



Murphy Oil Announces Heads of Agreement for Gas Contract Offshore Sarawak Malaysia

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EL DORADO, Ark.--(BUSINESS WIRE)--May 23, 2006--Murphy Oil Corporation (NYSE:MUR) announced today that it has, together with partner PETRONAS Carigali Sdn. Bhd., signed a Heads of Agreement with PETRONAS for the sale of natural gas from Sarawak Blocks SK 309 and SK 311 at an initial rate of 250 to 300 million cubic feet per day for a period of up to 15 years. Initial gas deliveries are scheduled for 2008 into the existing PETRONAS LNG Complex at Bintulu.

"We have been very pleased with our success in finding important natural gas resources across multiple fields on our acreage offshore Sarawak," said Claiborne P. Deming, Murphy Oil Corporation's President and Chief Executive Officer. "The signing of this agreement marks a very important milestone and is a natural precursor to the conclusion of our Gas Sales Agreement (GSA) and Field Development Plans in the very near future. Our development will include the building of a new onshore receiving facility connected to the existing LNG Complex as well as the sequential development of a number of natural gas fields tied to satisfying this GSA," he further explained.

Murphy as operator has an 85% working interest in SK 309 and SK 311. PETRONAS Carigali Sdn. Bhd. holds 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 the 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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SOURCE: Murphy Oil Corporation