

MARATHON OIL CORP
Form 4
September 01, 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 *
CAZALOT CLARENCE P JR

2. Issuer Name and Ticker or Trading Symbol
MARATHON OIL CORP [MRO]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O MARATHON OIL CORPORATION, 5555 SAN FELIPE ROAD

3. Date of Earliest Transaction (Month/Day/Year)
08/30/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

(Street)
HOUSTON, TX 77056

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 (Instr. 4)
				(A) or (D)	Price		
COMMON STOCK	08/30/2006		M ⁽¹⁾	V	70,000 A \$ 25.515	405,248	D
COMMON STOCK	08/30/2006		S ⁽¹⁾	D	\$ 84.39	399,248	D
COMMON STOCK	08/30/2006		S ⁽¹⁾	D	\$ 84.5	395,448	D
COMMON STOCK	08/30/2006		S ⁽¹⁾	D	\$ 84.52	395,248	D
COMMON STOCK	08/30/2006		S ⁽¹⁾	D	\$ 84.89	385,248	D

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COMMON STOCK	08/30/2006	S ⁽¹⁾	50,000	D	\$ 85	335,248	D
COMMON STOCK	08/31/2006	M ⁽¹⁾	20,000	A	\$ 25.515	355,248	D
COMMON STOCK	08/31/2006	S ⁽¹⁾	3,000	D	\$ 84	352,248	D
COMMON STOCK	08/31/2006	S ⁽¹⁾	7,000	D	\$ 83.86	345,248	D
COMMON STOCK	08/31/2006	S ⁽¹⁾	10,000	D	\$ 83.32	335,248	D

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

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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 Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Employee Stock Option (Right to Buy)	\$ 25.515	08/30/2006		M ⁽¹⁾⁽²⁾	70,000	05/28/2004 ⁽³⁾	05/28/2013	COMMON STOCK
Employee Stock Option (Right to Buy)	\$ 25.515	08/31/2006		M ⁽¹⁾⁽²⁾	20,000	05/28/2004 ⁽³⁾	05/28/2013	COMMON STOCK
Stock Appreciation Right	\$ 25.515	08/30/2006		M ⁽²⁾	70,000	05/28/2004 ⁽³⁾	05/28/2013	COMMON STOCK
Stock Appreciation Right	\$ 25.515	08/31/2006		M ⁽²⁾	20,000	05/28/2004 ⁽³⁾	05/28/2013	COMMON STOCK

Reporting Owners

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

Signatures

R. J. Kolencik, Attorney-in-Fact for Clarence P. Cazalot, Jr	09/01/2006
**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) The transactions reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 14, 2006, as amended.
 - (2) Exercise of stock option and cancellation of tandem stock appreciation right.
 - (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.