



**Mascoma Corporation Raises \$61 Million
In Third Round of Funding**

Marathon Oil Corporation Leads Round

Boston, MA, May 6, 2008 – Mascoma Corporation and Marathon Oil Corporation (NYSE: MRO), today announced a \$10 million equity investment by Marathon in Mascoma. The investment, which is part of \$61 million raised in Mascoma's third round of funding, reflects Marathon's commitment to collaboration on the development, adoption and deployment of efficient, environmentally friendly and cost-effective next generation ethanol production.

Marathon's investment will go towards the funding of research and development activities at Mascoma, as well as the construction of operating facilities. As part of this new investment, Cliff Cook, Senior Vice President of Supply, Distribution and Planning at Marathon, has joined the Mascoma Board of Directors.

With the completion of this round of financing, Mascoma has raised approximately \$100 million in equity investment. Mascoma has also received commitments for over \$100 million in state and federal grants, including the recent awarding of a \$26 million grant from the U.S. Department of Energy.

Marathon is the fourth largest United States-based integrated oil and gas company and the nation's fifth largest refiner. The company is a leading ethanol blender, and by mid-2008, Marathon will have the capacity to blend ethanol at the E-10 level throughout its entire distribution system. Marathon also holds an equity interest in two Midwest ethanol manufacturing plants with a combined capacity of 220 million gross gallons per year.

Based in Boston, privately held Mascoma is using proprietary microorganisms developed at the company's laboratories in Lebanon, NH, and is collaborating with research partners globally to identify, patent and deploy a new generation of microbes and low-cost processes for developing advanced biochemistry technologies to produce ethanol and other biofuels, as well as high-value products beyond ethanol, including the

transformation of biomass into valuable green chemicals and chemical intermediaries. All of Mascoma's processes use non-food, renewable feedstocks.

"This investment in Mascoma's leading-edge technology reflects our commitment to address increasing energy demand by bringing to market environmentally friendly, renewable fuel derived from non-food domestic biomass," said Clarence P. Cazalot, Jr., Marathon President and CEO. "Marathon's integrated refining, marketing and transportation infrastructure and extensive engineering capabilities, combined with Mascoma's world class research and development team, provide the kind of synergy that will be necessary to bring next-generation cellulosic ethanol out of the laboratory and into full-scale commercial production."

In addition to Marathon, General Motors Corporation and several other investors participated in the third round of financing, joining the company's existing investors who include Khosla Ventures, Flagship Ventures, Atlas Venture, General Catalyst Partners, Kleiner Perkins Caufield & Byers, Pinnacle Ventures and Vantage Point Venture Partners. Pinnacle Ventures also provided a \$20 million debt facility to Mascoma.

"We are pleased to have closed our third round of financing and to have assembled a strong team of partners from across the cellulosic ethanol value chain," said Mascoma Chairman and CEO Bruce Jamerson. "The recognition that Mascoma has received from our new investors has helped further position us for long-term growth and success. We look forward to entering into a new and exciting phase of development and to collaborating with Marathon to promote ethanol production and distribution."

Mascoma's single-step cellulose-to-ethanol method, called Consolidated Bioprocessing, or CBP, is designed to lower costs by limiting additives and enzymes used in other biochemical processes. Mascoma has a nationally recognized research effort focused on CBP and is currently testing its CBP technology with the expectation of beginning ethanol production later this year at its demonstration plant under construction in Rome, NY. Mascoma also is pursuing opportunities in the states of Tennessee and Michigan.

About Marathon

Marathon is an integrated international energy company engaged in exploration and production; oil sands mining; integrated gas; and refining, marketing and transportation operations. The Company has exploration and production activities in the United States, the United Kingdom, Angola, Canada, Equatorial Guinea, Gabon, Indonesia, Ireland, Libya and Norway. Marathon also is developing integrated gas projects that are linking stranded natural gas resources with key demand areas where domestic production is declining and demand is growing. Marathon's seven U.S. refineries have crude oil processing capacity of 1,016,000 barrels per day. The Company's retail marketing system comprises approximately 6,000 locations in 18 states; nearly three-quarters are Marathon brand locations. Marathon serves the Midwest and Southeast as a petroleum products marketer with 87 light product and asphalt terminals and the company owns, operates, leases or has an ownership interest in more than 9,000 miles of pipeline.

About Mascoma

Mascoma Corporation is a leader in advanced low-carbon biofuels technology based in Boston, Massachusetts. Using proprietary microorganisms and enzymes developed at the company's laboratories in Lebanon, New Hampshire; Mascoma is collaborating with research partners globally to identify, patent and deploy a new generation of microbes and low-cost processes for producing advanced cellulosic ethanol technologies across a range of non-food feedstocks. Mascoma plans to develop demonstration and commercial scale production facilities in locations across the United States. For more information, visit www.mascoma.com.

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