

MARATHON OIL CORP
Form 4
December 12, 2006

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 *
MATHENY KENNETH L

(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)
12/08/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)
V.P.-Investor Rel./Public Aff.

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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 Ownership: Beneficial or Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | Code V Amount (D) Price | | | |
| COMMON STOCK | 12/08/2006 | | M | 7,734 A \$ 25.515 | 24,646 | D | |
| COMMON STOCK | 12/08/2006 | | D | 7,734 D \$ 93.9 | 16,912 | D | |
| COMMON STOCK | 12/08/2006 | | M | 18,466 A \$ 33.61 | 35,378 | D | |
| COMMON STOCK | 12/08/2006 | | D | 6,599 D \$ 94.06 | 28,779 | D | |
| COMMON STOCK | 12/08/2006 | | F | 4,326 D \$ 94.06 | 24,453 | D | |

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| | | | | | | | |
|--------------|------------|---|-------|---|----------|--------|---|
| COMMON STOCK | 12/08/2006 | S | 6,700 | D | \$ 93.86 | 17,753 | D |
| COMMON STOCK | 12/08/2006 | S | 841 | D | \$ 93.93 | 16,912 | D |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 Amount of Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Stock Appreciation Right | \$ 33.61 | 12/08/2006 | | M | 18,466 | 05/26/2005 ⁽¹⁾ 05/26/2014 | COMMON STOCK | |
| Employee Stock Option (Right to Buy) | \$ 25.515 | 12/08/2006 | | M ⁽²⁾ | 7,734 | 05/28/2004 ⁽³⁾ 05/28/2013 | COMMON STOCK | |
| Stock Appreciation Right | \$ 25.515 | 12/08/2006 | | M ⁽²⁾ | 7,734 | 05/28/2004 ⁽³⁾ 05/28/2013 | COMMON STOCK | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MATHENY KENNETH L C/O MARATHON OIL CORPORATION 5555 SAN FELIPE ROAD HOUSTON, TX 77056 | | | V.P.-Investor Rel./Public Aff. | |

Signatures

By: R. J. Kolencik, Attorney-in-Fact for Kenneth L.
Matheny

12/12/2006

__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) Vests in three cumulative annual installments of 9,233, 9,233, and 9,234 shares on May 26, 2005, 2006, and 2007, respectively.
- (2) Exercise of tandem SAR and cancellation of underlying stock option.
- (3) Vests in three equal annual installments on May 28, 2004, 2005 and 2006.

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.