Murphy Oil Corporation Announces Strategic Acquisition of Floating Production Storage and Offloading Vessel in Gulf of America

March 12, 2025

Reduces Annual Operating Costs by Approximately $60 Million, Reaffirms 2025 Capital Expenditure Guidance

HOUSTON--(BUSINESS WIRE)--Mar. 12, 2025-- Murphy Oil Corporation (NYSE: MUR) today announced that a subsidiary has signed a Purchase and Sale Agreement to acquire the BW Pioneer floating production storage and offloading vessel (FPSO) from BW Offshore.

The gross purchase price is $125 million, subject to customary closing adjustments, and includes an initial approximate $100 million payment upon delivery by the end of first quarter 2025. The remaining balance will be due when certain contractual obligations are met, which is expected by the end of second quarter 2025. In addition, Murphy is reaffirming its 2025 capital expenditure (CAPEX) guidance range of $1,135 million to $1,285 million, with first quarter CAPEX reaffirmed at $425 million.

The FPSO will remain at its current location, supporting operations at the Cascade field (Walker Ridge 206 and 250) and Chinook field (Walker Ridge 469 and 425) in the Gulf of America. BW Offshore will continue to provide operations and maintenance services under a new five-year reimbursable contract.

“I am pleased to announce this value-creating transaction with BW Offshore, a top FPSO operator with a strong safety culture, and I look forward to continuing our partnership. By acquiring the FPSO and restructuring our contract, we will achieve a material reduction in operating costs of nearly $60 million annually with a payback of about two years independent of oil price, while enhancing returns for future infield development and exploration and increasing net proved developed reserves by approximately 8 million barrels of oil equivalent. It is also important to note that the purchase price was included in our 2025 capital expenditure guidance range of $1,135 million to $1,285 million,” said Eric M. Hambly, President and Chief Executive Officer. “Further, the FPSO is located in the prolific Wilcox trend, allowing for operated and non-operated exploration prospects to tie back to a cost-advantaged facility.”

The first FPSO approved for operations in the Gulf of America, the BW Pioneer has been in service since its conversion in 2009. The vessel has a storage capacity of approximately 600,000 barrels of oil and processing capacity of approximately 80,000 barrels of oil per day.

ABOUT MURPHY OIL CORPORATION

As an independent oil and natural gas exploration and production company, Murphy Oil Corporation believes in providing energy that empowers people by doing right always, staying with it and thinking beyond possible. Murphy challenges the norm, taps into its strong legacy and uses its foresight and financial discipline to deliver inspired energy solutions. Murphy sees a future where it is an industry leader who is positively impacting lives for the next 100 years and beyond. Additional information can be found on the company’s website at www.murphyoilcorp.com.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim”, “anticipate”, “believe”, “drive”, “estimate”, “expect”, “expressed confidence”, “forecast”, “future”, “goal”, “guidance”, “intend”, “may”, “objective”, “outlook”, “plan”, “position”, “potential”, “project”, “seek”, “should”, “strategy”, “target”, “will” or variations of such words and other similar expressions. These statements, which express management’s current views concerning future events, results and plans, are subject to inherent risks, uncertainties and assumptions (many of which are beyond our control) and are not guarantees of performance. In particular, statements, express or implied, concerning the company’s future operating results or activities and returns or the company's ability and decisions to replace or increase reserves, increase production, generate returns and rates of return, replace or increase drilling locations, reduce or otherwise control operating costs and expenditures, generate cash flows, pay down or refinance indebtedness, achieve, reach or otherwise meet initiatives, plans, goals, ambitions or targets with respect to emissions, safety matters or other ESG (environmental/social/governance) matters, make capital expenditures or pay and/or increase dividends or make share repurchases and other capital allocation decisions are forward-looking statements. Factors that could cause one or more of these future events, results or plans not to occur as implied by any forward-looking statement, which consequently could cause actual results or activities to differ materially from the expectations expressed or implied by such forward-looking statements, include, but are not limited to: macro conditions in the oil and gas industry, including supply/demand levels, actions taken by major oil exporters and the resulting impacts on commodity prices; geopolitical concerns; increased volatility or deterioration in the success rate of our exploration programs or in our ability to maintain production rates and replace reserves; reduced customer demand for our products due to environmental, regulatory, technological or other reasons; adverse foreign exchange movements; political and regulatory instability in the markets where we do business; the impact on our operations or market of health pandemics such as COVID-19 and related government responses; other natural hazards impacting our operations or markets; any other deterioration in our business, markets or prospects; any failure to obtain necessary regulatory approvals; any inability to service or refinance our outstanding debt or to access debt markets at acceptable prices; or adverse developments in the U.S. or global capital markets, credit markets, banking system or economies in general, including inflation and trade policies. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see “Risk Factors” in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC’s website and from Murphy Oil Corporation’s website at http://ir.murphyoilcorp.com. Investors and others should note that we may announce material information using SEC filings, press releases, public conference calls, webcasts and the investors page of our website. We may use these channels to distribute material information about the company; therefore, we encourage investors, the media, business partners and others interested in the company to review the information we post on our website. The information on our website is not part of, and is not incorporated into, this news release. Murphy Oil Corporation undertakes no duty to publicly update or revise any forward-looking statements.

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