

MATHENY KENNETH L
 Form 4
 September 14, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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)
 09/13/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 (Instr. 4)
				Code V Amount (D) Price			
COMMON STOCK	09/13/2005		M	15,466 A \$ 25.515	42,563	D	
COMMON STOCK	09/13/2005		S	15,466 D \$ 66.59	27,097	D	
COMMON STOCK	09/13/2005		S	200 D \$ 66.7	26,897	D	
COMMON STOCK	09/13/2005		S	4,400 D \$ 66.64	22,497	D	

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

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SEC 1474
(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)
Employee Stock Option (Right to Buy)	\$ 25.515	09/13/2005		M ⁽¹⁾	15,466	05/28/2004 ⁽²⁾ 05/28/2013	COMMON STOCK
Stock Appreciation Right	\$ 25.515	09/13/2005		M ⁽¹⁾	15,466	05/28/2004 ⁽²⁾ 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
Date: 09/14/2005

**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) Exercise of tandem SAR and cancellation of underlying stock option.

(2) 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.

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