



Murphy Oil Announces Signing of Two Natural Gas Sales Agreements in Malaysia

February 26, 2007

EL DORADO, Ark.--(BUSINESS WIRE)--Feb. 26, 2007--Murphy Oil Corporation (NYSE:MUR) announced today that two of its wholly owned subsidiaries have, together with partner PETRONAS Carigali Sdn. Bhd., signed two separate Gas Sales Agreements (GSA), one to supply the existing PETRONAS Bintulu LNG facility and one to supply a PETRONAS-owned methanol plant, onshore Labuan.

Murphy and PETRONAS Carigali will initially supply the Bintulu LNG facility 250 million cubic feet of gas per day (mmcfpd) for a firm period of five years, with a provision to supply up to 350 mmcfpd for another 10 years. The gas will be sourced from multiple fields located in Blocks SK 309 and SK 311 in shallow waters offshore Sarawak. The first sales under this agreement are projected to be in the first half of 2009.

"We have had a long and sustained exploration program offshore Sarawak that has resulted in a number of gas discoveries. Today, with the signing of this important GSA, we can move forward with our partner PETRONAS Carigali and start to bring these reserves to market," said Claiborne P. Deming, Murphy Oil Corporation's President and Chief Executive Officer. "We also see a continued active program of both appraisal and exploration alongside this development program that we believe will add even further resources in the future," he added.

Murphy, as operator, has an 85% working interest in the discovered gas fields in SK 309 and SK 311 while PETRONAS Carigali Sdn. Bhd. holds the remaining interest.

The methanol plant in Labuan will be supplied directly from the Kikeh field, currently under development in offshore deepwater Sabah Block K. A new natural gas pipeline will be installed connecting the field to the plant.

"The Kikeh field remains on track for first oil in the second half of 2007," said Deming. "By working closely with our partner PETRONAS Carigali and with PETRONAS, we are pleased to secure an important market to monetize the Kikeh field's associated gas. We expect first gas sales in early 2008," he further explained.

Murphy, as operator, has an 80% working interest in the Kikeh field with PETRONAS Carigali Sdn. Bhd. holding the remaining interest.

The forward-looking statements reflected in this release are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. No assurance can be given that results discussed herein will be attained, and certain important factors that may cause actual results to differ materially are contained in Murphy's January 15, 1997 Form 8-K report on file with the U.S. Securities and Exchange Commission.

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