Murphy Oil Announces Field Development Plan Approval for Kikeh Area in Deepwater Malaysia

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EL DORADO, Ark.--(BUSINESS WIRE)--Sept. 13, 2004--Murphy Oil Corporation (NYSE:MUR) announced that its subsidiary Murphy Sabah Oil Co., Ltd. and its partner, Petronas Carigali Sdn. Bhd. (Carigali), have received approval of the Kikeh Area Field Development Plan (FDP) from Petroliam Nasional Berhad (PETRONAS).

"We are extremely pleased to receive the FDP approval by PETRONAS," said Claiborne P. Deming, Murphy Oil Corporation President and Chief Executive Officer. "It is an outstanding accomplishment for all stakeholders to have FDP approval within two years of initial discovery. This timely approval illustrates the commitment and strong relationships between Murphy, our partner PETRONAS Carigali Sdn. Bhd. and PETRONAS. Our target is for first oil in 2007, which is within five years from the initial discovery."

A production plateau of 120,000 gross barrels of oil per day is targeted within two years of first oil and is expected to continue at that level for six years. The FDP assumes a recoverable reserve base of over 400 million barrels and includes field architecture which will accommodate expansion. Project capital expenditures are projected to cost approximately US$1.4 billion.

Murphy, as operator, has an 80% working interest in Block K, which covers over four million acres. Carigali, a wholly owned exploration and production arm of PETRONAS, holds the remaining 20%.

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.

Cautionary Note to U.S. Investors - The U.S. Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this news release, such as recoverable reserve base, that the SEC's rules strictly prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the disclosure in our Form 10-K, which can be obtained by calling the SEC at 1-800-SEC-0330.

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SOURCE: Murphy Oil Corporation