

# ANNUAL MEETING OF STOCKHOLDERS & SUPPLEMENTAL MATERIAL

EL DORADO, ARKANSAS

MAY 2019



**ROGER W. JENKINS**

PRESIDENT & CHIEF EXECUTIVE OFFICER

**MURPHY**  
OIL CORPORATION

# Cautionary Statement

Cautionary Note to U.S. Investors – The United States Securities and Exchange Commission (SEC) requires oil and natural gas companies, in their filings with the SEC, to disclose 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 may use certain terms in this presentation, such as “resource”, “gross resource”, “recoverable resource”, “net risked P<sub>MEAN</sub> resource”, “recoverable oil”, “resource base”, “EUR” or “estimated ultimate recovery” and similar terms that the SEC’s rules prohibit us from including in filings with the SEC. The SEC permits the optional disclosure of probable and possible reserves in our filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in our most recent Annual Report on Form 10-K filed with the SEC and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC’s website.

Forward-Looking Statements – This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim”, “anticipate”, “believe”, “drive”, “estimate”, “expect”, “expressed confidence”, “forecast”, “future”, “goal”, “guidance”, “intend”, “may”, “objective”, “outlook”, “plan”, “position”, “potential”, “project”, “seek”, “should”, “strategy”, “target”, “will” or variations of such words and other similar expressions. These statements, which express management’s current views concerning future events or results, are subject to inherent risks and uncertainties. Factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement include, but are not limited to: our ability to complete the previously announced acquisition of the Gulf of Mexico assets or the Malaysia divestiture due to the failure to obtain regulatory approvals, the failure of the respective counterparties to perform their obligations under the relevant transaction agreements, the failure to satisfy all closing conditions, or otherwise, increased volatility or deterioration in the success rate of our exploration programs or in our ability to maintain production rates and replace reserves; reduced customer demand for our products due to environmental, regulatory, technological or other reasons; adverse foreign exchange movements; political and regulatory instability in the markets where we do business; natural hazards impacting our operations; any other deterioration in our business, markets or prospects; any failure to obtain necessary regulatory approvals; any inability to service or refinance our outstanding debt or to access debt markets at acceptable prices; and adverse developments in the U.S. or global capital markets, credit markets or economies in general. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see “Risk Factors” in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC’s website and from Murphy Oil Corporation’s website at <http://ir.murphyoilcorp.com>. Murphy Oil Corporation undertakes no duty to publicly update or revise any forward-looking statements.

Non-GAAP Financial Measures – This presentation refers to certain forward looking non-GAAP measures such as future “Free Cash Flow” and future “EBITDA”. Definitions of these measures are included in the appendix.

# Murphy Oil Corporation



**Continued Focus on Health, Safety & Environment**

**Global Energy Needs Create a Long Runway for Oil & Natural Gas**

**Portfolio Transformation for Long Term Value**

**Long History of Rewarding Shareholders**

**Strategy for Share Price Appreciation**

**Preparing for Lower Carbon Future**



**SUSTAINABILTY**

# Published Inaugural Sustainability Report

- Conducting Business in a Manner that Protects Health, Safety & Security of Our People
- Committing to Minimize Environmental Impact
- Investing in & Engaging with Local Communities
- Improving ISS “QualityScore” Following Publication; Endorsed Proxy Agenda

Sculpted by  
Third Party  
Standards



TCFD



MSCI



# Safety & Environment Performance

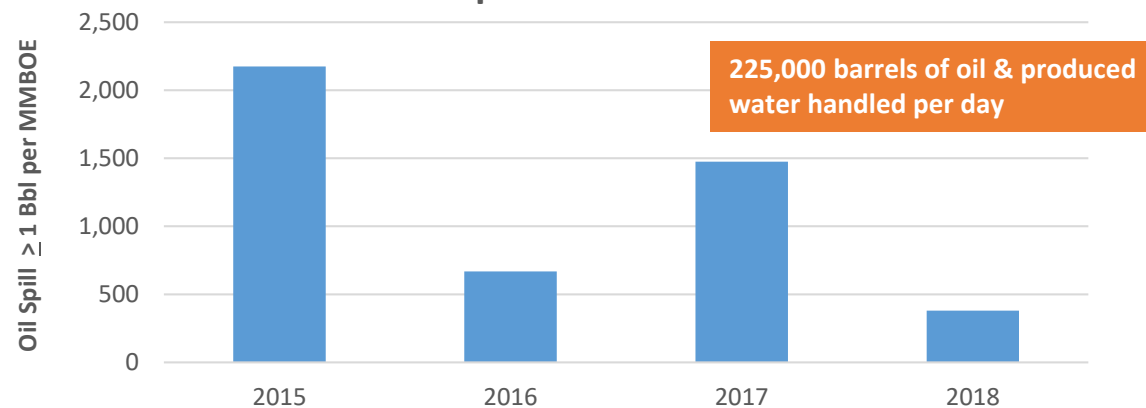
## Environment Highlights

- Continuous Improvement Reducing Oil Spill Events
- Focused on Managing Infrastructure Integrity
- Gulf of Mexico Spill-Free Since Start of Tracking

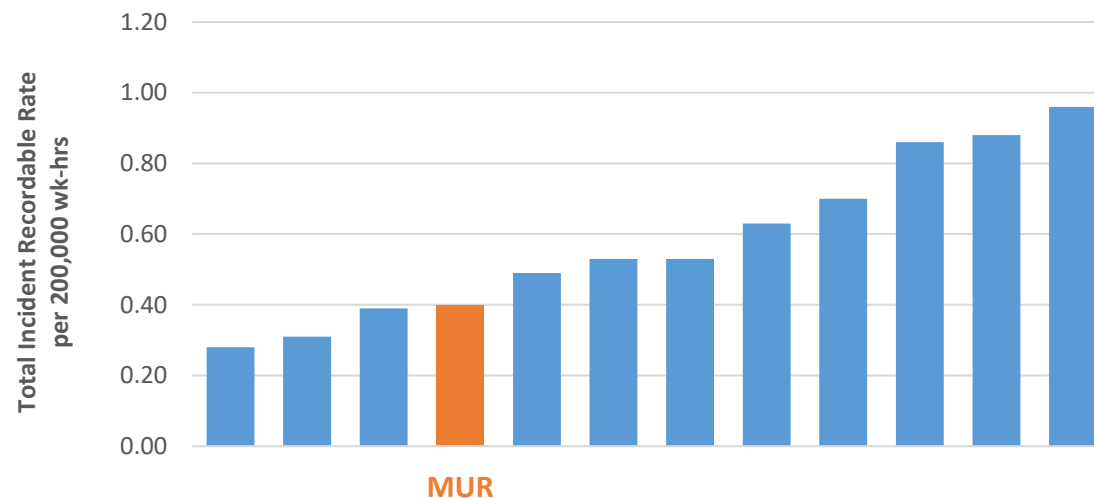
## Safety Achievements

- US Onshore Drilling Team 1.3 Years Recordable-Free
- US Onshore Civil Works Team 3.6 Years Recordable-Free
- Vietnam 6 Years Recordable-Free
- Gulf of Mexico 6.5 Years Lost Time Accident-Free

### Spill Volumes



### 2018 Peer Safety Performance

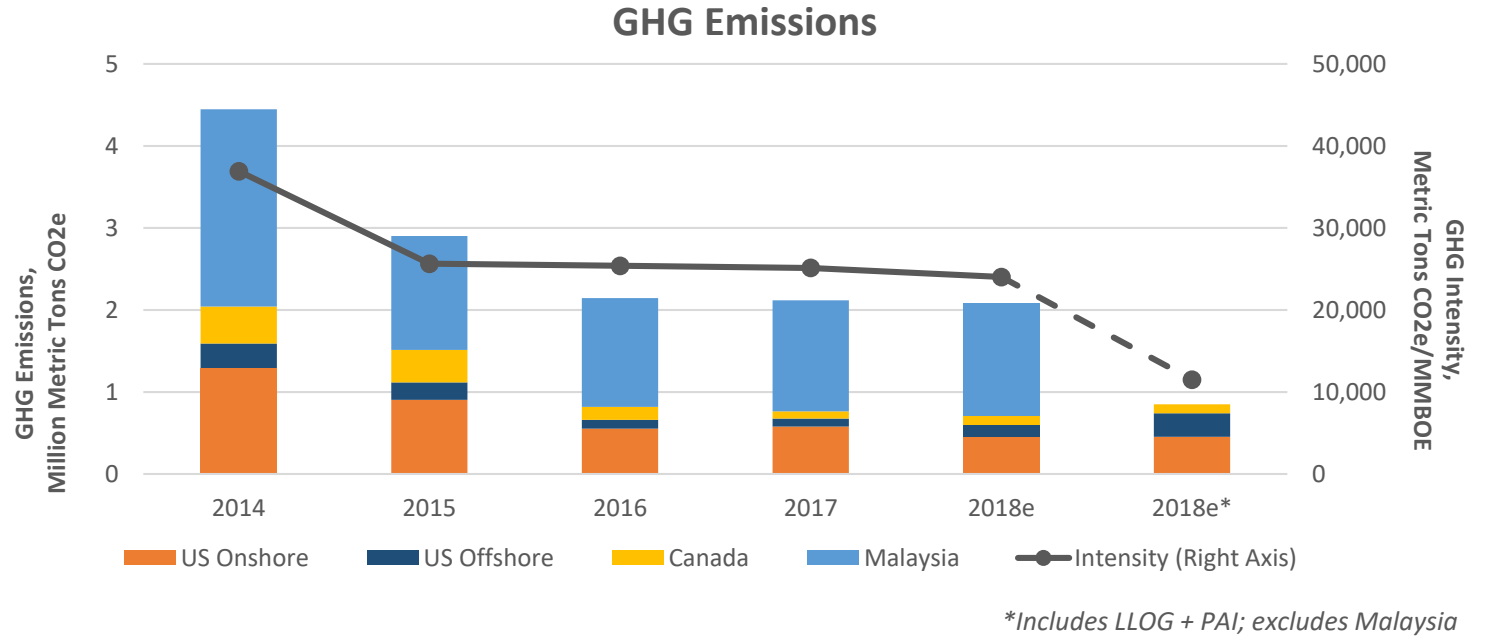


Peers: APC, DVN, ECA, EOG, HES, MRO, NBL, NFX, PXD, SWN, WLL

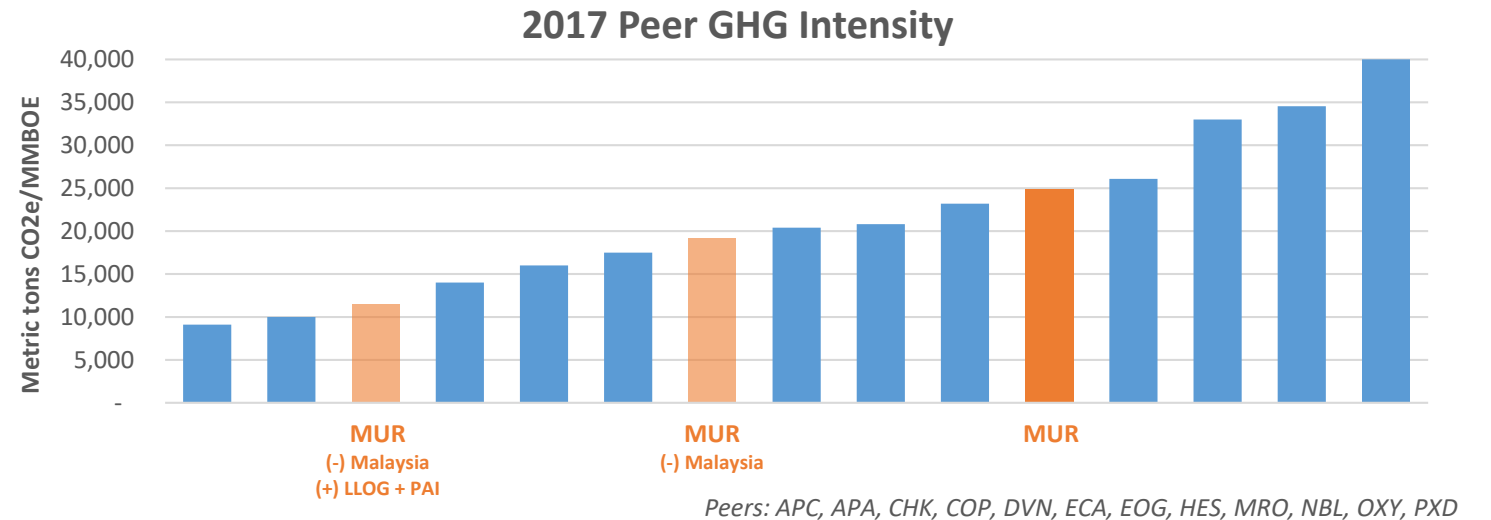
# Green House Gas Performance

## Portfolio & Operational Changes

- Exiting High Green House Gas (GHG) Intensity Assets
- Acquiring Lower GHG Intensity Assets
- Incorporating Emissions Forecasting into Long Term Planning & Strategy
- Reviewing Operational Practices
- Monitoring Break-Through Technologies



## Thermal Imaging of Fuel Gas System





# BUSINESS ENVIRONMENT

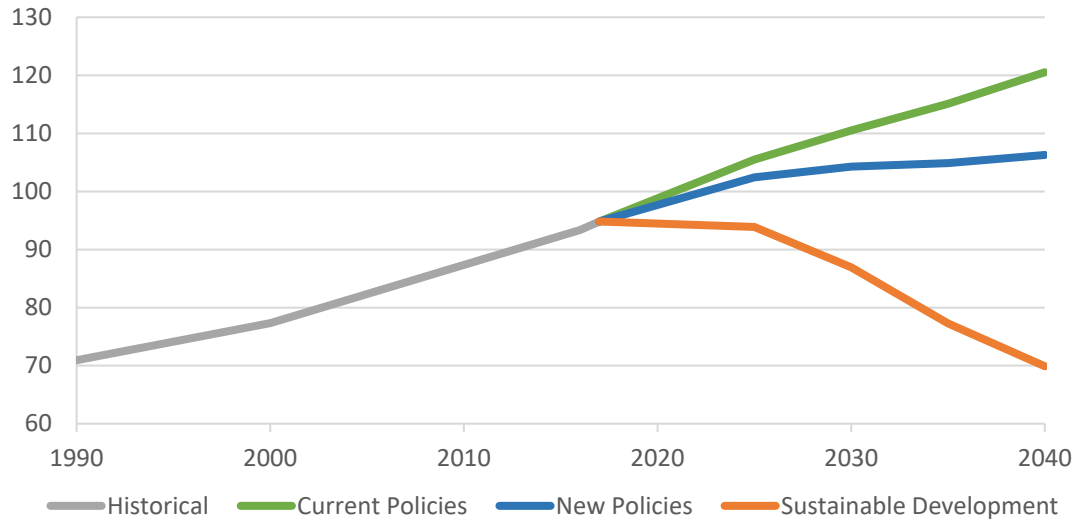
# International Energy Agency New Policies Scenario

## International Energy Agency (IEA) Scenarios

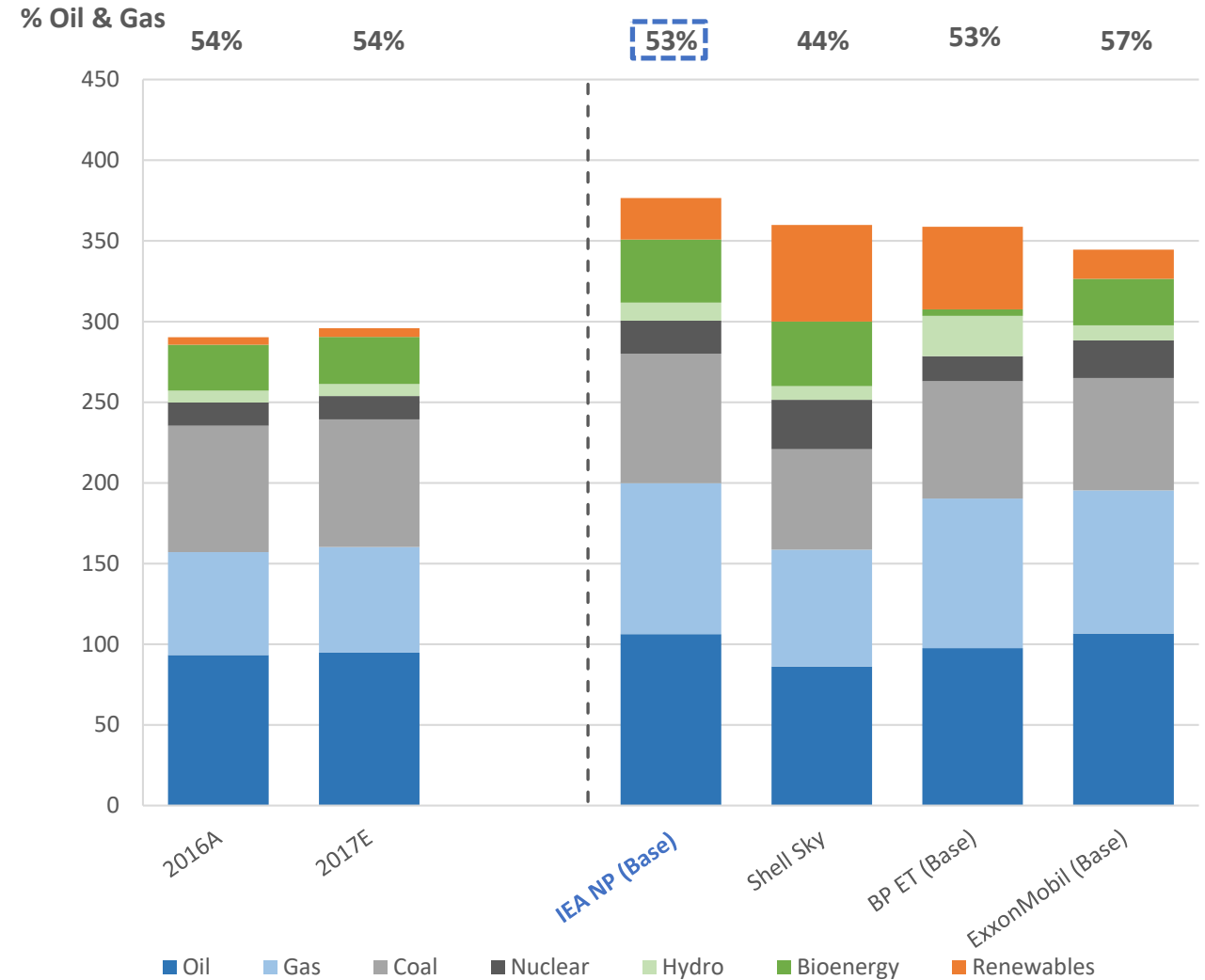
- Current Policies (CP): No Change in Current Policies & No Enhanced Global Effort to Lower Emissions
- New Policies (NP): Includes Announced Policies & Target in Paris Accord are Implemented
- Sustainable Development (SD): Aggressive Policies Implemented to Meet Climate Change Goals (<2°C)

### World Oil Demand, MMBOPD

Oil Demand is Higher than Last Year in 2040 CP & NP Scenarios



### Energy Demand by Fuel in 2040, MMBOEPD

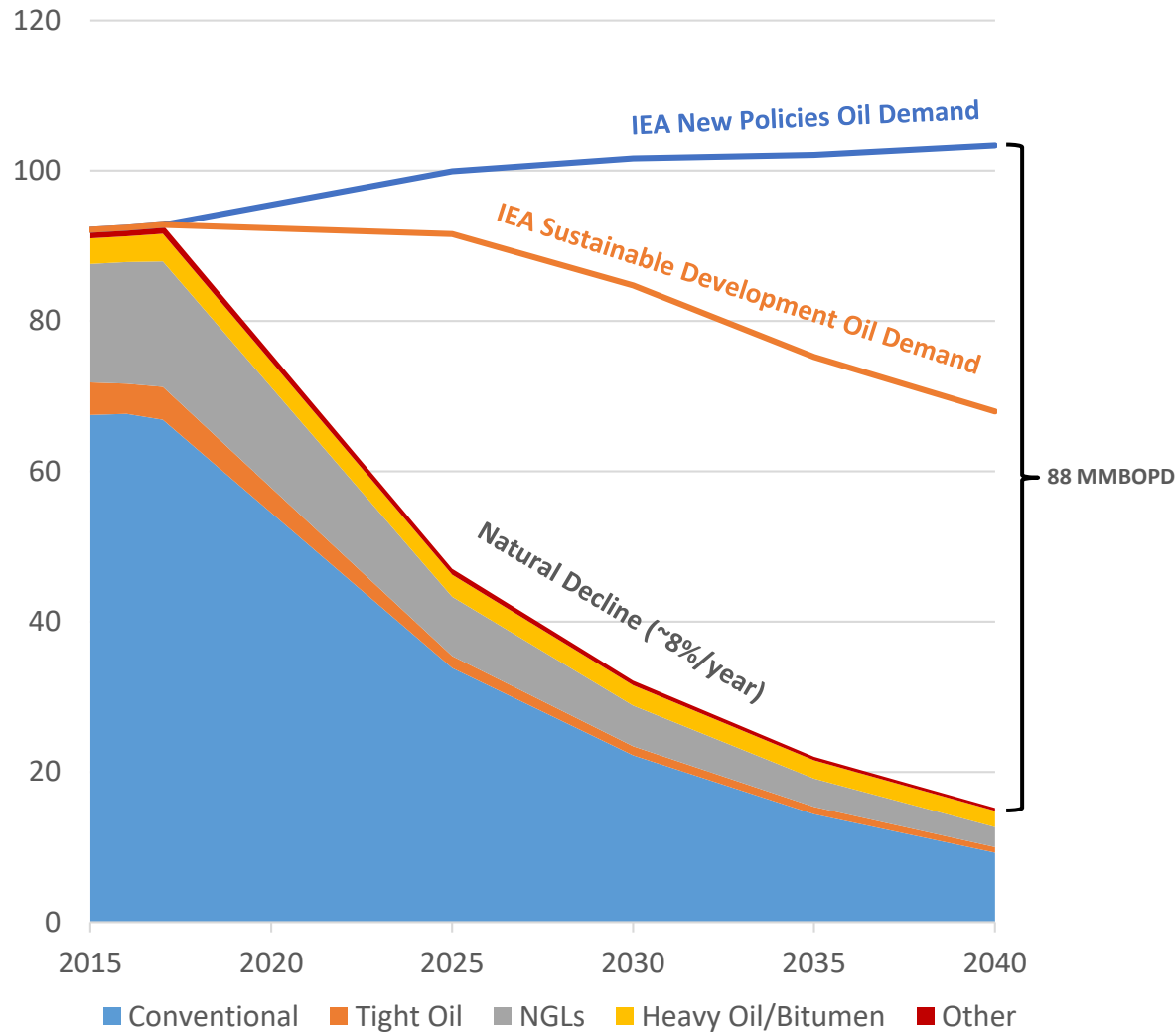


Source: IEA World Energy Outlook 2018

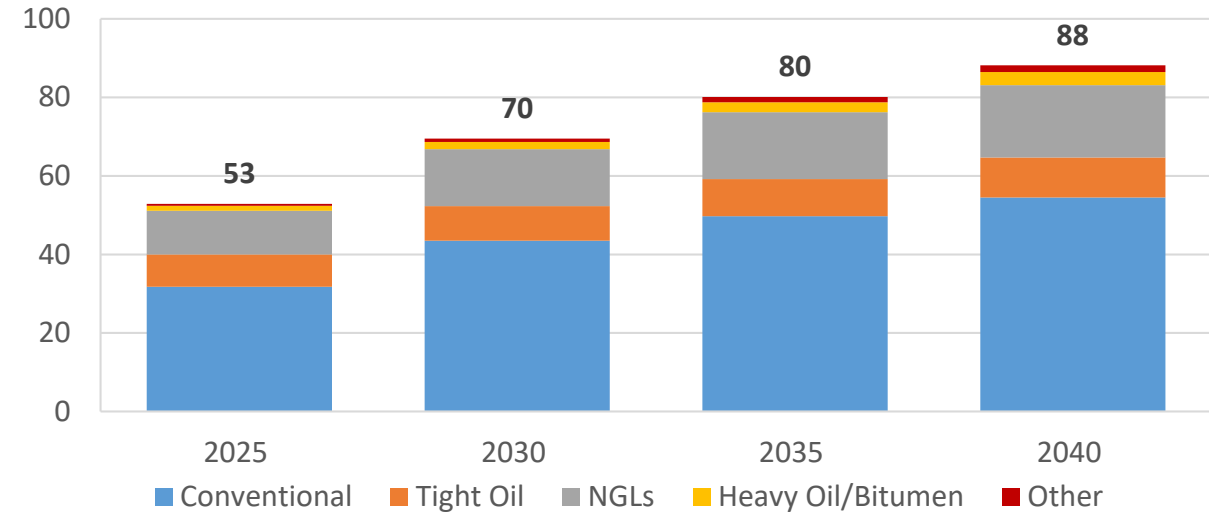
Source: IEA World Energy Outlook 2018

# Increasing Global Oil Supply & Demand

Oil Production with No New Investment (MMBOPD)



Supply & Demand Production Gap, IEA New Policies (MMBOPD)



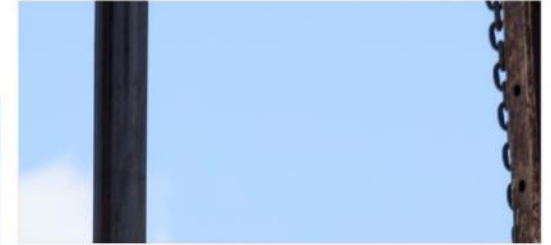
- ~\$10 Trillion of Investment in Upstream Oil Projects Required to Close the Supply/Demand Gap
- US Tight Oil Expected to Deliver 10% of Future Supply Growth
- Tight Oil Wells in 2025 Will be Less Productive than Today, Requiring ~20,000 New Wells to Achieve Growth

Source: IEA World Energy Outlook 2018

# Oil & Natural Gas Vital Part of Long Term Energy Mix

## Murphy is Well Positioned to Help Supply the World's Energy Demand for Future Decades

- Focusing on Oil-Weighted, High Margin Western Hemisphere Assets With Low Carbon Footprint
- Growing North American Onshore Interests
- Positioning Significant Natural Gas in Canada > 14 TCF Total Resource
- Maintaining Focused Low Cost Exploration Program
- Identifying Opportunities to Reduce Emissions Across Portfolio

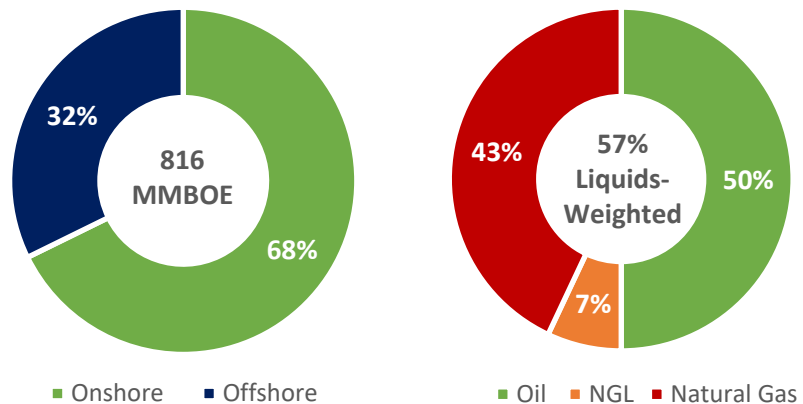




# COMPANY OVERVIEW & RECENT TRANSFORMATION

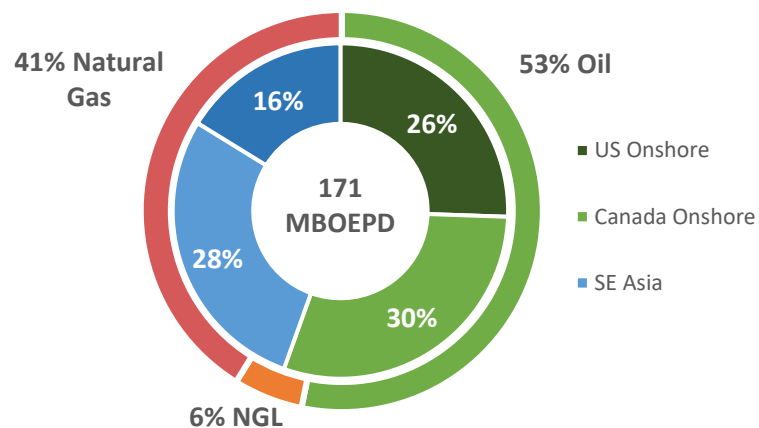
# Murphy at a Glance

## 2018 Proved Reserves

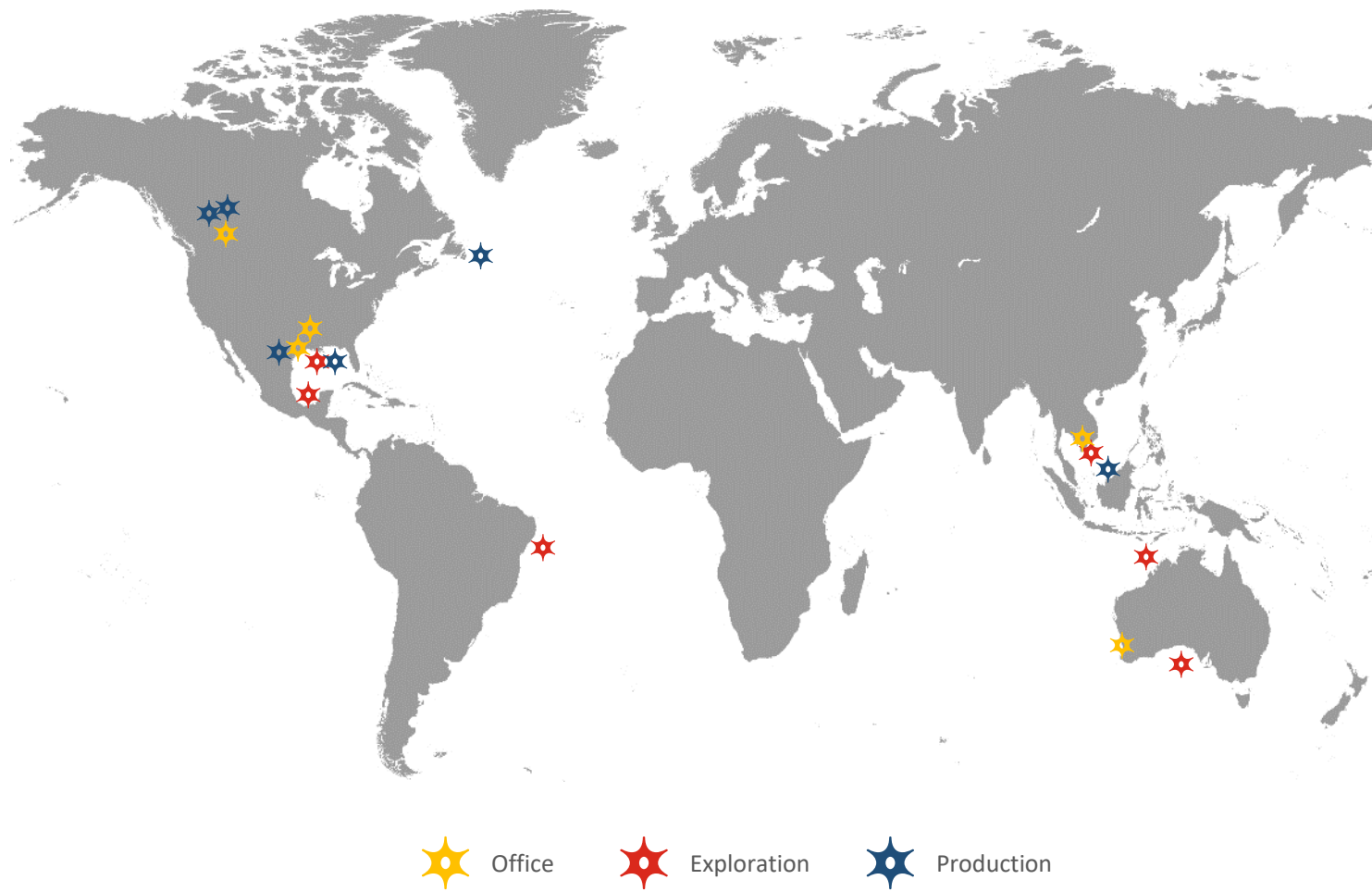


NOTE: Includes 129 MMBOE from Malaysia; Excludes 66 MMBOE from LLOG Acquisition

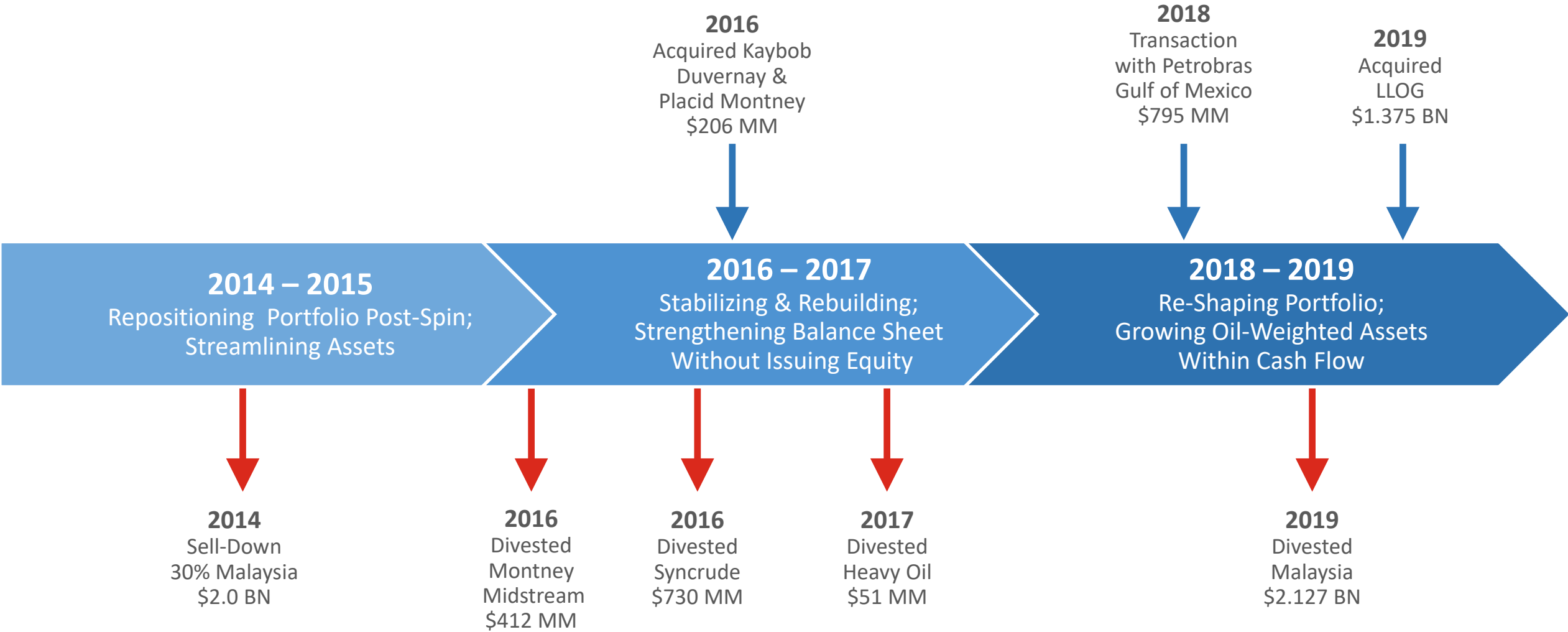
## FY 18 Production



NOTE: Includes 48 MBOEPD from Malaysia; Excludes 41 MBOEPD from LLOG Acquisition



# Deliberate Transformation



# Sharpening Focus on Eagle Ford Shale, Gulf of Mexico, Exploration

Re-establishing Significant Footprint in Gulf of Mexico – Becoming 5<sup>th</sup> Largest Operator

Growing Low Cost & Price Advantaged Eagle Ford Shale Asset

Continuing New Exploration Program

## Logic Driving Transformation

- Unique Deals Available for Long Term Operators
- Limited Competitors & Accretive Prices
- Counter-Parties Seeking Strategic Change
- Divestiture Unlocked Value in Under-Valued Malaysia Assets
- Generating Positive Financial Advantages
  - Gulf of Mexico, Oil-weighted Assets Provide Immediate Cash Flow
  - Gulf of Mexico Attains Premium Prices
  - US Assets Have Superior Tax Position



# Transformation Through Strategic Acquisitions & Divestitures



## ASSETS DIVESTED

### Divested Malaysia Assets for \$2.1 BN<sup>(1)</sup>

- Strategic Exit from Malaysia Simplifies Portfolio
- Gas-Weighted Production Increasing
- Lower Priority Capital Allocation
- Monetizing 2P Reserves at Full Value
- In Country Profits Subject to 38% Cash Tax Rate
- Production Sharing Contract Terms

*(1) Subject to Normal Closing Adjustments & Approval by PETRONAS*



## ASSETS ACQUIRED

### Acquired Gulf of Mexico Assets for \$2.3 BN

- MP Gulf of Mexico: \$961 MM<sup>(2)</sup>
- LLOG: \$1.375 BN
- Supports Shift to Oil-Weighted, Lower Cost Basins
- Increases Net Oil Production
- Accretive Valuation Metrics
- Enables Greater Synergies & Opportunities in the Gulf of Mexico
- US Corporate Tax Rate Globally Competitive at 21%
- Higher Margins in Higher Price Environment
- Generating Free Cash Flow Immediately

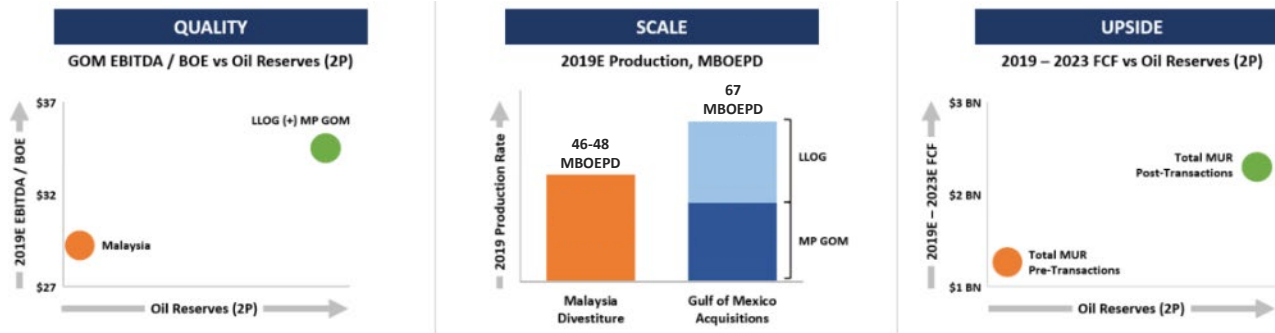
*(2) Cash: \$794 MM, 20% Working Interest in MP Gulf of Mexico: \$167 MM*

# Unlocking Value With Multiple Transactions

## Accretive Transactions with Attractive Valuation Metrics

	Malaysia Divestiture	Combined Acquisitions
\$ / Flowing BOE	~\$45k	~\$28k
\$ / BOE Proven Reserves (1P)	\$16.49	\$16.22
\$ / BOE Proven and Probable (2P)	\$11.13	\$10.59
2019E Production - Oil %	58%	77%
1P Oil %	39%	82%
2P Oil %	40%	82%

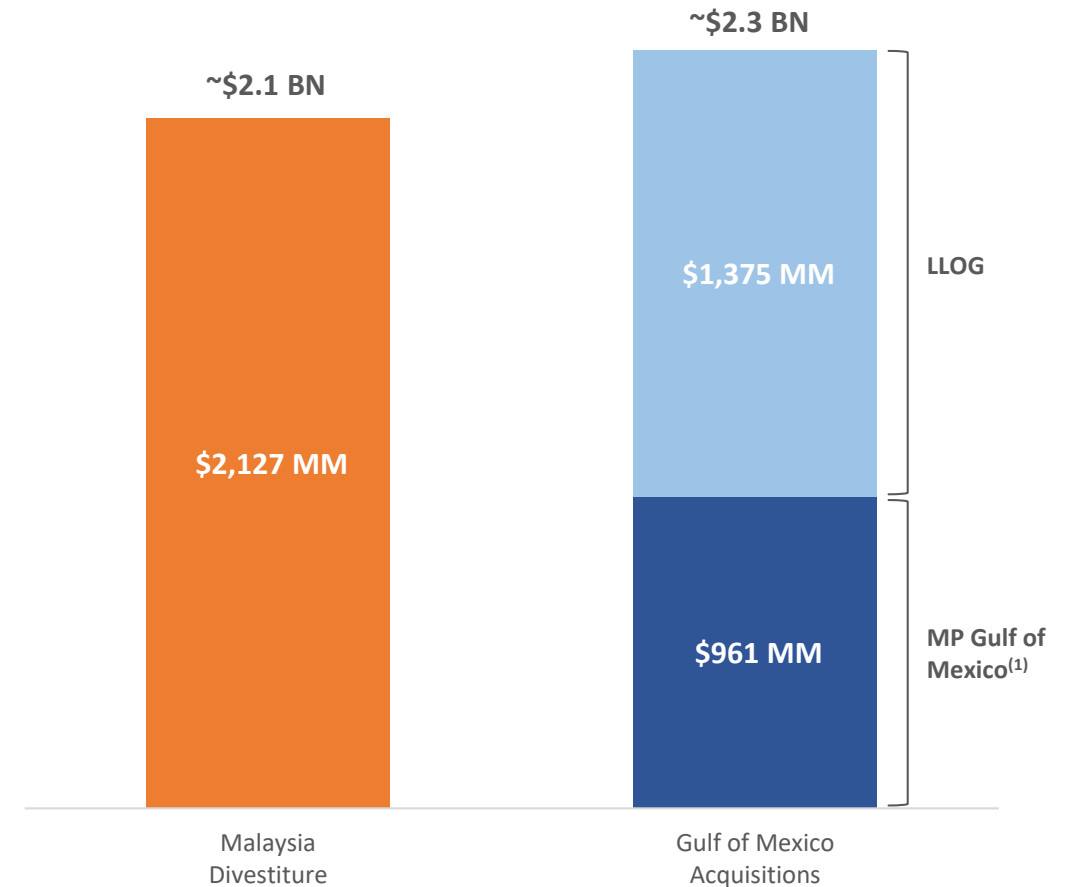
## Increasing Margins with Oil-Weighted, Gulf of Mexico Production & Reserves



Production Volumes, Sales Volumes, Reserves & Financial Amounts Exclude Non-Controlling Interest, Unless Otherwise Stated

### Divestiture Proceeds

### Acquisitions Cost



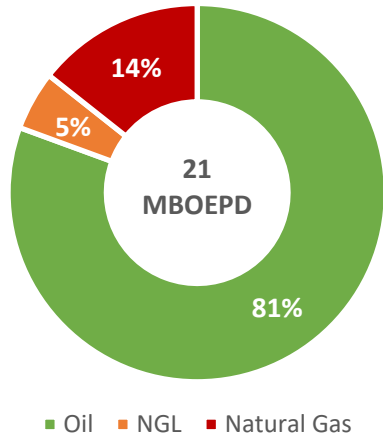
(1) Cash: \$794 MM, 20% Working Interest in MP Gulf of Mexico: \$167 MM

# Gulf of Mexico Overview

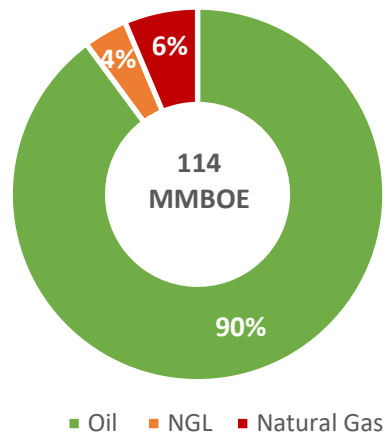
## Over 50 Years of Successful Operations

	Murphy	LLOG
Blocks	94	26
Producing Fields	12	7
Developments	1	4

### FY 18 Production

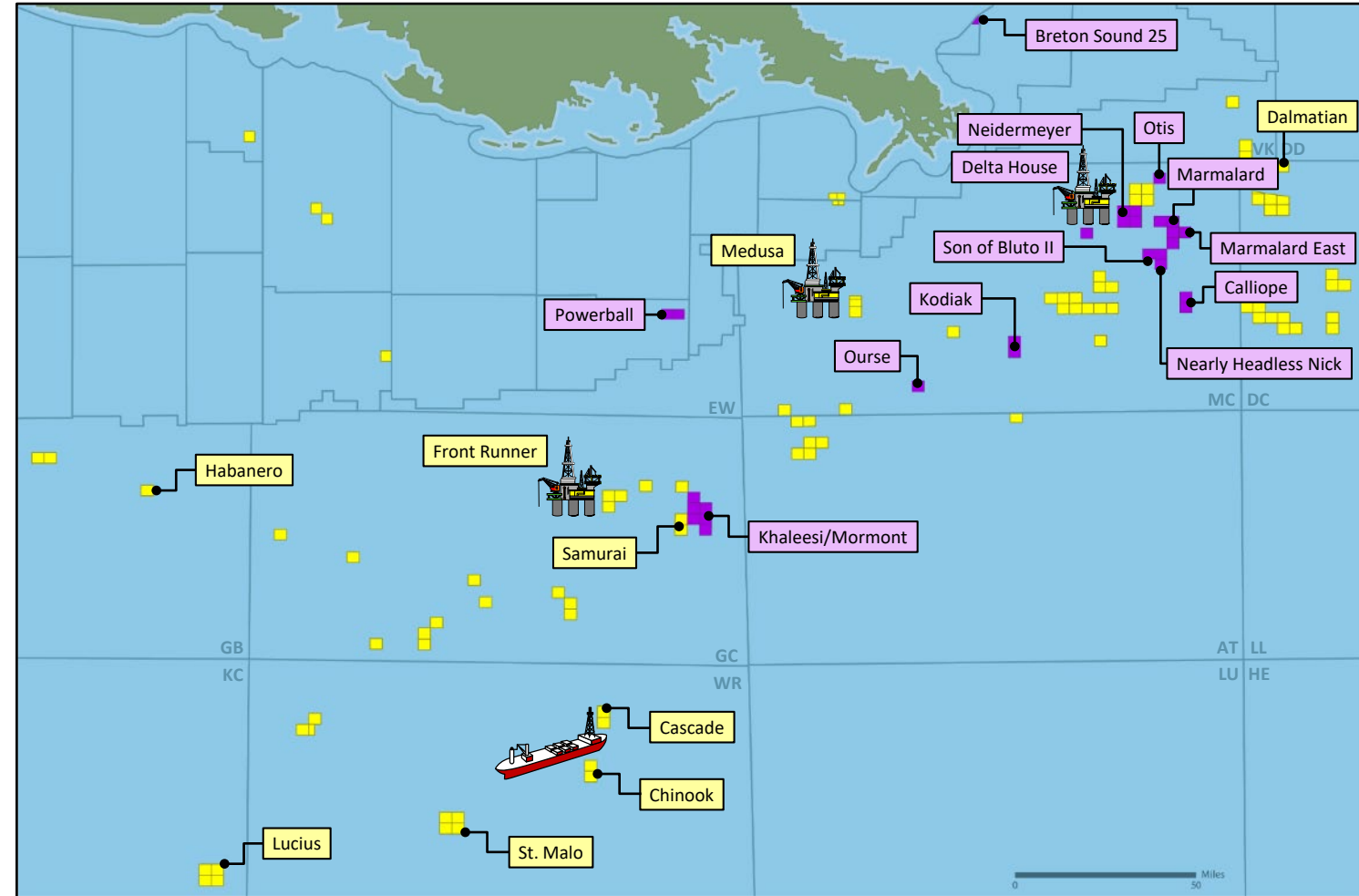


### 2018 Proved Reserves



NOTE: Production Includes 1 Month of MP GOM Assets;  
Excludes 41 MBOEPD from LLOG Acquisition

## Key US Gulf of Mexico Assets Post-Transaction



■ Existing Murphy Assets   ■ Acquired Assets

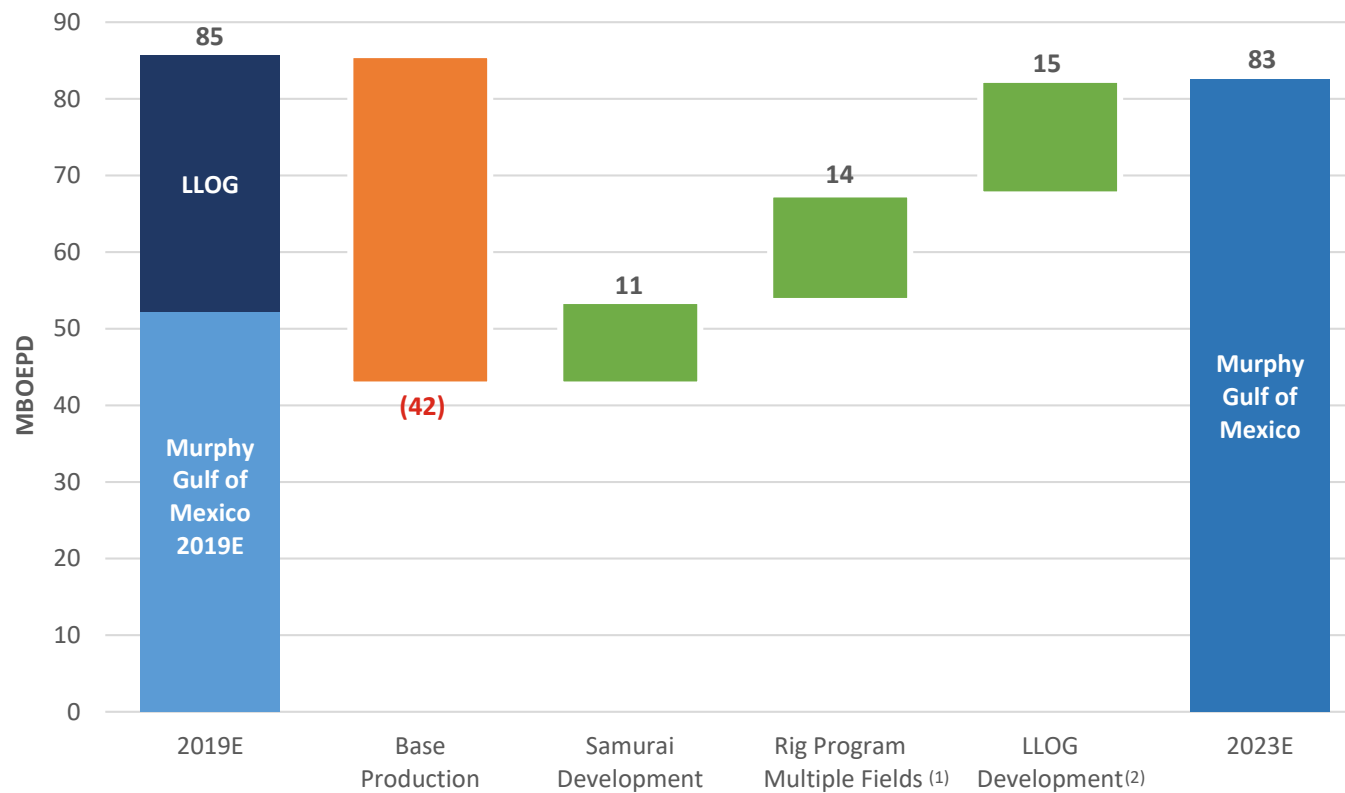
# Revitalizing Gulf of Mexico Assets

## Delivering Free Cash Flow with Efficient Capital Spending

- Generates ~\$1.0 BN Annual Average EBITDA Per Year
- Requires ~\$325 MM of Annual Average Capital Spending
- Results in Annual Average Free Cash Flow ~\$675 MM
- Achieves Average EBITDA/BOE ~\$35

WTI \$55/BBL, Assuming Full Year Impact of LLOG Transaction  
 Production Volumes, Sales Volumes, Reserves & Financial Amounts Exclude Non-Controlling Interest, Unless Otherwise Stated

2019 – 2023 Estimated Gulf of Mexico Production



2019 – 2023 Avg Annual CAPEX	Base Production	Samurai Development	Rig Program Multiple Fields (1)	LLOG Development(2)	Annual Avg CAPEX ~\$325 MM
\$35 MM	\$65 MM	\$105 MM	\$120 MM		

(1) Includes Medusa, Front Runner, Dalmatian, Habanero & Kodiak  
 (2) Includes All Development Project Capital

# Exploration Strategy Overview

## Focused & Meaningful

- Four Primary Exploration Growth Areas
- 3 to 5 Exploration Wells per Year
- ~10% of Capital Budget
- \$100 – \$125 MM/Year

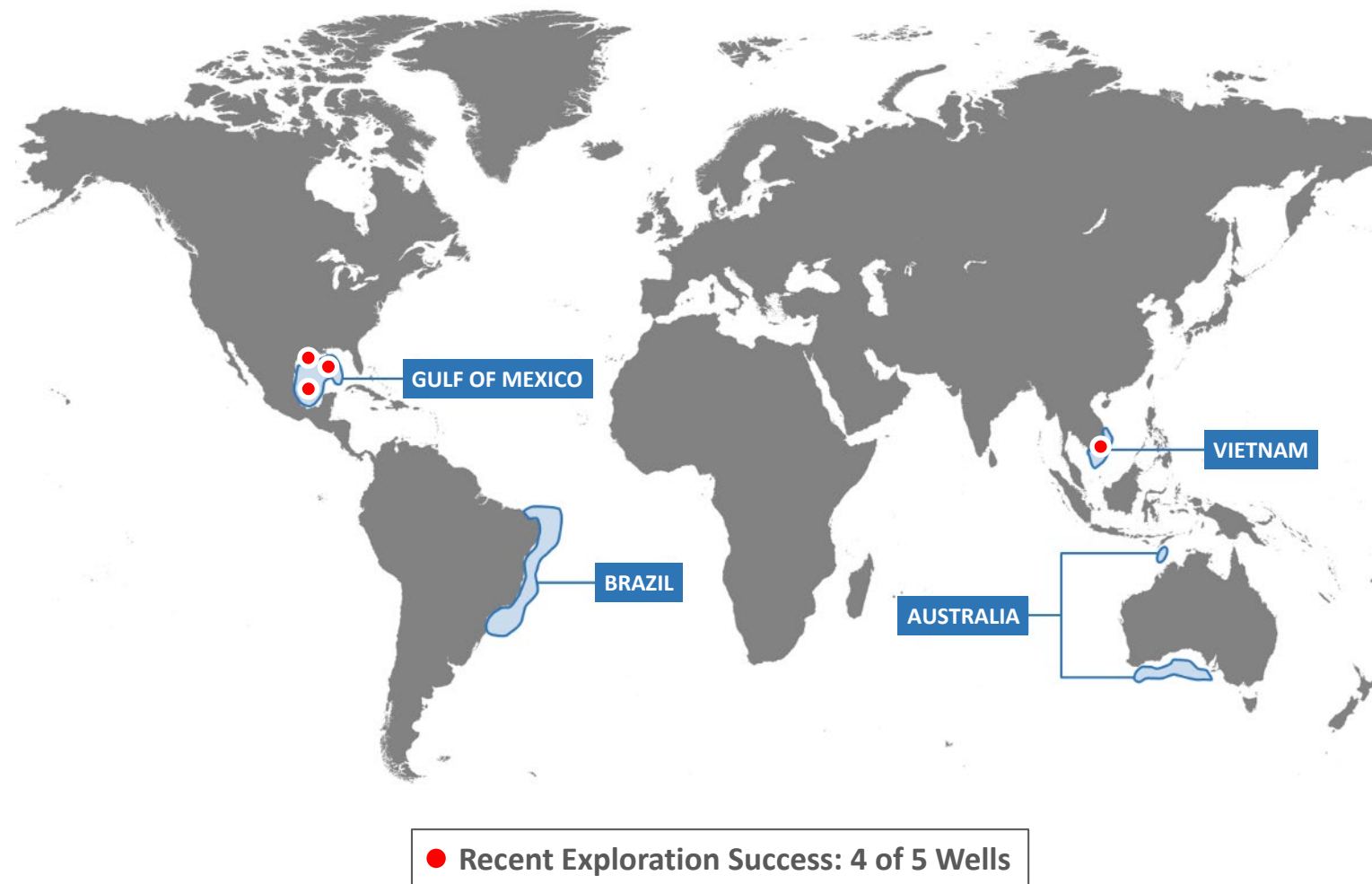
## Reduced Risk

- Proven Oil Provinces
- Targeting 20 – 50% Working Interest
- Strong Partnerships

## Key Strategic Themes

- Consistent US Gulf of Mexico Program
- Field Extension & Exploration in Vietnam
- Company-Making Potential from Brazil, Mexico & Australia
- <\$12.00/Barrel Full-Cycle Finding & Development Cost

## Exploration Core Focus Areas



# US Gulf of Mexico Exploration



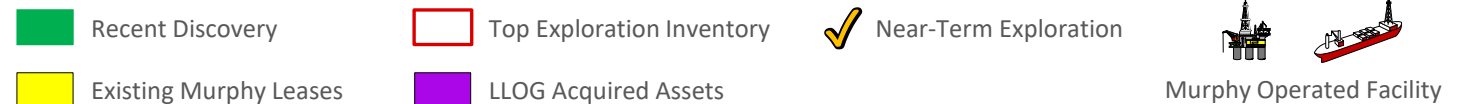
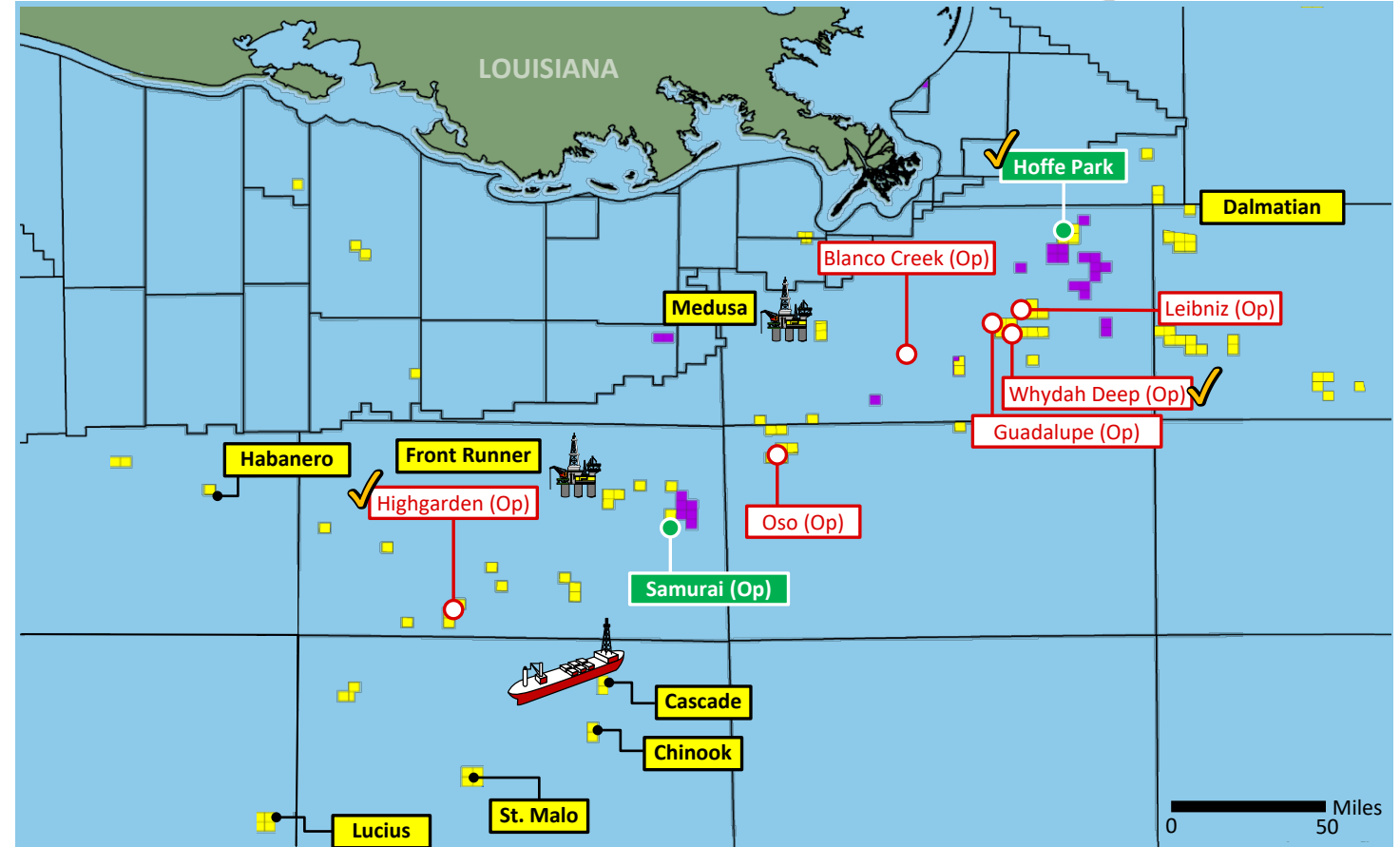
## Exploration Strategy

- Proven/Highly Commercial Miocene Trend
- High Value/Short-Cycle Production
- Interest in ~100 Leases in Gulf of Mexico

## Near-Term Exploration Inventory

- Hoffe Park #2 (MC 122)
  - Gross Mean Resource Potential 75 MMBOE
  - Murphy 60% – Operator
- Whydah Deep / Leibniz (MC 600/MC 566)
  - Murphy 70% – Operator
  - Gross Mean Resource Potential 100 MMBOE
- Highgarden (GC 895)
  - Murphy 40% – Operator
  - Gross Resource Potential 100+ MMBOE

Acreage & Key Miocene Inventory



# Mexico Exploration



## Exploration Strategy

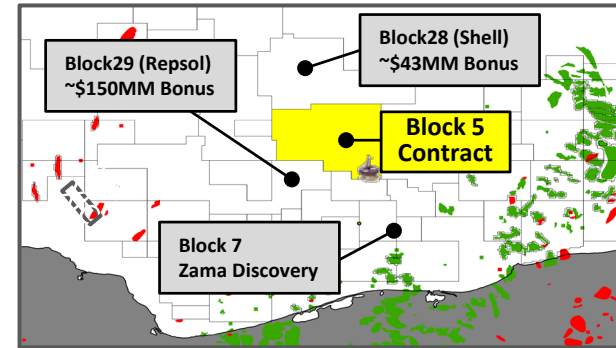
- Oil-Prone Salina Basin; Under-Explored Deepwater Province
- Oil & Natural Gas Sector Closed to Foreign Ownership Until 2014

## Block 5

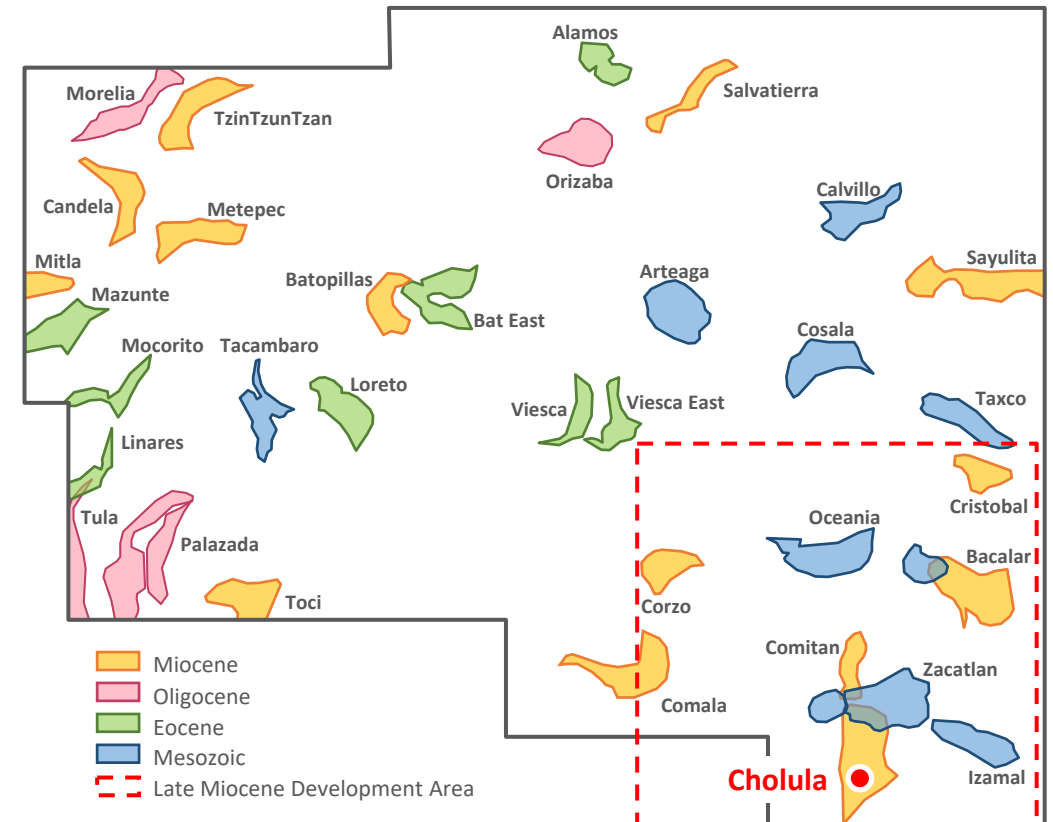
- Block 5 the Most Contested Block in Bid Round
- ~110 Gulf of Mexico Blocks
- Murphy 30% – Operator
- 34 Prospects/Leads
- Gross Block Potential; 800 – 2,000+ MMBOE Mean – P10 Unrisked

## Cholula Discovery in March 2019

- Oil & Natural Gas Discovery in Upper Miocene; 183' Net Pay
- Validates Block Potential & De-Risks Upper Miocene Play
- 200 MMBOE of Upper Miocene Resources within Tie-Back Distance of Cholula Well
- Additional Exploration Program in 2020



Block 5 Prospects



\* Note: Ophir Selling Block 5 Interest

# Vietnam Exploration

## Exploration Strategy

- Proven & Prolific Cuu Long Basin
- Test New Play Type
- Murphy 40% WI – Operator

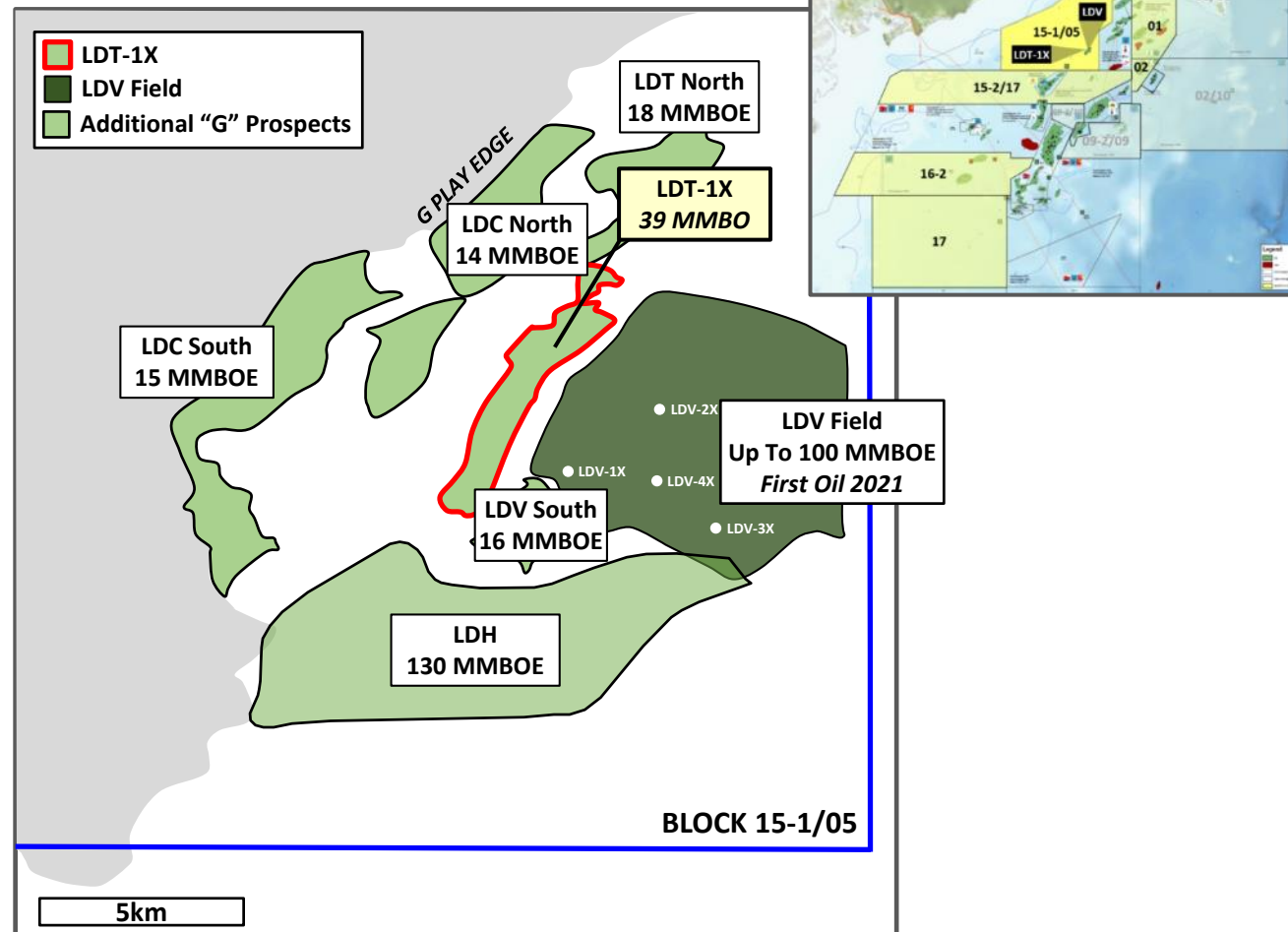
## Remaining Block (15-1/05) Potential

- 250+ MMBOE Remaining Resource Potential
- Awaiting Approval of Block 15-2

## LDT-1X Discovery

- Discovered 318' of Net Oil Pay in Primary “G” Objective
- Discovered 62' of Net Oil Pay in Secondary “D” Sand
- Developed LDV Field

## Additional Near-Field Potential in Other Plays



Note: Volumes Refer to Gross Mean Resources

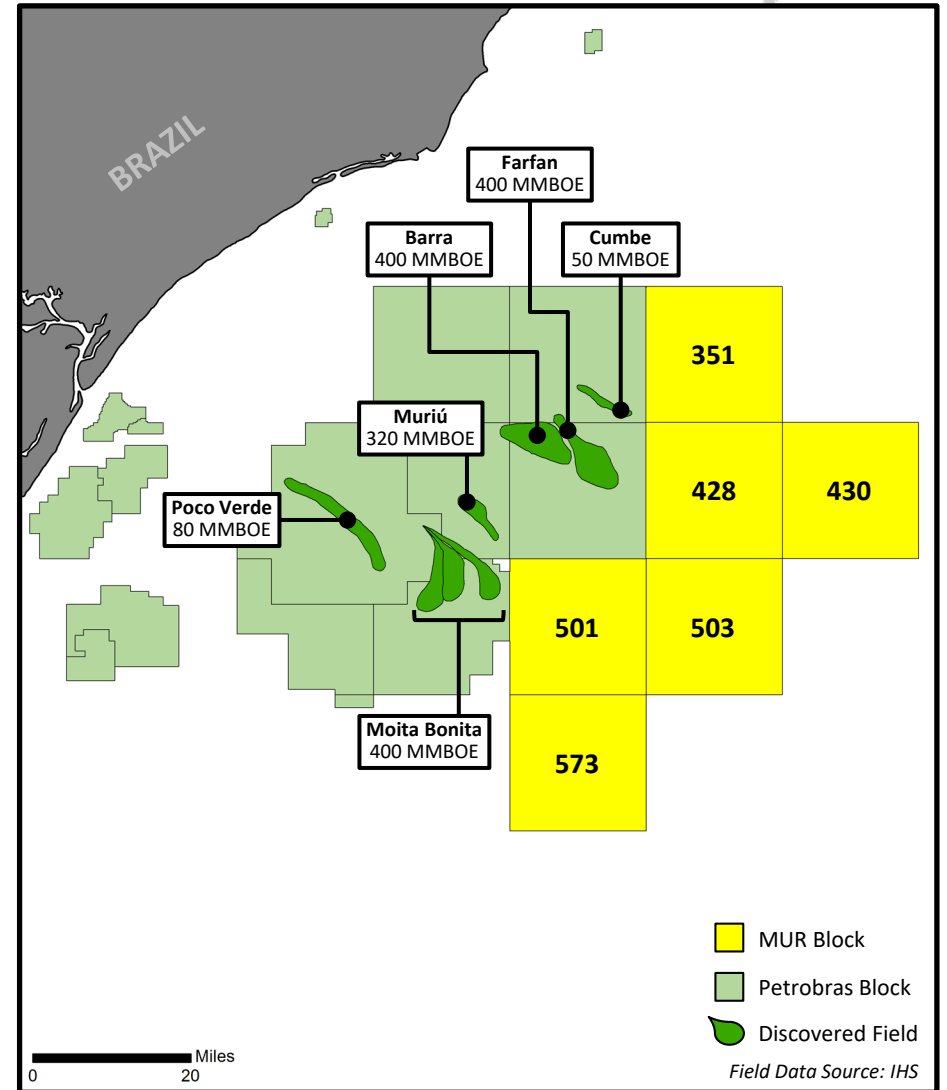
# Brazil Exploration

## Exploration Strategy

- Exposure to One of the World's Great Oil Provinces
- Potential for Legacy Scale Discoveries

## Low Cost Entry into Sergipe-Alagoas Basin

- Proven Basin with 1.6 BBOE Discovered Since 2012
- Murphy Interest in 6 Blocks; 1.1 MM Acres
- ~190 US Gulf of Mexico Blocks
- Murphy 20% – Non-Op, ExxonMobil 50% – Operator, Enauta 30% – Non-Op
- Progressing Interpretation of Newly Acquired 3D Seismic



# Eagle Ford Shale Overview



## Advantages

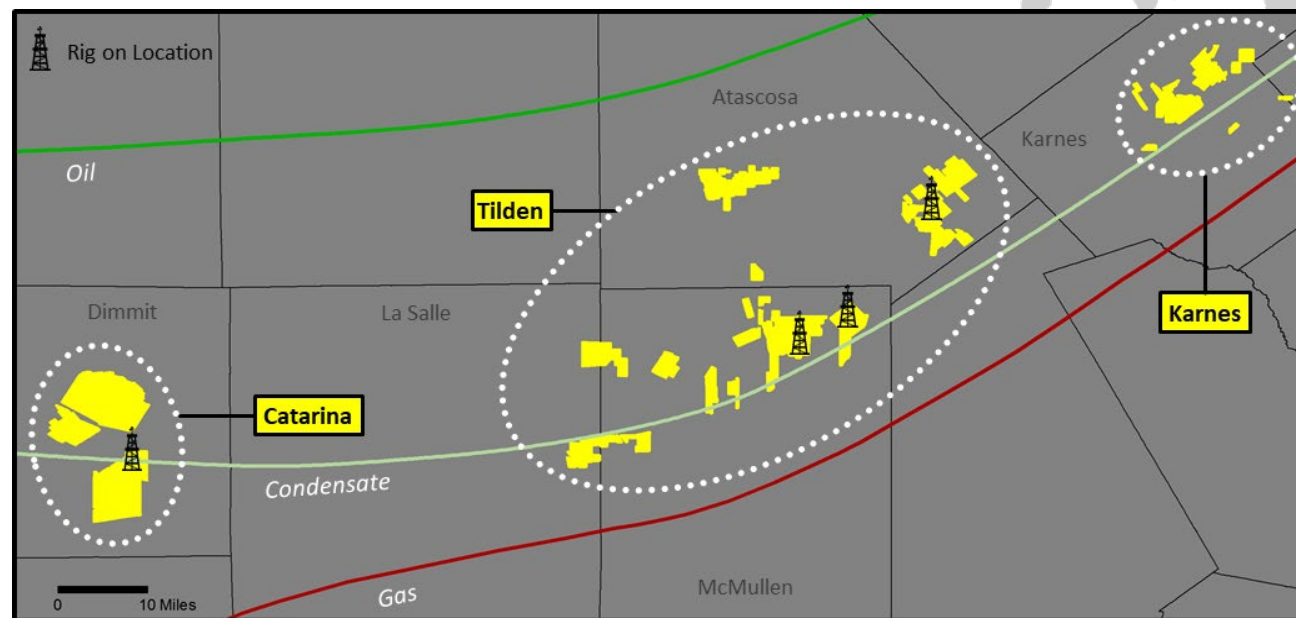
- Low Cost Entry Into World-Class Shale Play
- Premium Gulf Coast Pricing for Crude Oil
- Predictable Production & Scalable
- Completely De-Risked by Industry
- Annually Delivering Consistent Profitable Production & Reserve Adds
- 875 MMBOE Net Remaining Resource
- History of Reducing Drilling & Completion Costs

## Challenge

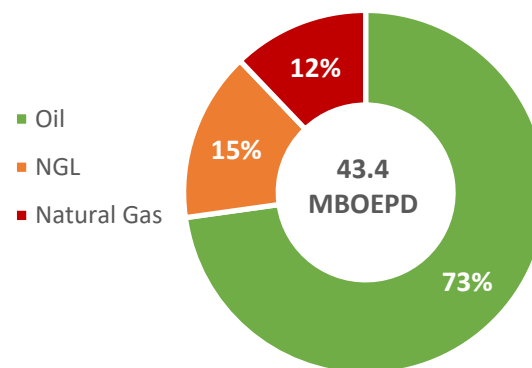
- High Capital Requirements to Grow Production Limits
- Significant Free Cash

## Future

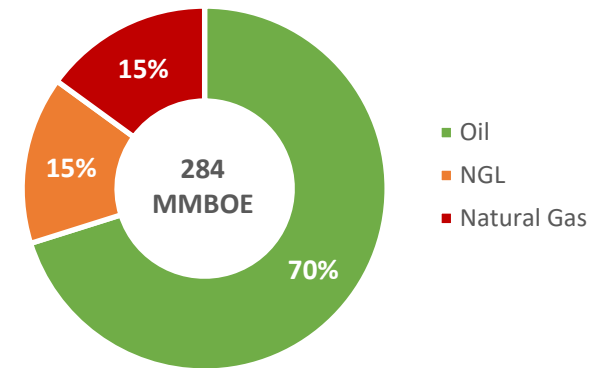
- Applying Big Data & Predictive Analytics
- Increasing Margins & Decreasing Costs
- 1,900 Remaining Locations Across ~125,000 Net Acres



FY 18 Production



2018 Proved Reserves



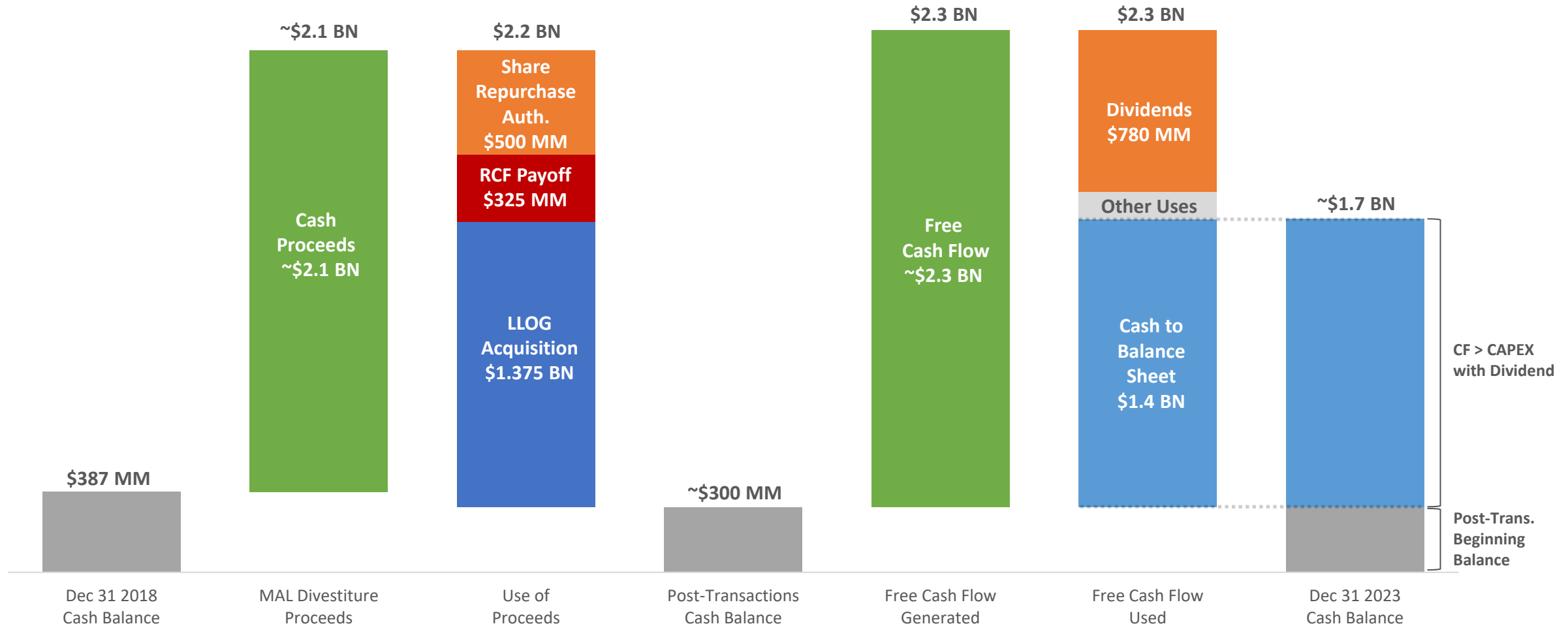


# NEW LONG RANGE PLAN

# Long Term Plan For Sources & Uses of Cash

## 2019 Transactions & Use of Proceeds

## 2019 – 2023 Strategic Plan



\*\$55/BBL WTI 2019 – 2023

# Long Term Strategy For Cash Flow Generation & Production Growth

## Providing Solid Five-Year Production Growth

- Total Production Compound Annual Growth Rate (CAGR) ~8%
- Oil Production CAGR ~12%

## Balancing Onshore / Offshore Portfolio

- Increases US Onshore Production by 15% CAGR Through Organic Growth
- Multiple Offshore Development Projects to Maintain High Production Levels

## Increasing Free Cash Flow

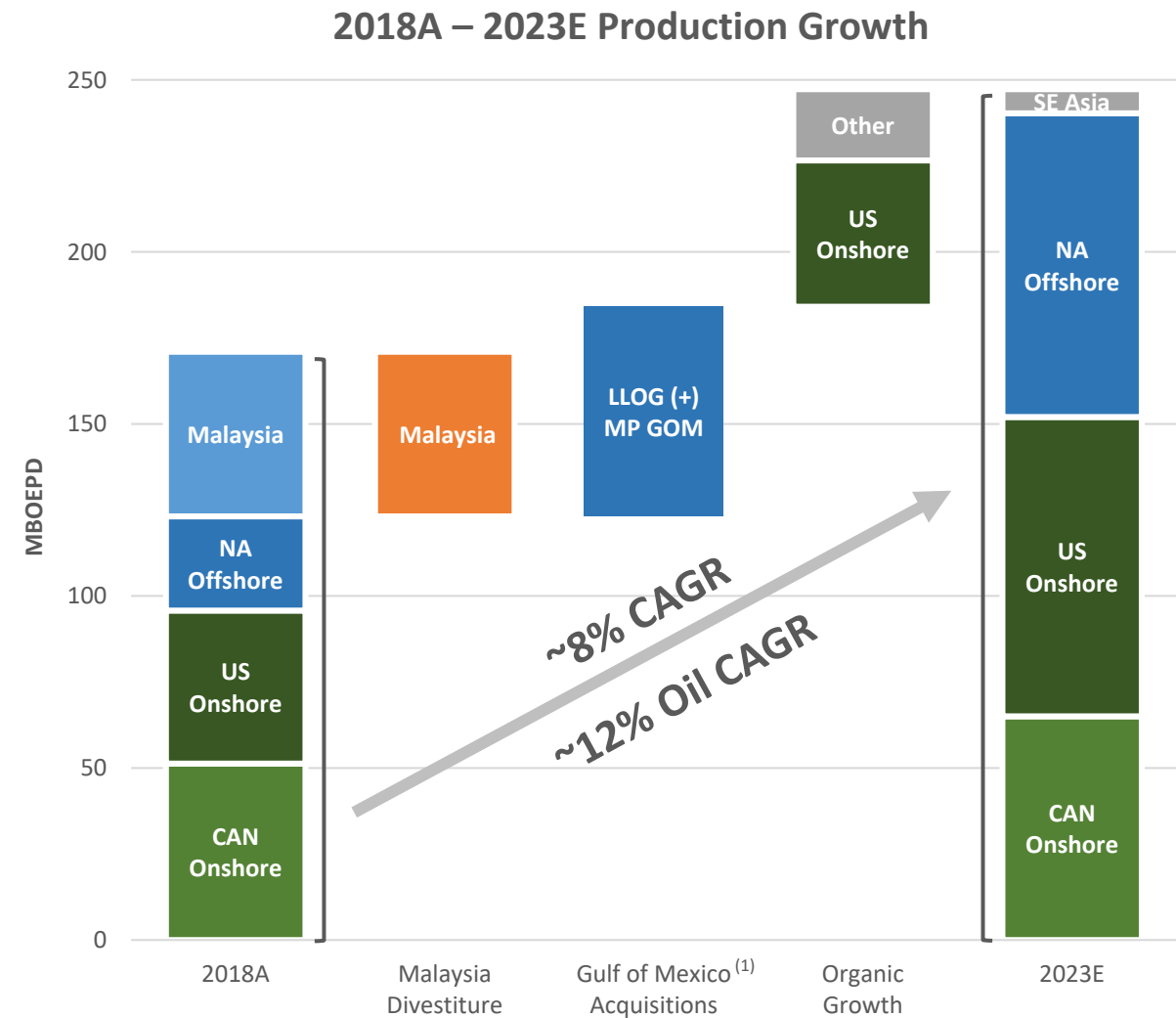
- Generates ~\$1.4 BN in Free Cash Flow Over 5 Years After Dividends
- \$1.0 BN Increase in Incremental Free Cash Flow Compared to Pre-Transaction Assets

## Maintaining Balance Sheet Strength

- Targeting Total Average Debt / EBITDAX 1.4x
- Targeting Total Average Debt to Cap 32%

WTI \$55/BBL, Assuming Full Year Impact of LLOG Transaction

Production Volumes, Sales Volumes, Reserves & Financial Amounts Exclude Non-Controlling Interest, Unless Otherwise Stated



(1) Also Includes Samurai Development

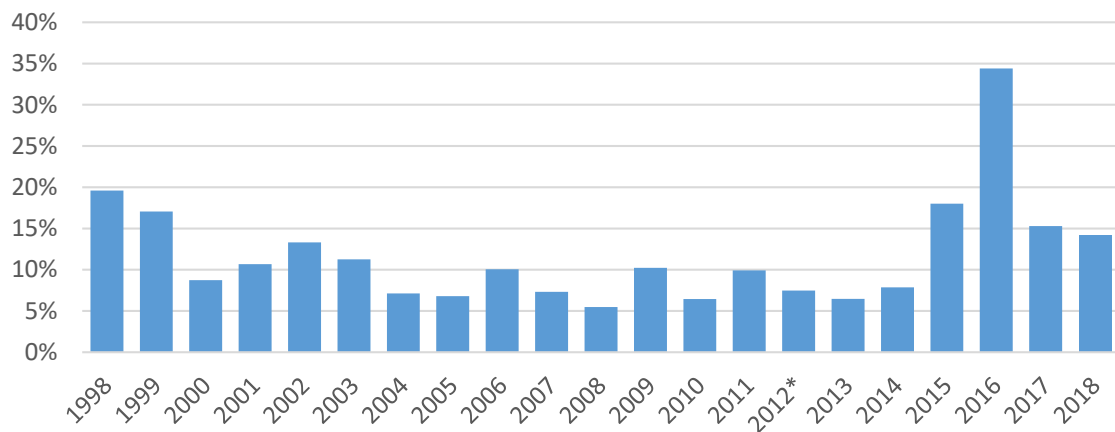
(2) NA Offshore includes US Gulf of Mexico & Offshore Canada



# REWARDING SHAREHOLDERS

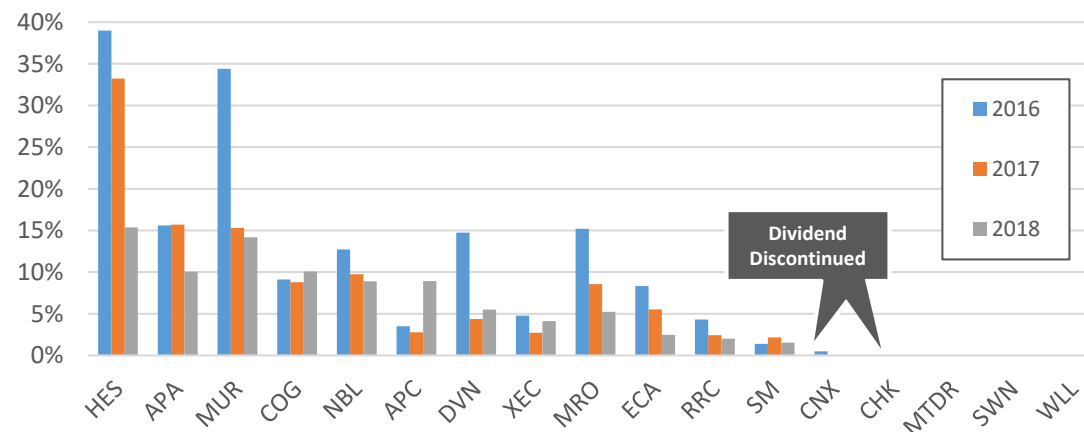
# Long History of Rewarding Shareholders

## MUR Dividend as % of CF from Operations



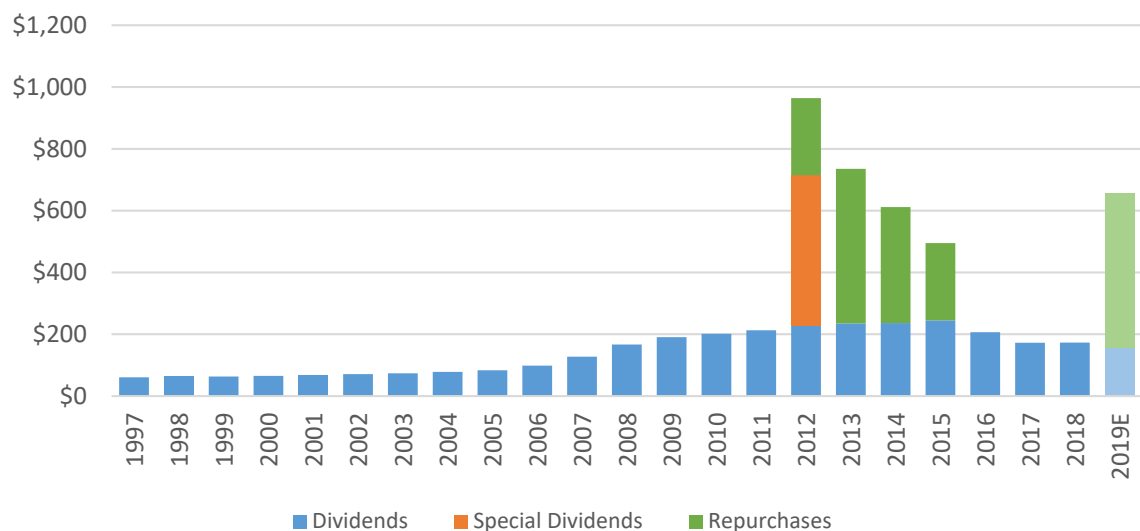
\*2012 Excludes Special Dividend of \$2.50/Share

## Dividend as % of CF from Operations (2016-2019E)

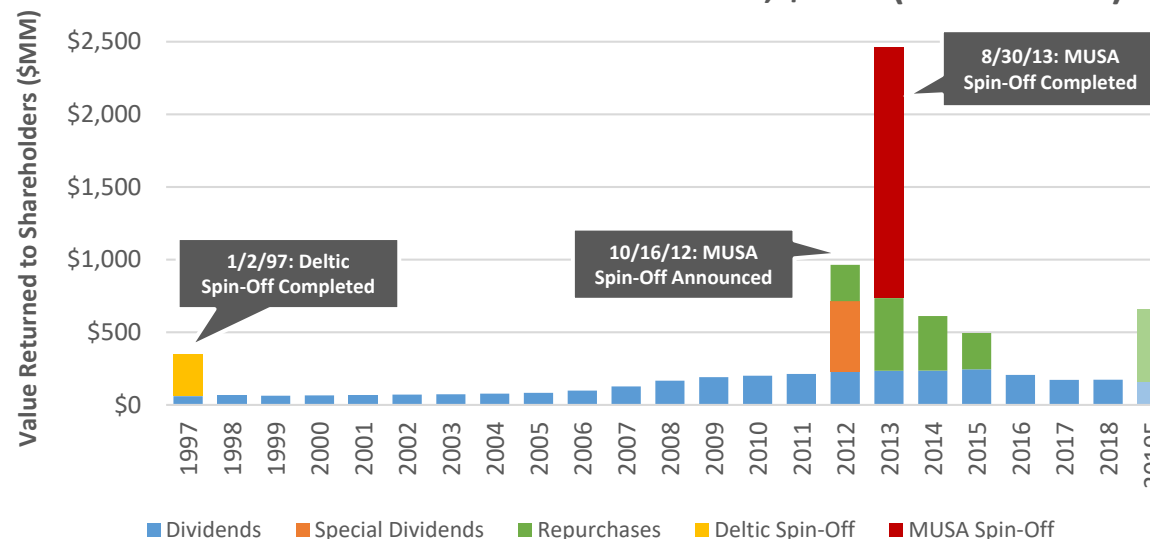


Note: 2019E is Based on Bloomberg Consensus Estimates

## Cash Paid to Shareholders, \$MM (1997-2019E)



## Value Returned to Shareholders, \$MM (1997-2019E)



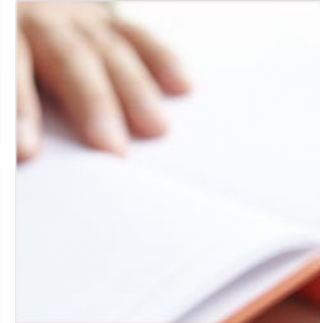
# Summary of Shareholder Support

## Value Returned to Shareholders

- \$3.8 BN in Common & Special Dividends since 1997
- \$1.375 BN in Share Repurchase, including Announced 2019 Plan
- \$7.65 BN in Common & Special Dividends + Share Repurchase + Spin-Outs of Deltic Timber & Murphy USA

## Analysis of Announced Repurchase Plan

- Murphy Has Not Issued Equity – Making Repurchase More Powerful for Shareholders
- Share Price Under-Valued
- Buying Proven Barrels for Less than 2018 F&D Costs of \$10.92/BOE
- Increases Earnings per Share, Cash Flow per Share
- Advantage for Long Term Owners

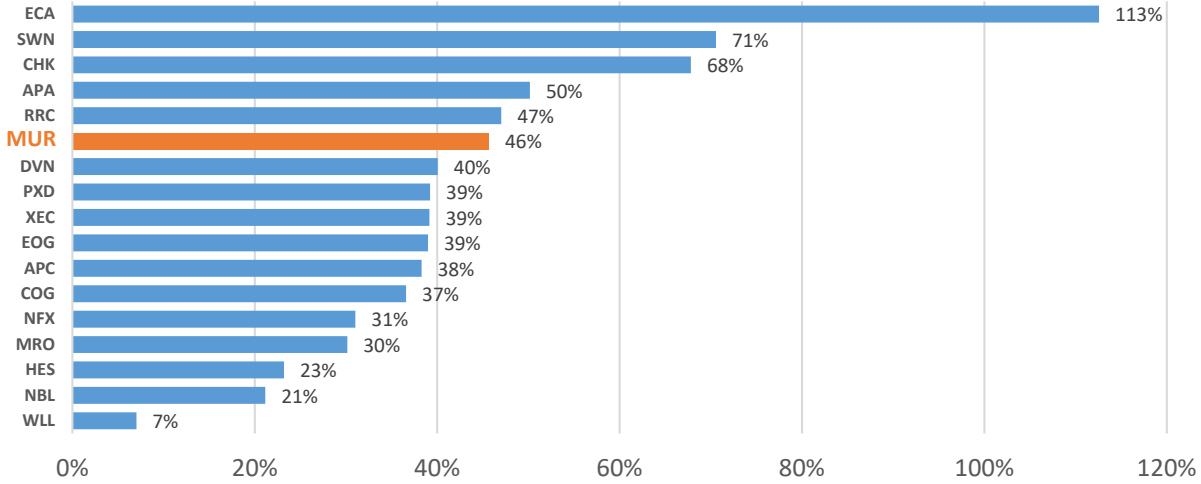




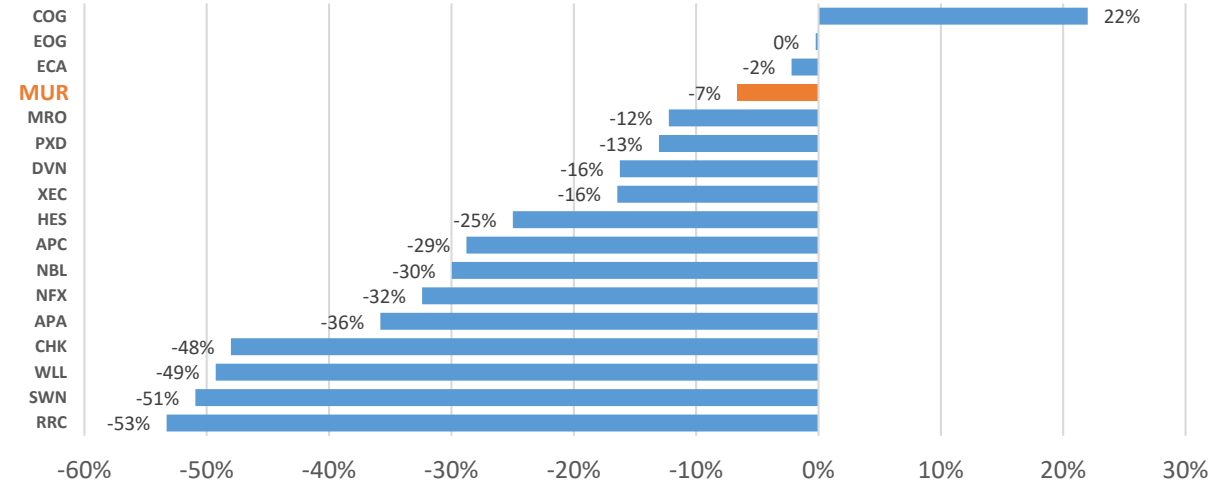
# SHARE PRICE PERFORMANCE

# Total Shareholder Return Performance 2016 – 2018

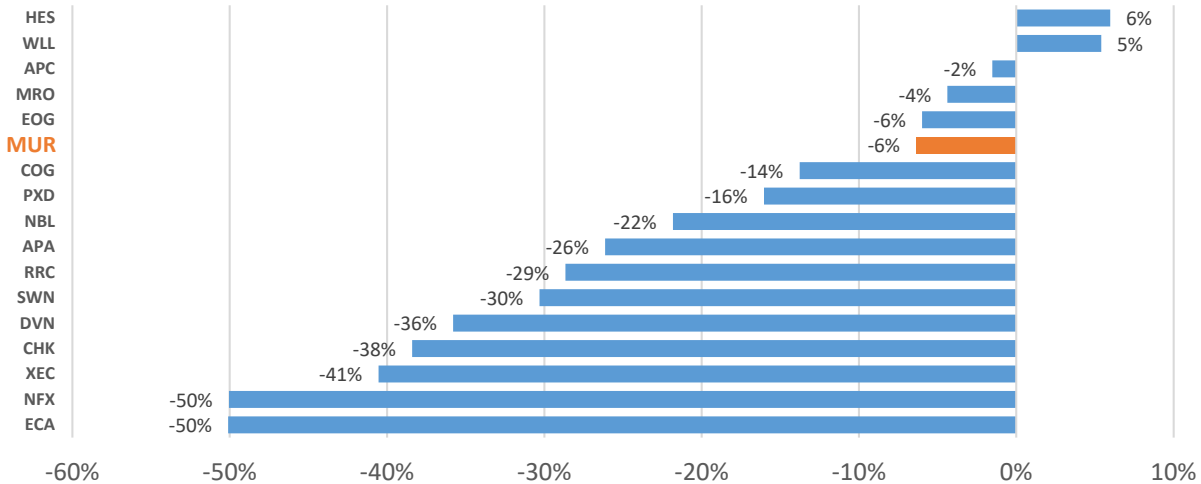
## 2016



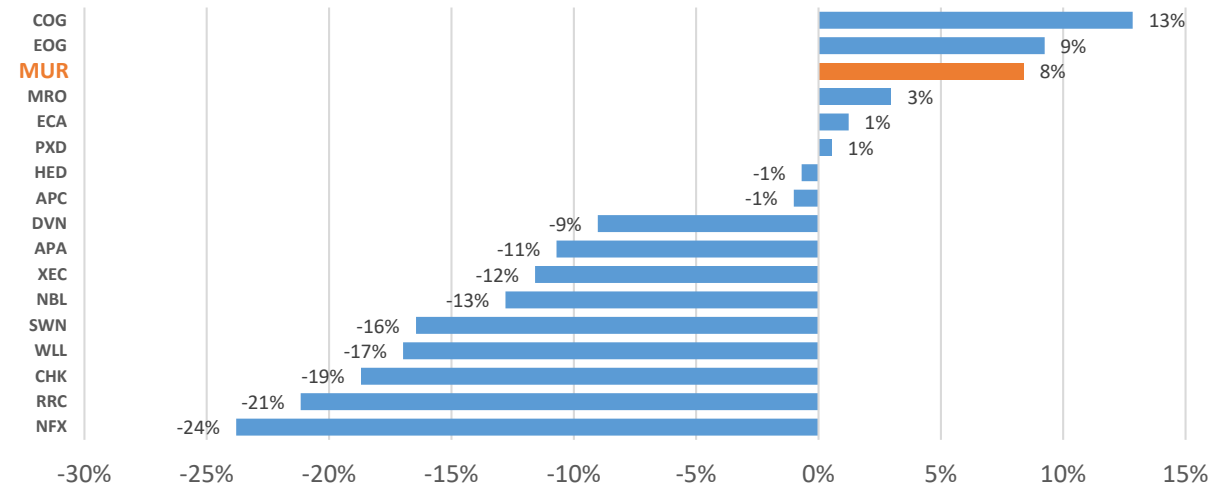
## 2017



## 2018

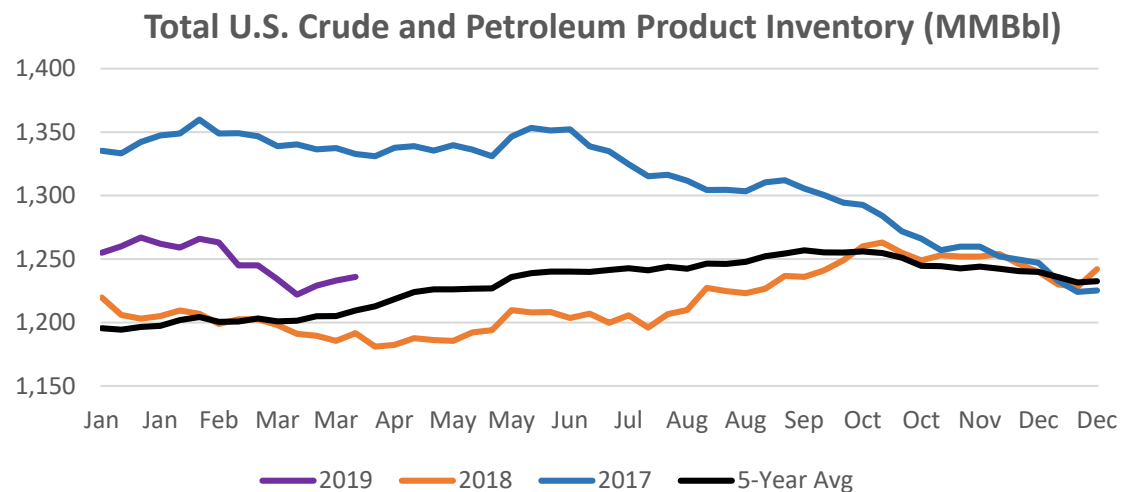
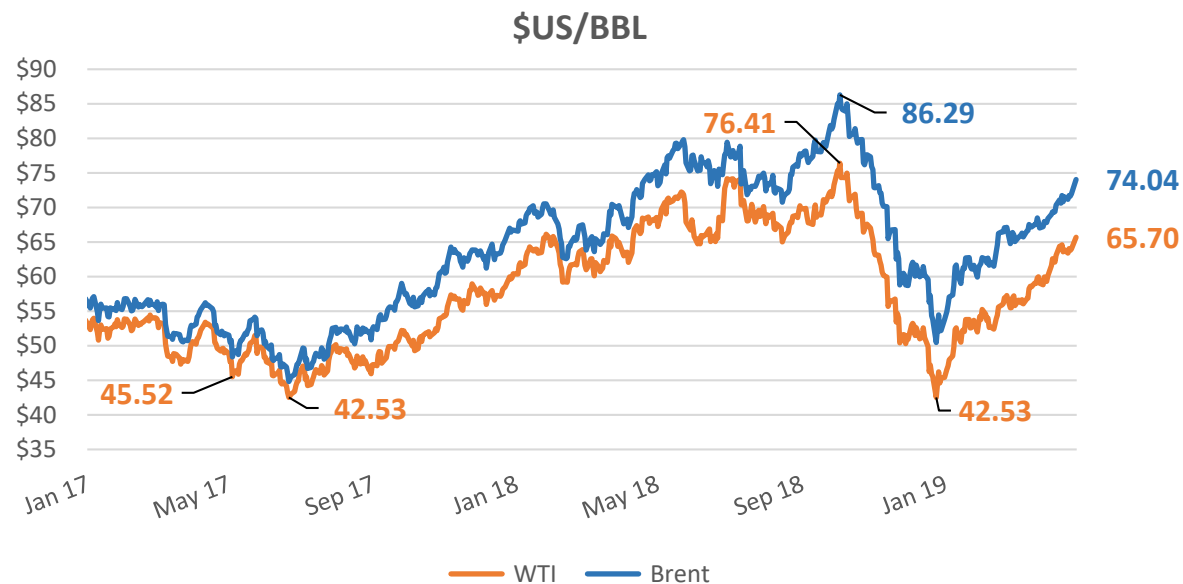


## 2016 – 2018



# Executing Strategy for Share Price Appreciation

- Closing of Malaysia Divestiture
- Closing of LLOG Acquisition
- Continuing Exploration Success
- Executing Share Repurchase Authorization
- Maintaining Long Term Cash Flow Targets
- Exercising Capital Discipline
- Remaining Leader in Supporting Shareholders

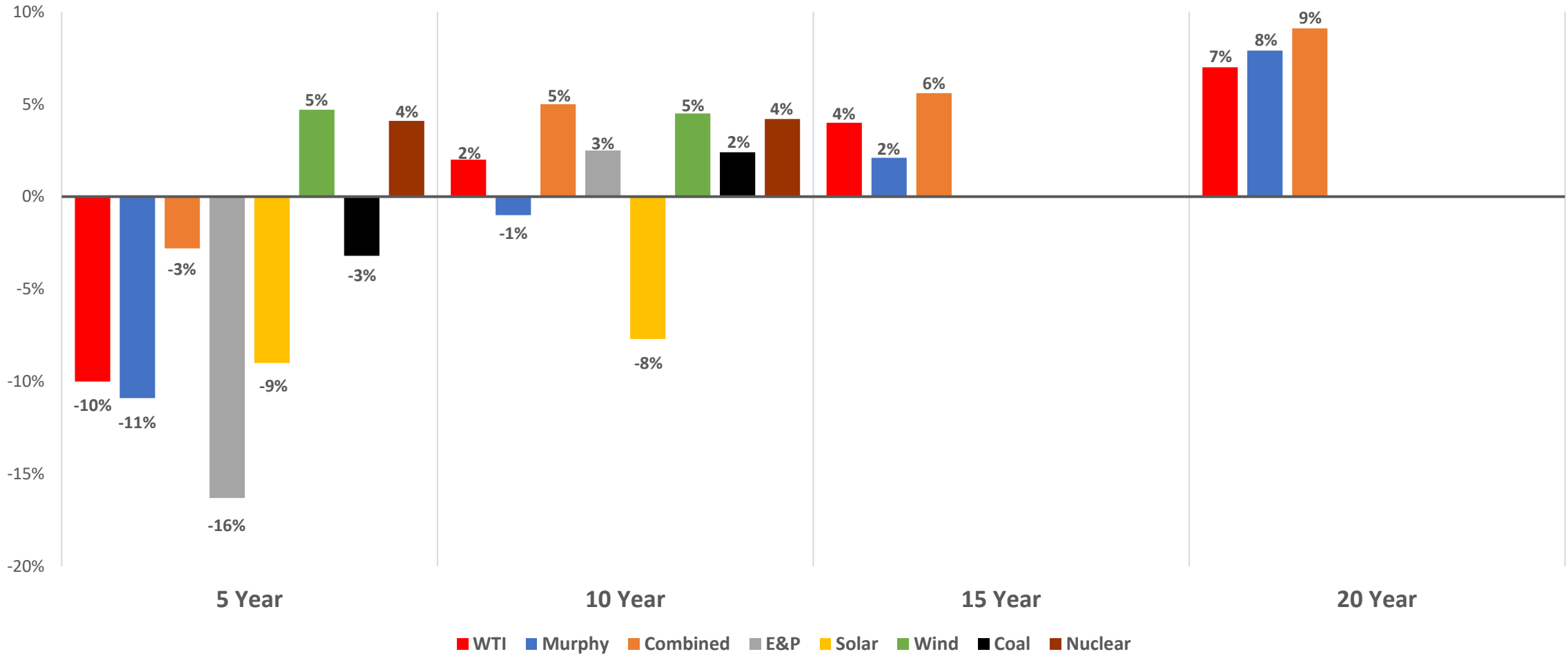




# LOWER-CARBON FUTURE

# Comparison of Energy Returns

Annual Average Returns by Energy Type vs Murphy Companies

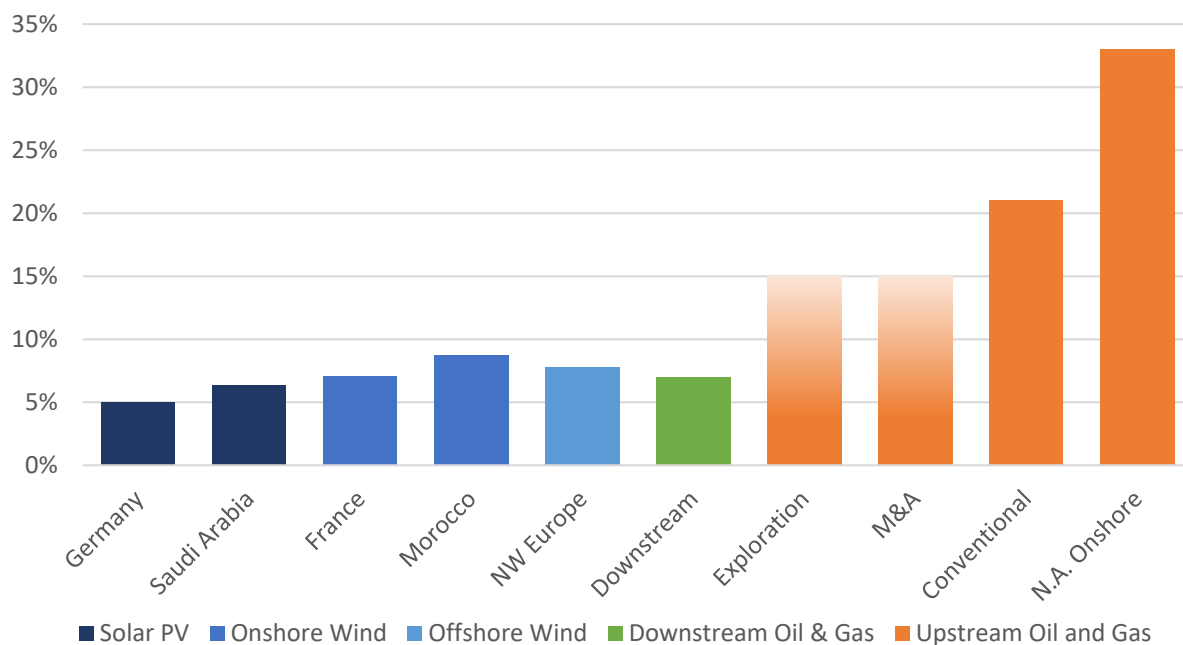


Note: **Combined** – MUR + DEL(PCH) + MUSA; **E&P** – XOP ETF; **Solar** – TAN ETF; **Wind** – FAN ETF; **Coal** – KOL ETF; **Nuclear** – NLR ETF

# Monitoring Renewable Energy

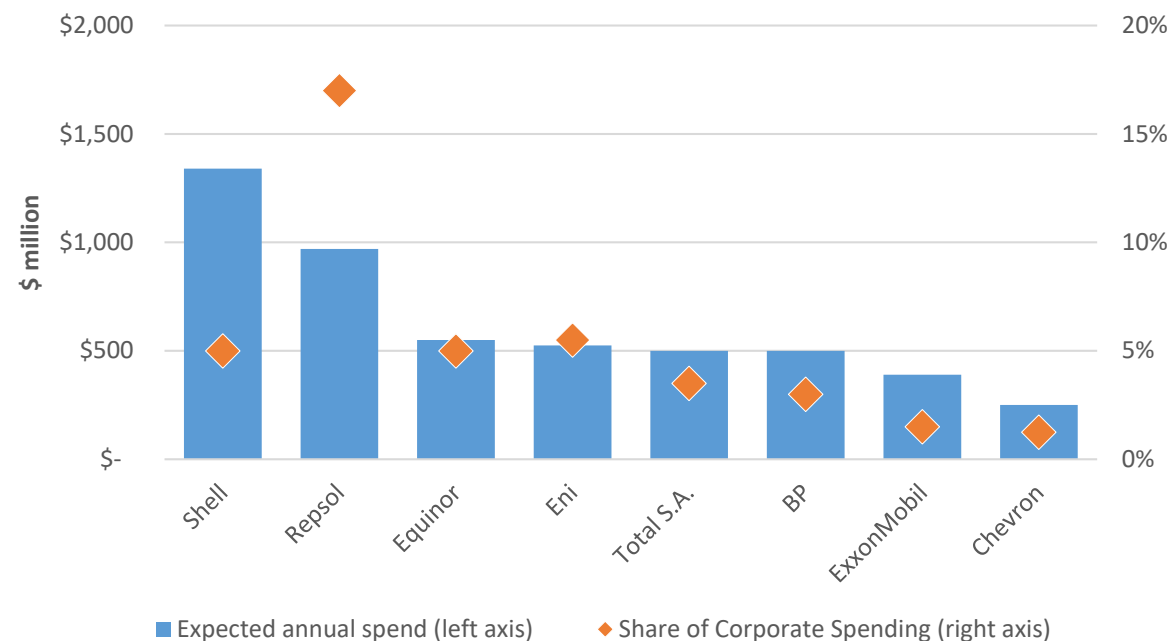
- Upstream Oil & Natural Gas Investments Typically Offer Better Returns than Wind & Solar PV
- Lower Returns in Renewables also Come with Lower Risk, Similar to Utilities
- Global Integrated Companies Adding Natural Gas to Portfolios as Low-Carbon Strategy
- Many Have Low-Carbon Spending Targets of 1 – 5% in Capital Budgets which Include Emissions Reduction

### Equity Returns



Source: Wood Mackenzie Power & Renewables

### Annual Low-Carbon Spending Outlook (2018 – 2020)



Source: IHS Markit

# Preparing for Lower-Carbon Future

## Engaging with Consultancies, Researchers, Industry Groups & Policy Experts

### Current Plans

- Changing Portfolio Significantly to a Lower Carbon Footprint
- Reducing Portfolio Emissions by Continuously Reviewing Operating Practices
- Forecasting Emissions Under Various Growth Scenarios
- Setting Effective Goals & Quantifying Action Plans for All Business Units
- Exploring Emerging Technologies for New Projects Under Development

### Long Term Plans

- Commercializing Abundant Natural Gas Resource in Existing Portfolio in Canada
- Continuing to Monitor Renewables Space for Disruptive Breakthroughs
- Remaining Engaged with Experts to Identify Signposts that Could Significantly Alter Current Strategy



IHS Markit



MIT JOINT PROGRAM ON THE  
SCIENCE AND POLICY  
of GLOBAL CHANGE



Wood  
Mackenzie



RYSTAD ENERGY

# Positioning Company for Long Term Value Creation



Continuing the Legacy of Rewarding Shareholders

Spending Within Our Means & Maintaining Strong Free Cash Flow Yield

Enhancing Financial Flexibility & Strengthening Balance Sheet

Simplifying Portfolio With Strategic Exit From Malaysia

Focusing on Oil-Weighted, High Margin Western Hemisphere Assets

Maintaining Exploration Optionality Upside

Preparing for Lower-Carbon Future

# Murphy Purpose, Mission, Vision & Values

## Purpose

- We Believe in Providing Energy that Empowers People

## Mission

- We Challenge the Norm, Tap into Our Strong Legacy & Use Our Foresight & Financial Discipline to Deliver Inspired Energy Solutions

## Vision

- We See a Future Where We are an Industry Leader Who is Positively Impacting Lives for the Next 100 Years & Beyond

## Values & Behaviors

- Do Right Always
- Think Beyond Possible
- Stay With It



# SUPPLEMENTAL MATERIAL FOR ANNUAL MEETING OF STOCKHOLDERS

EL DORADO, ARKANSAS

MAY 2019



**ROGER W. JENKINS**

PRESIDENT & CHIEF EXECUTIVE OFFICER

**MURPHY**  
OIL CORPORATION

# Cautionary Statement

Cautionary Note to U.S. Investors – The United States Securities and Exchange Commission (SEC) requires oil and natural gas companies, in their filings with the SEC, to disclose 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 may use certain terms in this presentation, such as “resource”, “gross resource”, “recoverable resource”, “net risked  $P_{MEAN}$  resource”, “recoverable oil”, “resource base”, “EUR” or “estimated ultimate recovery” and similar terms that the SEC’s rules prohibit us from including in filings with the SEC. The SEC permits the optional disclosure of probable and possible reserves in our filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in our most recent Annual Report on Form 10-K filed with the SEC and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC’s website.

Forward-Looking Statements – This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim”, “anticipate”, “believe”, “drive”, “estimate”, “expect”, “expressed confidence”, “forecast”, “future”, “goal”, “guidance”, “intend”, “may”, “objective”, “outlook”, “plan”, “position”, “potential”, “project”, “seek”, “should”, “strategy”, “target”, “will” or variations of such words and other similar expressions. These statements, which express management’s current views concerning future events or results, are subject to inherent risks and uncertainties. Factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement include, but are not limited to: our ability to complete the previously announced acquisition of the Gulf of Mexico assets or the Malaysia divestiture due to the failure to obtain regulatory approvals, the failure of the respective counterparties to perform their obligations under the relevant transaction agreements, the failure to satisfy all closing conditions, or otherwise, increased volatility or deterioration in the success rate of our exploration programs or in our ability to maintain production rates and replace reserves; reduced customer demand for our products due to environmental, regulatory, technological or other reasons; adverse foreign exchange movements; political and regulatory instability in the markets where we do business; natural hazards impacting our operations; any other deterioration in our business, markets or prospects; any failure to obtain necessary regulatory approvals; any inability to service or refinance our outstanding debt or to access debt markets at acceptable prices; and adverse developments in the U.S. or global capital markets, credit markets or economies in general. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see “Risk Factors” in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC’s website and from Murphy Oil Corporation’s website at <http://ir.murphyoilcorp.com>. Murphy Oil Corporation undertakes no duty to publicly update or revise any forward-looking statements.

Non-GAAP Financial Measures – This presentation refers to certain forward looking non-GAAP measures such as future “Free Cash Flow” and future “EBITDA”. Definitions of these measures are included in the appendix.

# Agenda



01

COMPANY UPDATE

02

PORTFOLIO TRANSFORMATION

03

PORTFOLIO REVIEW

04

EXPLORATION REVIEW

05

LOOKING AHEAD



# COMPANY UPDATE

# Accomplishing Our Strategic Objectives in 2018

Develop **DIFFERENTIATED PERSPECTIVES** In Underexplored Basins & Plays

- ✓ Drilled Successful Samurai Well Increasing Resources
- ✓ Executed Successful Deep Water Offshore Projects

Continue to be a **PREFERRED PARTNER** to NOCs & Regional Independents

- ✓ Executed Gulf of Mexico MP GOM Transaction
- ✓ Negotiated Higher Working Interest with PetroVietnam

**BALANCE** our Offshore Business by Acquiring & Developing Advantaged Unconventional NA Onshore Plays

- ✓ Increased Oil-Weighted Production Mix
- ✓ Over 50% Onshore Oil-Weighted Locations Break-Even < \$40/BBL
- ✓ Increased Kaybob Duvernay Production Over 140% Y-O-Y

**DEVELOP & PRODUCE** Fields in a Safe, Responsible, Timely & Cost Effective Manner

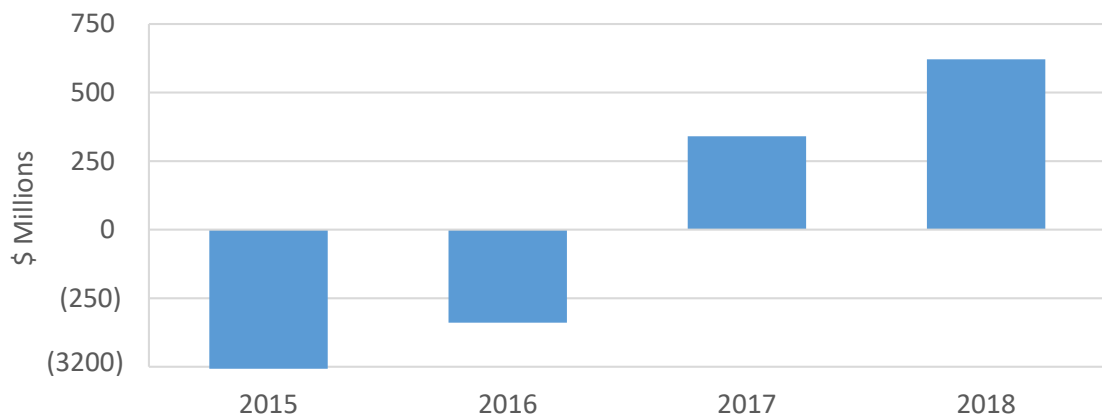
- ✓ Outstanding Safety Track Record
- ✓ Achieved Onshore Operating Cost per Barrel of \$6.50
- ✓ Grew Gulf of Mexico Production & Reserves
- ✓ Achieved Synergies Through Acquisitions

**ACHIEVE & MAINTAIN** a Sustainable, Diverse & Price Advantaged Oil-Weighted Portfolio

- ✓ Increased Proved Reserves by 17% to 816 MMBOE
- ✓ Increased Proved Oil Reserves by 24%
- ✓ Achieved 166% Organic Reserve Replacement with \$10.92 F&D per BOE

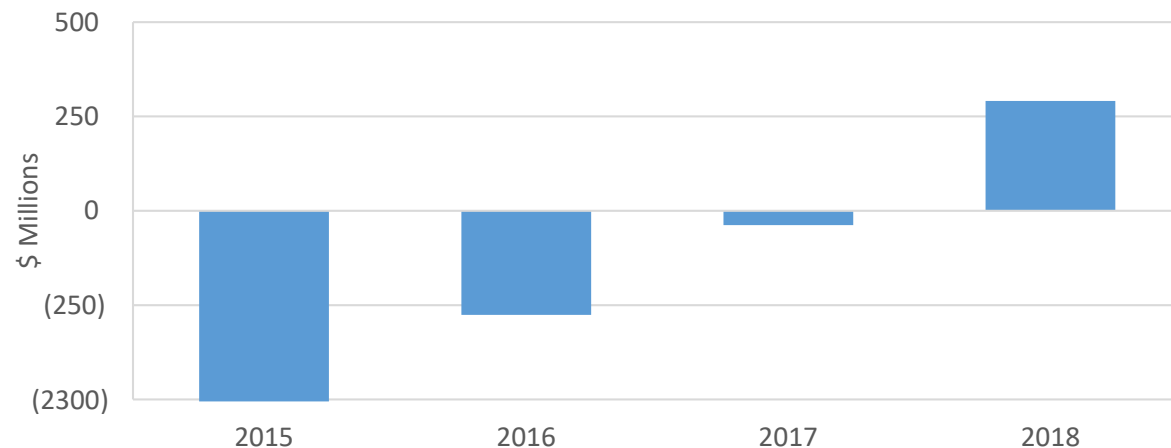
# Increasing Financial Strength

## Increasing Operating Income



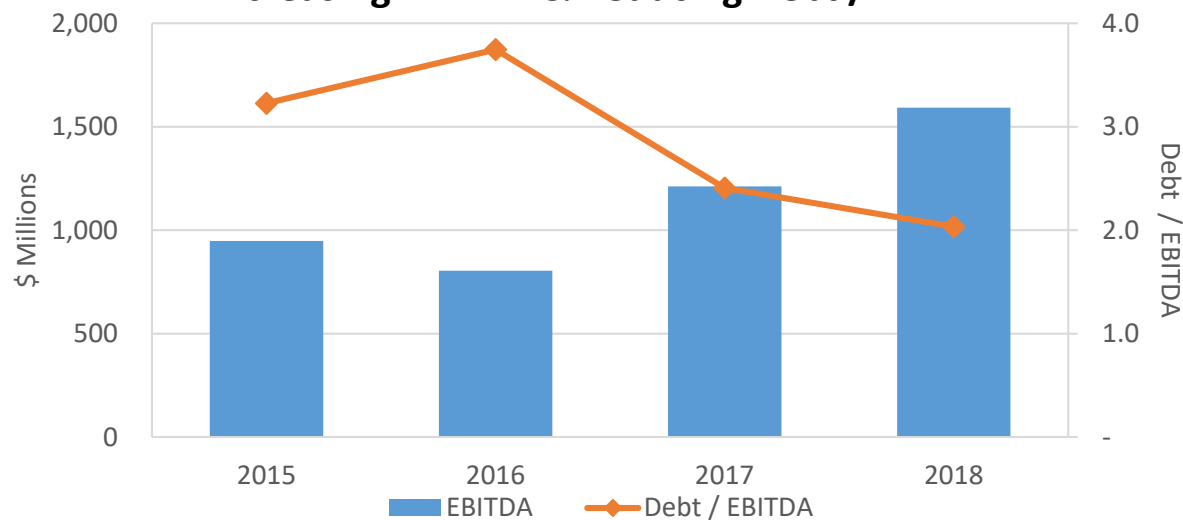
NOTE: 2015 Includes Impairment Charges of \$2.5 BN

## Increasing Net Income

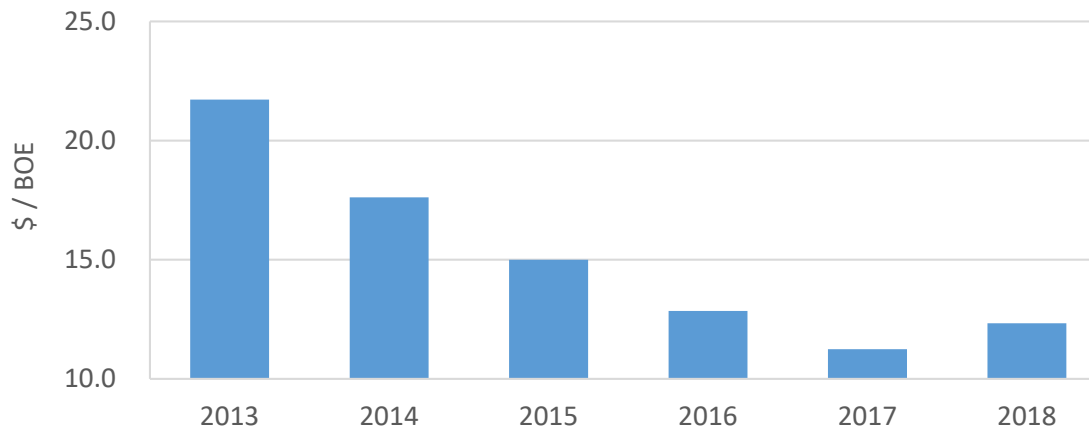


NOTE: Net Income Adjusted for Impact of Tax Cuts & Jobs Act (2018: \$120MM Credit; 2017: \$274 MM Charge)

## Increasing EBITDA & Reducing Debt / EBITDA



## Decreasing Controllable Costs

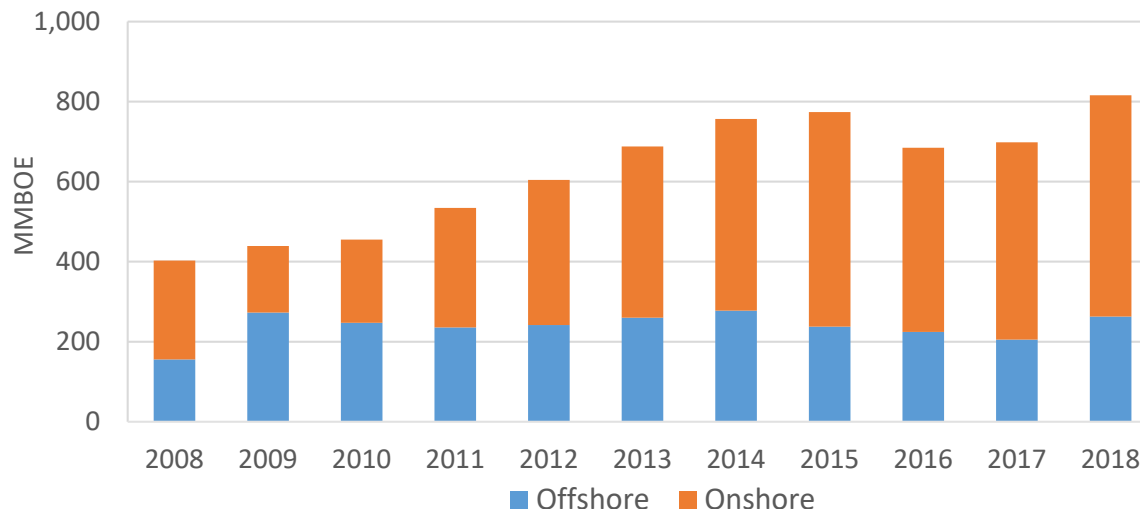


NOTE: Controllable Costs Defined as Lease Operating Expenses + Selling & General Expenses

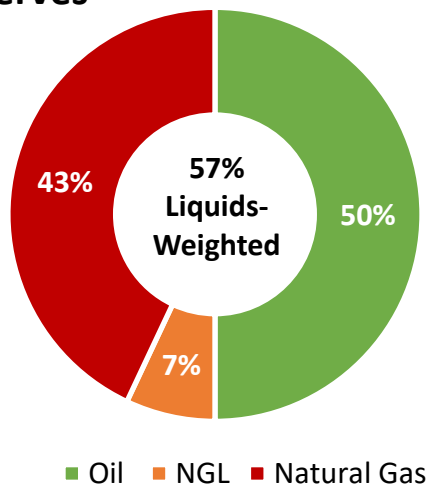
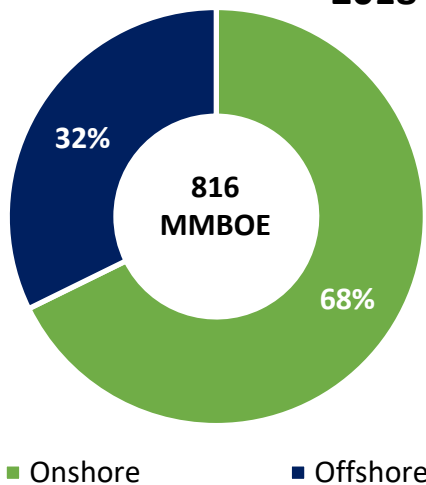
# Growing Reserves & Lowering F&D Costs in 2018

- Organic Reserves Replacement 166% (Pre-Transaction)
- Total Reserves Replacement 287% With Petrobras Transaction
- 3 Year Cumulative F&D Costs of \$10.62/BOE
- Reserve Life Index of Over 10 Years

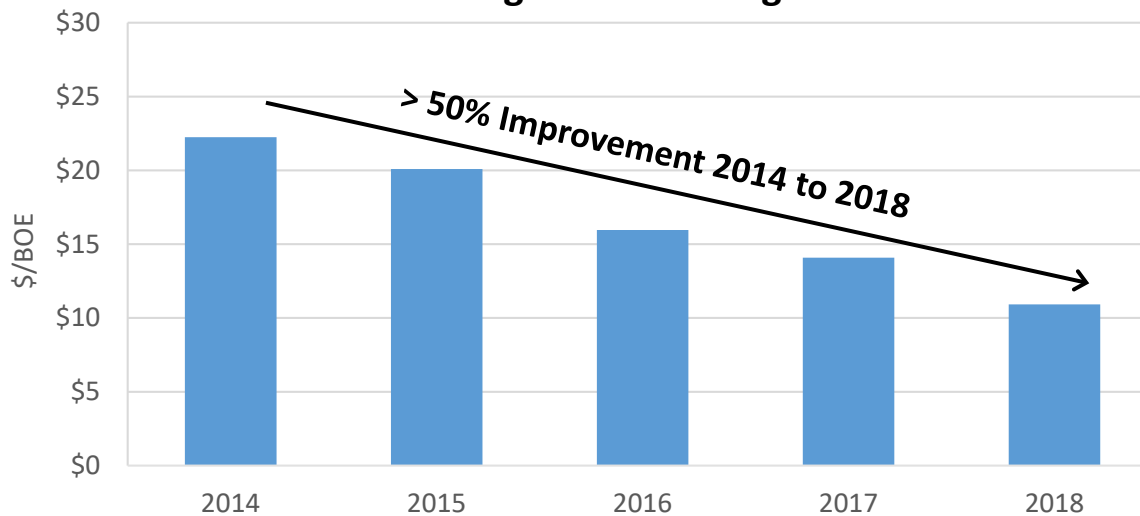
2008 – 2018 Proved Oil Reserves



2018 Proved Reserves



Lowering 3-Year Average F&D Costs



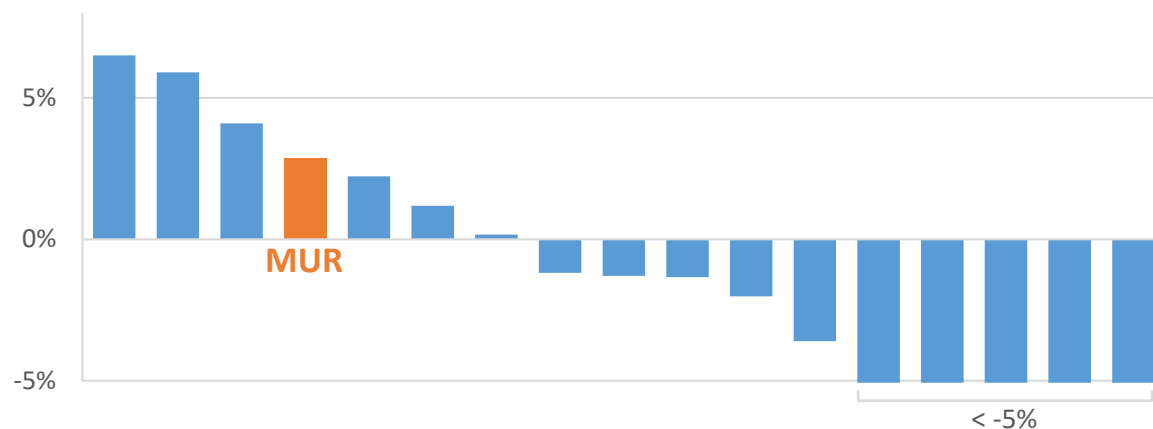
NOTE: Includes 129 MMBOE from Malaysia; Excludes 66 MMBOE from LLOG Acquisition

NOTE: Production Volumes, Sales Volumes, Reserves & Financial Amounts Exclude Noncontrolling Interest, Unless Otherwise Stated

# History of Benefitting Shareholders

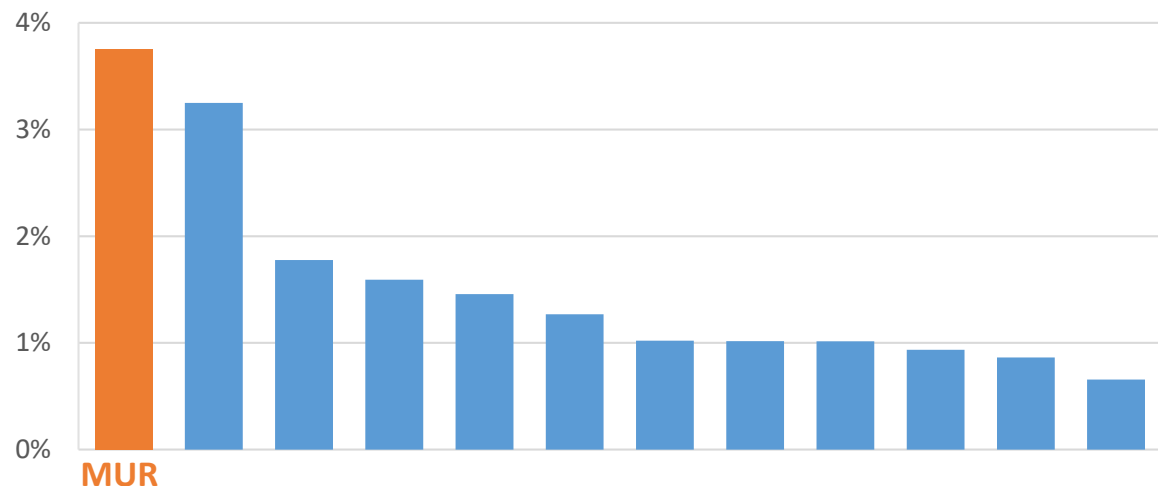
- Returned \$4.3 BN to Shareholders, Since 1961
- Returned > \$2.5 BN to Shareholders in Last 10 Years
- \$1.125 BN in Share Repurchases, 2013 – 2018
  - Representing > 10% of Total Shares
- Sustained High Dividend Yield

### Peer Free Cash Flow Yield 2018



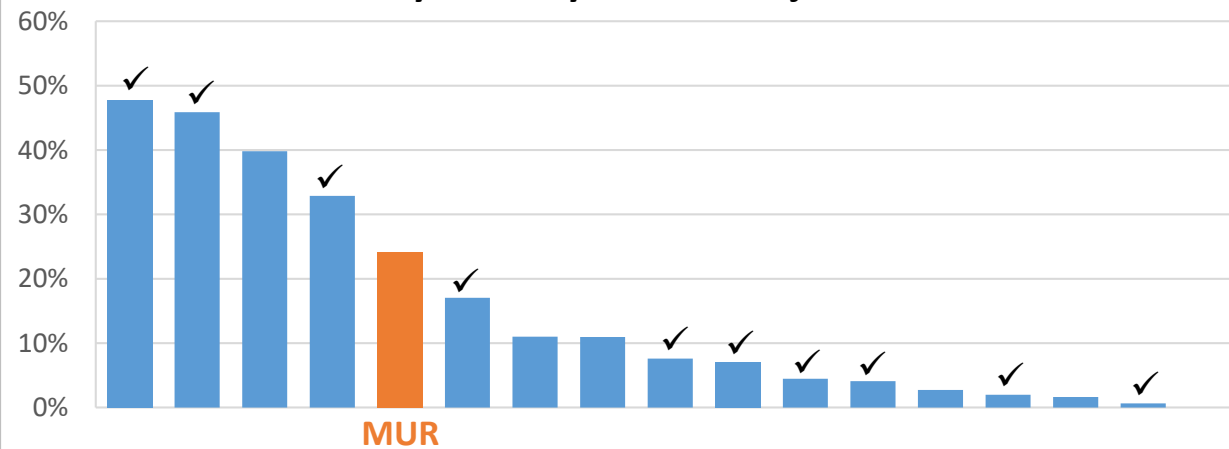
Source: Bloomberg, Close Price as of Dec 31, 2018  
 Peer Group: APA, APC, CHK, COG, CNX, DVN, ECA, HES, MRO, MTDR, NBL, NFX, RRC, SM, SWN, WLL, XEC  
 FCF Yield = Cashflow from Operations Less Property Additions & Dry Hole Costs Divided by Market Cap.

### Current Dividend Yield %



Source: FactSet, Close Price as of May 6, 2019  
 Peer Group: APA, APC, CHK, COG, CNX, DVN, ECA, HES, MRO, MTDR, NBL, NFX, RRC, SM, SWN, WLL, XEC

### Dividend + Buyback Payout % of Adj CFO, 2015 – 2018

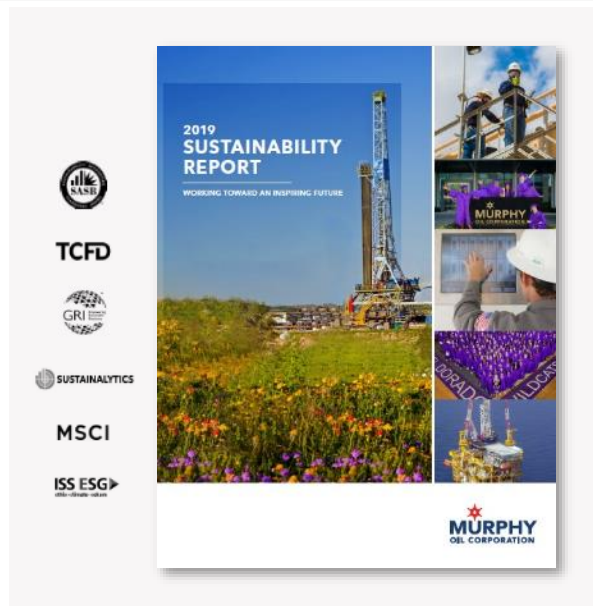


✓ Denotes Equity Issued in 2016  
 Source: Bloomberg, as of Dec 31, 2018  
 Note: Adjusted CFO = Cash Flow from Operations Before Changes in Non-Cash Working Capital

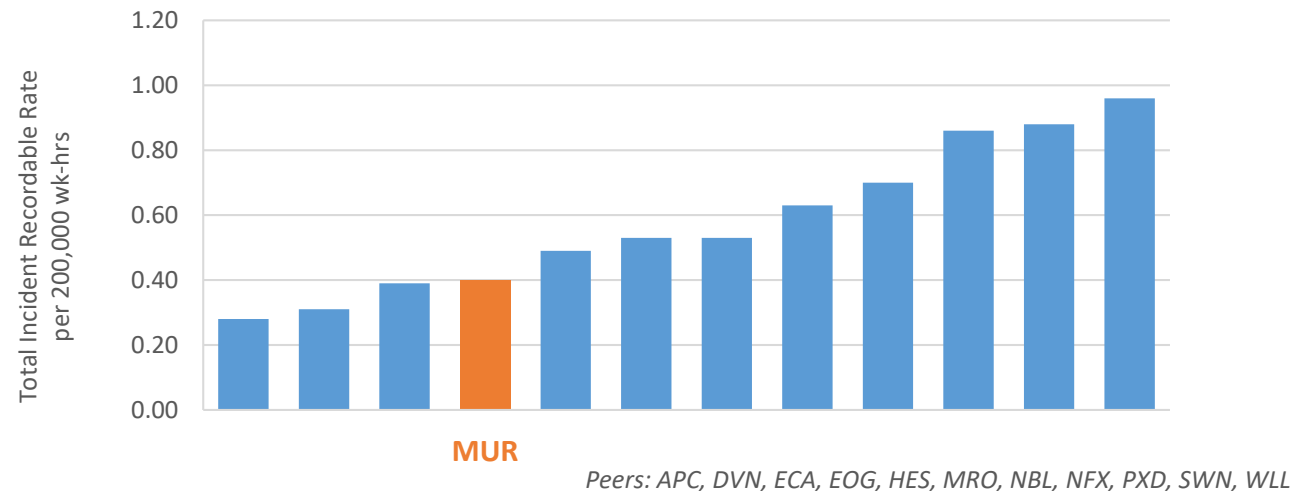
# Safety & Environment Performance

## HSE Highlights

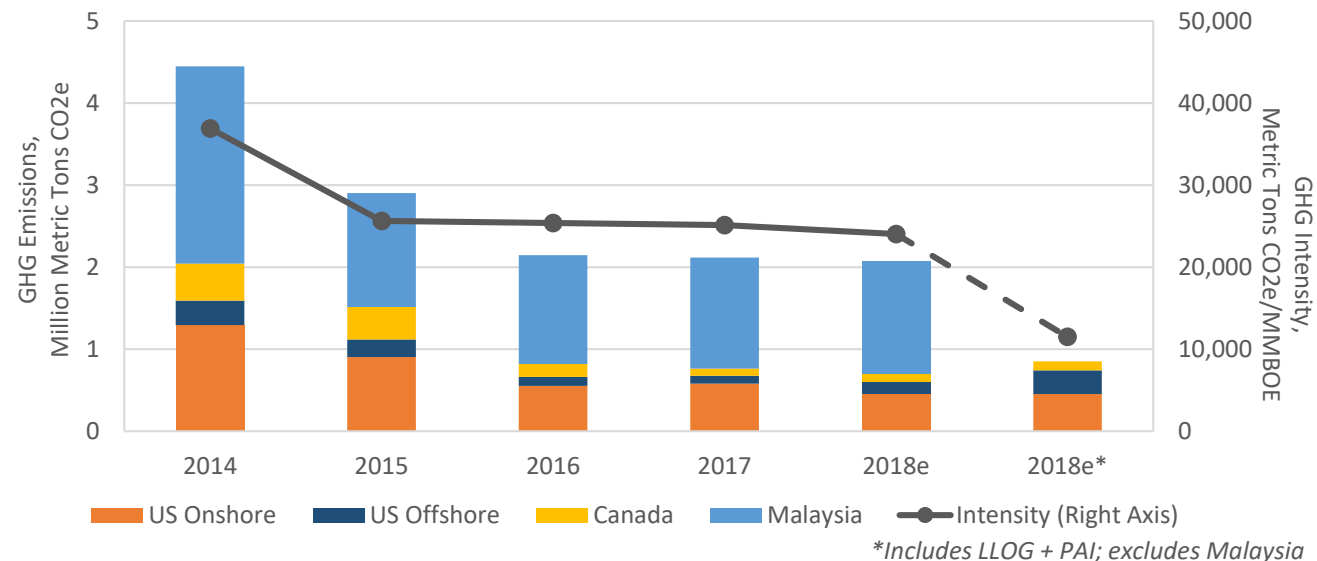
- Continuous Improvement Reducing Oil Spill Events
- Gulf of Mexico Spill-Free Since Start of Tracking
- Exiting High Green House Gas (GHG) Intensity Assets
- Incorporating Emissions Forecasting into Long Term Planning & Strategy
- Issued Inaugural Sustainability Report



## 2018 Peer Safety Performance



## GHG Emissions





# PORTFOLIO TRANSFORMATION

# Transformation Through Strategic Acquisitions & Divestitures

## Divested Malaysia Assets For \$2.1 BN<sup>1</sup>

- Strategic Exit from Malaysia Simplifies Portfolio
- Gas-Weighted Production Increasing to ~50% by 2020, Resulting in Decreasing Cash Flow Margins
- Lower Priority Capital Allocation
- Monetizing 2P Reserves at Full Value
- In Country Profits Subject to 38% Cash Tax Rate
- Production Sharing Contract Terms Limit Upside in Higher Price Environment

## Acquired Gulf of Mexico Assets for \$2.3 BN

- MP GOM: \$961 MM<sup>2</sup>      LLOG: \$1.375 BN
- Supports Portfolio Shift to Oil-Weighted, Lower Cost Western Hemisphere Basins & Increases Net Oil Production
- ~\$675 MM Average per Year of Gulf of Mexico Free Cash Flow from 2019 – 2023
- Accretive Valuation Metrics
- US Corporate Tax Rate Globally Competitive at 21%; Advantaged Net Operating Loss Position in US
- Higher Margins in Higher Price Environment

## Accretive Transactions with Attractive Valuation Metrics

	Malaysia Divestiture	Combined Acquisitions
\$ / Flowing BOE	~\$45k	~\$28k
\$ / BOE Proven Reserves (1P)	\$16.49	\$16.22
\$ / BOE Proven and Probable (2P)	\$11.13	\$10.59
2019E Production - Oil %	58%	77%
1P Oil %	39%	82%
2P Oil %	40%	82%

(1) Subject to Normal Closing Adjustments and Approval by PETRONAS

(2) Cash: \$794 MM, 20% Working Interest in MP GOM: \$167 MM



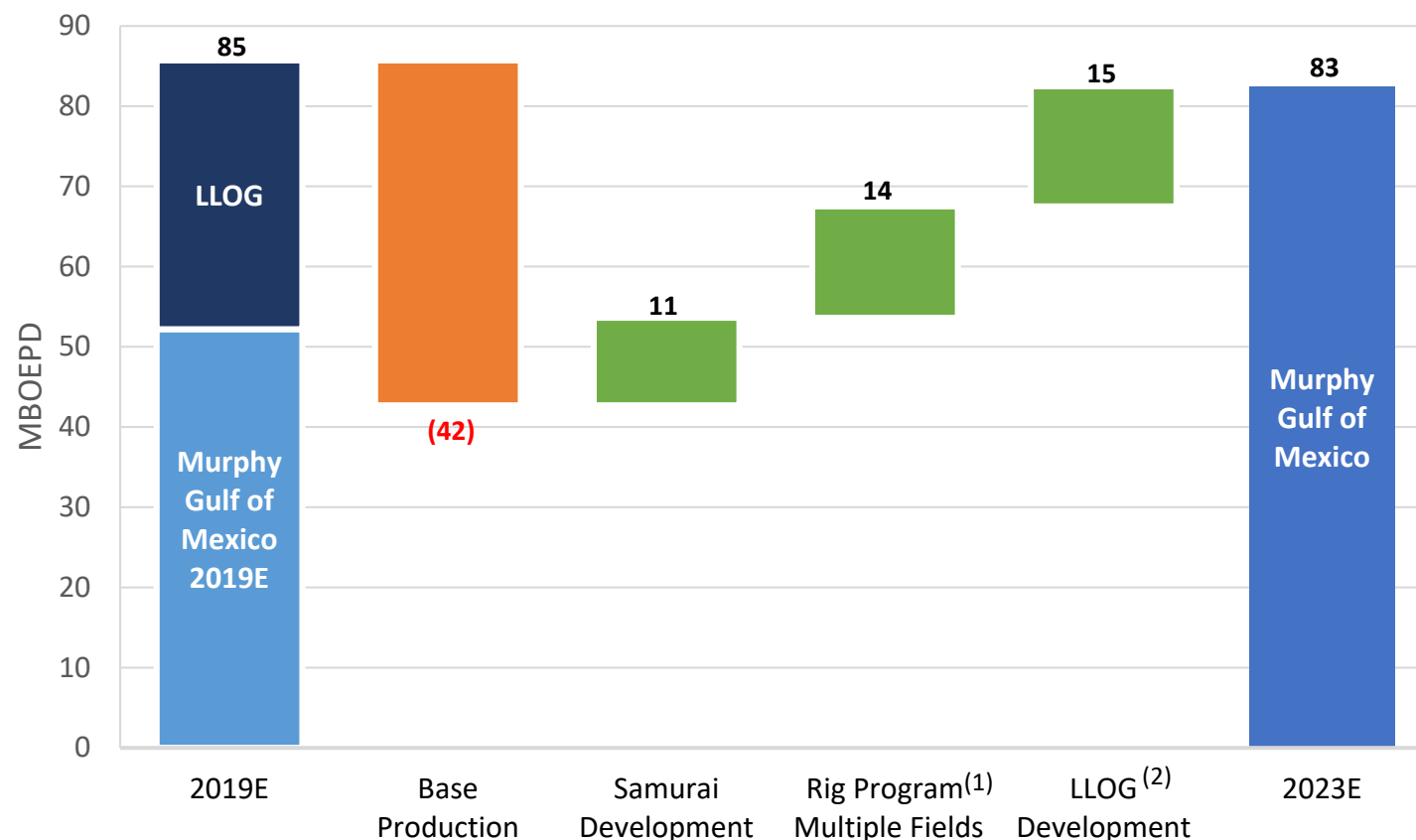
# PORTFOLIO REVIEW

# Murphy's Revitalized Gulf of Mexico Assets

## Delivering Free Cash Flow with Efficient Capital Spending

- Provides Annualized Average Production of ~85 MBOEPD
- Generates ~\$1.0 BN Annual Average EBITDA Per Year
- Requires ~\$325 MM of Annual Average CAPEX
- Results in Annual Average Free Cash Flow ~\$675 MM
- Average EBITDA/BOE ~\$35

2019 – 2023 Estimated Gulf of Mexico Production



2019 – 2023 Avg Annual CAPEX

\$35 MM	\$65 MM	\$105 MM	\$120 MM	<b>Annual Avg CAPEX ~\$325 MM</b>
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WTI \$55/BBL, Assuming Full Year Impact of LLOG Transaction  
Production Volumes, Sales Volumes, Reserves & Financial Amounts Exclude Non-Controlling Interest, Unless Otherwise Stated

(1) Includes Medusa, Front Runner, Dalmatian, Habanero, and Kodiak (2) Includes All Development Project Capital

# Increasing Low Break-Even Locations for High Return Growth

## Kaybob Duvernay

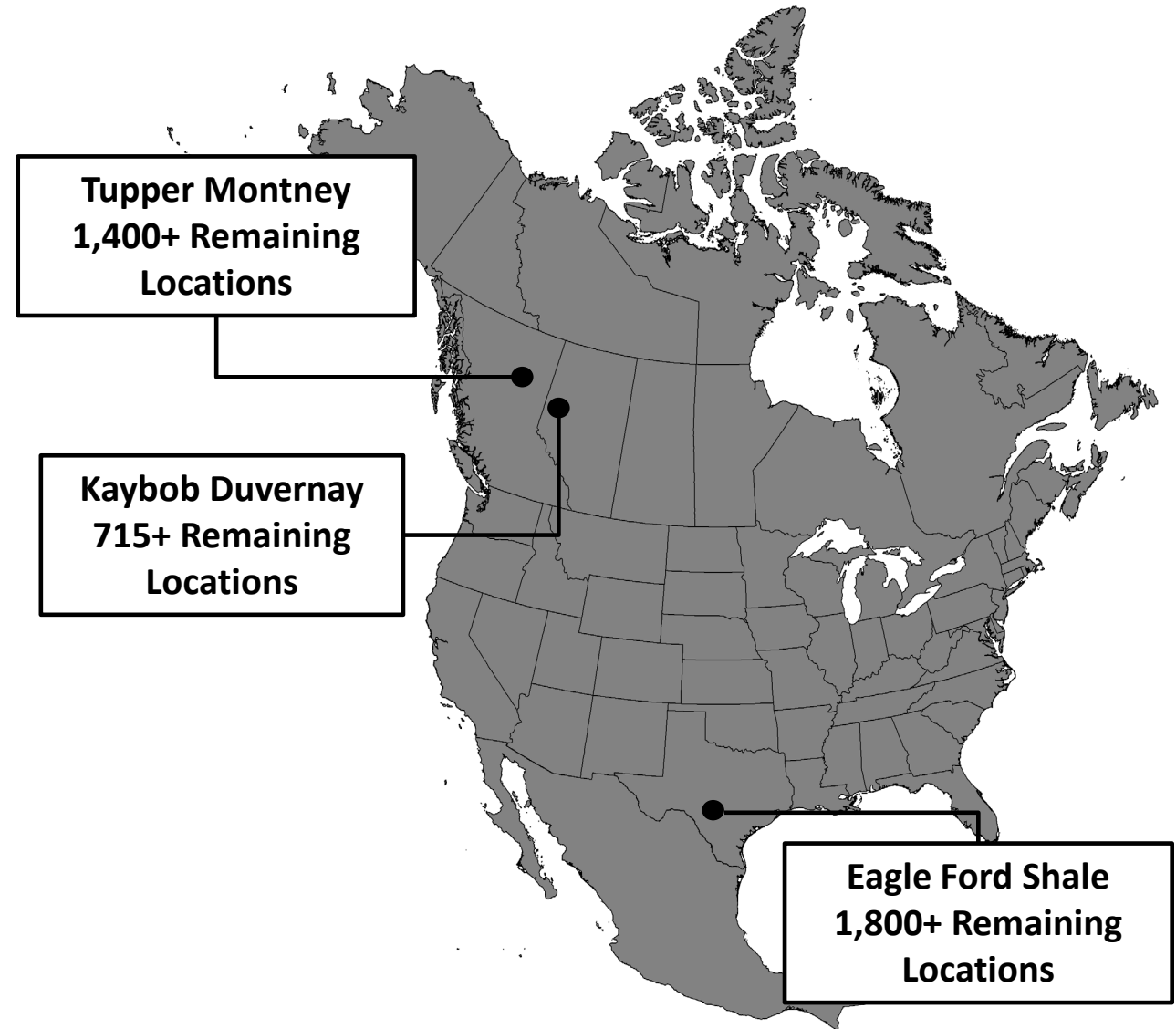
- ~140,000 Net Acres
- 27 Wells Online FY 2018
- Drilled Longest Lateral to Date 11,476 ft (16-14D)
- All Remaining Locations with Break-Even of < \$45/BBL

## Tupper Montney

- ~100,000 Net Acres
- 5 Wells Online FY 2018
- Aggressive Hedging & Price Diversity Program
- 14 TCF Net Resource
- Leading Low-Cost Operator

## Eagle Ford Shale

- ~60% of Remaining Locations with Break-Even of < \$45/BBL



*\*Remaining Locations As of December 31, 2018*

# Producing Consistent Results in the Eagle Ford Shale

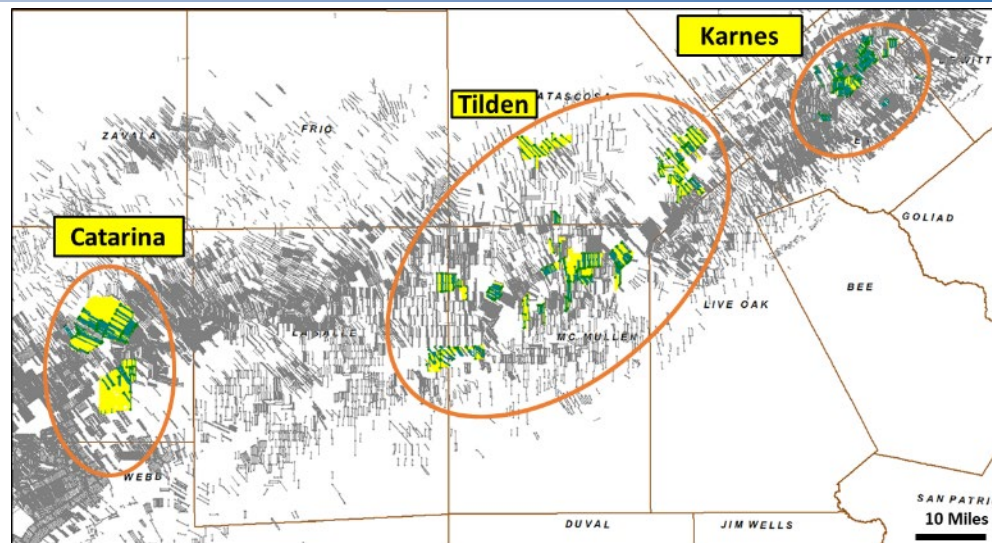
## Operated Well Delivery – 49 Wells Online FY 18

- ~125,000 Net Acres, > 900 Wells Online
- >1,800 Remaining Locations
- Premium LLS Pricing

## Improved Drilling & Completion Performance

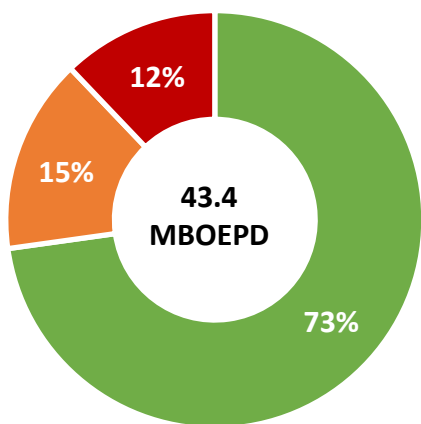
- 2018 Drilling Cost per Foot \$122 – 60% Lower than 2011
- 2018 Completion \$/CLAT \$551 – 13% Decrease Y-O-Y
- Increased ROP 2.5x Since 2011

## Generated 2018 Free Cash Flow of ~\$186 MM

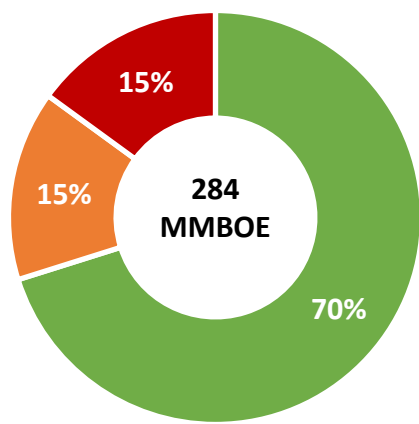


■ Murphy Acreage – Undeveloped   
 ■ Murphy Drilled Wells (Oil)   
 ■ Offset Operator Development

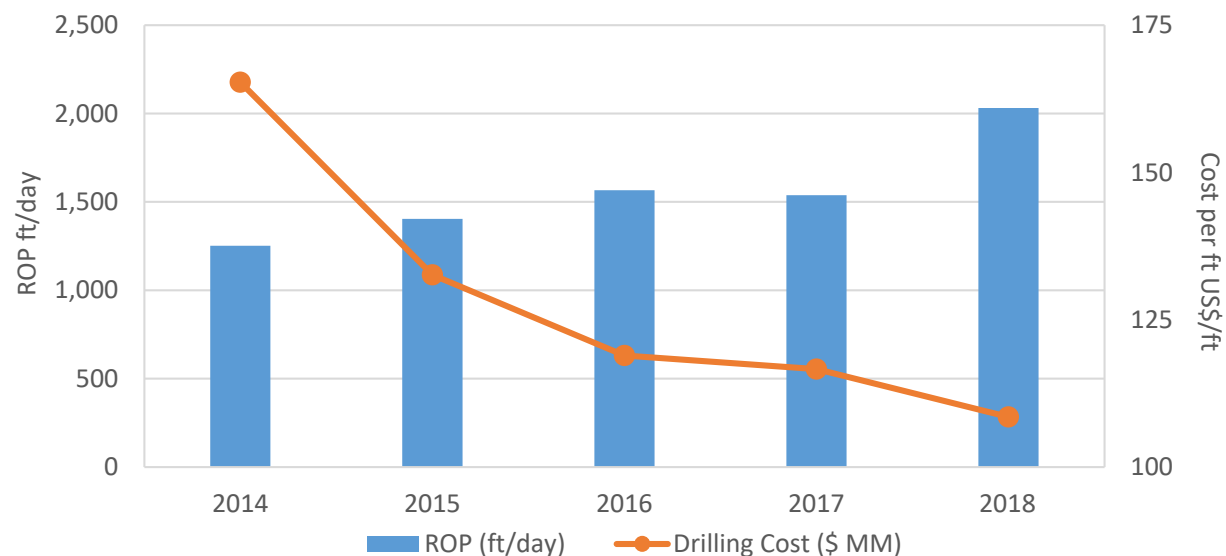
### FY 18 Production



### 2018 Proved Reserves



### 2011 – 2018 Drilling Performance





# EXPLORATION REVIEW

# Exploration Strategy Overview

## Focused & Meaningful

- Four Primary Exploration Growth Areas
- 3 to 5 Exploration Wells per Year
- ~10% of Capital Budget  
\$100 – \$125 MM/Year

## Reduced Risk

- Proven Oil Provinces
- Targeting 20 – 50% Working Interest
- Strong Partnerships

## Key Strategic Themes

- Consistent US Gulf of Mexico Program
- Field Extension & Exploration in Vietnam
- Company-Making Potential from Brazil, Mexico & Australia
- <\$12.00/Barrel Full-Cycle Finding & Development Cost

## Exploration Core Focus Areas



● Recent Exploration Success: 4 of 5 Wells



**LOOKING AHEAD**

# Long-Term Strategy For Cash Flow Generation & Production Growth

## Providing Solid Five-Year Production Growth

- Total Production CAGR ~8%
- Oil Production CAGR ~12%

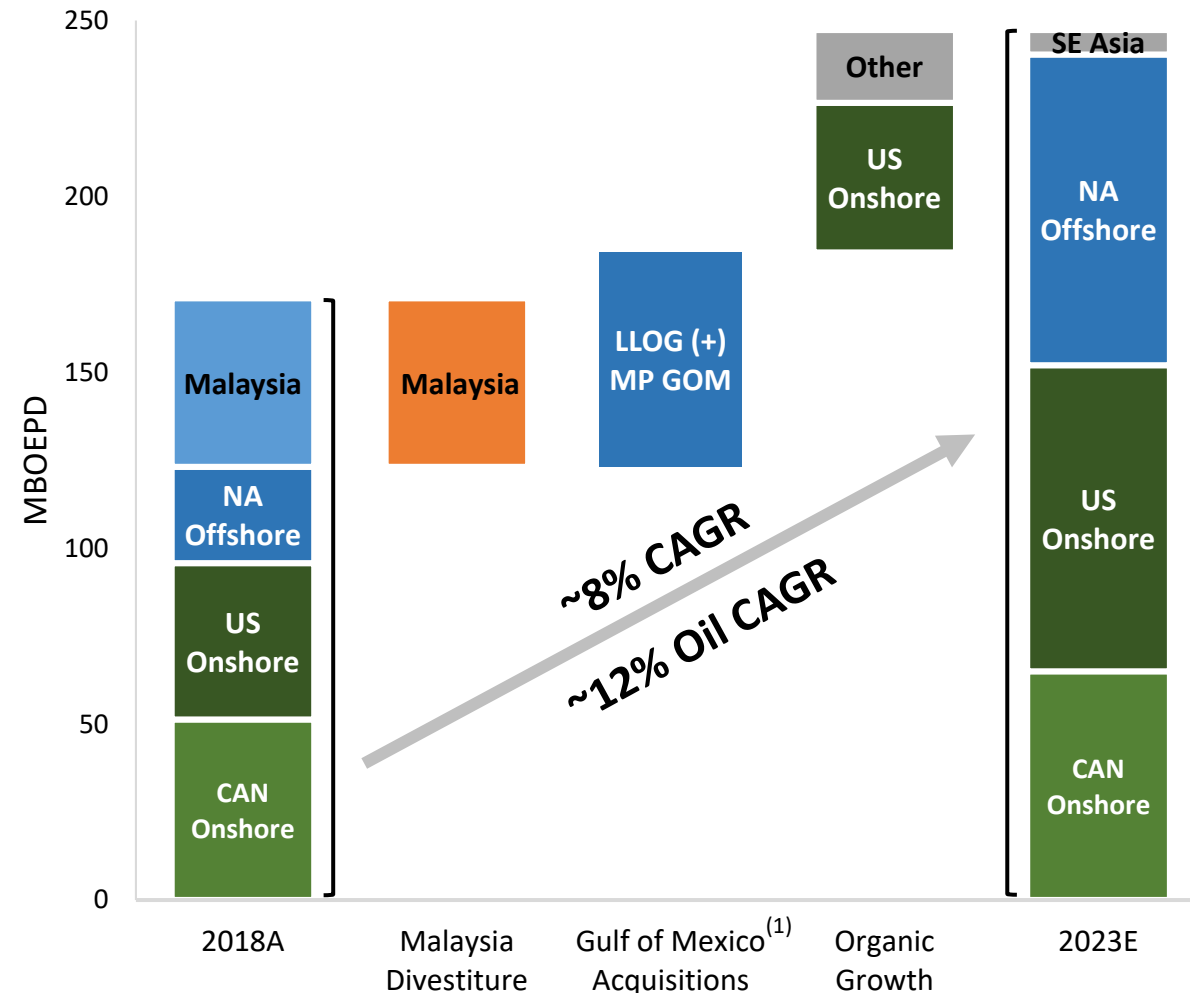
## Balancing Onshore / Offshore Portfolio

- Increases US Onshore Production by 15% CAGR Through Organic Growth
- Multiple Offshore Development Projects to Maintain High Production Levels

## Increasing Free Cash Flow

- Generates ~\$1.4 BN in Free Cash Flow Over 5 Years After Dividends
- \$1BN Increase in Incremental FCF Compared to Pre-Transaction Assets

## 2018A – 2023E Production Growth



(1) Also Includes Samurai Development

(2) NA Offshore includes US Gulf of Mexico and Offshore Canada

WTI \$55/BBL, Assuming Full Year Impact of LLOG Transaction

Production Volumes, Sales Volumes, Reserves & Financial Amounts Exclude Non-Controlling Interest, Unless Otherwise Stated

# Positioning Company for Long-Term Value Creation



Executing Our Strategy for Future Value Creation

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Generating Free Cash Flow with a Competitive Dividend Yield

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Transforming Company Drives Further Profitable Oil-Weighted Growth

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Focusing on Strategic Exploration

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Allocating Capital to High Margin Oil-Weighted Assets

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Focusing on Shareholder Priorities



# APPENDIX

# Non-GAAP Financial Measure Definitions & Reconciliations

The following Non-GAAP financial measure definitions and related reconciliations is intended to satisfy the requirements of Regulation G of the Securities Exchange Act of 1934, as amended. This information is historical in nature. Murphy undertakes no obligation to publicly update or revise any Non-GAAP financial measure definitions and related reconciliations.

# Non-GAAP Reconciliation

## FREE CASH FLOW

Murphy defines Free Cash Flow as net cash provided from continuing operations activities (as stated in the Consolidated Statements of Cash Flows) reduced by capital expenditures and investments.

Free Cash Flow is used by management to evaluate the company's ability to internally fund acquisitions, exploration and development and evaluate trends between periods and relative to its industry competitors.

Free Cash Flow, as reported by Murphy, may not be comparable to similarly titled measures used by other companies and it should be considered in conjunction with net income, cash flow from operations and other performance measures prepared in accordance with generally accepted accounting principles (GAAP). Free Cash Flow should not be considered in isolation or as a substitute for an analysis of Murphy's GAAP results as reported.

<i>\$ Millions</i>	<b>Twelve Months Ended – December 31, 2018</b>
Net cash provided from continuing operations activities (GAAP)	\$1,219.4
Property additions and dry hole costs	(1,102.8)
<b>Free cash flow (Non-GAAP)</b>	<b>116.6</b>
Common shares outstanding	173,059
Free cash flow per share	\$0.67
Market price per share	\$23.39 <sup>1</sup>
<b>Free cash flow yield</b>	<b>3%</b>

<sup>1</sup> MUR Close Price as of December 31, 2018

# Non-GAAP Reconciliation

## ADJUSTED CASH FLOW FROM OPERATIONS

Murphy defines Adjusted Cash Flow from Operations (CFFO) as net cash provided from continuing operations activities (as stated in the Consolidated Statements of Cash Flows) before net increase/decrease in noncash operating working capital.

Adjusted Cash Flow from Operations is used by management to evaluate the company's ability to generate cash that could be returned to shareholders or to fund acquisitions, exploration and development.

Adjusted Cash Flow from Operations, as reported by Murphy, may not be comparable to similarly titled measures used by other companies and it should be considered in conjunction with net income, cash flow from operations and other performance measures prepared in accordance with generally accepted accounting principles (GAAP). Adjusted Cash Flow from Operations should not be considered in isolation or as a substitute for an analysis of Murphy's GAAP results as reported.

<i>\$ Millions</i>	2015	2016	2017	2018	2015 - 2018
Cash dividends paid (GAAP)	\$245.0	206.6	172.6	173.0	797.2
Purchase of treasury stock (GAAP)	250.0	-	-	-	250.0
	<b>495.0</b>	<b>206.6</b>	<b>172.6</b>	<b>173.0</b>	<b>1,047.2</b>
Net cash provided from continuing operations activities (GAAP)	1,183.4	600.8	1,128.1	1,219.4	4,131.7
Net increase (decrease) in noncash operating working capital (GAAP)	(35.1)	38.7	(136.4)	169.8	37.0
<b>Adjusted CFFO (Non-GAAP)</b>	<b>\$1,148.3</b>	<b>639.5</b>	<b>991.7</b>	<b>1,389.2</b>	<b>4,168.7</b>
<b>Dividend and Buyback as % of Adjusted CFFO</b>	<b>43%</b>	<b>32%</b>	<b>17%</b>	<b>12%</b>	<b>25%</b>

# Non-GAAP Reconciliation

## EBITDA

Murphy defines EBITDA as income from continuing operations attributable to Murphy <sup>1</sup> before interest, taxes, depreciation and amortization (DD&A).

Management believes that EBITDA provides useful information for assessing Murphy's financial condition and results of operations and it is a widely accepted financial indicator of the ability of a company to incur and service debt, fund capital expenditure programs, and pay dividends and make other distributions to stockholders.

EBITDA as reported by Murphy, may not be comparable to similarly titled measures used by other companies and it should be considered in conjunction with net income, cash flow from operations and other performance measures prepared in accordance with generally accepted accounting principles (GAAP). EBITDA has certain limitations regarding financial assessments because they excludes certain items that affect net income and net cash provided by operating activities. EBITDA should not be considered in isolation or as a substitute for an analysis of Murphy's GAAP results as reported.

<i>\$ Millions</i>	2018	2017	2016	2015	2014	2013
Net Income(Loss)from continuing operations	414.62	(310.94)	(273.94)	(2,255.77)	1,024.97	888.14
Provision for Income Taxes	9.33	382.74	(219.17)	(1,026.49)	227.30	584.55
Depreciation, depletion and amortization	966.91	957.72	1,054.08	1,619.82	1,906.25	1,553.39
Impairments of assets	20.00	-	95.09	2,493.16	51.30	21.59
Interest expense, net	181.60	181.78	148.17	117.38	115.82	71.90
<b>EBITDA (Non-GAAP)</b>	<b>1,592.5</b>	<b>1,211.3</b>	<b>804.2</b>	<b>948.1</b>	<b>3,325.6</b>	<b>3,119.6</b>

# Non-GAAP Reconciliation

## Debt / EBITDA

Murphy defines Debt over EBITDA as Long-term debt plus Current maturities of long-term debt divided by EBITDA. Management believes this is useful for assessing Murphy's financial condition and balance sheet strength.

## Debt / Capital Employed

Murphy defines Debt divided by Capital Employed as Long-term debt plus Current maturities of long-term debt divided by Long-term debt plus current maturities of long-term debt plus Murphy Shareholders' Equity. Management believes this is useful for assessing Murphy's financial balance sheet condition.

<i>\$ Millions</i>	2018	2017	2016	2015
Long-term Debt	3,227.1	2,916.4	2,442.8	3,040.6
Current Maturities Of Long-Term Debt	10.6	9.9	569.8	18.9
Total Debt	3,237.7	2,926.3	3,012.6	3,059.5
<b>Debt/EBITDA</b>	<b>2.0</b>	<b>2.4</b>	<b>3.7</b>	<b>3.2</b>
<i>\$ Millions</i>	2018	2017	2016	2015
Total Debt	3,237.7	2,926.3	3,012.6	3,059.5
Murphy Shareholders' Equity	5,306.7	4,916.7	4,620.2	4,829.3
Capital Employed	8,366.2	7,929.3	7,546.5	8,067.0
<b>Debt/Capital Employed</b>	<b>40.1%</b>	<b>38.8%</b>	<b>38.0%</b>	<b>36.6%</b>

# Non-GAAP Reconciliation

## Controllable Costs

Murphy defines Controllable costs per produced BOE as Lease operating expenses plus Selling & general expenses divided by produced barrels of oil equivalent in the period. Management believes this is useful for assessing Murphy's ability to manage costs.

<i>\$ Millions</i>	2018	2017	2016	2015	2014	2013
Lease Operating Expenses	558.9	468.3	559.4	832.3	1,089.9	1,252.9
Selling & General Expenses	216.0	203.6	246.3	306.7	364.0	379.0
Controllable Costs	774.9	671.9	805.7	1,139.0	1,453.9	1,631.9
Produced Volumes – Thousands of BOE	62,844	59,691	64,114	75,885	82,480	75,087
<b>Controllable Costs Per Produced BOE - \$</b>	<b>12.33</b>	<b>11.26</b>	<b>12.57</b>	<b>15.01</b>	<b>17.63</b>	<b>21.73</b>

# Abbreviations

**BBL:** barrels (equal to 42 US gallons)

**BCF:** billions of cubic feet

**BCFE:** billion cubic feet equivalent

**BN:** billions

**BOE:** barrels of oil equivalent (1 barrel of oil or 6000 cubic feet of natural gas)

**BOEPD:** barrels of oil equivalent per day

**BOPD:** barrels of oil per day

**CAGR:** compound annual growth rate

**D&C:** drilling & completion

**DD&A:** depreciation, depletion & amortization

**EBITDA:** income from continuing operations before taxes, depreciation, depletion and amortization, and net interest expense

**EBITDAX:** income from continuing operations before taxes, depreciation, depletion and amortization, net interest expense, and exploration expenses

**EFS:** Eagle Ford Shale

**EUR:** estimated ultimate recovery

**F&D:** finding & development

**FLNG:** floating liquefied natural gas

**G&A:** general and administrative expenses

**GOM:** Gulf of Mexico

**HCPV:** hydrocarbon pore volume

**JV:** joint venture

**LOE:** lease operating expense

**LLS:** Light Louisiana Sweet (a grade of crude oil, includes pricing for GOM and EFS)

**LNG:** liquefied natural gas

**MBOE:** thousands barrels of oil equivalent

**MBOEPD:** thousands of barrels of oil equivalent per day

**MCF:** thousands of cubic feet

**MCFD:** thousands cubic feet per day

**MM:** millions

**MMBOE:** millions of barrels of oil equivalent

**MMCF:** millions of cubic feet

**MMCFD:** millions of cubic feet per day

**MMCFEPD:** million cubic feet equivalent per day

**MMSTB:** million stock barrels

**MCO:** Malaysia Crude Official Selling Price, differential to average monthly calendar price of Platts Dated Brent for delivery month

**NA:** North America

**NGL:** natural gas liquid

**Production Expense:** lease operating expense including severance & ad valorem

**ROR:** rate of return

**R/P:** ratio of reserves to annual production

**TCF:** trillion cubic feet

**TCPL:** TransCanada Pipeline

**TOC:** total organic content

**WI:** working interest

**WTI:** West Texas Intermediate (a grade of crude oil)

# ANNUAL MEETING OF STOCKHOLDERS & SUPPLEMENTAL MATERIAL

EL DORADO, ARKANSAS

MAY 2019



**ROGER W. JENKINS**

PRESIDENT & CHIEF EXECUTIVE OFFICER

**MURPHY**  
OIL CORPORATION