

**MARATHON OIL COMPANY ANNOUNCES PROPOSED LNG
AND POWER GENERATION PROJECT IN BAJA CALIFORNIA, MEXICO**

**Project Could Provide Natural Gas and Electricity
to State of Baja California and Southern California**

HOUSTON, February 28, 2002 – Marathon Oil Company (NYSE: MRO) and associated project partners Pertamina, Golar LNG Limited and Grupo GGS, S.A. de C.V., today proposed plans for a major liquefied natural gas (LNG) re-gasification and power generation complex near Tijuana in the Mexican State of Baja California. With a potential start-up in 2005, the complex would have the capacity to re-gasify up to 750 million cubic feet per day (mmcf) of LNG for local use as well as export to Southern California.

Commenting on the project, Marathon president and CEO, Clarence P. Cazalot, Jr., said, “The Baja Project embodies key elements of Marathon’s strategic vision, which is to create sustainable value growth through innovative energy solutions and unique partnerships. This integrated natural gas project would apply proven LNG and power generation technology to safely and efficiently meet the growing need for clean energy in Baja California, Mexico and Southern California.”

The LNG re-gasification and associated power generation project would be developed on the Pacific coast, south of Tijuana. The complex would consist of a LNG marine terminal designed to accommodate tankers transporting LNG from various sources around the world, an off-loading terminal, onshore LNG re-gasification facilities, and pipeline infrastructure necessary to transport the natural gas to local and export markets. In addition, a 400 megawatt natural gas-fired power generation plant would be constructed on the site. Electricity from the plant would be offered for local use, as well as for export to Southern California. The complex would generate approximately 500 jobs during peak construction periods and 70-100 permanent jobs upon completion.

The project partners will fully comply with the regulations set by the Energy Regulatory Commission of Mexico (CRE), the Federal Energy Regulatory Commission (FERC), the United

States Department of Energy (DOE), and other permits, as required by federal, state and local authorities (both in Mexico and the USA), will be filed as necessary.

Commenting on the importance of having LNG facilities in Mexico, Ernesto Martens Rebolledo, Mexico's Secretary of Energy, added, "The LNG projects in Baja California will be developed in collaboration with local communities, businesses and units of the Mexican government. The region has enormous growth potential and projects such as this one will play a very important role in its ability to access the energy needed to cleanly and efficiently fuel this growth."

Eugenio Elorduy Walther, Governor of Baja California, noted, "Economic development continues to be a focus of the State of Baja California, and our ability to attract diverse international investment for projects such as the Baja Re-gasification and Power Project will be an important measure of our success. We believe this project would serve as a symbol to the global marketplace that Mexico is a good place to conduct business."

In addition to supplying clean natural gas and electric power, the Baja Project partners anticipate treating a portion of local municipal wastewater for use by the complex as process water. This would result in significant environmental benefits by reducing the amount of municipal waste discharged to the Pacific Ocean. The project also may include the addition of a 20 million gallon per day water desalinization facility to provide water for the growing local market.

Jesus Gonzalez Reyes, Mayor of Tijuana, commented, "Tijuana is pleased to be the host of this world-class project which would bring many benefits to our community, including employment, reliable and clean energy, and improvements to the quality of our environment, all of which would contribute to a higher standard of living for the citizens of Tijuana and surrounding areas."

Marathon is an energy company engaged in the worldwide exploration, production and transportation of crude oil and natural gas. In 1969, Marathon co-founded a joint venture to export LNG from Alaska to utility companies in Japan, which represents the world's longest-running LNG export business.

LNG for the Baja Project would be supplied from various sources around the world with a significant portion coming from the Asia-Pacific region. Pertamina, the state-owned oil company of Indonesia and world's largest exporter of LNG, is expected to be a key supplier for

the Project. Commenting on the Project, Pertamina President Director and CEO, Baihaki Hakim, said, "Indonesia's world-class natural gas reserves have positioned Pertamina as a major participant in the global LNG marketplace. One of our key strategies is to seek out new gas market opportunities like the Baja Project, and work closely with strategic partners like Marathon in developing such promising ventures."

Golar LNG Limited is a Bermuda-based holding company that operates 10 LNG Vessels of which six are under direct ownership. Golar will also take delivery of a further four new-build vessels over the period 2003 to 2004. Golar is developing its position as a leading independent owner of ocean-based LNG transportation. In addition, the company's target is to achieve a major strategic long-term position as an LNG trader that buys LNG from various sources and sells gas to LNG customers around the world. As part of its trading activity, Golar will consider investing in other parts of the LNG value chain, such as liquefaction or re-gasification projects.

Grupo GGS, S.A. de C.V. is a Mexico-based company which has been involved in the development of infrastructure projects including seaports, airports, water treatment facilities, telecommunications, power generation, and is currently involved in the development of oil and natural gas projects.

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This release contains forward-looking statements concerning the planned construction of LNG re-gasification, power generation and related facilities.. This forward-looking information may prove to be inaccurate and actual results may differ significantly from those presently anticipated. Factors but not necessarily all factors that could adversely affect these expected results include, unforeseen difficulty in negotiation of definitive agreements among project participants, identification of additional participants to reach optimum levels of participation, inability or delay in obtaining necessary government and third party approvals, arranging sufficient project financing, unanticipated changes in market demand or supply, competition with similar projects, environmental issues and availability or construction of sufficient LNG vessels. In accordance with "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Marathon Oil Corporation (formerly USX Corporation), has included in its Annual Report on Form 10-K for the year ended December 31, 2000, as amended by Form 10-KA and in Form 10-Q for the quarter ended September 30, 2001, and in 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 from those set forth in forward-looking statements.

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