



## MURPHY OIL ANNOUNCES PRELIMINARY FIRST QUARTER 2015 EARNINGS

April 29, 2015

EL DORADO, Arkansas, April 29, 2015 - Murphy Oil Corporation (NYSE: MUR) announced today a net loss of \$14.4 million (\$0.08 per diluted share) in the 2015 first quarter, down from net income of \$155.3 million (\$0.85 per diluted share) in the first quarter a year ago. Income from continuing operations in the 2015 first quarter was \$3.5 million (\$0.02 per diluted share) compared to \$169.3 million (\$0.93 per diluted share) earned in the first quarter a year ago. Results in the 2015 quarter included a \$199.5 million after tax gain on a 10% sale in Malaysia.

Adjusted earnings (loss), which excludes both the results of discontinued operations and certain other items that affect comparability of results between periods, in the first quarter of 2015 showed a loss of \$198.5 million (\$1.11 per diluted share). This was a decrease of \$373.3 million (\$2.07 per diluted share) compared to the prior year's quarter primarily attributed to approximately a 50% decline in both Brent and West Texas Intermediate benchmark crude prices and a 44% decline in the Henry Hub natural gas price.

Earnings before interest, taxes, depreciation and amortization (EBITDA) for continuing operations totaled \$391.4 million in the first quarter 2015, down from \$754.4 million in the first quarter of 2014. EBITDA per barrel of oil equivalent (boe) sold was \$18.90 in the 2015 quarter compared to \$41.81 in the 2014 quarter. Earnings before interest, taxes, depreciation, amortization and exploration expenses (EBITDAX) for continuing operations totaled \$520.1 million in the first quarter 2015, down from \$892.9 million in the first quarter of 2014. EBITDAX per barrel of oil equivalent (boe) sold was \$25.11 in the 2015 quarter compared to \$49.48 in the 2014 quarter. Both of these 2015 measures include the effect of the gain on the sale of 10% interest in Malaysia.

### First quarter 2015 highlights were as follows:

- Completed the sell-down of 30% of our Malaysia oil and gas assets.
- Signed an agreement to sell the remaining U.K. downstream assets with the transaction scheduled to close mid-year.
- Added an exploration block in the Vulcan Sub-Basin offshore Australia and a deepwater block offshore Sarawak, Malaysia.
- Submitted the high bid for five blocks in the Gulf of Mexico Central lease sale in March.
- Progressed the two-well Medusa expansion project with both wells drilled to plan and one well completed.
- Advanced the Kodiak two-well sub-sea tie-back project with the first well drilled to plan.
- Completed the initial phase of development drilling at the South Acis oil field and Belum gas field with better than expected results.
- Delivered 45 new wells on line in the Eagle Ford Shale.

Roger W. Jenkins, President and Chief Executive Officer, commented, "We continue to progress the optimization of our portfolio, reaching closure on the final phase of the sell-down of our Malaysia assets and signing a sales agreement for our remaining U.K. downstream assets. We remain focused on allocating capital and reducing operating expenditures. Looking ahead, Murphy is well positioned with a solid balance sheet and cash positions to carry out our capital plans and evaluate opportunities that will enhance our business."

### Operations Summary

#### North America Onshore

In the Eagle Ford Shale (EFS), first quarter 2015 production, which was comprised of 90% liquids, averaged near 64,200 barrels of oil equivalent per day (boepd) net, essentially flat to the fourth quarter 2014. As planned, we have reduced our rig count in EFS to four rigs during the first quarter and we expect to stay at this level for the rest of the year. We brought 45 new wells on line in the first quarter and are currently using two completion spreads, with plans to reduce to one spread in the second quarter, to manage our well inventory. Production in the second quarter of 2015 is estimated to average 59,000 boepd with the 2015 outlook flat year-on-year to 2014 at approximately 57,000 boepd based on the previously disclosed 46% reduction in capital spending this year. Our EFS resource continues to grow with proved and net recoverable resource near 750 million barrels of oil equivalent (mmboc) at the end of 2014.

In Western Canada, natural gas production from the Montney in the first quarter of 2015 was 187 million cubic feet per day (mmcf), relatively flat with the fourth quarter of 2014. We completed eight new wells in the first quarter and as planned, released all of our rigs in February. We continue to see above plan sub-surface performance from our new wells in the Montney where we are completing the wells with larger sand concentrations. Results to date indicate higher cumulative production and well pressures pointing to higher estimated ultimate recovery from the wells.

The Company recorded an after-tax expense of \$32.5 million in the first quarter associated with the estimated cost to remediate a leak or leaks at an infield condensate transfer pipeline at the Seal field in a remote area of northern Alberta.

#### Global Offshore

In Malaysia, in the first quarter, we realized an after tax gain of \$199.5 million upon closing of the second phase of the sale of 30% of its oil and gas assets on January 29, 2015. The second phase covered the remaining one-third of the transaction or 10% of the Company's Malaysian oil and gas assets. Production offshore Sabah averaged just over 34,400 boepd for the first quarter with 88% liquids. The Kakap-Gumusut main project, which declared first oil in October 2014, has demonstrated excellent performance with production averaging near 150,000 boepd gross in March of this year. In shallow water offshore Sarawak, gas production for the first quarter was 112 mmcf and liquids production was near 18,500 bopd. We completed the first phase of drilling at the South Acis oil field comprised of 14 producers and have just finished drilling a five-well program targeting natural gas at Belum.

In the GOM, production for the quarter was over 24,400 boepd with 61% liquids. We continue to progress our two-well expansion project at Medusa in Mississippi Canyon. Both wells have been drilled to plan, and subsea installations are complete with one well scheduled to flow first oil in early May. At the non-operated Kodiak development, a two-well tie-back to Devil's Tower, the first well has been drilled to plan and we anticipate first oil in the first quarter of 2016.

### **Exploration**

In the GOM, we were the high bidder on five new blocks at the March Central lease sale 235 where we partnered at a 50% working interest and committed approximately \$12 million net. The blocks acquired include Mississippi Canyon 678 and 977 and Atwater Valley 5, 6 and 94. The blocks are prospective for oil in Miocene reservoirs. As previously reported, the Urca well in Mississippi Canyon 697 was plugged and abandoned with a dry hole expense of \$46.7 million taken this quarter.

In Malaysia offshore of Sarawak, Murphy farmed into deepwater Block 2C at a 50% working interest. We are targeting gas/condensate in the Oligocene delta-plain sandstones with plans to drill a well in the third quarter.

In Australia, the seismic program across Block EPP43 in the Ceduna basin is now complete and Murphy and our partner will begin processing and evaluating the data. In the Vulcan Sub-Basin offshore northern Australia, we acquired a new block at a 50% working interest in this oil prone basin without well commitments. The Munia prospect, the last of a three-well exploratory drilling program in the Perth Basin, was plugged and abandoned as a dry hole. Including the first two wells in the program, Koel and Cisticola, we recorded a dry hole expense of \$31.8 million in the first quarter.

### **Production & Guidance**

First quarter production averaged near 221,550 boepd, slightly ahead of our guidance of 221,000 boepd. Details for second quarter and full year 2015 guidance can be found in the attached tables. Production for the second quarter is estimated to be 197,000 boepd. We are maintaining our full year guidance for production and capital for 2015.

### **Earnings Conference Call**

The public is invited to access the Company's conference call to discuss first quarter 2015 results on Thursday, April 30 at 12:00 p.m. CDT, 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 1-800-481-9591. The telephone reservation number for the call is 3382523. Replays of the call will be available through the same address on Murphy Oil's website, and a recording of the call will be available through May 4, 2015, by calling 1-888-203-1112 and referencing reservation number 3382523. A replay of the conference call will also be available on the Murphy website for 30 days after the event and via Thomson StreetEvents for their service subscribers.

### **Financial Data**

Summary financial data and operating statistics for the first quarter 2015 with comparisons to 2014 are contained in the following tables. Additionally, a schedule indicating the impacts of items affecting comparability of earnings between periods and schedules comparing EBITDA and EBITDAX between periods are included with these tables as well as guidance for the second quarter.

*This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. 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 forecasted events not to occur include, but are not limited to, a failure to obtain necessary regulatory approvals, a deterioration in the business or prospects of Murphy, adverse developments in Murphy business' markets, and adverse developments in the U.S. or global capital markets, credit markets or economies in general. Factors that could cause actual results to differ materially from those expressed or implied in our forward-looking statements include, but are not limited to, the volatility and level of crude oil and natural gas prices, the level and success rate of our exploration programs, our ability to maintain production rates and replace reserves, customer demand for our products, adverse foreign exchange movements, political and regulatory instability, and uncontrollable natural hazards. For further discussion of risk factors, see Murphy's 2014 Annual Report on Form 10-K on file with the U.S. Securities and Exchange Commission. Murphy undertakes no duty to publicly update or revise any forward-looking statements.*

*This news release also contains certain historical non-GAAP measures of financial performance 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 measures are broadly used to value and compare companies in the crude oil and natural gas industry. Please see the attached schedules for reconciliations of the differences between non-GAAP measures used in this news release and the most directly comparable GAAP financial measures.*

*The Securities and Exchange Commission requires oil and 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. 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. We use the term "net recoverable resource" in this news release. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized. The SEC guidelines strictly prohibit us from including these estimates in 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 and in other reports on file with the SEC, available from Murphy Oil Corporation's offices or website at <http://ir.murphyoilcorp.com>.*

For further information contact Barry Jeffery, Vice President, Investor Relations at 870-864-6501.

***First Quarter Schedules Accessible at Link Below.***

### **[1Q 2015 Earnings Schedules](#)**

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