MURPHY OIL CORPORATION ANNOUNCES PRELIMINARY FOURTH QUARTER AND FULL YEAR 2016 FINANCIAL AND OPERATING RESULTS

January 25, 2017

EL DORADO, Arkansas, January 25, 2017 - Murphy Oil Corporation (NYSE: MUR) today announced its preliminary financial and operating results for the fourth quarter ended December 31, 2016, including a net loss of $64 million, or $0.37 per diluted share.

Operating and financial highlights for the fourth quarter and full year 2016 include:

- Produced volumes of 168 Mboepd in the fourth quarter and 176 Mboepd for full year
- Spent $605 million on capital investments for full year, excluding acquisitions
- Lowered lease operating expense per barrel by approximately 15 percent year-over-year, excluding Syncrude
- Reduced selling and general expenses by approximately 14 percent year-over-year
- Generated $1.2 billion cash from non-core asset divestitures during the year
- Continued streamlining onshore portfolio by entering into an agreement to divest Canadian heavy oil asset at Seal
- Expanded exploration portfolio by farming into a successfully drilled prospect in the Gulf of Mexico as well as capturing a block in Mexico's deepwater bid round

FOURTH QUARTER 2016 FINANCIAL RESULTS

Murphy incurred a net loss of $64 million, or $0.37 per diluted share, for the fourth quarter 2016. The company reported an adjusted loss, which excludes both the results of discontinued operations and certain other items that affect comparability of results between periods, of $27 million, or $0.16 per diluted share. Details for fourth quarter results can be found in the attached schedules.

During the quarter, the company recorded a $24 million after tax estimated redetermination expense related to an expected reduction in the company's working interest covering the period from inception through year-end 2016 at the non-operated Kakap-Gumusut field in Block K Malaysia. The company expects to incur additional redetermination expense during 2017 for the period from the beginning of the year until the redetermination process is finalized, and the final adjustment will be settled in cash. The company is assuming that its working interest will be lowered, however, the amount of the reduction is not final until approved by Malaysian regulatory authorities.

Earnings before interest, taxes, depreciation and amortization (EBITDA) from continuing operations totaled $221 million, or $14.24 per barrel of oil equivalent (boe) sold. Earnings before interest, taxes, depreciation, amortization and exploration expenses (EBITDAX) totaled $239 million, or $15.40 per boe sold.

Production in the fourth quarter 2016 averaged 168 thousand barrels of oil equivalent per day (Mboepd). Stronger production compared to previous quarterly guidance is attributed to shorter downtime and better well performance following the planned Kikeh and Sarawak turnarounds, in addition to stronger well results from new wells brought online in the Catarina area of the Eagle Ford Shale.

"2016 was a year of improving the company's North American onshore portfolio while surviving one of our industry's worst commodity price collapses. We successfully monetized non-core assets, including Montney midstream and Syncrude, while entering into a new unconventional liquids play in the Kaybob Duvernay," stated Roger W. Jenkins, President and Chief Executive Officer. "The company is now set up with a solid balance sheet, ample liquidity and stabilized production levels while maintaining our top quartile dividend yield within cash flow," Jenkins added.

FULL YEAR 2016 FINANCIAL RESULTS

Murphy incurred a net loss of $276 million, or $1.60 per diluted share, for the full year 2016. The company reported an adjusted loss, which excludes both the results of discontinued operations and certain other items that affect comparability of results between periods, of $230 million, or $1.34 per diluted share. Details for full year 2016 results can be found in the attached schedules.

EBITDA from continuing operations totaled $804 million, or $12.59 per boe sold. EBITDAX totaled $906 million, or $14.18 per boe sold. Production for full year 2016 averaged 176 Mboepd.

The company continued to reduce costs over the course of the year. The full year 2016 lease operating expense was $7.87 per boe, excluding

Syncrude, a 15 percent reduction from full year 2015. In addition, full year 2016 selling and general expenses declined approximately 14 percent from full year 2015 to $265 million.

CAPITAL STRUCTURE AND ASSET SALES

As of December 31, 2016, the company had $2.8 billion of outstanding fixed rate notes and $984 million in cash and liquid invested securities. The long term, fixed-rate notes, excluding the current maturity, have a weighted average maturity of 10.1 years and a weighted average coupon of 5.6 percent.

Murphy entered into an agreement during the fourth quarter to sell its heavy oil Seal asset for C$65 million to Baytex Energy Corp. The sale, which was subject to closing adjustments and other conditions typical of transactions of this nature, closed January 20, 2017. Over the course of 2016, Murphy has strategically divested non-core assets to reduce overall complexity and streamline its North American onshore portfolio. This will allow the company to focus on leveraging its expertise between three unconventional onshore plays along with concentrated offshore areas.

YEAR-END 2016 PROVED RESERVES

Murphy's preliminary year-end 2016 proved reserves are 684.8 million barrels of oil equivalent (Mmboe) as compared to 774.0 Mmboe at year-end 2015. The change in year-over-year reserves is attributed to reductions of 121.4 Mmboe in divestitures and 64.3 Mmboe in production, combined with additions of 52.4 Mmboe in acquisitions and 44.1 Mmboe of other net extensions, discoveries and revisions. The 2016 reserve life index is 10.7 years. Final information related to the company's year-end 2016 proved reserves will be provided in Murphy's Form 10-K to be filed with the Securities and Exchange Commission in February.

REGIONAL OPERATIONS SUMMARY

North American Onshore

The North American onshore business produced over 86 Mboepd in the fourth quarter with 52 percent liquids and operating expenses of just over $7.00 per boe. For the full year, the onshore business produced 88 Mboepd at 53 percent liquids with operating expenses, excluding Syncrude, of just over $7.30 per boe.

Eagle Ford Shale - Production in the quarter averaged 46 Mboepd, which included 88 percent liquids, with 17 wells brought online. Full year production averaged 49 Mboepd with 53 wells brought online. This brings the company's online operated well count to over 700 in the Eagle Ford Shale. The company continues to optimize its completion designs which are proving to yield increased productivity and are expected to continue to lead to higher estimated ultimate recoveries (EURs) field wide. Several new wells in the Catarina area are showing encouraging results, averaging 70 to 100 percent higher cumulative production than historical completions in the area over the same period.

Tupper Montney - Murphy averaged 204 million cubic feet per day (Mmcfd) of natural gas in the quarter and 200 Mmcfd for the full year. During the quarter, two new wells were brought online utilizing a longer lateral, higher sand concentration completion design. Along with the previous wells utilizing this similar design, the production profiles continue to support the increased type curve range of 10 to 14 billion cubic feet equivalent (Bcfe) with the latest wells projecting to exceed 17 Bcfe EURs.

Kaybob Duvernay - Production for the quarter averaged 3 Mboepd, which included 54 percent liquids. The four wells brought online in the gas condensate area in the third quarter, which were previously drilled by the joint venture partner, continue to perform at or above the normalized type curve. During the quarter Murphy drilled a two well pad, the first wells drilled since taking over operatorship, and these wells are expected to be brought online in the first quarter 2017. The drilling costs for these wells were competitive with peers in the area. At year-end, Murphy booked approximately 55 Mmboe attributed to this new asset, which puts the company ahead of its goal to replace the reserves sold at Syncrude last year.

Offshore

The offshore business produced over 81 Mboepd for the fourth quarter with 73 percent liquids and operating expenses just below $9.00 per boe. For the full year, the offshore business produced over 83 Mboepd with 73 percent liquids and operating expenses of $8.40 per boe.

Malaysia - Block K and Sarawak liquids averaged over 37 thousand barrels of liquids per day, while Sarawak natural gas production averaged over 115 Mmcfd during the fourth quarter. Full year production for Block K and Sarawak liquids averaged 39 thousand barrels of liquids per day while Sarawak natural gas averaged 106 Mmcfd. As scheduled, there were major turnarounds at the Kikeh floating production storage and offloading (FPSO) facility and Sarawak floating storage offloading (FSO) facility, cumulatively reducing production by approximately 4,900 boepd during the quarter. Both the Kikeh and Sarawak turnarounds were completed safely and ahead of schedule.

North America - Gulf of Mexico and East Coast Canada averaged over 23 Mboepd, comprised of 92 percent liquids, in the quarter. During the fourth quarter, Murphy reached an agreement with Chevron to participate in drilling Hoffe Park, a Gulf of Mexico Mississippi Canyon prospect in Block 166, with a 25 percent working interest. Chevron drilled the well late in the fourth quarter and successfully encountered hydrocarbons. The well operations have been suspended pending determination of the appraisal plan for the discovery.

Exploration - Murphy and its partners were the successful bidder in Mexico's fourth phase, round one deepwater auction on Block 5, the most competitive block of the bid round. Under the terms of the joint venture, Murphy will be the operator with a 30 percent working interest. The block is located in the deepwater Salinas basin covering approximately 1,000 square miles and water depths in this block range from 2,300 to 3,600 feet. The initial exploration period for the license is four years and includes a work program commitment of one well.

2017 CAPITAL EXPENDITURE AND PRODUCTION GUIDANCE

Murphy is planning 2017 capital expenditures to be $890 million which assumes a West Texas Intermediate oil price of $52 per barrel and Henry Hub natural gas price of $3.10 per thousand cubic feet.

Approximately 65 percent of the total capital is being allocated towards the onshore unconventional businesses with a majority in the Eagle Ford Shale and Kaybob Duvernay. Offshore expenditures are focused on short-cycle projects that maintain existing assets and other activities expected to increase value-added production in future years. Field development and development drilling accounts for 85 percent of the annual capital expenditures.

Production for the first quarter 2017 is estimated in the range of 166 to 170 Mboepd with full year 2017 production to be in the range of 162 to 168 Mboepd. The North American onshore unconventional production is expected to be 55 percent of full year guidance. Full year production assumes an expected reduction following approval of the redetermination in the non-operated Kakap-Gumusut field in Malaysia. Details on guidance can be found in the attached schedules.

"Our focus in 2017 is three fold. First, allocating a majority of capital toward developing locations in the highest return areas in our onshore portfolio. Second, investing in selective offshore projects that deliver top quartile finding and development metrics. Third, covering all costs, including our dividend, within cash flow which will maintain our solid balance sheet," Jenkins said. "Additionally, our activity in the Kaybob Duvernay is primarily targeting appraisal areas that will allow for further development plans to be formulated and ultimately support onshore value-added production growth complementing our Eagle Ford Shale and Montney assets," Jenkins continued.

CONFERENCE CALL AND WEBCAST SCHEDULED FOR JANUARY 26, 2017

Murphy will host a conference call to discuss fourth quarter 2016 results on Thursday, January 26, 2017, at 11:00 a.m. EDT. The call can be accessed either via the Internet through the Investor Relations section of Murphy Oil's website at http://ir.murphyoilcorp.com or via the telephone by dialing 1-800-263-8506. The telephone reservation number for the call is 8515016. Replays of the call will be available through the same address on the company's website, and a recording of the call will be available through February 9, 2017, by calling 1-888-203-1112 and referencing reservation number 8515016. A replay of the conference call will also be available on the Murphy website at http://ir.murphyoilcorp.com.

FINANCIAL DATA

Summary financial data, operating statistics and a summary balance sheet for the fourth quarter and full year 2016 with comparisons to the same periods from the previous year are contained in the following schedules. Additionally, a schedule indicating the impacts of items affecting comparability of results between periods and a schedule comparing EBITDA and EBITDAX between periods are included with these schedules as well as guidance for the first quarter and full-year 2017.

ABOUT MURPHY OIL CORPORATION

Murphy Oil Corporation is a global independent oil and natural gas exploration and production company. The company's diverse resource base includes offshore production in Southeast Asia, Canada and Gulf of Mexico, as well as North America onshore plays in the Eagle Ford Shale, Kaybob Duvernay and Montney. Additional information can be found on the company's website at http://www.murphyoilcorp.com

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim", "anticipate", "believe", "drive", "estimate", "expect", "expressed confidence", "forecast", "future", "goal", "guidance", "intend", "may", "objective", "outlook", "plan", "position", "potential", "project", "seek", "should", "strategy", "target", "will" or variations of such words and other similar expressions. These statements, which express management's current views concerning future events or results, are subject to inherent risks and uncertainties. Factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement include, but are not limited to, increased volatility or deterioration in the level of crude oil and natural gas prices, deterioration in the success rate of our exploration programs or in our ability to maintain production rates and replace reserves, reduced customer demand for our products due to environmental, regulatory, technological or other reasons, adverse foreign exchange movements, political and regulatory instability in the markets where we do business, natural hazards impacting our operations, any other deterioration in our business, markets or prospects, any failure to obtain necessary regulatory approvals, any inability to service or refinance our outstanding debt or to access debt markets at acceptable prices, and adverse developments in the U.S. or global capital markets, credit markets or economies in general. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see "Risk Factors" in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC's website and from Murphy Oil Corporation's website at http://ir.murphyoilcorp.com*. Murphy Oil Corporation undertakes no duty to publicly update or revise any forward-looking statements.*

NON-GAAP FINANCIAL MEASURES

This news release contains certain non-GAAP financial measures that management believes are good tools for internal use and the investment community in evaluating Murphy Oil Corporation's overall financial performance. These non-GAAP financial measures are broadly used to value and compare companies in the crude oil and natural gas industry, although not all companies define these measures in the same way. In addition, these non-GAAP financial measures are not a substitute for financial measures prepared in accordance with GAAP, and should therefore be considered only as supplemental to such GAAP financial measures. Please see the attached schedules for reconciliations of the differences between the non-GAAP financial measures used in this news release and the most directly comparable GAAP financial measures.

RESERVE REPORTING TO THE SECURITIES EXCHANGE COMMISSION

The SEC requires oil and natural gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We may use certain terms in this news release, such as "resource", "gross resource", "recoverable resource", "net risked PMEAN resource", "recoverable oil", "resource base", "EUR" or "estimated ultimate recovery" and similar terms that the SEC's rules prohibit us from including in filings with the SEC. The SEC permits the optional disclosure of probable and possible reserves; however, we have not disclosed the company's probable and possible reserves in our filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in our most recent Annual Report on Form 10-K filed with the SEC and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC's website and from Murphy Oil Corporation's website at http://ir.murphyoilcorp.com*.*

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4Q 2016 Schedules