Murphy Oil Announces Status of Louisiana Refinery

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EL DORADO, Ark.--(BUSINESS WIRE)--June 17, 2003--Murphy Oil Corporation (NYSE:MUR) announced that its refinery in Meraux, Louisiana will be shut down through the third quarter of 2003 to partially repair damage suffered in last week's fire and to tie-in the Company's Clean Fuels Project equipment as previously scheduled. The Meraux refinery currently has a crude oil processing capacity of 100,000 barrels a day but will be expanded to 125,000 barrels a day following project completion with the added capability to manufacture 100% ultra-low sulfur diesel and gasoline. Fire damage was severe, but confined to a small area of the plant. The Residual Oil Supercritical Extractor (ROSE) at Meraux, a residual oil upgrader, is considered a total loss and plans are already underway to replace the unit. Repairs will also be necessary to some ancillary plant equipment, including the Vacuum Unit, and piping and electrical wiring for that section of the refinery. Current estimates suggest that it will be a year or more before the damage is completely repaired. The Company's insurance, less applicable deductibles and self insurance, is expected to cover the cost of repairing damages and financial detriment suffered until repairs are completed. Total charges for the deductibles and self-insurance are expected to be recognized during the second quarter in the amount of $4.2 million on a pre-tax basis.

Claiborne Deming, Murphy President and Chief Executive Officer, commented, "The important thing is that no one was seriously hurt in the fire. The downtime for the refinery, while vexing, will be only temporary. Efforts are underway to get the refinery operating as soon as possible and complete, as planned, our Clean Fuels Project, which will be tied-in while the plant is not operating. Meanwhile, our retail franchise, Murphy USA, will continue to be seamlessly supplied with gasoline and diesel."

The forward-looking statements reflected in this release are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. No assurance can be given that the results discussed herein will be attained, and certain important factors that may cause actual results to differ materially are contained in Murphy's January 15, 1997 Form 8-K report on file with the U.S. Securities and Exchange Commission.

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SOURCE: Murphy Oil Corporation