Murphy Oil Announces Earnings

April 27, 2005

EL DORADO, Ark.--(BUSINESS WIRE)--April 27, 2005--Murphy Oil Corporation (NYSE: MUR) announced today that net income in the first quarter of 2005 was $113.2 million ($1.20 per diluted share) compared to net income of $98.2 million ($1.05 per diluted share) in the first quarter of 2004. Net income in the prior year's first quarter included income from discontinued operations of $17.5 million ($.19 per share) related to results of certain conventional oil and gas properties in Western Canada that were sold in the second quarter of last year. First quarter income from continuing operations was $113.2 million ($1.20 per share) in 2005 and $80.7 million ($.86 per share) in 2004. The improvement in 2005 results was mostly attributable to higher exploration and production earnings and lower net corporate costs.

Murphy's income from continuing exploration and production operations was $124.9 million in the first quarter of 2005 compared to $101.2 million in the same quarter of 2004. Higher realized sales prices for crude oil and natural gas and higher crude oil sales volumes were the primary reasons for improved earnings. Partially offsetting the improvements in prices and volumes were higher exploration expenses, which increased from $49.1 million in the 2004 period to $70.3 million in 2005. The increase in exploration expense in 2005 was primarily caused by two dry holes in the Republic of Congo following a discovery at the Azurite Marine #1 well in January 2005. In the United States, higher exploration costs for 3-D seismic and leasehold amortization was mostly offset by lower deepwater Gulf of Mexico dry holes costs. The first quarter of 2004 included a $15.4 million after-tax gain on disposal of the Simsboro and Sligo onshore natural gas properties in the United States. The Company's worldwide crude oil and condensate sales prices averaged $39.90 per barrel for the current quarter compared to $30.95 per barrel in the first quarter of 2004. Total crude oil and gas liquids production from continuing operations was 108,738 barrels per day in the first quarter of 2005 compared to 95,128 barrels per day in the 2004 quarter. The 14% increase in crude oil volumes in the 2005 period was mostly attributable to higher production from the Medusa and Front Runner fields in the deepwater Gulf of Mexico. The Company recommenced sales of its current oil production from Block 16 in Ecuador in the first quarter 2005, but has thus far achieved no settlement with the other owners related to the Company's entitlement of approximately 1.5 million barrels withheld by the operator in 2004 during a dispute over Murphy's new transportation and marketing arrangement. North American natural gas sales prices averaged $6.71 per thousand cubic feet (MCF) in the most recent quarter compared to $5.88 per MCF in the same quarter of 2004. Natural gas sales volumes from continuing operations of 112 million cubic feet per day in the first quarter of 2005 were down from 124 million cubic feet per day in the 2004 period, primarily due to Viosca Knoll Block 783 production in the Gulf of Mexico being offline much of the just completed quarter following damages incurred in 2004 from Hurricane Ivan.

Murphy's refining and marketing operations incurred a loss of $5.5 million in the 2005 quarter compared to a loss of $6.4 million in the 2004 quarter. The Company's North American operations lost $8.3 million in the first quarter of 2005 and $10.5 million in the 2004 period. The smaller loss was primarily due to better performance and margins at the Meraux refinery. However, margins for the Company's U.S. retail gasoline system were lower and were hurt by rising wholesale gasoline prices during much of the current period. Refining and marketing operations in the U.K. earned $2.8 million in the first quarter of 2005, down from a $4.1 million profit in the same quarter of 2004, with the weaker results based on operating margins that also were squeezed by higher crude prices during the 2005 period.

Corporate functions reflected a loss of $6.2 million in the 2005 quarter compared to a loss of $14.1 million in the first quarter 2004. The 2005 period included higher interest income related to a settlement of U.S. tax matters, higher gains on foreign exchange, and lower net interest expense due to a combination of less outstanding debt and higher interest capitalized on development projects. These favorable variances were partially offset by more administrative costs, primarily for stock-based compensation associated with a higher Company-share price in the 2005 period.

Claiborne P. Deming, President and Chief Executive Officer, commented, "The Company's financial results continue to benefit from strong oil and gas prices that have carried over into the second quarter. Our exploration drilling program in Malaysia in the second quarter includes wildcats in Block SK 311 in shallow water and Block K in deepwater. Drilling in the Republic of Congo will recommence in the third quarter when the rig again becomes available. Production and sales volumes are expected to average about 126,000 barrels of oil equivalent per day in the second quarter. Thus far in April, we have realized much stronger U.S. downstream margins, so we are optimistic that this will lead to better overall results in our downstream business for the full second quarter. We currently expect earnings in the second quarter to be between $1.80 and $2.00 per share. Results could vary based on commodity prices, drilling results, timing of oil sales, and refining and marketing margins."

The public is invited to access the Company's conference call to discuss first quarter 2005 results on Thursday, April 28, at 12:00 p.m. CDT either via the Internet through the Investor Relations section of Murphy's website at http://www.murphyoilcorp.com/ir or via the telephone by dialing 1-800-218-4007. The telephone reservation number for the call is 11028320. Replays of the call will be available through the same address on the Murphy website, and a recording of the call will be available through May 2 at 1-800-405-2236.

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.

MURPHY OIL CORPORATION
CONSOLIDATED FINANCIAL DATA SUMMARY
(Unaudited)

FIRST QUARTER	2005	2004
Revenues	$2,414,872,000	1,659,694,000

Net income	$ 113,153,000	98,239,000(a)
Net income per Common share		
Basic	1.23	1.07(a)
Diluted	1.20	1.05(a)
Average shares outstanding		
Basic	92,124,136	91,925,678
Diluted	93,903,014	93,173,199

(a) Includes income from discontinued operations of $17,543,000 ($.19 per share) in 2004.

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SOURCE: Murphy Oil Corporation