



MURPHY OIL ANNOUNCES PRELIMINARY QUARTERLY EARNINGS AND EXPLORATORY DRILLING RESULTS

October 30, 2013

EL DORADO, Arkansas, October 30, 2013 - Murphy Oil Corporation (NYSE: MUR) announced today that net income, which includes the results of discontinued operations, was \$284.8 million (\$1.51 per diluted share) in the third quarter 2013 compared to \$226.7 million (\$1.16 per diluted share) in the 2012 third quarter. Income from continuing operations in the third quarter of 2013 was \$252.1 million (\$1.34 per diluted share) compared to \$211.7 million (\$1.08 per diluted share) in the third quarter of 2012. Income from continuing operations increased in 2013 compared to the prior year, primarily due to higher crude oil production levels.

On August 30, 2013, the Company completed the separation of its U.S. downstream operations into a new publicly owned company named Murphy USA Inc. The results of these U.S. downstream operations are reported as discontinued operations for all periods presented, and are excluded from Murphy Oil's net income after the separation date. Discontinued operations generated income of \$32.7 million (\$0.17 per diluted share) in the 2013 third quarter compared to income of \$15.0 million (\$0.08 per diluted share) in the 2012 quarter. Upon separation, Murphy USA Inc. paid Murphy Oil Corporation a \$650 million cash dividend that was primarily used by the Company to repay a portion of its long-term debt.

For the first nine months of 2013, net income totaled \$1.05 billion (\$5.51 per diluted share) compared to \$812.2 million (\$4.17 per diluted share) for the same period in 2012. Net income in the current year included discontinued operations income of \$363.1 million (\$1.91 per diluted share) compared to discontinued operations income of \$93.9 million (\$0.48 per diluted share) in 2012. Income from discontinued operations in the 2013 period included after-tax gains of \$216.2 million from sale of U.K. oil and gas properties, plus profits through August 30, 2013 generated by the U.S. downstream operations. Income from continuing operations was \$684.9 million (\$3.60 per diluted share) compared to \$718.3 million (\$3.69 per diluted share) in 2012. The reduction in continuing operations income in 2013 was primarily attributable to lower refining margins in the U.K. downstream business in the current year.

Net Income				
	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2013	2012	2013	2012
(Millions of Dollars)				
Exploration and Production	\$ 264.2	221.1	786.3	760.0
Refining and Marketing - U.K.	(12.9)	25.5	(22.7)	35.7
Corporate	0.8	(34.9)	(78.7)	(77.4)
Income from continuing operations	252.1	211.7	684.9	718.3
Income from discontinued operations	32.7	15.0	363.1	93.9
Net income	\$ 284.8	226.7	1,048.0	812.2
Income per Common share - Diluted:				
Income from continuing operations	\$ 1.34	1.08	3.60	3.69
Net income	1.51	1.16	5.51	4.17

Third Quarter 2013 vs. Third Quarter 2012

Exploration and Production (E&P)

E&P Metrics				
	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2013	2012	2013	2012
Oil Production Volume - Bbls. per day	138,075	105,796	133,534	105,766
Natural Gas Sales Volume - MCF per day	415,235	454,573	432,027	495,711
Total BOE Production Volume - BOE per day	207,281	181,558	205,539	188,385
Average Realized Oil Sales Price - Per Bbl.	\$ 96.80	96.09	94.69	97.13
Average Realized North American				
Natural Gas Sales Price - Per MCF	\$ 3.00	2.61	3.23	2.43
Average Realized Sarawak				
Natural Gas Sales Price - Per MCF	\$ 6.69	7.59	6.90	7.79

The Company's income contribution from E&P continuing operations was \$264.2 million in the third quarter of 2013 compared to \$221.1 million in the same quarter of 2012. The earnings improvement in the 2013 quarter compared to 2012 was primarily attributable to higher crude oil production volumes in the Eagle Ford Shale of South Texas. Higher revenue associated with favorable oil volumes was partially offset by higher expenses for production operations and the exploration program. Depreciation and production expenses rose in 2013 due to higher crude oil sales volumes.

Exploration expenses totaled \$147.8 million in the third quarter 2013, up from \$94.0 million in the 2012 quarter. The 2013 increase was primarily attributable to a dry hole drilled at the Eboni deepwater prospect offshore Cameroon, plus higher seismic acquisition costs for prospective areas in Southeast Asia.

Worldwide production totaled 207,281 barrels of oil equivalent per day in the 2013 third quarter, up from 181,558 barrels of oil equivalent per day in the 2012 quarter. Crude oil, condensate and gas liquids production was 138,075 barrels per day in the 2013 quarter compared to 105,796 barrels per day in 2012. Higher oil volume produced in the 2013 quarter was mostly attributable to the Eagle Ford Shale area, where an active development drilling operation is ongoing with eight rigs. Crude oil production also increased in both Canada and Malaysia, with the improvements attributable to more uptime at the Terra Nova field, offshore Newfoundland, and field start-ups at Kakap under the early production system and at Serendah, offshore Sabah and Sarawak, respectively. The Company's share of Syncrude oil production was lower in the 2013 quarter due to maintenance work that curtailed volumes produced. Natural gas sales volumes averaged 415 million cubic feet per day in the 2013 quarter, down from 454 million cubic feet per day in the prior year's quarter. Lower gas volumes were produced in 2013 at the Tupper area in British Columbia, as normal well decline occurred following voluntary deferral of development activities due to depressed North American natural gas sales prices. Additionally, natural gas sales volumes were lower at the Kikeh field in Malaysia mainly due to maintenance at the third party onshore receiving facility which lowered demand.

The average sales price for the Company's crude oil, condensate and gas liquids was \$96.80 per barrel in the 2013 third quarter, compared to \$96.09 per barrel in the 2012 quarter. Natural gas sales prices in North America averaged \$3.00 per thousand cubic feet (MCF) in the 2013 quarter, an increase from the \$2.61 per MCF realized during the 2012 quarter. Natural gas sold from fields offshore Sarawak, Malaysia averaged \$6.69 per MCF in the 2013 quarter, down from \$7.59 per MCF a year ago, with the 2013 decline mostly due to contractually required revenue sharing with the local government in the current year.

Refining and Marketing - U.K. (Downstream)

As previously noted, the Company completed the separation of its U.S. downstream operations on August 30, 2013 and has reported the results of this business as discontinued operations. These U.S. results are excluded from Downstream results from continuing operations.

The Company's remaining refining and marketing business in the U.K. generated a loss of \$12.9 million in the third quarter 2013 compared to a profit of \$25.5 million in the 2012 third quarter. The decline in U.K. downstream results in 2013 was attributable to significantly weaker refining margins at the Milford Haven, Wales facility. Margins for marketing operations were much stronger in 2013 compared to the prior year. Overall combined U.K. margins fell from a profitable \$3.44 per barrel in the 2012 quarter to a negative \$0.66 per barrel in 2013.

U.K. Downstream Metrics				
	Three Months Ended		Nine Months Ended	
	<u>September 30</u>		<u>September 30</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
U.K. Refinery Inputs - Bbls. per day	129,767	132,932	126,303	132,282
U.K. Total Petroleum Product Sales - Bbls. per day	137,526	137,189	131,177	135,638
U.K. R&M Unit Margins - Per Bbl.	\$ (0.66)	3.44	(0.34)	1.85

Corporate

The Corporate function recorded a net benefit of \$0.8 million in the third quarter of 2013, significantly favorable to the net cost of \$34.9 million in the 2012 third quarter. The favorable variance in 2013 was primarily related to after-tax gains of \$45.8 million in the current quarter for transactions denominated in foreign currencies. The 2012 quarter included after-tax losses of \$12.6 million from foreign currency transactions. The foreign currency benefit in the current quarter was generated from both Malaysia and U.K. operations. A weakening of the Malaysian ringgit against the U.S. dollar in the current quarter led to lower costs in U.S. dollar terms for income tax liabilities that are to be paid in the local currency. The Malaysian ringgit strengthened against the U.S. dollar in the 2012 third quarter, which increased income tax liabilities in U.S. dollar terms in the prior year. The 2013 quarter had higher net interest expense compared to the prior year quarter, primarily associated with larger average borrowing levels.

Administrative costs were also higher in 2013 than 2012, with the increase primarily related to additional costs for employee compensation and U.S. downstream separation costs.

Discontinued Operations

Income from discontinued operations was \$32.7 million in the third quarter 2013, compared to income of \$15.0 million in the third quarter 2012.

Discontinued operations in 2013 included results of U.S. downstream operations for July and August prior to the separation, while 2012 included both U.S. downstream and U.K. oil and gas operating results.

First Nine Months 2013 vs. First Nine Months 2012

Exploration and Production (E&P)

The Company's E&P continuing operations earned \$786.3 million in the first nine months of 2013 compared to \$760.0 million in the same period of 2012. The year-to-date 2013 earnings improved compared to the prior year as higher crude oil sales volumes in the current period were only partially offset by lower average realized crude oil sales prices and higher extraction and exploration expenses. Production and depreciation expenses rose in 2013 primarily due to higher production levels in the Eagle Ford Shale.

Total exploration expense was \$345.1 million in 2013, up from \$243.7 million in 2012. The current year had higher dry hole costs associated with unsuccessful wildcat drilling in Cameroon, Australia and onshore Canada. Additionally, the Company acquired more geophysical data across prospects in Southeast Asia, Australia and the Gulf of Mexico during the current year.

Total worldwide production in 2013 was 205,539 barrels of oil equivalent per day, a 9% increase from 188,385 barrel equivalents produced in 2012.

Total crude oil, condensate and gas liquids production averaged 133,534 barrels per day in 2013, compared to 105,766 barrels per day in 2012. The 26% increase in oil volumes was mostly attributable to higher production in the Eagle Ford Shale. Other areas with increased oil production in 2013 included Terra Nova and Kakap, with the former having less downtime for maintenance in the current year and the latter starting up production in the fourth quarter of 2012. Oil volumes were lower in 2013 at Syncrude due to a coker turnaround. Natural gas sales volumes decreased from 496 million cubic feet per day in 2012 to 432 million cubic feet per day in 2013. The 13% reduction was primarily attributable to lower gas volumes produced in the Tupper area, where normal well decline occurred following a period when development activities have been voluntarily curtailed due to weak North American natural gas sales prices. Natural gas sales volumes also declined in 2013 in Malaysia, primarily due to maintenance at the third party onshore receiving facility which lowered demand.

The average sales price for crude oil and other liquids was \$94.69 per barrel in 2013, down from \$97.13 per barrel in 2012. North American natural gas was sold at an average price of \$3.23 per MCF in 2013, an increase from the 2012 average of \$2.43 per MCF. However, natural gas volumes produced offshore Sarawak were sold for \$6.90 per MCF in 2013, compared to \$7.79 per MCF in the prior year, with the current year decline caused by contractually required revenue sharing with the local government.

Refining and Marketing - U.K. (Downstream)

The Company's U.K. refining and marketing continuing operations incurred a loss of \$22.7 million in the first nine months of 2013 compared to a profit of \$35.7 million in 2012. The reduction in current year income was attributable to weaker margins at the Milford Haven, Wales refinery, partially offset by stronger margins for marketing operations. Average combined U.K. unit margins were a negative \$0.34 per barrel in the current year compared to a positive margin of \$1.85 per barrel a year earlier.

Corporate

Corporate after-tax costs were \$78.7 million in the first nine months of 2013 compared to costs of \$77.4 million in the 2012 period. The 2013 period had higher administrative costs, primarily associated with more employee compensation and separation expenses related to the U.S. downstream spin-off. Net interest expense in the 2013 nine months was also above 2012, primarily due to higher average borrowings levels in the current year. These higher net costs in 2013 were mostly offset by a favorable variance for transactions denominated in foreign currencies; these transactions generated after-tax profits of \$57.8 million in the 2013 nine months compared to after-tax costs of \$3.5 million in 2012.

Discontinued Operations

Income from discontinued operations of \$363.1 million in the nine months of 2013 was significantly above the \$93.9 million of income in 2012. The improvement in 2013 was primarily caused by after-tax gains of \$216.2 million upon sale of all U.K. oil and gas properties in the current year.

Roger Jenkins, President and Chief Executive Officer, commented, "We have been pleased with production levels that have exceeded our targets, with Eagle Ford Shale oil volumes leading the way. We continue to test the upside in the Eagle Ford Shale with downspacing pilots and longer horizontal laterals in the wells. In Malaysia, our four shallow water oil developments offshore Sarawak and two deepwater oil developments at Siakap North-Petai and Kakap-Gumusut are progressing well with two Sarawak fields already on production. The remaining fields will have a staggered start up over the next few months. The completion of the U.S. downstream separation in August was a significant transition step toward converting the Company to a fully focused independent E&P organization. We continue to progress the sale of our U.K. downstream assets. We wish our former associates at Murphy USA Inc. well as they set sail as a stand-alone entity.

"We anticipate total worldwide production volumes of 199,000 barrels of oil equivalent per day in the fourth quarter of 2013. Sales volumes of oil and natural gas are projected to average 191,000 barrels of oil equivalent per day in the fourth quarter 2013. Total exploration expense in the fourth quarter of 2013 should range between \$50 million and \$150 million. Results could vary based on the risk factors described below."

The public is invited to access the Company's conference call to discuss third quarter 2013 results on Thursday, October 31 at 12:00 p.m. CDT either via the Internet through the Investor Relations section of Murphy Oil's Web site at <http://ir.murphyoilcorp.com> or via the telephone by dialing **1-888-661-5167**. The telephone reservation number for the call is **7069828**. Replays of the call will be available through the same address on Murphy Oil's Web site, and a recording of the call will be available through November 4 by calling 1-888-203-1112 and referencing reservation number 7069828. Audio downloads will also be available on the Murphy Web site for 30 days after the event and via Thomson StreetEvents for their service subscribers.

Summary financial data and operating statistics for the third quarter and nine months of 2013 with comparisons to 2012 are contained in the attached tables.

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, including Murphy's plans to divest its U.K. downstream operations, 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 failure to obtain assurances of anticipated tax treatment, a deterioration in the business or prospects of Murphy or its U.K. refining and marketing business, adverse developments in Murphy or its U.K. refining and marketing business' markets, adverse developments in the U.S. or global capital markets, credit markets or economies in general, or a failure to execute a sale of the U.K. downstream operations on acceptable terms or in the timeframe contemplated. 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 2012 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.

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3Q 2013 earnings release schedules accessible at the link below.

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3Q 2013 Earnings Release Schedules

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