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

FORM 10-Q

(Mark one)

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

For the quarterly period ended JUNE 30, 1996

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  
(State or other jurisdiction of  
incorporation or organization)

71-0361522  
(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)

(501) 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.

Yes  No

Number of shares of Common Stock, \$1.00 par value, outstanding at June 30, 1996 was 44,863,112.

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PART I - FINANCIAL INFORMATION

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

	(Unaudited)	
	June 30, 1996	December 31, 1995
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 59,993	62,284
Accounts receivable, less allowance for doubtful accounts of \$6,110 in 1996 and \$5,863 in 1995	281,123	234,816
Inventories		
Crude oil and raw materials	63,010	70,567
Finished products	43,315	64,996
Materials and supplies	42,121	40,239
Prepaid expenses	34,378	29,703
Deferred income taxes	19,317	17,514

Total current assets	543,257	520,119
Investments and noncurrent receivables	33,074	31,735
Property, plant, and equipment, at cost less accumulated depreciation, depletion, and amortization of \$2,744,919 in 1996 and \$2,702,485 in 1995	1,549,376	1,487,232
Deferred charges and other assets	72,815	80,027
	-----	-----
	\$ 2,198,522	2,119,113
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities

Current maturities of long-term obligations	\$ 10,641	10,640
Accounts payable and accrued liabilities	410,148	383,663
Income taxes	25,674	21,307
	-----	-----
Total current liabilities	446,463	415,610

Notes payable and capitalized lease obligations	22,426	22,436
Nonrecourse debt of a subsidiary	175,932	171,499
Deferred income taxes	114,576	105,015
Reserve for dismantlement costs	149,636	144,893
Reserve for major repairs	18,046	11,417
Deferred credits and other liabilities	146,817	147,098

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	508,382	507,758
Retained earnings	666,642	643,699
Currency translation adjustments	4,497	4,568
Unamortized restricted stock awards	(1,407)	(592)
Treasury stock, 3,912,202 shares of Common Stock in 1996, 3,942,800 shares in 1995, at cost	(102,263)	(103,063)
	-----	-----
Total stockholders' equity	1,124,626	1,101,145
	-----	-----
	\$ 2,198,522	2,119,113
	=====	=====

See Notes to Consolidated Financial Statements, page 4.

The Exhibit Index is on page 12.

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	
	----- 1996 -----	----- 1995* -----	----- 1996 -----	----- 1995* -----
<b>REVENUES</b>				
Sales	\$ 499,760	434,621	921,112	827,362
Other operating revenues	17,006	9,422	31,167	20,698
Interest, income from equity companies, and other nonoperating revenues	1,606	1,721	3,310	15,088
Total revenues	----- 518,372 -----	----- 445,764 -----	----- 955,589 -----	----- 863,148 -----
<b>COSTS AND EXPENSES</b>				
Crude oil, products, and related operating expenses	397,221	325,911	713,946	629,224
Exploration expenses, including undeveloped lease amortization	13,190	6,408	24,861	17,003
Selling and general expenses	15,965	17,171	31,367	34,778
Depreciation, depletion, and amortization	45,275	57,169	94,111	115,859
Interest expense	3,202	3,764	6,457	7,287
Interest capitalized	(2,379)	(2,274)	(4,546)	(4,223)
Total costs and expenses	----- 472,474 -----	----- 408,149 -----	----- 866,196 -----	----- 799,928 -----
Income before income taxes	45,898	37,615	89,393	63,220
Federal and state income taxes	8,611	9,265	19,654	12,165
Foreign income taxes	9,215	7,787	17,653	14,465
NET INCOME	----- \$ 28,072 =====	----- 20,563 =====	----- 52,086 =====	----- 36,590 =====
Average Common shares outstanding	44,922,887	44,880,513	44,912,798	44,877,722
Net income per Common share	\$ .62 =====	.46 =====	1.16 =====	.82 =====
Cash dividends per Common share	\$ .325 =====	.325 =====	.65 =====	.65 =====

\*Reclassified to conform to 1996 presentation.

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,	
	1996	1995*
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 52,086	36,590
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion, and amortization	94,111	115,859
Provisions for major repairs	12,588	12,649
Expenditures for major repairs and dismantlement costs	(7,391)	(10,890)
Exploratory expenditures charged against income	20,040	11,443
Amortization of undeveloped leases	4,821	5,560
Deferred and noncurrent income tax charges (credits)	7,561	(5,720)
Gains from disposition of assets	(1,361)	(632)
Other - net	1,929	7,986
	184,384	172,845
Net (increase) decrease in operating working capital other than cash and cash equivalents	5,423	(432)
Other adjustments related to operating activities	8,981	2,033
	198,788	174,446
<b>INVESTING ACTIVITIES</b>		
Capital expenditures requiring cash	(181,053)	(132,394)
Proceeds from sale of property, plant, and equipment	5,572	1,307
Other - net	(993)	339
	(176,474)	(130,748)
<b>FINANCING ACTIVITIES</b>		
Decrease in notes payable and capitalized lease obligations	(9)	(28,126)
Increase in nonrecourse debt of a subsidiary	4,433	27,710
Dividends paid	(29,143)	(29,131)
	(24,719)	(29,547)
Effect of exchange rate changes on cash and cash equivalents	114	795
Net increase (decrease) in cash and cash equivalents	(2,291)	14,946
Cash and cash equivalents at January 1	62,284	71,144
	\$ 59,993	86,090
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES</b>		
Cash income taxes paid, net of refunds	\$ 16,148	10,063
Interest paid, net of amounts capitalized	\$ 621	908

\*Reclassified to conform to 1996 presentation.

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, 1995. 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, 1996, and the results of operations and cash flows for the three-month and six-month periods ended June 30, 1996 and 1995, 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 1995 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, 1996 are not necessarily indicative of future results.

### NOTE B - ENVIRONMENTAL CONTINGENCIES

The Company's worldwide operations are subject to numerous laws and regulations designed 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 environmentally related obligations are recorded when such obligations are probable and the cost can be reasonably estimated. In instances where there is a range of reasonably estimated costs, the Company will record the most likely amount, or if no amount is most likely, the minimum of the range. Amounts recorded as 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 of proposed remediation of sites formerly used for refinery waste. If regulatory authorities require more costly alternatives than the proposed processes, future expenditures could increase by up to an estimated \$3 million above the amount reserved.

The Company has received notices from the U.S. Environmental Protection Agency that it is a Potentially Responsible Party (PRP) at five 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, based on information currently available, 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. The Company has recorded a reserve totaling \$.1 million for Superfund sites, and due to 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. 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 PRP's or indications of additional responsibility by the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTE B - ENVIRONMENTAL CONTINGENCIES (CONTD.)

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 additional expenditures could be required at currently unidentified sites, and new or revised regulatory requirements could necessitate additional expenditures at known sites. Such expenditures could have a material impact on 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, 1996.

NOTE C - 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 which such 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, 1996, the Company had contingent liabilities of \$25 million on outstanding letters of credit. Contingent liabilities under certain financial guarantees were \$17.7 million at June 30, 1996.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.)

NOTE D - BUSINESS SEGMENTS (UNAUDITED)

(Millions of dollars)	Three Mos. Ended June 30, 1996		Three Mos. Ended June 30, 1995	
	Revenues	Income	Revenues*	Income*
<b>Petroleum</b>				
Exploration and production**				
United States.....	\$ 58.5	14.5	53.2	5.8
Canada.....	40.2	8.4	37.4	7.1
United Kingdom.....	28.5	1.3	25.3	1.4
Ecuador.....	8.8	3.1	6.1	.2
Other international.....	2.2	(.3)	2.8	(.8)
	138.2	27.0	124.8	13.7
Refining, marketing, and transportation				
United States .....	334.2	(.6)	278.9	6.4
United Kingdom .....	70.6	(.6)	64.6	-
Canada.....	5.8	1.4	5.5	1.3
	410.6	.2	349.0	7.7
Intrasegment transfers elimination	(51.7)		(49.2)	
Total petroleum .....	497.1	27.2	424.6	21.4
Farm, timber, and real estate--				
United States .....	19.7	3.3	19.4	2.6
Corporate and other .....	1.6	(2.4)	1.7	(3.4)
	\$ 518.4	28.1	445.7	20.6

(Millions of dollars)	Six Months Ended June 30, 1996		Six Months Ended June 30, 1995	
	Revenues	Income	Revenues*	Income*
<b>Petroleum</b>				
Exploration and production**				
United States.....	\$ 122.2	28.3	101.8	8.3
Canada.....	75.6	12.7	69.6	11.7
United Kingdom.....	61.6	7.3	56.9	3.9
Ecuador.....	15.4	4.8	13.5	1.9
Other international.....	5.3	(1.7)	7.2	1.0
	280.1	51.4	249.0	26.8
Refining, marketing, and transportation				
United States .....	581.2	(3.3)	508.2	(.2)
United Kingdom .....	141.6	(.8)	121.8	(2.0)
Canada.....	11.0	2.4	11.5	3.1
	733.8	(1.7)	641.5	.9
Intrasegment transfers elimination	1,013.9	49.7	890.5	27.7
	(101.4)		(83.9)	
Total petroleum .....	912.5	49.7	806.6	27.7
Farm, timber, and real estate--				
United States .....	39.8	6.9	41.4	7.3
Corporate and other .....	3.3	(4.5)	4.1	(5.4)
Revenues/income before special item ...	955.6	52.1	852.1	29.6
Adjustment of estimates for self-insured liabilities, net of taxes .....	-	-	11.0	7.0
	\$ 955.6	52.1	863.1	36.6

\*Reclassified to conform to 1996 presentation.

\*\*Additional details are presented in the tables on page 10.





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

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 1996 COMPARED TO THREE MONTHS ENDED JUNE 30, 1995

Net income for the second quarter of 1996 totaled \$28.1 million, \$.62 a share, which compares to second quarter 1995 net income of \$20.6 million, \$.46 a share. Net cash from operating activities excluding changes in noncash working capital items totaled \$98.8 million in the current quarter, up eight percent from a year ago.

Earnings for the second quarter of 1996 were up 36 percent compared to the second quarter a year ago, and up 17 percent from the first quarter of 1996. The current quarter saw a continuation of the strong performance of the Company's exploration and production operations, with earnings of \$27 million nearly doubling the \$13.7 million earned a year ago. A 46-percent increase in the average U.S. natural gas sales price and higher crude oil sales prices worldwide were the primary contributors to the improvement, partially offset by lower U.S. natural gas production and higher exploration expenses. Margins in the U.S. and U.K. downstream businesses continued to be under pressure, and worldwide downstream operations earned \$.2 million compared to \$7.7 million a year ago. Farm, timber, and real estate operations earned \$3.3 million, up 27 percent compared to the second quarter of 1995; the increase was primarily due to earnings from real estate activities.

Exploration and production operations in the U.S. earned \$14.5 million compared to \$5.8 million in the second quarter of 1995. Earnings from exploration and production also improved in Canada, \$8.4 million compared to \$7.1 million a year ago, and in Ecuador, \$3.1 million compared to \$.2 million. Earnings for 1996 in the U.K. were \$1.3 million compared to \$1.4 million, while the loss from other international operations was \$.3 million compared to \$.8 million a year earlier. The Company's crude oil and condensate sales prices averaged \$19.50 a barrel in the U.S. and \$20.07 in the U.K., increases of 12 percent and 14 percent, respectively. In Canada, sales prices averaged \$19.61 a barrel for light oil, \$14.93 for heavy oil, and \$20.67 for synthetic oil, up 10 percent, five percent, and 13 percent, respectively. The average crude oil price in Ecuador rose three percent to \$14.96 a barrel. Total crude oil and gas liquids production averaged 54,925 barrels a day compared to 55,265 in the second quarter of 1995. U.S. production declined nine percent; U.K. production was basically unchanged. In Canada, light oil production declined four percent, while heavy oil production increased 11 percent. Production of synthetic oil in Canada was affected by a planned shutdown of processing facilities for maintenance and averaged 7,870 barrels a day compared to 9,457 in the second quarter of 1995. Production from Ecuador averaged 6,496 barrels a day compared to 4,630 a year ago. Murphy's average natural gas sales price in the U.S. was \$2.36 a thousand cubic feet (MCF) in the current quarter compared to \$1.62 a year ago. The average natural gas sales price in Canada was essentially unchanged at \$1.01 an MCF. Sales prices averaged \$2.57 an MCF in the U.K., up three percent, and \$2.91 in Spain, down three percent. Total natural gas sales averaged 216 million cubic feet a day compared to 260 million a year ago. Sales of natural gas in the U.S. averaged 158 million cubic feet a day, down from 204 million in the second quarter of 1995. Exploration expenses totaled \$13.2 million in the current quarter compared to \$6.4 million a year ago. The tables on page 10 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. lost \$.6 million compared to earning \$6.4 million a year ago. Results for the current quarter were favorably affected by \$2.3 million after tax for improvements in estimated settlement costs of crude oil swap agreements. U.K. downstream operations also lost \$.6 million in the current quarter compared to breaking even in the second quarter of 1995. Earnings from purchasing, transporting, and reselling crude oil in Canada were \$1.4 million in the current quarter compared to \$1.3 million a year ago. Refinery crude runs were 164,905 barrels a day compared to 155,858 in the second quarter of 1995. Refined product sales were 178,251 barrels a day, up from 162,454 a year ago.

Earnings from timber operations were basically unchanged from the second quarter of 1995. The volume of sawtimber harvested declined from 10.1 million board feet to 7.8 million in the current quarter,

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTD.)

RESULTS OF OPERATIONS (CONTD.)

and the average sales price was down 14 percent. Finished lumber prices were up four percent, but sales volumes declined four percent. Twenty-six lots were sold at the Chenal Valley development in western Little Rock during the second quarter of 1996 compared to 12 a year ago.

Corporate functions reflected a loss of \$2.4 million in the current quarter compared to \$3.4 million in the second quarter of 1995, with the improvement primarily relating to lower interest costs.

SIX MONTHS ENDED JUNE 30, 1996 COMPARED TO SIX MONTHS ENDED JUNE 30, 1995

For the first six months of 1996, net income totaled \$52.1 million, \$1.16 a share, compared to income before special items of \$29.6 million, \$.66 a share, for the first half of 1995. Income for the six months ended June 30, 1995 totaled \$36.6 million, \$.82 a share, and included a special benefit of \$7 million, \$.16 a share, from an adjustment of amounts previously reserved relating to matters for which the Company is self-insured.

The increase of 76 percent in year-to-date income before special items was primarily due to higher earnings from exploration and production operations, which nearly doubled because of higher crude oil prices and higher natural gas prices. Lower natural gas volumes and higher exploration expenses provided partial offsets. Financial results from downstream operations and farm, timber, and real estate activities were slightly lower.

Earnings from exploration and production for the six months ended June 30, 1996 were \$51.4 million, up \$24.6 million from 1995. Earnings from U.S. operations were especially strong, rising from \$8.3 million for the first half of 1995 to \$28.3 million. Other areas reflecting increased earnings were the U.K., up \$3.4 million to \$7.3 million; Ecuador, up \$2.9 million to \$4.8 million; and Canada, up \$1 million to \$12.7 million. Other international operations lost \$1.7 million in the first six months of 1996 compared to earning \$1 million in 1995; the decrease was primarily due to lower earnings in Spain. The Company's crude oil and condensate sales prices averaged \$18.80 a barrel in the U.S. and \$19.87 in the U.K., increases of 11 percent and 15 percent, respectively. In Canada, sales prices averaged \$18.58 a barrel for light oil and \$19.57 for synthetic oil, up nine percent and 10 percent, respectively; heavy oil prices decreased from \$13.38 a barrel to \$13.18. The average crude oil price in Ecuador was \$14.67 a barrel, up five percent. Natural gas sales prices for the first half of 1996 averaged \$2.61 an MCF in the U.S., up 67 percent; \$1.04 in Canada, up two percent; \$2.59 in the U.K., up five percent; and \$2.82 in Spain, down three percent. Crude oil and gas liquids production for the first six months of 1996 averaged 54,917 barrels a day compared to 55,715 during the same period in 1995. Ecuadorian crude oil production was up 15 percent to 5,774 barrels a day, and Canadian heavy oil production increased 11 percent to 9,083. In other areas, crude oil and gas liquids production averaged 13,269 barrels a day in the U.S., down 703; 4,845 for Canadian light oil, down 360; 8,234 for Canadian synthetic crude, down 329; and 13,712 in the U.K., down 849. Crude oil production in other international operations was down 236 barrels a day from 1995. Total natural gas sales averaged 232 million cubic feet a day in 1996 compared to 273 million in 1995. Sales of natural gas in the U.S. averaged 162 million cubic feet a day, down 21 percent. In other areas, natural gas volumes increased 10 percent each in Canada and the U.K. but were down 25 percent in Spain. Exploration expenses totaled \$24.9 million in the six months ended June 30, 1996 compared to \$17 million a year ago. The tables on page 10 provide additional details of the results of exploration and production operations for the first half of each year.

Refining, marketing, and transportation operations lost \$1.7 million in the first six months of 1996 compared to earning \$.9 million for the same period last year; the unfavorable change was primarily because competitive market conditions did not allow higher crude oil costs to be completely passed on to customers through higher product prices. Downstream operations in the U.S. and the U.K. each recorded losses in both years; the loss in the U.S. increased from \$.2 million in 1995 to \$3.3 million, while the loss in the U.K. decreased from \$2 million in 1995 to \$.8 million. Earnings from purchasing,

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTD.)

RESULTS OF OPERATIONS (CONTD.)

transporting, and reselling crude oil in Canada were \$2.4 million in the current year compared to \$3.1 million a year ago. Refinery crude runs were 152,311 barrels a day compared to 153,170 a year ago. Petroleum product sales were 163,293 barrels a day, up from 158,019 in 1995.

Although sales at the Chenal Valley development in western Little Rock increased from 25 lots in the first six months of 1995 to 75 in 1996, earnings from farm, timber, and real estate operations were down from \$7.3 million in 1995 to \$6.9 million in 1996. The volume of sawtimber harvested declined five percent from 1995, and the average sawtimber price was down 21 percent. Lumber sales volumes declined three percent from last year, and the average lumber price was down five percent.

Financial results from corporate functions reflected a loss of \$4.5 million in the first half of 1996 compared to \$5.4 million a year ago. The improvement was primarily caused by lower interest costs.

FINANCIAL CONDITION

Cash provided by operating activities was \$198.8 million for the first six months of 1996 compared to \$174.4 million for the same period in 1995. The 1995 amount included a benefit of \$7 million for adjustment of estimates for self-insured liabilities. Changes in operating working capital other than cash and cash equivalents provided cash of \$5.4 million for the first six months of 1996 but required cash of \$.4 million for the 1995 period. Cash provided by operating activities was reduced by expenditures for refinery turnarounds and abandonment of oil and gas properties totaling \$7.4 million in the current year and \$10.9 million in 1995. 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.

(Millions of dollars)	Six Months Ended June 30,	
	1996	1995
Exploration and production . . . . .	\$159.5	101.9
Refining, marketing, and transportation	16.7	25.9
Farm, timber, and real estate . . . . .	4.4	3.7
Corporate and other . . . . .	.5	.9
	-----	-----
	\$181.1	132.4
	=====	=====

Working capital at June 30, 1996 was \$96.8 million, down \$7.7 million from December 31, 1995. 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 \$100.5 million below current costs at June 30, 1996.

At June 30, 1996, nonrecourse debt of a subsidiary was \$175.9 million; the increase of \$4.4 million during the first six months of 1996 was attributable to financing a portion of development costs for the period that related to the Hibernia oil field, offshore Newfoundland. Notes payable and capitalized lease obligations were unchanged. A summary of capital employed follows.

(Millions of dollars)	June 30, 1996		December 31, 1995	
	Amount	%	Amount	%
Notes payable and capitalized lease obligations . . . . .	\$ 22.4	2	22.4	2
Nonrecourse debt of a subsidiary . . . . .	175.9	13	171.5	13
Stockholders' equity . . . . .	1,124.6	85	1,101.1	85
	-----	---	-----	---
	\$1,322.9	100	1,295.0	100
	=====	===	=====	===



## OIL AND GAS OPERATING RESULTS (UNAUDITED)

(Millions of dollars)	United States	Canada	United King- dom	Ecuador	Other	Synthetic Oil - Canada	Total
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
Undeveloped lease amortization	4.8	.6	5.1	-	.4	-	10.9
Total exploration expenses	1.6	.7	-	-	-	-	2.3
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

THREE MONTHS ENDED  
JUNE 30, 1995\*

Oil and gas sales and operating revenues	\$ 53.2	21.7	25.3	6.1	2.8	15.7	124.8
Production costs	12.7	6.4	9.1	2.9	.1	10.2	41.4
Depreciation, depletion, and amortization	24.3	5.3	10.9	2.6	1.8	1.2	46.1
Exploration expenses							
Dry hole costs	-	-	(.1)	-	-	-	(.1)
Geological and geophysical costs	1.0	.3	.2	-	.6	-	2.1
Other costs	.8	.1	.3	-	.5	-	1.7
Undeveloped lease amortization	1.8	.4	.4	-	1.1	-	3.7
Total exploration expenses	1.7	.7	-	-	.3	-	2.7
Selling and general expenses	3.6	1.2	.9	.1	.2	.1	6.1
Income tax provisions	3.3	3.2	2.6	.3	.1	1.6	11.1
Results of operations (excluding corporate overhead and interest)	\$ 5.8	4.5	1.4	.2	(.8)	2.6	13.7

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
=====							

SIX MONTHS ENDED  
JUNE 30, 1995\*

-----							
Oil and gas sales and operating revenues	\$101.8	42.0	56.9	13.5	7.2	27.6	249.0
Production costs	26.7	12.2	17.5	5.5	.5	18.4	80.8
Depreciation, depletion, and amortization	48.2	10.5	25.3	5.6	2.0	2.2	93.8
Exploration expenses							
Dry hole costs	.8	1.2	.6	-	-	-	2.6
Geological and geophysical costs	2.3	1.4	.4	-	1.1	-	5.2
Other costs	1.4	.3	.7	-	1.2	-	3.6
-----							
	4.5	2.9	1.7	-	2.3	-	11.4
Undeveloped lease amortization	3.5	1.4	-	-	.7	-	5.6
-----							
Total exploration expenses	8.0	4.3	1.7	-	3.0	-	17.0
-----							
Selling and general expenses	7.1	2.5	1.8	.1	.6	.1	12.2
Income tax provisions	3.5	5.1	6.7	.4	.1	2.6	18.4
-----							
Results of operations (excluding corporate overhead and interest)	\$ 8.3	7.4	3.9	1.9	1.0	4.3	26.8
=====							

\*Reclassified to conform to 1996 presentation.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

- (a) A wholly owned subsidiary, Murphy Oil USA, Inc., in connection with its ownership and operation of two oil refineries in the U.S., is a defendant in two governmental actions that: (1) seek monetary sanctions of \$100,000 or more, and (2) arise under enacted provisions that regulate the discharge of materials into the environment or have the purpose of protecting the environment. These actions individually or in the aggregate are not material to the financial condition of the Company.
- (b) 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 8, 1996, the directors proposed by management were elected with a tabulation of shares as shown below.

	For -----	Withheld -----
B. R. R. Butler	36,295,722	1,270,508
George S. Dembroski	36,288,676	1,277,554
Claiborne P. Deming	36,292,081	1,274,149
H. Rodes Hart	36,294,294	1,271,936
Vester T. Hughes Jr.	36,295,341	1,270,889
C. H. Murphy Jr.	36,293,120	1,273,110
Michael W. Murphy	36,296,196	1,270,034
R. Madison Murphy	36,296,196	1,270,034
William C. Nolan Jr.	36,295,541	1,270,689
Caroline G. Theus	36,296,727	1,269,503
Lorne C. Webster	36,295,066	1,271,164

In addition, the earlier appointment of KPMG Peat Marwick LLP by the Board of Directors as independent auditors for 1996 was ratified with 37,524,036 shares voted in favor, 27,219 shares voted in opposition, and 14,975 shares not voted.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) The Exhibit Index on page 12 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 6, 1996  
(Date)

EXHIBIT INDEX

Ex. 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. 3.1-0, of Murphy's Annual Report on Form 10-K for the year ended December 31, 1991
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 Oil Corporation is party to several long-term debt instruments, none of which authorizes securities that exceed 10 percent of the total assets of Murphy Oil Corporation 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 1982 Management Incentive Plan	Exhibit 10.2, Page Ex. 10.2-0, of Murphy's Annual Report on Form 10-K for the year ended December 31, 1991
10.2 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
10.3 1992 Stock Incentive Plan	Exhibit 10.3, Page Ex. 10.3-0, of Murphy's Annual Report on Form 10-K for the year ended December 31, 1992
27.1 Financial Data Schedule for the six months ended June 30, 1996	(Electronic filing only)
27.2 Restated Financial Data Schedule for the six months ended June 30, 1995	(Electronic filing only)

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



THIS FINANCIAL DATA SCHEDULE CONTAINS SUMMARY UNAUDITED FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JUNE 30, 1996, AND THE CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 1996, OF MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1000

6-MOS		
	DEC-31-1996	
	JUN-30-1996	
		59,993
		0
		287,233
		6,110
		148,446
		543,257
		4,294,295
		2,744,919
		2,198,522
	446,463	
		198,358
		48,775
	0	
		0
		1,075,851
2,198,522		
		921,112
	955,589	
		808,057
		808,057
		24,861
		0
		1,911
		89,393
		37,307
	52,086	
		0
		0
		0
		52,086
		1.16
		1.16

THIS RESTATED FINANCIAL DATA SCHEDULE CONTAINS SUMMARY UNAUDITED FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT JUNE 30, 1995, 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 AS RESTATED JUNE 30, 1996.

1000

6-MOS	
	DEC-31-1995
	JUN-30-1995
	86,090
	0
	190,385
	5,653
	181,274
	506,980
	4,120,433
	2,434,219
	2,315,519
412,008	
	172,036
	48,775
0	
	0
	1,241,664
2,315,519	
	827,362
	863,148
	745,083
	745,083
	17,003
	0
	3,064
	63,220
	26,630
36,590	
	0
	0
	0
	36,590
	.82
	.82

AMOUNTS HAVE BEEN RESTATED TO CONFORM TO 1996 PRESENTATION.