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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 March 31, 2002

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 March 31, 2002 was 45,723,653.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	(Unaudited) March 31, 2002	December 31, 2001
ASSETS		
Current assets		
Cash and cash equivalents	$ 91,129	82,652
Accounts receivable, less allowance for doubtful accounts of $11,324 in 2002 and $11,263 in 2001	323,952	262,022
Inventories, at lower of cost or market		
Crude oil and blend stocks	56,295	38,917
Finished products	95,075	85,133
Materials and supplies	51,123	49,098
Prepaid expenses	56,089	61,062
Deferred income taxes	20,170	19,777
Total current assets	693,833	598,661
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of $3,307,539 in 2002 and $3,277,673 in 2001	2,606,733	2,525,807
Goodwill, net	50,291	50,412
Deferred charges and other assets	87,231	84,219
Total assets	$ 3,438,088	3,259,099
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 49,003	48,250
Accounts payable and accrued liabilities	487,544	463,429
Income taxes	44,770	48,378
Total current liabilities	581,317	560,057
Notes payable	572,279	416,061
Nonrecourse debt of a subsidiary	100,578	104,724
Deferred income taxes	300,149	302,868
Accrued dismantlement costs	160,504	160,764
Accrued major repair costs	48,252	44,570
Deferred credits and other liabilities	170,221	171,892
Stockholders' equity		
Cumulative Preferred Stock, par $100, authorized 400,000 shares, none issued	-	-
Common Stock, par $1.00, authorized 200,000,000 shares, issued 48,775,314 shares	48,775	48,775
Capital in excess of par value	543,762	527,126
Retained earnings	1,082,045	1,096,567
Accumulated other comprehensive loss	(88,681)	(83,309)
Unamortized restricted stock awards	(1,346)	(968)
Treasury stock, 3,051,661 shares of Common Stock in 2002, 3,444,234 shares in 2001, at cost	(79,767)	(90,028)
Total stockholders' equity	1,504,788	1,498,163
Total liabilities and stockholders' equity	$ 3,438,088	3,259,099

See Notes to Consolidated Financial Statements, page 5.

The Exhibit Index is on page 18.

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

	Three Months Ended March 31, 2002	2001
REVENUES		
Crude oil and natural gas sales	$ 194,933	237,199
Petroleum product sales	523,730	672,231
Crude oil trading sales	63,220	238,460
Other operating revenues	47,017	37,805
Interest and other nonoperating revenues	1,003	3,690
Total revenues	829,903	1,189,385
COSTS AND EXPENSES		
Crude oil, products and related operating expenses	686,082	913,211
Exploration expenses, including undeveloped lease amortization	42,021	37,961
Selling and general expenses	22,362	21,046
Depreciation, depletion and amortization	70,689	54,232
Amortization of goodwill	-	788
Interest expense	9,542	9,744
Interest capitalized	(4,817)	(3,586)
Total costs and expenses	825,879	1,033,396
Income before income taxes	4,024	155,989
Income tax expense	1,490	58,153
NET INCOME	$ 2,534	97,836
NET INCOME PER COMMON SHARE		
Basic	$ .06	2.17
Diluted	$ .06	2.16
Average Common shares outstanding		
Basic	45,508,953	45,056,307
Diluted	45,903,046	45,314,981

See Notes to Consolidated Financial Statements, page 5.

Murphy Oil Corporation and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (unaudited)

(Thousands of dollars)

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
Net income	$ 2,534	97,836
Other comprehensive income (loss), net of tax		
Cash flow hedges		
Net derivative gains	2,947	599
Reclassification adjustments	(3,323)	1,578
Total cash flow hedges	(376)	2,177
Net loss from foreign currency translation	(4,996)	(51,439)
Other comprehensive loss before cumulative effect of accounting change	(5,372)	(49,262)
Cumulative effect of accounting change (Note B)	-	6,642
Other comprehensive loss	(5,372)	(42,620)
COMPREHENSIVE INCOME (LOSS)	$ (2,838)	55,216

See Notes to Consolidated Financial Statements, page 5.

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

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2001
OPERATING ACTIVITIES		
Net income	$ 2,534	97,836
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation, depletion and amortization	70,689	54,232
Provisions for major repairs	4,579	5,500
Expenditures for major repairs and dismantlement costs	(2,104)	(2,449)
Dry holes	23,112	19,005
Amortization of undeveloped leases	6,062	5,230
Amortization of goodwill	-	788
Deferred and noncurrent income tax charges (benefits)	(264)	16,966
Pretax gains from disposition of assets	(5,736)	(86)
Net (increase) decrease in operating working capital other than cash and cash equivalents	(66,189)	29,862
Other operating activities - net	32	6,568
Net cash provided by operating activities	32,715	233,452
INVESTING ACTIVITIES		
Property additions and dry holes	(204,860)	(179,649)
Proceeds from the sale of assets	27,877	2,266
Other investing activities - net	(145)	(92)
Net cash required by investing activities	(177,128)	(177,475)
FINANCING ACTIVITIES		
Increase (decrease) in notes payable	156,992	(10)
Decrease in nonrecourse debt of a subsidiary	(4,051)	(3,070)
Proceeds from exercise of stock options and employee stock purchase plans	18,058	1,495
Cash dividends paid	(17,057)	(16,896)
Net cash provided (required) by financing activities	153,942	(18,481)
Effect of exchange rate changes on cash and cash equivalents	(1,052)	(4,898)
Net increase in cash and cash equivalents	8,477	32,598
Cash and cash equivalents at January 1	82,652	132,701
Cash and cash equivalents at March 31	$ 91,129	165,299
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES		
Cash income taxes paid	$ 8,262	28,325
Interest paid, net of amounts capitalized	(87)	(2,024)

See Notes to Consolidated Financial Statements, page 5.

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 4 of this Form 10-Q report.

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, 2001. In the opinion of Murphy's management, the unaudited financial statements presented herein include all accruals necessary to present fairly the Company's financial position at March 31, 2002, and the results of operations and cash flows for the three-month periods ended March 31, 2002 and 2001, in conformity with accounting principles generally accepted in the United States.

Financial statements and notes to consolidated financial statements included in this Form 10-Q report should be read in conjunction with the Company's 2001 Form 10-K report, as certain notes and other pertinent information have been abbreviated or omitted in this report. Financial results for the three months ended March 31, 2002 are not necessarily indicative of future results.

Note B - New Accounting Principles

Effective January 1, 2002, the Company was required to adopt SFAS No. 142, "Goodwill and Other Intangible Assets", which requires that amortization of goodwill be replaced with annual tests for impairment and that intangible assets other than goodwill be amortized over their useful lives. Murphy assesses the recoverability of goodwill by comparing the fair value of net assets for conventional oil and natural gas operations in Canada with the carrying value of these net assets, including goodwill. The fair value of the conventional oil and natural gas reporting unit will be determined using the expected present value of future cash flows. The carrying amount of goodwill at March 31, 2002 was $50.3 million. The change in the carrying amount of goodwill for the period ended March 31, 2002 was due to a change in the exchange rate of Canadian dollars and U.S. dollars. Goodwill is tested for impairment at the end of the Company's fiscal year after the oil and gas reserve information is available. Adjusted net income, excluding goodwill amortization of $.8 million ($.02 basic and $.01 diluted earnings per share), was $98.6 million for the period ended March 31, 2001. Adjusted basic and diluted earnings per share for the period ended March 31, 2001 were $2.19 and $2.18, respectively. At this time, it is not practicable to reasonably estimate the impact of adopting SFAS No. 142 on the Company's financial statements.

Also effective January 1, 2002, Murphy was required to adopt SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", which supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual, and Infrequently Occurring Events and Transactions". There was no current-period effect of adopting SFAS No. 144 on the Company's consolidated financial statements.

In July 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations", which will require the Company to record a liability equal to the fair value of the estimated cost to retire an asset. The asset retirement liability must be recorded in the period in which the obligation meets the definition of a liability, which is generally when the asset is placed in service. When the liability is initially recorded, the Company will increase the carrying amount of the related long-lived asset by an amount equal to the original liability. The liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related long-lived asset. Upon adoption of SFAS No. 143 on January 1, 2003, the Company will recognize transition adjustments for existing asset retirement obligations, long-lived assets and accumulated depreciation, all net of related income tax effects, as the cumulative effect of a change in accounting principle. After adoption, any difference between costs incurred upon settlement of an asset retirement obligation and the recorded liability will be recognized as a gain or loss in the Company's earnings. At this time, it is not practicable to reasonably estimate the impact of adopting SFAS No. 143 on the Company's financial statements.

Effective January 1, 2001, Murphy adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by Statement of Financial Accounting Standards No. 138 (SFAS Nos. 133/138). As a result of the change, Murphy records the fair values of its derivative instruments as either assets or liabilities. All such instruments have been designated as hedges of forecasted cash flow exposures. Changes in the fair value of a qualifying cash flow hedging derivative are deferred and recorded as a component of Accumulated Other Comprehensive Loss (AOCL) in the Consolidated Balance Sheet until the

Note B - New Accounting Principles (Contd.)

forecasted transaction occurs, at which time the derivative's fair value will be recognized in earnings. Ineffective portions of a hedging derivative's change in fair value are immediately recognized in earnings. Adoption of SFAS Nos. 133/138 resulted in a transition adjustment gain to AOCL of $6.6 million, net of $2.8 million in income taxes, in the first quarter of 2001 for the cumulative effect on prior years; there was no cumulative effect on earnings. Excluding the transition adjustment, the effect of this accounting change decreased AOCL for the three months ended March 31, 2002 by $.4 million and increased AOCL for the 2001 period $2.2 million, net of $ .1 million and $1.6 million in income taxes, respectively, and increased income by an insignificant amount for the same periods, but did not affect income per diluted share. For the three months ended March 31, 2002 gains of $3.3 million and losses of $1.6 million in the 2001 period, net of $1.8 million and $1.2 million in taxes, respectively, were reclassified from AOCL to earnings.

Note C - Environmental Contingencies

The Company's operations are subject to numerous laws and regulations intended to protect the environment and/or impose remedial obligations. The Company is also 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 and 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, an environmental liability is recorded when an obligation is 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 is used. Recorded liabilities are reviewed quarterly. Actual cash expenditures often occur one or more years after a liability is recognized.

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.

The Company has received notices from the U.S. Environmental Protection Agency (EPA) that it is currently considered a Potentially Responsible Party (PRP) at three Superfund sites and has also been assigned responsibility by defendants at another Superfund site. The potential total cost to all parties to perform necessary remedial work at these sites may be substantial. Based on currently available information, the Company has reason to believe that it is a "de minimus" party as to ultimate responsibility at the four sites. The Company does not expect that its related remedial costs will be material to its financial condition or its results of operations, and it has not provided a reserve for remedial costs on Superfund sites. 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.

A lawsuit filed against Murphy by the U.S. Government is discussed under the caption "Legal Proceedings" on page 17 of this Form 10-Q report. The Company does not believe that this or other known environmental matters will have a material adverse effect on its financial condition. There is the possibility that expenditures could be required at currently unidentified sites, and new or revised regulations could require additional expenditures at known sites. Such expenditures could materially affect the results of operations in a future period.

Certain environmental expenditures are likely to be recovered by the Company from other sources, primarily environmental funds maintained by certain states. Since no assurance can be given that future recoveries from other sources will occur, the Company has not recognized a benefit for likely recoveries at March 31, 2002.

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 United States and throughout the world. Examples of such governmental action include, but are not limited to: tax increases and retroactive tax claims; import and export controls; price controls; currency controls;

Note D - Other Contingencies (Contd.)

allocation of supplies of crude oil and petroleum products and other goods; expropriation of property; restrictions and preferences affecting the issuance of oil and gas or mineral leases; restrictions on drilling and/or production; laws and regulations intended for the promotion of safety; governmental support for other forms of energy; 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 addition to the lawsuits discussed under the caption "Legal Proceedings" on page 17 of this Form 10-Q report, 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 considered material. In the normal course of its business, the Company is required under certain contracts with various governmental authorities and others to provide financial guarantees or letters of credit that may be drawn upon if the Company fails to perform under those contracts. At March 31, 2002, the Company had contingent liabilities of $33.6 million under certain financial guarantees and $33.5 million on outstanding letters of credit.

Note E - Earnings per Share

Net income was used as the numerator in computing both basic and diluted income per Common share for the three months ended March 31, 2002 and 2001. The following table reconciles the weighted-average shares outstanding used for these computations.

Reconciliation of Shares Outstanding	Three Months Ended March 31,	
(Weighted-average shares)	2002	2001
Basic method	45,508,953	45,056,307
Dilutive stock options	394,093	258,674
Diluted method	45,903,046	45,314,981

There were no antidilutive options for the periods ended March 31, 2002 or 2001.

Note F - Financial Instruments and Risk Management

Murphy utilizes derivative instruments on a limited basis to manage certain risks related to interest rates, commodity prices, and foreign currency exchange rates. The use of derivative instruments for risk management is covered by operating policies and is closely monitored by the Company's senior management. The Company does not hold any derivatives for trading purposes, and it does not use derivatives with leveraged or complex features. Derivative instruments are traded primarily with creditworthy major financial institutions or over national exchanges.

o Interest Rate Risks - Murphy has variable-rate debt obligations that expose the Company to the effects of changes in interest rates. To limit its exposure to interest rate risk, Murphy has interest rate swap agreements with notional amounts totaling $100,000,000 to hedge fluctuations in cash flows of a similar amount of variable rate debt. The swaps mature in 2002 and 2004. Under the interest rate swaps, the Company pays fixed rates averaging 6.46% over their composite lives and receives variable rates which averaged 1.86% at March 31, 2002. The variable rate received by the Company under each contract is repriced quarterly. The Company has a risk management control system to monitor interest rate cash flow risk attributable to the Company's outstanding and forecasted debt obligations as well as the offsetting interest rate swaps. The control system involves using analytical techniques, including cash flow sensitivity analysis, to estimate the impact of interest rate changes on future cash flows.

  The fair value of the effective portions of the interest rate swaps and changes thereto is deferred in Accumulated Other Comprehensive Loss (AOCL) and is subsequently reclassified into Interest Expense as a rate adjustment in the periods in which the hedged interest payments on the variable-rate debt affect earnings.

Note F - Financial Instruments and Risk Management (Contd.)

For the periods ended March 31, 2002 and 2001, the income effect from cash flow hedging ineffectiveness was insignificant. The fair value of the interest rate swaps are estimated using projected Federal funds rates, Canadian overnight funding rates and LIBOR forward curve rates obtained from published indices and counterparties. The estimated fair value approximates the values based on quotes from each of the counterparties.

- Natural Gas Fuel Price Risks - The Company purchases natural gas as fuel at its Meraux, Louisiana refinery. The cost of natural gas is subject to commodity price risk. Murphy has reduced the effect of changes in the price of natural gas used for fuel at Meraux by entering into natural gas swap contracts with a notional volume of 9.2 million British Thermal Units (MMBTU) to hedge fluctuations in cash flows resulting from such risk during 2004 through 2006.

  Under the natural gas swaps, the Company pays a fixed rate averaging $2.78 per MMBTU and receives a floating rate in each month of settlement based on the average NYMEX price for the final three trading days of the month. Murphy has a risk management control system to monitor natural gas price risk attributable both to forecasted natural gas fuel requirements and to Murphy's natural gas swaps. The control system involves using analytical techniques, including various correlations of natural gas purchase prices to futures prices, to estimate the impact of changes in natural gas fuel prices on Murphy's cash flows.

  The fair value of the effective portions of the natural gas swaps and changes thereto is deferred in AOCL and is subsequently reclassified into Crude Oil, Products and Related Operating Expenses in the periods in which the hedged natural gas fuel purchases affect earnings. For the periods ended March 31, 2002 and 2001, the income effect from cash flow hedging ineffectiveness was insignificant.

- Natural Gas Sales Price Risks - The sales price of natural gas produced by the Company is subject to commodity price risk. Murphy has minimized the effect of changes in the selling price of a portion of its U.S. and western Canada natural gas production during May through October 2002 by entering into natural gas swap and natural gas collar contracts to hedge cash flow fluctuations resulting from such risk.

  The natural gas swaps are for a combined notional volume averaging approximately 24,000 MMBTU equivalent per day and require Murphy to pay the average relevant index (NYMEX or AECO "C") price for each month and receive an average price of $3.29 per MMBTU equivalent. The natural gas collars are for a combined notional volume averaging approximately 29,000 MMBTU equivalent per day and based upon the relevant index prices provide Murphy with an average floor price of $2.62 per MMBTU equivalent and an average ceiling price of $4.71 per MMBTU equivalent.

  Murphy has a risk management control system to monitor natural gas price risk attributable both to forecasted natural gas sales prices and to Murphy's hedging instruments. The control system involves using analytical techniques, including various correlations of natural gas sales prices to futures prices, to estimate the impact of changes in natural gas prices on Murphy's cash flows from the sale of natural gas.

  The natural gas price risk pertaining to a portion of gas sales from properties Murphy acquired from Beau Canada in 2000 was limited by natural gas swap agreements that expired in October 2001 that were obtained in the acquisition. These agreements hedged fluctuations in cash flows resulting from such risk. Certain swaps required Murphy to pay a floating price and receive a fixed price and were partially offset by swaps on a lesser volume that require Murphy to pay a fixed price and receive a floating price. The fair value of these swaps was recorded as a net liability upon the acquisition of Beau Canada and was adjusted on January 1, 2001 upon transition to SFAS 133. Net payments by the Company were recorded as a reduction of the associated liability, with any differences recorded as an adjustment of natural gas revenue.

Note F - Financial Instruments and Risk Management (Contd.)

The fair values of the effective portions of the natural gas swaps and collars and changes thereto are deferred in AOCL and are subsequently reclassified into Crude Oil and Natural Gas Sales in the periods in which the hedged natural gas sales affect earnings. For the periods ended March 31, 2002 and 2001, Murphy's earnings were not significantly effected by cash flow hedging ineffectiveness arising from the natural gas swaps and collars in the United States and western Canada.

The fair value of the natural gas fuel swaps and the natural gas sales swaps and collars are both based on the average fixed price of the instruments and the published NYMEX or AECO "C" index futures price or natural gas price quotes from counterparties.

o Crude Oil Purchase Price Risks - Each month, the Company purchases crude oil as the primary feedstock for its U.S. refineries. Prior to April 2000, the Company was a party to crude oil swap agreements that limited the exposure of its U.S. refineries to the risks of fluctuations in cash flows resulting from changes in the prices of crude oil purchased in 2001 and 2002. Under each swap, Murphy would have paid a fixed crude oil price and would have received a floating price during the agreement's contractual maturity period. In April 2000, the Company settled certain of the swaps by receiving $5.8 million in cash and entered into offsetting contracts for the remaining swap agreements, locking in an additional future net gain of $1.9 million. The fair values of these settlement gains were recorded in AOCL as part of the transition adjustment and are recognized as a reduction of costs of crude oil purchases in the period the forecasted transaction occurs. During the period ended March 31, 2002, pretax gains of $3.6 million were reclassified from AOCL into earnings.

The fair value of the offsetting crude oil swap contracts is based on the fixed swap price and the NYMEX crude oil futures price.

The Company expects to reclassify approximately $.5 million in after-tax gains from AOCL into earnings during the next 12 months as the forecasted transactions actually occur. All forecasted transactions currently being hedged are expected to occur by December 2006.

Note G - Accumulated Other Comprehensive Loss

Net gains (losses) in Accumulated Other Comprehensive Loss on the Consolidated Balance Sheets at March 31, 2002 and December 31, 2001 were as follows.

(Millions of dollars)	March 31, 2002	December 31, 2001
Foreign currency translation	$ (92.8)	(87.8)
Cash flow hedging, net of income taxes	4.1	4.5
Accumulated other comprehensive loss	$ (88.7)	(83.3)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note H - Business Segments

(Millions of dollars)	Total Assets at March 31, 2002	Three Mos. Ended March 31, 2002 External Revenues	Three Mos. Ended March 31, 2002 Interseg. Revenues	Three Mos. Ended March 31, 2002 Income (Loss)	Three Mos. Ended March 31, 2001 External Revenues	Three Mos. Ended March 31, 2001 Interseg. Revenues	Three Mos. Ended March 31, 2001 Income (Loss)
Exploration and production*							
United States	$ 621.3	23.1	9.9	(2.6)	79.4	17.2	31.1
Canada	1,275.0	120.6	-	17.8	99.7	20.9	28.1
United Kingdom	204.7	45.5	-	13.2	50.3	-	20.1
Ecuador	71.4	5.6	-	.8	10.1	-	3.8
Malaysia	30.6	-	-	(8.0)	-	-	(1.2)
Other international	7.0	.6	-	(.5)	.5	-	(1.3)
Total	2,210.0	195.4	9.9	20.7	240.0	38.1	80.6
Refining and marketing							
United States	832.4	548.4	-	(11.5)	706.2	-	15.0
United Kingdom	197.3	85.1	-	(2.2)	78.5	-	1.8
Canada	.1	-	-	-	161.0	.1	2.8
Total	1,029.8	633.5	-	(13.7)	945.7	.1	19.6
Total operating segments	3,239.8	828.9	9.9	7.0	1,185.7	38.2	100.2
Corporate and other	198.3	1.0	-	(4.5)	3.7	-	(2.4)
Total consolidated	$ 3,438.1	829.9	9.9	2.5	1,189.4	38.2	97.8

* Additional details about results of oil and gas operations are presented in the tables on page 16.

Note I - Subsequent Event

In May 2002, the Company sold $350 million of 6.375% notes due in 2012. The Company will use approximately $200 million of the $346.3 million in net proceeds to repay outstanding indebtedness under existing credit facilities and use the remaining proceeds for general corporate purposes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

Murphy's net income in the first quarter of 2002 totaled $2.5 million, $.06 a diluted share, compared to net income of $97.8 million, $2.16 a diluted share in the first quarter a year ago. Cash flow from operating activities, excluding changes in noncash working capital items, totaled $98.9 million for the current quarter compared to $203.6 million in the same quarter last year.

In the current quarter, the Company's exploration and production operations earned $20.7 million, a decrease of 74% from the $80.6 million earned in the first quarter of 2001. The decline in income was primarily the result of significantly lower North American natural gas and worldwide oil sales prices partially offset by higher oil and gas sales volumes. Murphy's downstream operations generated a loss of $13.7 million in the first quarter of 2002, compared to earnings of $19.6 million in the same period of 2001. Financial results from the Company's U.S. and U.K. downstream operations were hurt by depressed operating margins at each of its refineries, and by decreases in volumes of products sold in the United States.

Exploration and Production

Results of exploration and production operations are presented by geographic segment below.

(Millions of dollars)	Income (Loss) Three Months Ended March 31, 2002	2001
Exploration and production		
United States	$(2.6)	31.1
Canada	17.8	28.1
United Kingdom	13.2	20.1
Ecuador	.8	3.8
Malaysia	(8.0)	(1.2)
Other International	(.5)	(1.3)
Total	$20.7	80.6

Exploration and production operations in the United States reported a loss of $2.6 million compared to earnings of $31.1 million in the first quarter of 2001. This decline was primarily due to lower natural gas and oil sales prices and was partially offset by an $11.6 million decline in exploration expenses. Sales of natural gas averaged 101 million cubic feet a day, down from 125 million in the first quarter of 2001 due to lower production in the Gulf of Mexico. U.S. production expenses were up $1.8 million or 15%, primarily because of higher well workover costs.

Operations in Canada earned $17.8 million this quarter compared to $28.1 million a year ago as increased production of oil and natural gas were more than offset by significant declines in average oil and natural gas sales prices and increased exploration expenses. Oil and gas liquids sales in Canada averaged 46,569 barrels a day, an increase of 33% over the prior year, primarily because of the timings of liftings at Hibernia and initial production and sales from the Terra Nova field in 2002. Canadian natural gas sales averaged 199 million cubic feet a day in the current quarter, up 88%, with the increase primarily attributable to higher production from the Ladyfern field. Canadian production expenses in the 2002 quarter were virtually unchanged at $33 million, primarily because of lower costs for synthetic oil operations offset by higher offshore production costs caused by timings of liftings. Exploration expenses were $9.6 million higher than in the 2001 quarter primarily because of higher dry holes.

U.K. operations earned $13.2 million in the current quarter, down from $20.1 million in the prior year. Sales of oil and gas liquids in the United Kingdom increased 24% primarily due to the timing of liftings. Higher sales volumes were more than offset by lower sales prices for U.K. crude oil.

Operations in Ecuador earned $.8 million in the first quarter of 2002 compared to $3.8 million a year ago, while Malaysia and other international operations reported losses of $8.0 million and $.5 million, respectively, compared to losses of $1.2 million and $1.3 million in 2001. The higher loss in Malaysia in the current period was primarily due to increased dry holes. Crude oil production in Ecuador decreased 28% and the average sales price decreased 16% to $14.84 a barrel. Sales volumes in Ecuador were adversely affected by pipeline restrictions. Production expenses in Ecuador were down $1.1 million due to lower sales volumes.

Results of Operations (Contd.)

Exploration and Production (Contd.)

On a worldwide basis, the Company's crude oil and condensate prices averaged $19.76 a barrel in the current quarter, a decrease of 13% from the average of $22.65 in the 2001 period. Average crude oil and liquids production was a quarterly record of 74,292 barrels a day, up 8% over last year, but average sales volumes increased 22% to 80,208 barrels a day due to the timing of liftings and new production from Terra Nova. Total natural gas sales volumes were also a Company record and averaged 309 million cubic feet a day in 2002, up 24% from the 2001 period. The tables on page 16 provide additional details of the results of exploration and production operations for the first quarter of each year. Selected operating statistics for the three-month periods ended March 31, 2002 and 2001 follow.

	Three Months Ended March 31, 2002	2001
Net crude oil, condensate and gas liquids produced - barrels per day	74,292	69,054
United States	6,185	5,503
Canada - light	4,069	4,584
- heavy	9,722	13,000
- offshore	19,759	8,953
- synthetic	11,342	10,352
United Kingdom	19,031	20,825
Ecuador	4,184	5,837
Net crude oil, condensate and gas liquids sold - barrels per day	80,208	65,754
United States	6,185	5,503
Canada - light	4,069	4,584
- heavy	9,722	13,000
- offshore	21,436	7,155
- synthetic	11,342	10,352
United Kingdom	23,247	18,808
Ecuador	4,207	6,352
Net natural gas sold - thousands of cubic feet per day	309,290	248,799
United States	101,294	124,844
Canada	199,486	106,006
United Kingdom	8,510	17,949
Total net hydrocarbons produced - equivalent barrels per day (1)	125,840	110,521
Total net hydrocarbons sold - equivalent barrels per day (1)	131,756	107,221
Weighted average sales prices		
Crude oil and condensate - dollars a barrel (2)		
United States	$ 20.20	27.42
Canada (3) - light	17.86	25.03
- heavy	13.39	9.43
- offshore	21.95	27.05
- synthetic	21.23	28.17
United Kingdom	20.73	27.10
Ecuador	14.84	17.75
Natural gas - dollars a thousand cubic feet		
United States (2)	$ 2.60	7.21
Canada (3)	2.12	5.79
United Kingdom (3)	2.96	2.53

(1) Natural gas converted on an energy equivalent basis of 6:1
(2) Includes intracompany transfers at market prices.
(3) U.S. dollar equivalent.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS (Contd.)

Results of Operations (Contd.)

Refining and Marketing

Results of refining and marketing operations are presented below by geographic segment.

(Millions of dollars)	Income (Loss) Three Months Ended March 31, 2002	2001
Refining and marketing		
United States	$(11.5)	15.0
United Kingdom	(2.2)	1.8
Canada	-	2.8
Total	$(13.7)	19.6

Refining and marketing operations in the United States reported a loss of $11.5 million during the first quarter of 2002 compared to earnings of $15 million a year ago. The Company's U.S. refining margins per barrel were significantly lower in the current quarter compared to margins experienced in the first quarter of 2001. U.S. petroleum product sales averaged 157,505 barrels a day in 2002, a 4% decrease from the first quarter of 2001. The first quarter 2002 results included a net gain of $3.5 million from sale of the Company's interest in Butte Pipe Line. Operations in the United Kingdom reflected a loss of $2.2 million in the first quarter of 2002 compared to earnings of $1.8 million a year ago as margins were depressed throughout much of the current quarter. Worldwide refinery crude runs were 142,441 barrels a day in the first quarter of 2002 compared to 172,319 in the 2001 quarter, and petroleum product sales were 191,318 barrels a day, up from 189,097 a year ago. Refinery crude runs in the U.S. declined significantly due to unplanned maintenance caused by power outages at the Meraux and Superior refineries. Earnings from purchasing, transporting and reselling crude oil in Canada were $2.8 million in the first quarter of 2001. The Company sold its Canadian pipeline and trucking operations in May 2001.

Selected operating statistics for the three-month periods ended March 31, 2002 and 2001 follow.

	Three Months Ended March 31, 2002	2001
Refinery inputs - barrels a day	154,512	178,694
United States	117,730	151,654
United Kingdom	36,782	27,040
Petroleum products sold - barrels a day	191,318	189,097
United States	157,504	164,556
Gasoline	96,903	86,306
Kerosine	8,448	12,381
Diesel and home heating oils	35,725	42,700
Residuals	13,044	17,880
Asphalt, LPG and other	3,384	5,289
United Kingdom	33,814	24,541
Gasoline	12,848	9,378
Kerosine	2,656	2,584
Diesel and home heating oils	13,856	7,403
Residuals	2,812	2,522
LPG and other	1,642	2,654

Corporate and other

Corporate activities, which include interest income and expense and corporate overhead not allocated to operating functions, reflected a loss of $4.5 million in the current quarter compared to a loss of $2.4 million in the first quarter of 2001. A decrease in interest earned and increased unallocated corporate overhead were partially offset by lower net interest expense.

Financial Condition

Net cash provided by operating activities was $32.7 million for the first three months of 2002 compared to $233.5 million during the same period in 2001. Changes in operating working capital other than cash and cash equivalents required cash of $66.2 million in the first quarter of 2002 and provided cash of $29.9 million in the 2001 period.

Other predominant uses of cash in both years were for capital expenditures, which, including amounts expensed, are summarized in the following table, and for dividends, which totaled $17.1 million in 2002 and $16.9 million in 2001.

(Millions of dollars)	Three Months Ended March 31, 2002	2001
Capital Expenditures		
Exploration and production	$177.1	163.2
Refining and marketing	40.3	28.3
Corporate and other	.3	1.9
Total capital expenditures	217.7	193.4
Geological, geophysical and other exploration expenses charged to income	(12.9)	(13.8)
Total property additions and dry holes	$204.8	179.6

Working capital at March 31, 2002 was $112.5 million, up $73.9 million from December 31, 2001. This level of working capital does not fully reflect the Company's liquidity position, because the lower historical costs assigned to inventories under last-in first-out accounting were $97.2 million below fair value at March 31, 2002.

At March 31, 2002, long-term notes payable of $572.3 million were up $156.2 million from December 31, 2001 due to borrowings to fund certain capital expenditures. Long-term nonrecourse debt of a subsidiary was $100.6 million, down $4.1 million from December 31, 2001 due to scheduled repayments. A summary of capital employed at March 31, 2002 and December 31, 2001 follows.

(Millions of dollars)	March 31, 2002 Amount	%	Dec. 31, 2001 Amount	%
Capital Employed				
Notes payable	$ 572.3	26	416.1	21
Nonrecourse debt of a subsidiary	100.6	5	104.7	5
Stockholders' equity	1,504.8	69	1,498.2	74
Total capital employed	$2,177.7	100	2,019.0	100

Accounting and Other Matters

As described in Note B on page 5 of this Form 10-Q report, Murphy adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", and SFAS No. 144, "Accounting for the Impairment of Disposal of Long-Lived Assets" effective January 1, 2002.

In April 2002, U.K. tax authorities announced that the corporation tax rate would increase from 30% to 40% for profits associated with North Sea oil production. It was also announced that the first-year allowance for North Sea capital expenditures would increase from 25% to 100%. Based on current Company estimates, the net effect of these changes is expected to reduce U.K. income during the last three quarters of 2002 by approximately $4.8 million.

Forward-Looking Statements

This Form 10-Q report contains statements of the Company's expectations, intentions, plans and beliefs that are forward-looking and are dependent on certain events, risks and uncertainties that may be outside of the Company's control. These forward-looking statements are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results and developments could differ materially from those expressed or implied by such statements due to a number of factors including those described in the context of such forward-looking statements as well as those contained in the Company's January 15, 1997 Form 8-K report on file with the U.S. Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risks associated with interest rates, prices of crude oil, natural gas and petroleum products, and foreign currency exchange rates. As described in Note F to this Form 10-Q report, Murphy makes limited use of derivative financial and commodity instruments to manage risks associated with existing or anticipated transactions.

The Company was a party to interest rate swaps at March 31, 2002 with notional amounts totaling $100 million that were designed to hedge fluctuations in cash flows of a similar amount of variable-rate debt. These swaps mature in 2002 and 2004. The swaps require the Company to pay an average interest rate of 6.46% over their composite lives, and at March 31, 2002, the interest rate to be received by the Company averaged 1.86%. The variable interest rate received by the Company under each swap contract is repriced quarterly. The Company considers these swaps to be a hedge against potentially higher future interest rates. The estimated fair value of these interest rate swaps was recorded as a liability of $3.3 million at March 31, 2002.

At March 31, 2002, 43% of the Company's debt had variable interest rates and 6.5% was denominated in Canadian dollars. Based on debt outstanding at March 31, 2002, a 10% increase in variable interest rates would increase the Company's interest expense approximately $.3 million for the next 12 months after including the favorable effect resulting from lower net settlement payments under the aforementioned interest rate swaps. A 10% increase in the exchange rate of the Canadian dollar versus the U.S. dollar would increase interest expense for the next 12 months by $.1 million for debt denominated in Canadian dollars.

Murphy was a party to natural gas price swap agreements at March 31, 2002 for a total notional volume of 9.2 MMBTU that are intended to hedge a portion of the financial exposure of its Meraux, Louisiana refinery to fluctuations in the future price of natural gas purchased for fuel. In each month of settlement, the swaps require Murphy to pay an average natural gas price of $2.78 an MMBTU and to receive the average NYMEX price for the final three trading days of the month. At March 31, 2002, the estimated fair value of these agreements was recorded as an asset of $7.2 million. A 10% increase in the average NYMEX price of natural gas would have increased this asset by $2.9 million, while a 10% decrease would have reduced the asset by a similar amount.

In addition, the Company was a party to natural gas swap agreements and natural gas collar agreements at March 31, 2002 that are intended to hedge the financial exposure of a limited portion of its U.S. and Canadian natural gas production to changes in gas sales prices through October 2002. The swaps are for a combined notional volume that averages 24,000 MMBTU equivalent a day from May 1 through October 2002 and require Murphy to pay the average relevant index price for each month and receive an average equivalent price of $3.29 per MMBTU. The collars are for a combined notional volume of 29,000 MMBTU a day and based upon the relevant index prices provide Murphy with an average floor price of $2.62 per MMBTU equivalent and an average ceiling price of $4.71 per MMBTU equivalent. At March 31, 2002, the estimated fair value of these agreements was recorded as an asset of $.7 million. A 10% increase in the average index price of natural gas would have reduced this asset by $1.3 million, while a 10% decrease would have increased the asset by a similar amount.

OIL AND GAS OPERATING RESULTS (unaudited)

(Millions of dollars)	United States	Canada	United Kingdom	Ecuador	Malaysia	Other	Synthetic Oil - Canada	Total
Three Months Ended March 31, 2002								
Oil and gas sales, other operating revenues	$33.0	98.9	45.5	5.6	-	.6	21.7	205.3
Production expenses	14.0	20.1	11.4	3.3	-	-	12.9	61.7
Depreciation, depletion and amortization	9.8	34.8	9.8	1.3	.3	.1	2.1	58.2
Exploration expenses								
Dry holes	5.0	12.4	-	-	5.7	-	-	23.1
Geological and geophysical	2.0	7.8	-	-	.4	-	-	10.2
Other	.4	.6	.2	-	1.6	(.1)	-	2.7
	7.4	20.8	.2	-	7.7	(.1)	-	36.0
Undeveloped lease amortization	2.5	3.5	-	-	-	-	-	6.0
Total exploration expenses	9.9	24.3	.2	-	7.7	(.1)	-	42.0
Selling and general expenses	3.9	3.3	.8	.2	-	1.2	.1	9.5
Income tax provisions (benefits)	(2.0)	3.0	10.1	-	-	(.1)	2.2	13.2
Results of operations (excluding corporate overhead and interest)	$(2.6)	13.4	13.2	.8	(8.0)	(.5)	4.4	20.7
Three Months Ended March 31, 2001								
Oil and gas sales, other operating revenues	$96.6	94.4	50.3	10.1	-	.5	26.2	278.1
Production expenses	12.2	18.1	7.2	4.4	-	-	15.2	57.1
Depreciation, depletion and amortization	10.3	18.2	9.8	1.8	.1	.1	2.1	42.4
Amortization of goodwill	-	.8	-	-	-	-	-	.8
Exploration expenses								
Dry holes	15.5	3.4	.1	-	-	-	-	19.0
Geological and geophysical	3.7	7.4	-	-	.3	.1	-	11.5
Other	.3	.7	.2	-	.8	.3	-	2.3
	19.5	11.5	.3	-	1.1	.4	-	32.8
Undeveloped lease amortization	2.0	3.2	-	-	-	-	-	5.2
Total exploration expenses	21.5	14.7	.3	-	1.1	.4	-	38.0
Selling and general expenses	3.8	2.1	.6	.1	-	1.4	-	8.0
Income tax provisions (benefits)	17.7	17.8	12.3	-	-	(.1)	3.5	51.2
Results of operations (excluding corporate overhead and interest)	$31.1	22.7	20.1	3.8	(1.2)	(1.3)	5.4	80.6

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In June 2000, the U.S. Government filed a lawsuit against Murphy Oil USA, Inc., the Company's wholly-owned subsidiary, in federal court in Madison, Wisconsin, alleging violations of environmental laws at the Company's Superior, Wisconsin refinery. The lawsuit was divided into liability and damage phases, and on August 1, 2001, the court ruled against the Company in the liability phase of the trial. Subsequent to the court ruling, the Company and the U.S. Government reached a tentative agreement that was filed with the federal court in January 2002. The settlement was approved by the court following a 30-day public comment period that expired March 7, 2002. According to the settlement agreement, the Company paid a civil penalty of $5.5 million in April 2002 and must implement specified environmental projects to resolve Clean Air Act violations. The Company had previously recorded a liability of $5.5 million to cover the penalty.

In December 2000, two of the Company's Canadian subsidiaries as plaintiffs filed an action in the Court of Queen's Bench of Alberta seeking a constructive trust over oil and gas leasehold rights to Crown lands in British Columbia. The suit alleges that the defendants acquired the lands after first inappropriately obtaining confidential and proprietary data belonging to the Company and its joint venturer. In January 2001, one of the defendants, representing an undivided 75% interest in the lands in question, settled its portion of the litigation by conveying its interest to the Company and its joint venturer at cost. In 2001, the remaining defendants, representing the remaining undivided 25% of the lands in question, filed a counterclaim against the Company's two Canadian subsidiaries and one officer individually seeking compensatory damages of C$6.14 billion. The Company believes that the counterclaim is without merit and that the amount of damages sought is frivolous and the Company does not believe that the ultimate resolution of this suit will have a material adverse effect on its financial condition.

Murphy and its subsidiaries are engaged in a number of other legal proceedings, all of which Murphy considers routine and incidental to its business and none of which is expected to have a material adverse effect on the Company's financial condition. The ultimate resolution of matters referred to in this Item could have a material adverse effect on the Company's results of operations in a future period.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The Exhibit Index on page 18 of this Form 10-Q report lists the exhibits that are hereby filed or incorporated by reference.

(b) No reports on Form 8-K were filed for the quarter ended March 31, 2002.

SIGNATURE

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/ JOHN W. ECKART

John W. Eckart, Controller
(Chief Accounting Officer and Duly Authorized Officer)

May 6, 2002
(Date)

EXHIBIT INDEX

Exhibit No.		Incorporated by Reference to
3.1	Certificate of Incorporation of Murphy Oil Corporation as amended, effective May 17, 2001	Exhibit 3.1 of Murphy's Form 10-Q report for the quarterly period ended June 30, 2001
3.2	By-Laws of Murphy Oil Corporation as amended effective February 7, 2001	Exhibit 3.2 of Murphy's Form 10-K report for the year ended December 31, 2000
4	Instruments Defining the Rights of Security Holders. Murphy is party to several long-term debt instruments in addition to the one in Exhibit 4.1, none of which authorizes securities exceeding 10% of the total consolidated assets of Murphy and its subsidiaries. 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	Form of Indenture and Form of Supplemental Indenture between Murphy Oil Corporation and SunTrust Bank, as Trustee	Exhibits 4.1 and 4.2 of Murphy's Form 8-K report filed April 29, 1999 under the Securities Exchange Act of 1934
4.2	Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	Exhibit 4.3 of Murphy's Form 10-K report for the year ended December 31, 1999
4.3	Amendment No. 1 dated as of April 6, 1998 to Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	Exhibit 3 of Murphy's Form 8-A/A, Amendment No. 1, filed April 14, 1998 under the Securities Exchange Act of 1934
4.4	Amendment No. 2 dated as of April 15, 1999 to Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	Exhibit 4 of Murphy's Form 8-A/A, Amendment No. 2, filed April 19, 1999 under the Securities Exchange Act of 1934
10.1	1982 Stock Incentive Plan as amended May 14, 1997	Exhibit 10.2 of Murphy's Form 10-Q report for the quarterly period ended June 30, 1997
10.2	Employee Stock Purchase Plan as amended May 10, 2000	Exhibit 99.01 of Murphy's Form S-8 registration statement filed August 4, 2000 under the Securities Act of 1933

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