

Murphy Oil Announces First Oil Production from Deepwater Kikeh Field

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EL DORADO, Ark.--(BUSINESS WIRE)--Aug. 21, 2007--Murphy Oil Corporation (NYSE:MUR) announced today that it has commenced first oil production from the Kikeh Field, offshore deepwater Sabah, Malaysia.

The Kikeh Field is located 110 kilometers offshore in 4,400 feet of water and is the first deepwater oil production in Malaysia. Kikeh is developed as a stand-alone facility with oil being produced from both subsea and dry tree wells on board a SPAR facility. The oil is processed, stored and exported from a Floating Production Storage and Offloading (FPSO) vessel.

"The first oil production from Kikeh, coming just five years after discovery, is a tremendous and best-in-class achievement," said Claiborne P. Deming, Murphy Oil Corporation's President and Chief Executive Officer. "It would not have been possible without the dedication and hard work of our staff and the full support of our partners PETRONAS Carigali and Petronas, as well as the many domestic and international subcontractors involved in this project," he added.

"Predrilled wells in the field will continue to be placed onstream during the remainder of 2007. Meanwhile, the Kikeh Field development is ongoing with additional wells expected to come on line throughout 2008 as we ramp up to our plateau production rate of 120,000 barrels of oil per day," said Deming. "We also expect first sales of our associated natural gas via a dedicated pipeline to Labuan in the first part of 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 the results discussed herein will be attained, and certain important factors that may cause actual results to differ materially are contained in Murphy Oil Corporation'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