

USHER THOMAS J
Form 4
May 11, 2005

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 *
USHER THOMAS J

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)

3. Date of Earliest Transaction (Month/Day/Year)
05/10/2005

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

C/O MARATHON OIL CORPORATION, 5555 SAN FELIPE ROAD

(Street)

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

HOUSTON, TX 77056

(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
COMMON STOCK	05/10/2005		M	175,500 A \$ 34	180,512.15	D	
COMMON STOCK	05/10/2005		S	175,500 D \$ 49.1 (1)	5,012.15	D	
COMMON STOCK	05/10/2005		M	325,000 A \$ 32.52	330,012.15	D	
COMMON STOCK	05/10/2005		S	325,000 D \$ 49.1 (1)	5,012.15	D	
COMMON STOCK					11,009	I	Revocable Trust (2)

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

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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 Underlying (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
EMPLOYEE STOCK OPTION (Right to Buy)	\$ 34	05/10/2005		M ⁽³⁾	175,500	05/26/1999	05/26/2008	COMMON STOCK
STOCK APPRECIATION RIGHT	\$ 34	05/10/2005		M ⁽³⁾	175,500	05/26/1999	05/26/2008	COMMON STOCK
EMPLOYEE STOCK OPTION (Right to Buy)	\$ 32.52	05/10/2005		M ⁽³⁾	325,000	05/29/2002	05/29/2011	COMMON STOCK
STOCK APPRECIATION RIGHT	\$ 32.52	05/10/2005		M ⁽³⁾	325,000	05/29/2002	05/29/2011	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
USHER THOMAS J C/O MARATHON OIL CORPORATION 5555 SAN FELIPE ROAD HOUSTON, TX 77056		X		

Signatures

By: R. J. Kolencik, Attorney-in-Fact for Thomas J. Usher 05/11/2005

**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).

- Under the terms of the Stock Appreciation Right, the Stock Appreciation Right price is the highest fair market value of Marathon Oil Corporation Common Stock during the ten day trading period commencing May 3, 2005. If the highest fair market value at the end of the ten day trading period exceeds \$49.10, the highest fair market value as of the date the reporting person exercised, an amended Form 4 will be filed to reflect the highest fair market value.
- (1) Under the terms of the Stock Appreciation Right, the Stock Appreciation Right price is the highest fair market value of Marathon Oil Corporation Common Stock during the ten day trading period commencing May 3, 2005. If the highest fair market value at the end of the ten day trading period exceeds \$49.10, the highest fair market value as of the date the reporting person exercised, an amended Form 4 will be filed to reflect the highest fair market value.
 - (2) Revocable Trust Account governed by the Revocable Trust Agreement, dated July 3, 2001, pursuant to which the reporting person is the settlor, co-trustee with his spouse and beneficial owner of the shares held in said account.
 - (3) Exercise of tandem SAR and cancellation of underlying stock option.

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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