

An exciting new business

American Investor's Tomasz Ćwiok talks with Carl Hubacher, Marathon Oil Corporation's country manager for Poland, about the company's business prospects and challenges

What are Marathon Oil's holdings in Poland, and how does the company plan to develop this business opportunity?

Through our wholly owned subsidiary, Marathon Petroleum Poland Services, Marathon Oil Corporation, which is listed on the New York

Stock Exchange as MRO, holds an interest in 11 concessions in Poland totaling approximately 2.3 million gross acres or 1.2 million net acres, spanning the full geographic extent of the country's Lower Paleozoic shale play. Earlier this year, we signed agreements to farm out a 49% working interest in 10 concessions.

Marathon Oil holds a 51 percent working interest in those 10 concessions and serves as operator of all 11.

We opened an office in Warsaw in 2010, and we currently have 20 personnel on staff, 12 of whom are Polish citizens.

Marathon Oil has a long and well-respected reputation developing multiple types of onshore and offshore hydrocarbon assets, and we've entered Poland because the opportunity here fits our skills developed in other shale plays. Since becoming more active in US shale developments in 2006, we have utilized skills learned from decades of conventional hydrocarbon development and added specific competencies to address the environmental, infrastructure, regulatory, geologic and drilling and completion challenges in shale plays. Poland's Lower Paleozoic shale gas objective is similar to many North American plays, including those where Marathon is active, and we plan to transfer those skills to this exciting new business in Poland.

How do you assess the production potential of these geologic basins?

These geologic basins could hold significant natural gas resources which, if

proven to exist and deemed commercial, could have a very positive impact on Poland in terms of employment, economic growth and increased energy security. We are in the beginning phases of our exploration work to assess the potential of our acreage, and at the present time we con-

fracturing—a safe and proven stimulation technology used for more than 60 years in more than 1 million wells—now enable us to free oil and gas locked in tight shale rock formations that previously were inaccessible—like those found in Poland.

We're already using this technology to the fullest in US shale plays like North Dakota's Bakken and Oklahoma's Anadarko Woodford, and we'll transfer those skills to our emerging operations in Poland.

What are Marathon's corporate values?

Marathon Oil, which is based in Houston, Texas, is an independent international exploration and production company with proved reserves in North America, the North Sea and Africa. Marathon and its employees

place a high value on being good neighbors wherever in the world we live and work, and Poland is no different.

We are committed to conducting our business with high regard for the health and safety of our neighboring communities, employees and contractors—our first priority wherever we conduct business. We also strive to minimize the environmental impact of our operations. We will uphold high standards of business ethics, integrity and transparency. And we will live by our principles of corporate social responsibility and do all that we can to make communities safer, cleaner and better.

Around the world, Marathon's good standing with stakeholders is sustained in large part by effective dialogue and relationships with an increasingly broad range of stakeholders. The company believes that effective stakeholder engagement is a proactive, two-way dialogue. For more information, please visit the company's website at marathonoil.com. 



Photo: Courtesy of Marathon Oil

tinue to acquire 2D seismic data. We plan to begin drilling operations in the Łeczna and Siedlce districts in the fourth quarter of 2011, with plans to drill seven to eight wells by the end of 2012.

What can you say about Marathon's future growth prospects in Poland?

Marathon Oil, along with our partners, is in the early stages of exploring and evaluating the full potential of these significant holdings. Any development decisions will be based on these exploration and data-gathering activities in the months ahead.

What special technologies will Marathon Oil use to develop Poland's natural gas resources?

Technology has had an overwhelmingly positive impact on our industry over the last several years and created the potential for vast new resource development. Seismic imaging, horizontal drilling and other technologies have all been enablers of our exploration and production operations. In particular, recent innovations in hydraulic