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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended JUNE 30, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _______________

Commission File Number 1-8590

MURPHY OIL CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	71-0361522
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

200 PEACH STREET P. O. BOX 7000, EL DORADO, ARKANSAS	71731-7000
(Address of principal executive offices)	(Zip Code)

(870) 862-6411
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

Number of shares of Common Stock, $1.00 par value, outstanding at June 30, 1997 was 44,877,167.

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PART I - FINANCIAL INFORMATION

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED BALANCE SHEETS
(Thousands of dollars)

	(unaudited) June 30, 1997	December 31, 1996
ASSETS		
Current assets		
Cash and cash equivalents	$ 29,237	109,707
Accounts receivable, less allowance for doubtful accounts of $15,312 in 1997 and $15,267 in 1996	244,009	319,661
Inventories		
Crude oil and raw materials	40,989	42,811
Finished products	56,312	44,310
Materials and supplies	41,392	44,234
Prepaid expenses	28,290	29,820
Deferred income taxes	17,427	19,626
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Total current assets	457,656	610,169
Property, plant, and equipment, at cost less accumulated depreciation, depletion, and amortization of $2,648,700 in 1997 and $2,573,606 in 1996	1,626,815	1,556,830
Deferred charges and other assets	71,089	76,787
	$2,155,560	2,243,786

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities		
Current maturities of long-term obligations	$ 15,663	13,635
Accounts payable and accrued liabilities	366,881	503,013
Income taxes	33,577	37,393
Total current liabilities	416,121	554,041
Notes payable and capitalized lease obligations	49,231	20,871
Nonrecourse debt of a subsidiary	180,319	180,957
Deferred income taxes	141,468	127,319
Reserve for dismantlement costs	154,575	152,528
Reserve for major repairs	30,877	29,776
Deferred credits and other liabilities	133,725	150,816
Stockholders' equity		
Capital stock		
Cumulative Preferred Stock, par $100, authorized 400,000 shares, none issued	-	-
Common Stock, par $1.00, authorized 80,000,000 shares, issued 48,775,314 shares	48,775	48,775
Capital in excess of par value	509,085	509,008
Retained earnings	579,712	550,699
Currency translation adjustments	14,679	22,573
Unamortized restricted stock awards	(1,115)	(1,298)
Treasury stock, 3,898,147 shares of Common Stock in 1997, 3,912,971 shares in 1996, at cost	(101,892)	(102,279)
Total stockholders' equity	1,049,244	1,027,478
	$2,155,560	2,243,786

See Notes to Consolidated Financial Statements, page 4.

The Exhibit Index is on page 13.

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(Thousands of dollars, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1997	1996*	1997	1996*
REVENUES				
Sales	$ 494,118	482,606	987,607	886,444
Other operating revenues	12,255	14,504	25,938	26,069
Interest, income from equity companies, and other nonoperating revenues	1,351	1,435	2,495	2,974
Total revenues	507,724	498,545	1,016,040	915,487
COSTS AND EXPENSES				
Crude oil, products, and related operating expenses	376,197	384,640	739,467	689,397
Exploration expenses, including undeveloped lease amortization	23,224	13,190	51,774	24,861
Selling and general expenses	14,726	15,037	29,031	29,531
Depreciation, depletion, and amortization	50,783	44,471	99,508	92,022
Interest expense	3,030	3,132	5,944	6,317
Interest capitalized	(3,003)	(2,379)	(5,899)	(4,546)
Total costs and expenses	464,957	458,091	919,825	837,582
Income from continuing operations before income taxes	42,767	40,454	96,215	77,905
Federal and state income taxes	10,369	6,477	21,340	15,164
Foreign income taxes	4,842	9,215	16,703	17,653
Income from continuing operations	27,556	24,762	58,172	45,088
DISCONTINUED FARM, TIMBER, AND REAL ESTATE OPERATIONS				
Income from discontinued operations	-	3,310	-	6,998
NET INCOME	$ 27,556	28,072	58,172	52,086
Average Common shares outstanding	44,960,634	44,922,887	44,960,606	44,912,798
Income per Common share				
Continuing operations	$ .61	.55	1.29	1.00
Discontinued operations	-	.07	-	.16
Net income	$ .61	.62	1.29	1.16
Cash dividends per Common share	$ .325	.325	.65	.65

*Restated for discontinued operations.

See Notes to Consolidated Financial Statements, page 4.

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(Thousands of dollars)

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996*
OPERATING ACTIVITIES		
Income from continuing operations	$ 58,172	45,088
Adjustments to reconcile above income to net cash provided by operating activities		
Depreciation, depletion, and amortization	99,508	92,022
Provision for major repairs	11,303	12,588
Expenditures for major repairs and dismantlement costs	(10,977)	(7,391)
Exploratory expenditures charged against income	46,626	20,040
Amortization of undeveloped leases	5,148	4,821
Deferred and noncurrent income taxes	11,574	7,258
Pretax gains from disposition of assets	(3,225)	(1,292)
Other - net	2,690	322
	220,819	173,456
Net (increase) decrease in operating working capital other than cash and cash equivalents	(67,905)	10,630
Other adjustments related to continuing operations	(9,192)	6,137
Net cash provided by continuing operations	143,722	190,223
Net cash provided by discontinued operations	-	8,558
Net cash provided by operating activities	143,722	198,781
INVESTING ACTIVITIES		
Capital expenditures requiring cash	(228,807)	(176,698)
Proceeds from sale of property, plant, and equipment	5,553	5,475
Other continuing operations - net	191	748
Investing activities of discontinued operations	-	(5,999)
Net cash required by investing activities	(223,063)	(176,474)
FINANCING ACTIVITIES		
Increase (decrease) in notes payable and capitalized lease obligations	28,360	(2)
Increase in nonrecourse debt of a subsidiary	1,390	4,433
Cash dividends paid	(29,159)	(29,143)
Net cash provided (required) by financing activities	591	(24,712)
Effect of exchange rate changes on cash and cash equivalents	(1,720)	114
Net decrease in cash and cash equivalents	(80,470)	(2,291)
Decrease applicable to discontinued operations	-	901
Net decrease in cash and cash equivalents of continuing operations	(80,470)	(1,390)
Cash and cash equivalents of continuing operations at January 1	109,707	60,853
Cash and cash equivalents of continuing operations at June 30	$ 29,237	59,463
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES		
Cash income taxes paid, net of refunds	$ 37,639	16,148
Interest paid, net of amounts capitalized	(1,621)	621

*Restated for discontinued operations.

See Notes to Consolidated Financial Statements, page 4.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of the financial statements of Murphy Oil Corporation and Consolidated Subsidiaries (Murphy/the Company) on pages 1 through 3 of this report on Form 10-Q.

NOTE A - INTERIM FINANCIAL STATEMENTS

The consolidated financial statements of the Company presented herein have not been audited by independent auditors, except for the Consolidated Balance Sheet at December 31, 1996. In the opinion of the Company's management, the unaudited financial statements presented herein include all adjustments (consisting only of normal, recurring accruals) necessary to present fairly the Company's financial position at June 30, 1997, and the results of operations and cash flows for the three-month and six-month periods ended June 30, 1997 and 1996, in conformity with generally accepted accounting principles.

Financial statements and notes to consolidated financial statements included in this report on Form 10-Q should be read in conjunction with the Company's 1996 Annual Report on Form 10-K, as certain notes and other pertinent information have been abbreviated in or omitted from this report. Financial results for the six months ended June 30, 1997 are not necessarily indicative of future results.

NOTE B - DISCONTINUED OPERATIONS

On December 31, 1996, Murphy completed a tax-free spin-off to its stockholders of all common stock of its wholly owned farm, timber, and real estate subsidiary Deltic Farm & Timber Co., Inc. (reincorporated as "Deltic Timber Corporation"). The spin-off resulted in a net charge of $172.6 million to "Retained Earnings" in 1996. As a result of the transaction, activities of the farm, timber, and real estate segment have been accounted for as discontinued operations, with prior periods restated. Selected operating results for these activities, presented as net amounts in the Consolidated Statements of Income for the three-month and six-month periods ended June 30, 1996 were as follows.

	Periods Ended June 30, 1996	
(Millions of dollars, except per share amounts)	Three Months	Six Months
Revenues.	$19.8	40.1
Income tax provisions	2.1	4.5
Income from discontinued operations	3.3	7.0
Income from discontinued operations per share . .	.07	.16

NOTE C - ENVIRONMENTAL CONTINGENCIES

The Company's worldwide operations are subject to numerous laws and regulations intended to protect the environment and/or impose remedial obligations. In addition, the Company is involved in personal injury and property damage claims, allegedly caused by exposure to or by the release or disposal of materials manufactured or used in the Company's operations. The Company operates or has previously operated certain sites or facilities, including refineries, oil and gas fields, service stations, and terminals, for which known or potential obligations for environmental remediation exist.

Under the Company's accounting policies, liabilities for environmental obligations are recorded when such obligations are probable and the cost can be reasonably estimated. If there is a range of reasonably estimated costs, the most likely amount will be recorded, or if no amount is most likely, the minimum of the range. Recorded liabilities are reviewed quarterly and adjusted as needed. Actual cash expenditures often occur a number of years following recognition of the liabilities.

The Company's reserve for remedial obligations, which is included in "Deferred Credits and Other Liabilities" in the Consolidated Balance Sheets, contains certain amounts that are based on anticipated regulatory approval for proposed remediation of former refinery waste sites. If regulatory authorities require more costly alternatives than the proposed processes, future expenditures could exceed the amount reserved by up to an estimated $3 million.

NOTE C - ENVIRONMENTAL CONTINGENCIES (CONTD.)

The Company is currently identified by the U.S. Environmental Protection Agency as a Potentially Responsible Party (PRP) at four Superfund sites and has been assigned responsibility by defendants at another Superfund site. The potential total cost to all parties to perform necessary remedial work at these sites is substantial; however, current information indicates that the Company is a "de minimus" party, with assigned or potentially assigned responsibility of less than two percent at all but one of the sites. At that site, the Company has not determined either its potentially assigned responsibility percentage or its potential total remedial cost. Based on currently available information on one site and the minor percentages involved on the other sites, the Company does not expect that its related remedial costs will be material to its financial condition or its results of operations. Additional information may become known in the future that would alter this assessment, including any requirement to bear a pro rata share of costs attributable to nonparticipating PRPs or indications of additional responsibility by the Company.

Although the Company is not aware of any environmental matters that might have a material effect on its financial condition, there is the possibility that expenditures could be required at currently unidentified sites, and new or revised regulatory requirements could necessitate additional expenditures at known sites. Such expenditures could materially affect the results of operations in a future period.

The Company believes that certain environmentally related liabilities and prior environmental expenditures are either covered by insurance or will be recovered from other sources. The outcome of potential insurance recoveries is the subject of ongoing litigation, including the appeal of a judgment awarded the Company in 1995. Since no assurance can be given that the judgment will be upheld upon appeal or that recoveries from other sources will occur, the Company has not recognized a benefit for these potential recoveries at June 30, 1997.

NOTE D - OTHER CONTINGENCIES

The Company's operations and earnings have been and may be affected by various other forms of governmental action both in the U.S. and throughout the world. Examples of such governmental action include, but are by no means limited to: tax increases and retroactive tax claims; restrictions on production; import and export controls; price controls; currency controls; allocation of supplies of crude oil and petroleum products and other goods; expropriation of property; restrictions and preferences affecting issuance of oil and gas or mineral leases; laws and regulations intended for the promotion of safety; and laws and regulations affecting the Company's relationships with employees, suppliers, customers, stockholders, and others. Because governmental actions are often motivated by political considerations, may be taken without full consideration of their consequences, and may be taken in response to actions of other governments, it is not practical to attempt to predict the likelihood of such actions, the form the actions may take, or the effect such actions may have on the Company.

In the normal course of its business activities, the Company is required under certain contracts with various governmental authorities and others to provide letters of credit that may be drawn upon if the Company fails to perform under those contracts. At June 30, 1997, the Company had contingent liabilities of $11.8 million on outstanding letters of credit and $16 million under certain financial guarantees.

NOTE E - ACCOUNTING POLICIES FOR CERTAIN DERIVATIVE INSTRUMENTS

Derivative instruments are used by the Company on a limited basis to manage well-defined risks related to commodity prices, foreign currency exchange rates, and interest rates. The Company accounts for these instruments as hedges. To qualify as hedges, the instruments must reduce the exposure to price, currency, or interest rate risks of assets, liabilities, or anticipated transactions. The Company does not hold any derivatives for trading purposes.

NOTE E - ACCOUNTING POLICIES FOR CERTAIN DERIVATIVE INSTRUMENTS (CONTD.)

The Company has a crude oil swap agreement, which matures in the third quarter of 1997, to purchase 500,000 barrels of West Texas Intermediate crude oil at a specified price per barrel and sell the same commodity at the average market price during the maturity period. The agreement, to be settled on a net cash basis, fixes the cost for a portion of the anticipated crude oil feedstock requirements for the Company's U.S. refining operations. The Company records a liability related to a swap agreement if the estimated cost of the anticipated crude oil purchase, including settlement cost of the swap agreement, exceeds the estimated net realizable value of the related finished products. Any such liability would be included in "Deferred Credits and Other Liabilities" in the Consolidated Balance Sheet. The Company records the operating results associated with a swap agreement in "Crude Oil, Products, and Related Operating Expenses" in the Consolidated Statement of Income.

The Company also has forward foreign exchange contracts to buy Cdn $56 million, fixing the U.S. dollar costs for certain Canadian dollar denominated nonrecourse debt. The unrealized difference between the contract exchange rates and the actual exchange rate at June 30, 1997 is recognized on the Consolidated Balance Sheet as an adjustment to "Nonrecourse Debt of a Subsidiary" with an offset to "Cumulative Translation Adjustments." When these contracts are settled, any adjustment to the difference previously recorded will be included in the same accounts.

At June 30, 1997, the Company had several five-year interest rate swap agreements to pay interest at fixed rates on a total principal of US $70 million and to receive interest at a quarterly U.S. dollar LIBOR rate. These contracts reduce the interest rate risk on certain U.S. dollar denominated nonrecourse debt of a subsidiary. Cash received or paid at the time of each quarterly settlement is accounted for as an adjustment of "Interest Expense" in the Consolidated Statement of Income.

NOTE F - NEW ACCOUNTING STANDARDS

In February 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share," effective for periods ending after December 15, 1997. After the effective date, any prior period earnings per share (EPS) data in subsequent reports must be restated to conform to the new standard. For the three-month and six-month periods ended June 30, 1997 and 1996, pro forma diluted EPS as computed under the provisions of SFAS No. 128 would be the same as the EPS reported on the Consolidated Statements of Income for these periods. Pro forma basic EPS would also be the same for the 1996 periods but would be $.01 a share higher than reported for the 1997 periods.

The FASB issued SFAS No. 130, "Reporting Comprehensive Income," in June 1997. This statement will require the Company to disclose comprehensive income for all periods reported beginning with the quarter ended March 31, 1998. For the three-month and six-month periods ended June 30, 1997 and 1996, the Company's only item of other comprehensive income as defined by SFAS No. 130 relates to foreign currency translation adjustments. The following table shows the Company's pro forma comprehensive income for these periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Millions of dollars)	1997	1996	1997	1996
Net income..................................	$27.6	28.1	58.2	52.1
Other comprehensive income - net gain (loss) from foreign currency translation, net of taxes................	5.0	2.5	(7.9)	(.1)
Pro forma comprehensive income	$32.6	30.6	50.3	52.0

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTE G - BUSINESS SEGMENTS (UNAUDITED)

	Three Months Ended June 30, 1997		Three Months Ended June 30, 1996*	
(Millions of dollars)	Revenues	Income	Revenues	Income
Exploration and production**				
United States	$ 62.3	8.8	58.5	14.5
Canada	34.0	1.9	40.2	8.4
United Kingdom	26.2	2.2	28.5	1.3
Ecuador	7.8	2.7	8.8	3.1
Other international	.8	(4.2)	2.2	(.3)
	131.1	11.4	138.2	27.0
Refining, marketing, and transportation				
United States	328.5	13.0	334.2	(.6)
United Kingdom	61.9	1.7	70.6	(.6)
Canada	5.8	1.3	5.8	1.4
	396.2	16.0	410.6	.2
	527.3	27.4	548.8	27.2
Intrasegment transfers elimination	(21.0)	-	(51.7)	-
	506.3	27.4	497.1	27.2
Corporate	1.4	.2	1.5	(2.4)
Revenues/income from continuing operations	507.7	27.6	498.6	24.8
Income from discontinued operations	-	-	-	3.3
	$ 507.7	27.6	498.6	28.1

	Six Months Ended June 30, 1997		Six Months Ended June 30, 1996*	
(Millions of dollars)	Revenues	Income	Revenues	Income
Exploration and production**				
United States	$ 130.6	20.9	122.2	28.3
Canada	78.5	9.1	75.6	12.7
United Kingdom	60.2	8.3	61.6	7.3
Ecuador	16.8	5.3	15.4	4.8
Other international	1.1	(7.2)	5.3	(1.7)
	287.2	36.4	280.1	51.4
Refining, marketing, and transportation				
United States	646.8	18.7	581.2	(3.3)
United Kingdom	119.1	2.1	141.6	(.8)
Canada	12.5	3.0	11.0	2.4
	778.4	23.8	733.8	(1.7)
	1,065.6	60.2	1,013.9	49.7
Intrasegment transfers elimination	(52.1)	-	(101.4)	-
	1,013.5	60.2	912.5	49.7
Corporate	2.5	(2.0)	3.0	(4.6)
Revenues/income from continuing operations	1,016.0	58.2	915.5	45.1
Income from discontinued operations	-	-	-	7.0
	$1,016.0	58.2	915.5	52.1

*Restated for discontinued operations.
**Additional details are presented in the tables on page 11.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 1997 COMPARED TO THREE MONTHS ENDED JUNE 30, 1996

Net income for the second quarter of 1997 was $27.6 million, $.61 a share, and was up 11 percent compared to income from continuing operations in the second quarter a year ago of $24.8 million, $.55 a share. Net income for the second quarter of 1996, including the now independent Deltic Timber Corporation, totaled $28.1 million, $.62 a share. Net cash provided by continuing operations, excluding changes in noncash working capital items, totaled $107.3 million in the second quarter of 1997, up 18 percent from a year ago.

The Company's worldwide downstream operations earned $16 million in the current quarter compared to $.2 million a year ago, with U.S. downstream operations producing the best quarterly results since the second quarter of 1990. Earnings from exploration and production operations were $11.4 million, down from $27 million in the second quarter of 1996, as lower crude oil sales prices worldwide, a decline in U.S. natural gas sales prices, and an increase in exploration expenses more than offset a 40-percent increase in U.S. natural gas sales volumes.

Exploration and production operations in the U.S. earned $8.8 million compared to $14.5 million in the second quarter of 1996. Operations in Canada earned $1.9 million, down from $8.4 million a year ago, U.K. operations earned $2.2 million compared to $1.3 million, and operations in Ecuador earned $2.7 million compared to $3.1 million in the second quarter of 1996. Other international operations reported a loss of $4.2 million compared to a $.3 million loss a year earlier. The Company's crude oil and condensate sales prices averaged $18.67 a barrel in the U.S. and $18.29 in the U.K., decreases of four percent and nine percent, respectively. In Canada, sales prices averaged $16.99 a barrel for light oil, down 13 percent, and $10.29 for heavy oil, a decrease of 31 percent. The average sales price for Canadian synthetic oil was $19.25 a barrel, down seven percent from a year ago. In Ecuador, sales prices averaged $11.60 a barrel, down 22 percent. Total crude oil and gas liquids production averaged 54,271 barrels a day compared to 54,925 in the second quarter of 1996. U.S. production declined seven percent, with the reduction due to the sale of onshore producing properties in the third quarter of 1996. In Canada, heavy oil production increased eight percent, while light oil production was down 17 percent. The Company's net production of synthetic oil in Canada was essentially unchanged. Production in the U.K. declined seven percent, while production in Ecuador increased 18 percent. Murphy's average natural gas sales price in the U.S. was $2.08 a thousand cubic feet (MCF) in the current quarter compared to $2.36 a year ago. The average natural gas sales price in Canada increased from $1.01 an MCF to $1.12. Sales prices averaged $2.50 an MCF in the U.K. compared to $2.57 a year ago. Total natural gas sales averaged 275 million cubic feet a day compared to 216 million a year ago. Sales of natural gas in the U.S. averaged 221 million cubic feet a day, up from 158 million in the second quarter of 1996. Exploration expenses totaled $23.2 million compared to $13.2 million in 1996 and included $2.5 million for a well in Bohai Bay, China. The tables on page 11 provide additional details of the results of exploration and production operations for the second quarter of each year.

Refining, marketing, and transportation operations in the U.S. earned $13 million compared to a loss of $.6 million a year ago, which included a $2.3 million after-tax benefit related to crude oil swap agreements. Refined product sales in the U.S. set a quarterly record at 151,791 barrels a day in the current quarter. Operations in the U.K. earned $1.7 million compared to a $.6 million loss in the second quarter of 1996. Earnings from purchasing, transporting, and reselling crude oil in Canada were $1.3 million in the current quarter compared to $1.4 million in the second quarter of 1996. Refinery crude runs worldwide were 162,727 barrels a day compared to 164,905 in the second quarter of 1996. Worldwide refined product sales were 179,181 barrels a day, up from 178,251 a year ago.

Corporate functions reflected earnings of $.2 million in the current quarter compared to a loss of $2.4 million in the second quarter of 1996. In addition, the Company's net income for the 1996 quarter included earnings of $3.3 million, $.07 a share, from the discontinued farm, timber, and real estate operations of Deltic Timber Corporation.

SIX MONTHS ENDED JUNE 30, 1997 COMPARED TO SIX MONTHS ENDED JUNE 30, 1996

For the first six months of 1997, net income totaled $58.2 million, $1.29 a share, which compares to income from continuing operations of $45.1 million, $1.00 a share, for the first half of 1996. Net income for the six months ended June 30, 1996 totaled $52.1 million, $1.16 a share, including income from the operations of Deltic Timber Corporation.

The 29-percent increase in income from continuing operations was primarily due to the Company's worldwide downstream operations, which earned $23.8 million in the first six months of 1997 compared to a loss of $1.7 million in the same period last year. Earnings from exploration and production operations decreased $15 million mainly because the effects of higher exploration expenses, lower U.S. natural gas sales prices, and lower crude oil production more than offset higher U.S. natural gas sales volumes.

Earnings from exploration and production for the six months ended June 30, 1997 were $36.4 million, down from $51.4 million in 1996. Operations in the U.S. earned $20.9 million for the first half of 1997 compared to $28.3 million in the prior period, and Canadian operations earned $9.1 million compared to $12.7 million in 1996. Increased earnings from the prior year occurred in the U.K., up $1 million to $8.3 million, and in Ecuador, up $.5 million to $5.3 million. Other international operations recorded losses of $7.2 million in the first six months of 1997 and $1.7 million in the 1996 period; the unfavorable results were primarily due to higher exploration expenses. The Company's crude oil and condensate sales prices averaged $20.09 a barrel in the U.S., up seven percent, and $19.43 in the U.K., down two percent. In Canada, sales prices averaged $18.52 a barrel for light oil, essentially unchanged from last year; $11.75 for heavy oil, down 11 percent; and $20.68 for synthetic oil, up six percent. The average crude oil sales price in Ecuador was $12.57 a barrel, down 14 percent. Crude oil and gas liquids production for the first half of 1997 averaged 54,672 barrels a day compared to 54,917 during the same period of 1996. Ecuadoran crude oil production was up 30 percent to 7,490 barrels a day, and Canadian heavy oil production increased 15 percent to 10,443. U.S. crude oil and gas liquids production of 11,248 barrels a day was down 15 percent primarily due to the sale of onshore producing properties. In other areas, crude oil and gas liquids production averaged 4,037 barrels a day for Canadian light oil, down 17 percent; 8,247 for Canadian synthetic crude, unchanged from last year; and 13,207 in the U.K., down four percent. Natural gas sales prices for the first six months of 1997 averaged $2.39 an MCF in the U.S., down eight percent; $1.45 in Canada, up 39 percent; and $2.73 in the U.K., up five percent. Total natural gas sales averaged 260 million cubic feet a day in 1997 compared to 232 million in 1996. Sales of natural gas in the U.S. averaged 201 million cubic feet a day, up 24 percent. In other areas, average natural gas sales volumes decreased slightly in Canada and were down six percent in the U.K. Natural gas production in Spain ceased at the end of 1996. Exploration expenses totaled $51.8 million for the six months ended June 30, 1997 compared to $24.9 million a year ago. Exploration expenses were down in the U.K., but were up in the U.S., Canada, and other international areas. The tables on page 11 provide additional details of the results of exploration and production operations for the first half of each year.

Refining, marketing, and transportation operations in the U.S. benefited from improved margins and earned $18.7 million in the first six months of 1997 compared to a loss of $3.3 million for the same period last year. The U.S. results included after-tax benefits of $4.1 million in 1997 and $2.3 million in 1996 related to crude oil swap agreements. Operations in the U.K. earned $2.1 million in the first half of 1997 compared to a loss of $.8 million in the prior year. Earnings from purchasing, transporting, and reselling crude oil in Canada were $3 million in the current year compared to $2.4 million a year ago. Refinery crude runs worldwide were 157,199 barrels a day compared to 152,311 a year ago. Worldwide petroleum product sales were 169,478 barrels a day, up from 163,293 in 1996.

Financial results from corporate functions reflected a loss of $2 million in the first half of 1997 compared to a loss of $4.6 million a year ago. In addition, the Company's net income for the six months ended June 30, 1996 included earnings of $7 million, $.16 a share, from the discontinued farm, timber, and real estate segment.

FINANCIAL CONDITION

Cash provided by continuing operations was $143.7 million for the first six months of 1997 compared to $190.2 million for the same period in 1996. Changes in operating working capital other than cash and cash equivalents required cash of $67.9 million for the first six months of 1997 but provided cash of $10.6 million for the 1996 period. Cash provided by operating activities was reduced by expenditures for refinery turnarounds and abandonment of oil and gas properties totaling $11 million in the current year and $7.4 million in 1996. Predominant uses of cash in both years were for capital expenditures (which, including amounts expensed, are summarized in the following table) and payment of dividends.

	Six Months Ended June 30,	
(Millions of dollars)	1997	1996
Exploration and production	$213.9	159.5
Refining, marketing, and transportation	14.4	16.7
Corporate	.5	.5
	$228.8	176.7

Working capital at June 30, 1997 was $41.5 million, down $14.6 million from December 31, 1996. This level of working capital does not fully reflect the Company's liquidity position, because the lower historical costs assigned to inventories under LIFO accounting were $90.8 million below current costs at June 30, 1997.

At June 30, 1997, long-term nonrecourse debt of a subsidiary was $180.3 million, down slightly from December 31, 1996 due to changes in foreign currency exchange rates. Notes payable and capitalized lease obligations of $49.2 million were up $28.3 million due to additional borrowing for certain oil and gas development projects. A summary of capital employed at June 30, 1997 and December 31, 1996 follows.

	June 30, 1997		December 31, 1996	
(Millions of dollars)	Amount	%	Amount	%
Notes payable and capitalized lease obligations	$ 49.2	4	20.9	2
Nonrecourse debt of a subsidiary	180.3	14	180.9	15
Stockholders' equity	1,049.2	82	1,027.5	83
	$ 1,278.7	100	1,229.3	100

(Millions of dollars)	United States	Canada	United Kingdom	Ecuador	Other	Synthetic Oil - Canada	Total
THREE MONTHS ENDED JUNE 30, 1997							
Oil and gas sales and operating revenues	$ 62.3	20.2	26.2	7.8	.8	13.8	131.1
Production costs	11.4	9.6	9.4	2.1	-	8.3	40.8
Depreciation, depletion, and amortization	20.2	7.2	10.4	2.7	-	1.4	41.9
Exploration expenses							
Dry hole costs	8.8	.3	.6	-	2.5	-	12.2
Geological and geophysical costs	2.9	2.5	.1	-	.9	-	6.4
Other costs	.6	.1	.5	-	.9	-	2.1
	12.3	2.9	1.2	-	4.3	-	20.7
Undeveloped lease amortization	1.6	.9	-	-	-	-	2.5
Total exploration expenses	13.9	3.8	1.2	-	4.3	-	23.2
Selling and general expenses	3.5	1.3	.3	.1	.5	-	5.7
Income tax provisions (benefits)	4.5	(.9)	2.7	.2	.2	1.4	8.1
Results of operations (excluding corporate overhead and interest)	$ 8.8	(.8)	2.2	2.7	(4.2)	2.7	11.4
THREE MONTHS ENDED JUNE 30, 1996							
Oil and gas sales and operating revenues	$ 58.5	25.4	28.5	8.8	2.2	14.8	138.2
Production costs	12.4	7.0	7.9	3.0	.4	9.1	39.8
Depreciation, depletion, and amortization	15.2	6.0	9.8	2.4	1.2	1.3	35.9
Exploration expenses							
Dry hole costs	3.2	.1	3.7	-	-	-	7.0
Geological and geophysical costs	.9	.3	.9	-	(.2)	-	1.9
Other costs	.7	.2	.5	-	.6	-	2.0
	4.8	.6	5.1	-	.4	-	10.9
Undeveloped lease amortization	1.6	.7	-	-	-	-	2.3
Total exploration expenses	6.4	1.3	5.1	-	.4	-	13.2
Selling and general expenses	3.4	1.3	.7	-	.4	-	5.8
Income tax provisions	6.6	4.2	3.7	.3	.1	1.6	16.5
Results of operations (excluding corporate overhead and interest)	$ 14.5	5.6	1.3	3.1	(.3)	2.8	27.0
SIX MONTHS ENDED JUNE 30, 1997							
Oil and gas sales and operating revenues	$130.6	47.7	60.2	16.8	1.1	30.8	287.2
Production costs	21.7	18.2	18.1	5.6	-	18.1	81.7
Depreciation, depletion, and amortization	37.2	14.5	21.6	5.4	-	3.0	81.7
Exploration expenses							
Dry hole costs	23.6	2.5	.6	-	2.5	-	29.2
Geological and geophysical costs	5.5	4.6	.2	-	2.8	-	13.1
Other costs	1.1	.3	1.1	-	1.9	-	4.4
	30.2	7.4	1.9	-	7.2	-	46.7

Undeveloped lease amortization	3.4	1.7	-	-	-	-	5.1
Total exploration expenses	33.6	9.1	1.9	-	7.2	-	51.8
Selling and general expenses	6.6	2.6	1.1	.2	.9	-	11.4
Income tax provisions	10.6	.3	9.2	.3	.2	3.6	24.2
Results of operations (excluding corporate overhead and interest)	$ 20.9	3.0	8.3	5.3	(7.2)	6.1	36.4

SIX MONTHS ENDED JUNE 30, 1996							
Oil and gas sales and operating revenues	$122.2	46.3	61.6	15.4	5.3	29.3	280.1
Production costs	25.8	14.1	16.6	5.7	.6	19.1	81.9
Depreciation, depletion, and amortization	32.0	12.0	21.0	4.3	3.1	2.7	75.1
Exploration expenses							
Dry hole costs	5.2	.7	3.7	-	-	-	9.6
Geological and geophysical costs	3.4	1.3	1.1	-	.6	-	6.4
Other costs	1.4	.3	.8	-	1.6	-	4.1
	10.0	2.3	5.6	-	2.2	-	20.1
Undeveloped lease amortization	3.4	1.4	-	-	-	-	4.8
Total exploration expenses	13.4	3.7	5.6	-	2.2	-	24.9
Selling and general expenses	6.6	2.6	1.5	.1	.6	-	11.4
Income tax provisions	16.1	5.9	9.6	.5	.5	2.8	35.4
Results of operations (excluding corporate overhead and interest)	$ 28.3	8.0	7.3	4.8	(1.7)	4.7	51.4

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company and its subsidiaries are engaged in a number of other legal proceedings, all of which the Company considers routine and incidental to its business and none of which is material as defined by the rules and regulations of the U.S. Securities and Exchange Commission.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the annual meeting of security holders on May 14, 1997, the directors proposed by management were elected with a tabulation of shares as shown below.

	For	Withheld
B. R. R. Butler	41,476,564	124,724
George S. Dembroski	41,475,532	125,756
Claiborne P. Deming	41,477,061	124,227
H. Rodes Hart	41,476,895	124,393
Vester T. Hughes Jr.	41,476,064	125,224
C. H. Murphy Jr.	41,474,474	126,814
Michael W. Murphy	41,477,061	124,227
R. Madison Murphy	41,477,061	124,227
William C. Nolan Jr.	41,476,806	124,482
Caroline G. Theus	41,477,041	124,247
Lorne C. Webster	41,476,461	124,827

In other matters, the security holders approved amendments to the 1992 Stock Incentive Plan as described in the Proxy Statement by a vote of 40,826,700 shares in favor, 337,396 shares against, and 437,192 shares not voted and approved the Employee Stock Purchase Plan as described in the Proxy Statement by a vote of 41,249,182 shares in favor, 259,950 shares against, and 92,156 shares not voted. In addition, the earlier appointment of KPMG Peat Marwick LLP by the Board of Directors as independent auditors for 1997 was ratified with 41,230,525 shares voted in favor, 66,013 shares voted in opposition, and 304,750 shares not voted.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The Exhibit Index on page 13 of this Form 10-Q report lists the exhibits that are hereby filed or incorporated by reference.

(b) No reports on Form 8-K have been filed for the quarter covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MURPHY OIL CORPORATION
(Registrant)

By /s/ Ronald W. Herman

Ronald W. Herman, Controller
(Chief Accounting Officer and Duly
Authorized Officer)

August 8, 1997
(Date)

EXHIBIT INDEX

Exhibit No.		Page Number or Incorporation by Reference to
3.1	Certificate of Incorporation of Murphy Oil Corporation as of September 25, 1986	Exhibit 3.1, Page Ex. 3.1-1, of Murphy's Annual Report on Form 10-K for the year ended December 31, 1996
3.2	Bylaws of Murphy Oil Corporation at October 4, 1995	Exhibit 3.3, Page Ex. 3.3-1, of Murphy's Annual Report on Form 10-K for the year ended December 31, 1995
4	Instruments Defining the Rights of Security Holders. Murphy is party to several long-term debt instruments, none of which authorizes securities that exceed 10 percent of the total assets of Murphy and its subsidiaries on a consolidated basis. Pursuant to Regulation S-K, item 601(b), paragraph 4(iii)(A), Murphy agrees to furnish a copy of each such instrument to the Securities and Exchange Commission upon request.	
4.1	Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	Exhibit 4.1, Page Ex. 4.1-0, of Murphy's Annual Report on Form 10-K for the year ended December 31, 1994
10.1	1987 Management Incentive Plan (adopted May 13, 1987, amended February 7, 1990 retroactive to February 3, 1988)	Exhibit 10.2, Page Ex. 10.2-0, of Murphy's Annual Report on Form 10-K for the year ended December 31, 1994
10.2	1992 Stock Incentive Plan amended May 14, 1997	Exhibit 10.2 filed herewith
10.3	Employee Stock Purchase Plan	Exhibit 99.01 of Murphy's Form S-8 Registration Statement under the Securities Act of 1933 dated May 19, 1997
27	Financial Data Schedule for the six months ended June 30, 1997	Included only in electronic filing

Exhibits other than those listed above have been omitted since they either are not required or are not applicable.

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THIS FINANCIAL DATA SCHEDULE CONTAINS SUMMARY UNAUDITED FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JUNE 30, 1997, AND THE CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS THEN ENDED OF MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

6-MOS
DEC-31-1997
JUN-30-1997
29,237
0
259,321
15,312
138,693
457,656
4,275,515
2,648,700
2,155,560
416,121
229,550
48,775
0
0
1,000,469
2,155,560
987,607
1,016,040
838,975
838,975
51,774
0
45
96,215
38,043
58,172
0
0
0
58,172
1.29
1.29

EXHIBIT 10.2

MURPHY OIL CORPORATION

1992 STOCK INCENTIVE PLAN
(As Amended May 14, 1997)

SECTION 1. PURPOSE

The purpose of the Murphy Oil Corporation 1992 Stock Incentive Plan is to foster and promote the long-term financial success of the Company and materially increase shareholder value by (a) motivating superior performance by means of performance-related incentives, (b) encouraging and providing for the acquisition of an ownership interest in the Company by Employees, and (c) enabling the Company to attract and retain the services of an outstanding management team upon whose judgment, interest, and special effort the successful conduct of its operations is largely dependent.

SECTION 2. DEFINITIONS

Unless the context otherwise indicates, the following definitions shall be applicable for the purpose of the 1992 Stock Incentive Plan:

"Agreement" shall mean a written agreement setting forth the terms of an Award.

"Award" shall mean any Option (which may be designated as a Nonqualified or Incentive Stock Option), a Stock Appreciation Right, or a Restricted Stock Award, in each case granted under this Plan.

"Beneficiary" shall mean the person, persons, trust, or trusts designated by an Employee or if no designation has been made, the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive the benefits specified under this Plan in the event of an Employee's death.

"Board" shall mean the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" shall mean the Executive Compensation Committee of the Board, as from time to time constituted, or any successor committee of the Board with similar functions. The Committee shall be constituted to comply with the requirements of Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, or such rule or any successor rule thereto which is in effect from time to time.

"Common Stock" shall mean the Common Stock of the Company, $1.00 par value, subject to adjustment pursuant to Section 11.

"Company" shall mean Murphy Oil Corporation, a Delaware corporation.

"Employee" shall mean any person employed by the Company on a full-time salaried basis or by a Subsidiary that does not have in effect for its personnel any plan similar to the Plan, including officers and employee directors thereof.

"Incentive Stock Option" or "ISO" shall mean an Option that is intended by the Committee to meet the requirements of Section 422 of the Code or any successor provision.

"Nonqualified Stock Option" or "NQSO" shall mean an Option granted pursuant to this Plan which does not qualify as an Incentive Stock Option.

"Normal Termination" shall mean a termination of employment (i) at normal retirement time, (ii) for permanent and total disability, or (iii) with Company approval, and without being terminated for cause.

"Option" shall mean the right to purchase Common Stock at a price to be specified and upon terms to be designated by the Committee pursuant to this Plan. An Option shall be designated by the Committee as a Nonqualified Stock Option or an Incentive Stock Option at the time of grant.

"Opportunity Shares" shall mean additional shares of Common Stock which may be earned by an Employee pursuant to Section 8.

"Option Holder" or "Holder" shall mean an Employee to whom an option has been granted.

"Personal Representative" shall mean the person or persons who, upon the disability or incompetence of an Employee, shall have acquired on behalf of the Employee by legal proceeding or otherwise the right to receive the benefits specified in this Plan.

"Plan" shall mean this 1992 Stock Incentive Plan.

"Restricted Period" shall mean the period designated by the Committee during which Restricted Stock may not be sold, assigned, transferred, pledged, or otherwise encumbered and during which such stock is subject to forfeiture.

"Restricted Stock" shall mean those shares of Common Stock issued pursuant to a Restricted Stock Award which are subject to the restrictions, terms, and conditions specified by the Committee pursuant to Section 8.

"Restricted Stock Award" shall mean an award of Restricted Stock pursuant to Section 8 hereof.

"Stock Appreciation Right" or "SAR" shall mean the right of the holder to receive, upon exercise thereof, payment of an amount determined by multiplying: (a) any increase in the Fair Market Value of a share of Common Stock at the date of exercise over the price fixed by the Committee at the date of grant, by (b) the number of shares with respect to which the SAR is exercised; provided, however, that at the time of grant, the Committee may establish, in its sole discretion, a maximum amount per share which will be payable upon exercise of a SAR. The amount payable upon exercise may be paid in cash or other property, including without limitation, shares of Common Stock, or any combination thereof as determined by the Committee.

SECTION 3. ADMINISTRATION

The Plan shall be administered by the Committee. In addition to any implied powers and duties that may be needed to carry out the provisions of the Plan, the Committee shall have all of the powers vested in it by the terms of the Plan, including exclusive authority to select the Employees to be granted Awards under the Plan, to determine the type, size and terms of the Awards to be made to each Employee selected, to determine the time when Awards will be granted, and to prescribe the form of the Agreements embodying Awards made under the Plan. No member of the Committee, while he serves on the Committee, may be granted Awards under the Plan. The Committee shall be authorized to interpret the Plan and the Awards granted under the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to make any other determinations which it believes necessary or advisable for the administration of the Plan, and to correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Committee deems desirable to carry it into effect. Any decision of the Committee in the administration of the Plan, as described herein, shall be final and conclusive.

The Board may from time to time remove members from the Committee or add members thereto, and vacancies in the Committee, however caused, shall be filled by action of the Board. The Committee shall select one of its members as chairman and shall hold its meetings at such time and places as it may determine. The Committee may act only by a majority of its members. The members of the Committee may receive such compensation for their services as the Board may determine. Any determination of the Committee may be made, without notice, by the written consent of the majority of the members of the Committee. In addition, the Committee may authorize any one or more of their number or any officer of the Company to execute and deliver documents on behalf of the Committee.

SECTION 4. STOCK SUBJECT TO THE PLAN

The maximum number of shares available for Awards under the Plan in each calendar year during any part of which the Plan shall be in effect shall be one-half of one percent (0.5%) of the total issued and outstanding shares as of December 31 of the immediately preceding year, subject to Section 11 of the Plan. Any and all such shares may be issued in respect of any of the types of Awards; provided, however, no more than fifty percent (50%) of the shares available shall be subject to Incentive Stock Options granted under the Plan and that no more than fifty percent (50%) of the shares available for Awards under the Plan shall be issued in respect of Restricted Stock. Unless otherwise determined by the Committee, all shares available in any year that are not granted under the Plan will not be available for grant for subsequent years. "Maximum Grants." Notwithstanding any provision contained in this Plan to the contrary, the maximum number of shares of Common Stock for which Incentive Stock Options, Nonqualified Stock Options, and Stock Appreciation Rights may be granted under the Plan to any one Employee for any calendar year is 100,000.

If any shares of Common Stock subject to an Award hereunder are forfeited or any such Award otherwise terminates without the issuance of shares of

Common Stock or other consideration to an Employee, such shares shall not increase the number of shares available for grant in such year.

SECTION 5. ELIGIBILITY

Any Employee who is a director or an officer or who serves in any other key administration, professional or technical capacity shall be eligible to participate in the Plan. In addition the Committee may in any year include any other Employee who the Committee has determined has made some unusual contribution which would not be expected of such Employee in the ordinary course of his work.

SECTION 6. STOCK OPTIONS

A. Grant of Options and Price

(a) Any Option granted under the Plan may be granted as an Incentive Stock Option or as a Nonqualified Stock Option as shall be designated by the Committee at the time of the grant of such Option. Each Option shall be evidenced by an Agreement between the recipient and the Company, which Agreement shall specify the designation of the Option as an ISO or a NQSO, as the case may be, and shall contain such terms and conditions not inconsistent with the Plan as the Committee, in its sole discretion, may determine in accordance with the Plan.

(b) The exercise price for the purchase of Common stock to be issued pursuant to each Option shall be fixed by the Committee at the time of the granting of the Option provided, however, that such exercise price shall in no event be less than the fair market value of the Common Stock on the date such Option is granted.

B. Exercise

The period during which an Option may be exercised shall be determined by the Committee; provided, that such period will not be longer than ten years from the date on which the Option is granted. The date or dates on which portions of an Option may be exercised during the term of an Option shall be determined by the Committee. In no case may an Option be exercised at any time for fewer than 50 shares (or the total remaining shares covered by the Option if fewer than 50 shares) during the term of the Option. An Option which is granted in tandem with a SAR may only be exercised upon the surrender of the right to exercise such SAR for an equivalent number of shares.

C. Payment of Shares

The exercise price for the Common Stock shall be paid in full when the Option is exercised. Subject to such rules as the Committee may impose, the exercise price may be paid in whole or in part in (i) cash, (ii) whole shares of Common Stock evidenced by negotiable certificates, valued at their fair market value on the date of exercise, (iii) by a combination of such methods of payment, or (iv) such other consideration as shall be approved by the Committee.

SECTION 7. STOCK APPRECIATION RIGHTS

Stock Appreciation Rights may be granted to participants at such time or times as shall be determined by the Committee and shall be subject to such terms and conditions as the Committee may impose. A grant of a SAR shall be made pursuant to a written agreement containing such provisions not inconsistent with the Plan as the Committee shall approve.

SARs may be exercised at such times or subject to such conditions as the Committee shall impose, either at or after the time of grant. SARs which are granted in tandem with an Option may only be exercised upon the surrender of the right to exercise such Option for an equivalent number of shares and may be exercised only with respect to the shares of Stock for which the related Option is then exercisable. Option shares with respect to which a tandem SAR shall have been exercised for cash shall not again be available for an Award under this Plan. Notwithstanding any other provision of the Plan, the Committee may impose such conditions on the exercise of a SAR (including, without limitation, the right of the Committee to limit the time of exercise to specified periods) as may be required to satisfy the applicable provisions of Rule 16b-3 as promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

SECTION 8. RESTRICTED STOCK AWARDS

The Committee may make an award of Restricted Stock to selected Employees, evidenced by an Agreement which shall contain such terms and conditions, including without limitation, forfeiture provisions, as the Committee, in its sole discretion, may determine. The amount of each Restricted Stock Award and the respective terms and conditions of each Award (which terms and conditions need not be the same in each case) shall be determined by the Committee in its sole discretion.

The Committee shall establish performance measures for each Restricted Period on the basis of such criteria and to accomplish such objectives as the Committee may from time to time, in its sole discretion, determine. Such measures may include, but shall not be limited to, total shareholder return, growth in cash flow per share, growth in earnings per share, return on assets, or return on stockholder equity. The Committee may from time to time establish different performance objectives for certain operating subsidiaries or sectors of the business. The maximum number of shares of restricted stock which can be granted pursuant to the Plan will be 50,000 shares per year to any one Employee. Currently, the performance criteria for the determination of the performance-based restricted shares is the 5-year total shareholder return for Murphy Oil Corporation as compared to a peer group of six companies. The Committee may from time to time establish a different performance criteria.

Shares of Restricted Stock will be subject to forfeiture and may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until such time or until the satisfaction of such conditions or the occurrence of such events as shall be determined by the Committee either at or after the time of grant. Unless otherwise determined by the Committee at the time of grant, participants holding shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those shares during the Restricted Period.

Unless otherwise determined by the Committee at the time of grant, participants holding shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to those shares, provided that if any such dividends or distributions are paid in shares of Stock or other securities, such shares or securities shall be subject to the same forfeiture restrictions and restrictions on transferability as apply to the Restricted Stock with respect to which they were paid.

Each Employee who has received shares of Common Stock pursuant to a Restricted Stock Award with respect to which all of the restrictions set forth in Section 8 shall have lapsed or pursuant to an award of Opportunity Shares related to such Restricted Stock Award shall also receive from the Company a cash payment in the year following the close of the Restricted Period in an amount determined by the Committee, which amount is intended to allow such Employee to pay such Employee's tax liability (assuming the highest rates of tax applicable to any individual taxpayer in the year in which such payment is made) with respect to (i) such shares and (ii) such cash payment. Provided, however, unless otherwise determined by the Committee, the cash payment shall in no event exceed 50% of the fair market value of such shares as of the date that all of the restrictions set forth in Section 8 shall have lapsed or as to an award of Opportunity Shares as of the date of grant thereof.

SECTION 9. TERMINATION OF EMPLOYMENT

Unless otherwise determined by the Committee at the time of grant, in the event a participant's employment terminates by reason of Normal Termination, any Options granted to such participant which are then outstanding may be exercised at the earlier of any time prior to the expiration of the term of the Options or within two (2) years after termination and any shares of Restricted Stock then outstanding shall be prorated for all restricted periods then in effect based on the number of months of actual participation.

Unless otherwise determined by the Committee at the time of grant, in the event a participant's employment is terminated by reason of death, any Options granted to such participant which are then outstanding may be exercised by the participant's beneficiary or the participant's legal representative at any time prior to the expiration date of the term of the Options or within two (2) years following the participant's termination of employment, whichever period is shorter, and any shares of Restricted Stock then outstanding shall be prorated for all restricted periods then in effect based on the number of months of actual participation.

Unless otherwise determined by the Committee at the time of grant, in the event the employment of the participant shall terminate for any reason other than the ones described in this Section, any Options granted to such participant which are then outstanding shall be canceled and any shares of Restricted Stock then outstanding as to which the Restricted Period has not lapsed shall be forfeited.

A change in employment from the Company or one Subsidiary to another Subsidiary of the Company shall not be considered a termination.

SECTION 10. CHANGE IN CONTROL

Unless the Committee shall otherwise determine, notwithstanding any other provision of this Plan or an Agreement to the contrary, upon a Change in Control, as defined below, all outstanding Awards shall vest, become immediately exercisable or payable or have all restrictions lifted as may apply to the type of Award.

A "Change in Control" shall be deemed to have occurred if (i) any "person", including a "group" (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act, but excluding the Company, any of its subsidiaries or any employee benefit plan of the Company or any of its subsidiaries or Charles H. Murphy, Jr. and affiliates of Charles H. Murphy, Jr.) is or becomes the "beneficial owner" (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities; or (ii) the stockholders of the Company shall approve a definitive agreement (1) for the merger or other business combination of the Company with or into another corporation a majority of the directors of which were not directors of the Company immediately prior to the merger and in which the stockholders of the Company immediately prior to the effective date of such merger own less than 50% of the voting power in such corporation or (2) for the sale or other disposition of all or substantially all of the assets of the Company.

SECTION 11. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

In the event of any change in the Common Stock by reason of any stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange of shares, split-up, spin-off, share purchase, liquidation or other similar change in capitalization affecting or involving the Common Stock, or any distribution to common stockholders other than regular cash dividends, the Committee shall make such substitution or adjustment, if any, as it deems equitable, as to the number or kind of shares that may be issued under the Plan pursuant to Section 4 and the number or kind of shares subject to, or the price per share under or terms of any outstanding Award. The amount and form of the substitution or adjustment shall be determined by the Committee and any such substitution or adjustment shall be conclusive and binding on all parties for all purposes of the Plan.

SECTION 12. MISCELLANEOUS PROVISIONS

(a) No Employee or other person shall have any claim or right to be granted an Award under the Plan and no Award shall confer any right to continued employment.

(b) An Employee's rights and interest under the Plan or any Award may not be assigned or transferred in whole or in part, either directly or by operation of law or otherwise (except in the event of an Employee's death, to the Employee's Beneficiaries or by will or the laws of descent and distribution), including, but not by way of limitation, execution, levy, garnishment, attachment, pledge, bankruptcy or in any other manner, and no such right or interest of any Employee in the Plan or in any Award shall be subject to any obligation or liability of such individual. An Award shall be exercisable, during an Employee's lifetime, only by him or her or his or her Personal Representative. Except as specified in the applicable Award agreement, the holder of an Award shall have none of the rights of a shareholder until the shares subject thereto shall have been registered on the transfer books of the Company.

(c) Any provision of the Plan or any Agreement to the contrary notwithstanding, no Common Stock shall be issued hereunder unless counsel for the Company shall be satisfied that such issuance will be in compliance with applicable Federal, state, or other securities laws.

(d) The Company shall have the power to withhold, or require a participant to remit to the Company, an amount sufficient to satisfy Federal, state, and local withholding tax requirements in respect of any Award, or any exercise or vesting thereof under the Plan, and the Company may defer payment of cash or issuance of Stock until such requirements are satisfied. The Committee may, in its discretion, permit an Employee to elect, subject to such conditions as the Committee shall impose, (i) to have shares of Stock otherwise issuable under the Plan withheld by the Company or (ii) to deliver to the Company previously acquired shares of Stock, in either case having a fair market value sufficient to satisfy all or part of the participant's estimated total Federal, state, and local tax obligation associated with the transaction.

(e) The expense of the Plan shall be borne by the Company, except as set forth above in subsection (d) of this Section.

(f) Awards granted under the Plan shall be binding upon the Company, its successors and assigns.

(g) Nothing contained in this Plan shall prevent the Board of Directors from adopting other or additional compensation arrangements, subject to shareholder approval if such approval of any such additional arrangement is required.

SECTION 13. AMENDMENT, MODIFICATION, AND TERMINATION OF PLAN

The Board may from time to time amend the Plan or any provision thereof without the consent of the stockholders except in the case of any amendments that require stockholder approval in order to comply with the applicable provisions of Rule 16b-3.

The Board may terminate the Plan in whole or in part at any time provided that no such termination shall impair the terms of Awards then outstanding under which the obligations of the Company have not been fully discharged.

SECTION 14. GOVERNING LAW

The provisions of this Plan shall be interpreted and construed in accordance with the laws of the State of Delaware.