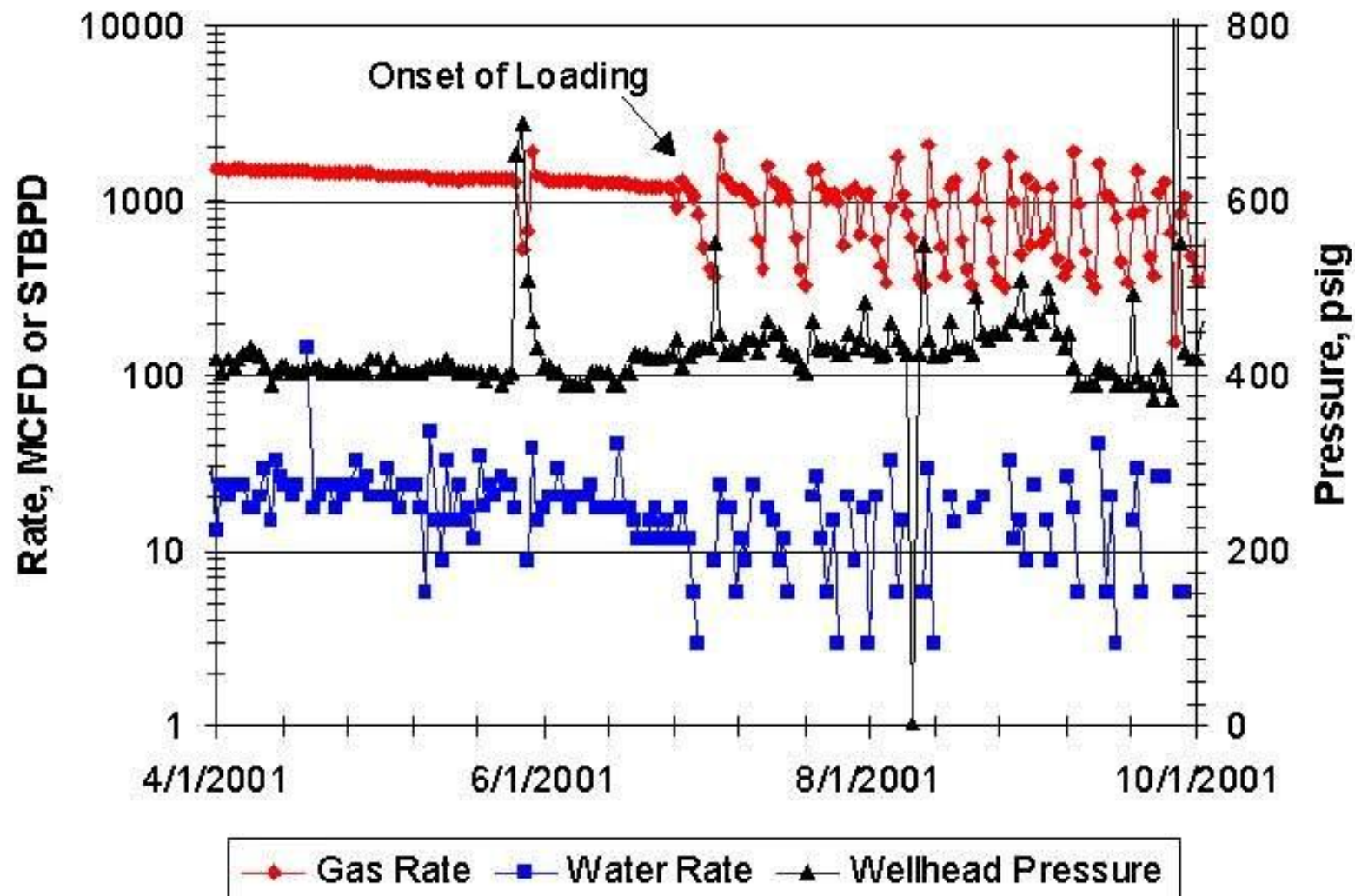
- ♦ Developed and manage storage – Kenai Gas Field
- ♦ Drilling projects – COOP and OBO
- ♦ Remedial well work and compression projects
- ♦ CLU negotiations with CINGSA
- ♦ Glacier Rig outsourcing
- ♦ Active participant in contingency planning and stakeholder education.

Marathon Operations in Cook Inlet 2010



- ♦ **Safety is at the forefront of ALL operations!**
- ♦ We strive to achieve safe, clean and reliable operations
- ♦ Emergency preparedness training and drills in collaboration with external stakeholders.
- ♦ Drill/Participate in 4 new gas wells
 - 2 Company operated
 - 2 Outside operated
- ♦ New gas contracts obtained
- ♦ Focus on reliability and project excellence

Loaded Well Performance



2011 Plans



- ◆ ***Safety and Environmental excellence is at the forefront of ALL operations!***
- ◆ **Maintain excellence in environmental performance and reliability.**
- ◆ **Expenditures will continue at a level to meet contractual obligations**
- ◆ **Continued focus on reliability and project excellence**
 - **Process and Procedures**
 - **Well maintenance**

**We have executed with excellence in 2010
and we will continue to deliver at the same
level of performance in 2011**



END