

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

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended DECEMBER 31, 1999

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 (I.R.S. Employer Identification Number)
incorporation or organization)

200 PEACH STREET, P.O. BOX 7000, 71731-7000
EL DORADO, ARKANSAS (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (870) 862-6411

Securities registered pursuant to Section 12(b) of the Act:

Table with 2 columns: Title of each class, Name of each exchange on which registered. Rows include COMMON STOCK, \$1.00 PAR VALUE and SERIES A PARTICIPATING CUMULATIVE PREFERRED STOCK PURCHASE RIGHTS.

Securities registered pursuant to Section 12(g) of the Act: None

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, and (2) has been subject to such filing requirements
for the past 90 days. Yes X No ____.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K. []

Aggregate market value of the voting stock held by non-affiliates of the
registrant, based on average price at January 31, 2000, as quoted by the New
York Stock Exchange, was approximately \$1,927,840,000.

Number of shares of Common Stock, \$1.00 Par Value, outstanding at January 31,
2000 was 45,013,897.

Documents incorporated by reference:

Portions of the Registrant's definitive Proxy Statement relating to the Annual
Meeting of Stockholders on May 10, 2000 have been incorporated by reference in
Part III herein.

=====

MURPHY OIL CORPORATION
TABLE OF CONTENTS - 1999 FORM 10-K REPORT

	Page Number -----
PART I	
Item 1. Business	1
Item 2. Properties	1
Item 3. Legal Proceedings	6
Item 4. Submission of Matters to a Vote of Security Holders	7
PART II	
Item 5. Market for Registrant's Common Equity and Related Stockholder Matters	7
Item 6. Selected Financial Data	7
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	8
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	17
Item 8. Financial Statements and Supplementary Data	18
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	18
PART III	
Item 10. Directors and Executive Officers of the Registrant	18
Item 11. Executive Compensation	18
Item 12. Security Ownership of Certain Beneficial Owners and Management	18
Item 13. Certain Relationships and Related Transactions	18
PART IV	
Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K	19
Exhibit Index	19
Signatures	21

PART I

Items 1. and 2. BUSINESS AND PROPERTIES

SUMMARY

Murphy Oil Corporation is a worldwide oil and gas exploration and production company with refining and marketing operations in the United States and the United Kingdom and crude oil transportation and trading operations in Canada. As used in this report, the terms Murphy, Murphy Oil, we, our, its and Company may refer to Murphy Oil Corporation or any one or more of its consolidated subsidiaries.

The Company was originally incorporated in Louisiana in 1950 as Murphy Corporation. It was reincorporated in Delaware in 1964, at which time it adopted the name Murphy Oil Corporation, and was reorganized in 1983 to operate primarily as a holding company of its various businesses. Its operations are classified into two business activities: (1) "Exploration and Production" and (2) "Refining, Marketing and Transportation." For reporting purposes, Murphy's exploration and production activities are subdivided into five geographic segments -- the United States, Canada, the United Kingdom, Ecuador and all other countries; Murphy's refining, marketing and transportation activities are subdivided into three geographic segments -- the United States, the United Kingdom and Canada. Additionally, "Corporate and Other Activities" include interest income, interest expense and overhead not allocated to the segments. On December 31, 1996, Murphy completed a spin-off to its stockholders of its wholly owned farm, timber and real estate subsidiary, Deltic Farm & Timber Co., Inc. (reincorporated as "Deltic Timber Corporation").

The information appearing in the 1999 Annual Report to Security Holders (1999 Annual Report) is incorporated in this Form 10-K report as Exhibit 13 and is deemed to be filed as part of this Form 10-K report as indicated under Items 1, 2 and 7. A narrative of the graphic and image information that appears in the paper format version of Exhibit 13 is included in the electronic Form 10-K document as an appendix to Exhibit 13.

In addition to the following information about each business activity, data about Murphy's operations, properties and business segments, including revenues by class of products and financial information by geographic area, are provided on pages 7 through 14, F-8, F-19 through F-21, and F-24 through F-26 of this Form 10-K report and on pages 6 through 19 of the 1999 Annual Report.

EXPLORATION AND PRODUCTION

During 1999, Murphy's principal exploration and production activities were conducted in the United States and Ecuador by wholly owned Murphy Exploration & Production Company (Murphy Expro) and its subsidiaries, in western Canada and offshore eastern Canada by wholly owned Murphy Oil Company Ltd. (MOCL) and its subsidiaries, and in the U.K. North Sea and the Atlantic Margin by wholly owned Murphy Petroleum Limited. Murphy's crude oil and natural gas liquids production in 1999 was in the United States, Canada, the United Kingdom and Ecuador; its natural gas was produced and sold in the United States, Canada and the United Kingdom. MOCL owns a 5% interest in Syncrude Canada Ltd., which utilizes its assets to extract bitumen from oil sand deposits in northern Alberta and to upgrade this into synthetic crude oil. Subsidiaries of Murphy Expro conducted exploration activities in various other areas including Malaysia, the Faroe Islands, Pakistan, Philippines, Spain and Ireland.

Murphy's estimated net quantities of proved oil and gas reserves and proved developed oil and gas reserves at December 31, 1996, 1997, 1998 and 1999 by geographic area are reported on page F-23 of this Form 10-K report. Murphy has not filed and is not required to file any estimates of its total net proved oil or gas reserves on a recurring basis with any federal or foreign governmental regulatory authority or agency other than the U.S. Securities and Exchange Commission. Annually, Murphy reports gross reserves of properties operated in the United States to the U.S. Department of Energy; such reserves are derived from the same data from which estimated net proved reserves of such properties are determined.

Net crude oil, condensate, and gas liquids production and net natural gas sales by geographic area with weighted average sales prices for each of the five years ended December 31, 1999 are shown on page 21 of the 1999 Annual Report.

Production costs for the last three years in U.S. dollars per equivalent barrel produced are discussed on page 11 of this Form 10-K report. For purposes of these computations, natural gas volumes are converted to equivalent barrels of crude oil using a ratio of six thousand cubic feet (MCF) of natural gas to one barrel of crude oil.

Supplemental disclosures relating to oil and gas producing activities are reported on pages F-22 through F-27 of this Form 10-K report.

At December 31, 1999, Murphy held leases, concessions, contracts or permits on nonproducing and producing acreage as shown by geographic area in the following table. Gross acres are those in which all or part of the working interest is owned by Murphy; net acres are the portions of the gross acres applicable to Murphy's working interest.

Area (Thousands of acres)	Nonproducing		Producing		Total	
	Gross	Net	Gross	Net	Gross	Net
United States - Onshore	3	3	40	21	43	24
- Gulf of Mexico	805	454	313	115	1,118	569
- Frontier	119	44	--	--	119	44
Total United States	927	501	353	136	1,280	637
Canada - Onshore	781	529	1,226	199	2,007	728
- Offshore	3,874	908	55	3	3,929	911
- Oil sands	222	63	10	2	232	65
Total Canada	4,877	1,500	1,291	204	6,168	1,704
United Kingdom	1,423	448	77	11	1,500	459
Ecuador	--	--	494	99	494	99
Ireland	896	224	--	--	896	224
Malaysia	6,498	5,319	--	--	6,498	5,319
Pakistan	3,795	3,795	--	--	3,795	3,795
Philippines	3,695	2,956	--	--	3,695	2,956
Spain	330	99	--	--	330	99
Tunisia	109	36	--	--	109	36
Totals	22,550	14,878	2,215	450	24,765	15,328

As used in the three tables that follow, "gross" wells are the total wells in which all or part of the working interest is owned by Murphy, and "net" wells are the total of the Company's fractional working interests in gross wells expressed as the equivalent number of wholly owned wells.

The following table shows the number of oil and gas wells producing or capable of producing at December 31, 1999.

Country	Oil Wells		Gas Wells	
	Gross	Net	Gross	Net
United States	300	131.6	209	77.1
Canada	3,932	786.0	768	272.0
United Kingdom	149	18.0	21	1.6
Ecuador	59	11.8	--	--
Totals	4,440	947.4	998	350.7
Wells included above with multiple completions and counted as one well each	82	37.9	80	59.8

Murphy's net wells drilled in the last three years are shown in the following table.

	United States		Canada		United Kingdom		Ecuador		Other		Total	
	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry
1999												
Exploratory	1.4	1.0	5.3	5.5	-	-	.4	-	-	-	7.1	6.5
Development	.6	-	13.7	.2	1.0	-	.8	-	-	-	16.1	.2
1998												
Exploratory	9.0	.8	4.8	7.5	-	-	-	-	-	1.0	13.8	9.3
Development	.6	-	5.4	-	1.9	-	1.2	-	-	-	9.1	-
1997												
Exploratory	7.6	6.8	15.8	8.3	.5	.6	-	-	.4	1.0	24.3	16.7
Development	2.9	-	83.0	-	.9	.3	1.6	-	-	-	88.4	.3

Murphy's drilling wells in progress at December 31, 1999 are shown below.

Country	Exploratory		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
United States	3	1.6	--	--	3	1.6
Canada	2	.7	3	.7	5	1.4
United Kingdom	--	--	5	.5	5	.5
Ecuador	--	--	1	.2	1	.2
Totals	5	2.3	9	1.4	14	3.7

Additional information about current exploration and production activities is reported on pages 1 through 15 of the 1999 Annual Report.

REFINING, MARKETING AND TRANSPORTATION

Murphy Oil USA, Inc. (MOUSA), a wholly owned subsidiary, owns and operates two refineries in the United States. The Meraux, Louisiana refinery is located on fee land and on two leases that expire in 2010 and 2021, at which times the Company has options to purchase the leased acreage at fixed prices. The refinery at Superior, Wisconsin is located on fee land. Murco Petroleum Limited (Murco), a wholly owned U.K. subsidiary serviced by Murphy Eastern Oil Company, has an effective 30% interest in a refinery at Milford Haven, Wales that can process 108,000 barrels of crude oil a day. Refinery capacities at December 31, 1999 are shown in the following table.

	Meraux, Louisiana -----	Superior, Wisconsin -----	Milford Haven, Wales (Murco's 30%) -----	Total -----
Crude capacity - b/sd*	100,000	35,000	32,400	167,400
Process capacity - b/sd*				
Vacuum distillation	50,000	20,500	16,500	87,000
Catalytic cracking - fresh feed	38,000	11,000	9,960	58,960
Pretreating cat-reforming feeds	22,000	9,000	5,490	36,490
Catalytic reforming	18,000	8,000	5,490	31,490
Distillate hydrotreating	15,000	7,800	20,250	43,050
Gas oil hydrotreating	27,500	--	--	27,500
Solvent deasphalting	18,000	--	--	18,000
Isomerization	--	2,000	3,400	5,400
Production capacity - b/sd*				
Alkylation	8,500	1,500	1,680	11,680
Asphalt		7,500	--	7,500
Crude oil and product storage capacity - barrels	4,453,000	2,852,000	2,638,000	9,943,000

*Barrels per stream day.

MOUSA markets refined products through a network of branded and unbranded wholesale customers and retail gasoline stations in the United States and Canada. Branded wholesale customers use the brand name SPUR(R). Murphy's retail stations are primarily located in the parking areas of Wal-Mart stores and use the brand name Murphy USA(R). Refined products are supplied from 11 terminals that are wholly owned and operated by MOUSA, 16 terminals that are jointly owned and operated by others, and numerous terminals owned by others. Of the terminals wholly owned or jointly owned, four are supplied by marine transportation, three are supplied by truck, two are adjacent to MOUSA's refineries and 18 are supplied by pipeline. MOUSA receives products at the terminals owned by others either in exchange for deliveries from the Company's terminals or by outright purchase. At December 31, 1999, the Company marketed products through 145 Murphy USA stations in a 13-state area of the southern United States, 480 SPUR stations (25 of which are either owned or leased by the Company) in a 14-state area in the southeastern and upper-midwestern United States, and eight SPUR stations in the Thunder Bay area of Ontario, Canada. The Company plans to add up to 150 new Murphy USA stations at Wal-Mart sites in the southern and midwestern United States in 2000.

At the end of 1999, Murco distributed refined products in the United Kingdom from the Milford Haven refinery, three wholly owned terminals supplied by rail, seven terminals owned by others where products are received in exchange for deliveries from the Company's terminals, and 384 branded stations under the brand names MURCO and EP.

Murphy owns a 20% interest in a 120-mile refined products pipeline, with a capacity of 165,000 barrels a day, that transports products from the Meraux refinery to two common carrier pipelines serving the southeastern United States. The Company also owns a 22% interest in a 312-mile crude oil pipeline in Montana and Wyoming, with a capacity of 120,000 barrels a day, and a 3.2% interest in LOOP LLC, which provides deepwater unloading accommodations off the Louisiana coast for oil tankers and onshore facilities for storage of crude oil. A crude oil pipeline with a diameter of 24 inches connects LOOP storage at Clovelly, Louisiana to the Meraux refinery. Murphy owns 29.4% of the first 22 miles of this pipeline from Clovelly to Alliance, Louisiana and 100% of the remaining 24 miles from Alliance to Meraux. The pipeline is connected to another company's pipeline system, allowing crude oil transported by that system to also be shipped to the Meraux refinery.

At December 31, 1999, MOCL operated the following Canadian crude oil pipelines, with the ownership percentage, extent and capacity in barrels a day of each as shown. MOCL also operated and owned all or most of several short lateral connecting pipelines.

Pipeline	Description	Percent	Miles	Bbls./Day	Route
Manito	Dual heavy oil	52.5	101	65,000	Dulwich to Kerrobert, Sask.
North-Sask	Dual heavy oil	36.1	40	20,000	Paradise Hill to Dulwich, Sask.
Cactus Lake	Dual heavy oil	13.1	40	50,000	Cactus Lake to Kerrobert, Sask.
Bodo	Dual heavy oil	41.3	15	18,000	Bodo, Alta. to Cactus Lake, Sask.
Milk River	Dual medium/light oil	100	10.5	118,000	Milk River, Alta. to U.S. border
Wascana	Single light oil	100	108	45,000	Regina, Sask. to U.S. border
Senlac	Dual heavy oil	100	28	15,000	Senlac to Unity, Sask.

Additional information about current refining, marketing and transportation activities and a statistical summary of key operating and financial indicators for each of the five years ended December 31, 1999 are reported on pages 1 through 3, 5, 16 through 19, and 22 of the 1999 Annual Report.

EMPLOYEES

At December 31, 1999, Murphy had 2,153 employees -- 1,476 full-time and 677 part-time.

COMPETITION AND OTHER CONDITIONS WHICH MAY AFFECT BUSINESS

Murphy operates in the oil industry and experiences intense competition from other oil and gas companies, many of which have substantially greater resources. In addition, the oil industry as a whole competes with other industries in supplying energy requirements around the world. Murphy is a net purchaser of crude oil and other refinery feedstocks and purchases refined products and may be required to respond to operating and pricing policies of others, including producing country governments from whom it makes purchases. Additional information concerning current conditions of the Company's business is reported under the caption "Outlook" on page 16 of this Form 10-K report.

The operations and earnings of Murphy have been and continue to be affected by worldwide political developments. Many governments, including those that are members of the Organization of Petroleum Exporting Countries (OPEC), unilaterally intervene at times in the orderly market of crude oil and natural gas produced in their countries through such actions as setting prices, determining rates of production, and controlling who may buy and sell the production. In addition, prices and availability of crude oil, natural gas and refined products could be influenced by political unrest and by various governmental policies to restrict or increase petroleum usage and supply. Other governmental actions that could affect Murphy's operations and earnings include tax changes and regulations concerning: currency fluctuations, protection and remediation of the environment (See the caption "Environmental" on page 15 of this Form 10-K report), preferential and discriminatory awarding of oil and gas leases, restrictions on drilling and/or production, restraints and controls on imports and exports, safety, and relationships between employers and employees. Because these and other factors too numerous to list are subject to constant changes caused by governmental and political considerations and are often made in great haste in response to changing internal and worldwide economic conditions and to actions of other governments or specific events, it is not practical to attempt to predict the effects of such factors on Murphy's future operations and earnings.

Murphy's business is subject to operational hazards and risks normally associated with the exploration for and production of oil and natural gas and the refining, marketing and transportation of crude oil and petroleum products. The occurrence of a significant event could result in the loss of hydrocarbons, environmental pollution, personal injury and loss of life, damage to the property of the Company and others, and loss of revenues, and could subject the Company to substantial fines and/or claims for punitive damages. Murphy maintains insurance against certain, but not all, hazards that could arise from its operations, and such insurance is believed to be reasonable for the hazards and risks faced by the Company. There can be no assurance that such insurance will be adequate to offset lost revenues or costs associated with potentially significant events or that insurance coverage will continue to be available in the future on terms that justify its purchase. The occurrence of a significant event that is not fully insured could have a material adverse effect on the Company's financial condition and results of operations in the future.

EXECUTIVE OFFICERS OF THE REGISTRANT

The age at January 1, 2000, present corporate office and length of service in office of each of the Company's executive officers are reported in the following listing. Executive officers are elected annually but may be removed from office at any time by the Board of Directors.

R. Madison Murphy - Age 42; Chairman of the Board since October 1994 and Director and Member of the Executive Committee since 1993. Mr. Murphy served as Executive Vice President and Chief Financial and Administrative Officer from 1993 to 1994; Executive Vice President and Chief Financial Officer from 1992 to 1993; Vice President, Planning/Treasury, from 1991 to 1992; and Vice President, Planning, from 1988 to 1991, with additional duties as Treasurer from 1990 until August 1991.

Claiborne P. Deming - Age 45; President and Chief Executive Officer since October 1994 and Director and Member of the Executive Committee since 1993. He served as Executive Vice President and Chief Operating Officer from 1992 to 1993 and President of MOUSA from 1989 to 1992.

Steven A. Cosse' - Age 52; Senior Vice President since October 1994 and General Counsel since August 1991. Mr. Cosse' was elected Vice President in 1993. For the eight years prior to August 1991, he was General Counsel for Murphy Expro, at that time named Ocean Drilling & Exploration Company (ODECO), a majority-owned subsidiary of Murphy.

Herbert A. Fox Jr. - Age 65; Vice President since October 1994. Mr. Fox has also been President of MOUSA since 1992. He served with MOUSA as Vice President, Manufacturing, from 1990 to 1992.

Bill H. Stobaugh - Age 48; Vice President since May 1995, when he joined the Company. Prior to that, he had held various engineering, planning and managerial positions, the most recent being with an engineering consulting firm.

Odie F. Vaughan - Age 63; Treasurer since August 1991. From 1975 through July 1991, he was with ODECO as Vice President of Taxes and Treasurer.

John W. Eckart - Age 41; Controller since March 2000. Mr. Eckart had been Assistant Controller since February 1995. He joined the Company as Auditing Manager in 1990.

Walter K. Compton - Age 37; Secretary since December 1996. He has been an attorney with the Company since 1988 and became Manager, Law Department, in November 1996.

ITEM 3. LEGAL PROCEEDINGS

Following a 1998 compliance inspection of the Superior, Wisconsin refinery, the U.S. Environmental Protection Agency (EPA) gave the Company notices of violation of environmental laws. Although the penalty amounts were not listed, the statutes involved provide for rates of up to \$27,500 per day of violation. The EPA has referred the matter to the U.S. Department of Justice for enforcement. The Superior refinery also received a notice of violation from the Wisconsin Department of Natural Resources for alleged failure to meet new source performance emission standards for the sulfur plant at the refinery. This item has been referred to the Wisconsin Department of Justice for enforcement. Penalties for these alleged state and federal violations could exceed \$100,000. The Company believes it has valid defenses to these alleged violations and plans vigorous defenses. While the enforcement actions are in their preliminary stages and no assurance can be given, the Company does not believe that the ultimate resolution of these matters 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.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of 1999.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock is traded on the New York Stock Exchange and the Toronto Stock Exchange using "MUR" as the trading symbol. There were 3,431 stockholders of record as of December 31, 1999. Information as to high and low market prices per share and dividends per share by quarter for 1999 and 1998 are reported on page F-28 of this Form 10-K report.

ITEM 6. SELECTED FINANCIAL DATA

(Thousands of dollars except per share data)	1999	1998	1997	1996	1995
	----	----	----	----	----
RESULTS OF OPERATIONS FOR THE YEAR/1/					
Sales and other operating revenues	\$2,036,840	1,694,470	2,133,387	2,009,736	1,613,848
Net cash provided by continuing operations	368,878	321,091	401,843	472,480	309,878
Income (loss) from continuing operations	119,707	(14,394)	132,406	125,956	(127,919)
Net income (loss)	119,707	(14,394)	132,406	137,855	(118,612)
Per Common share - diluted					
Income (loss) from continuing operations	2.66	(.32)	2.94	2.80	(2.85)
Net income (loss)	2.66	(.32)	2.94	3.07	(2.65)
Cash dividends per Common share	1.40	1.40	1.35	1.30	1.30
Percentage return on					
Average stockholders' equity	12.3	(1.3)	12.7	12.2	(9.3)
Average borrowed and invested capital	9.7	(.6)	10.4	10.4	(7.9)
Average total assets	5.2	(.6)	6.0	6.2	(5.2)
CAPITAL EXPENDITURES FOR THE YEAR					
Exploration and production	\$ 295,958	331,647	423,181	373,984	231,718
Refining, marketing and transportation	88,075	55,025	37,483	42,880	53,602
Corporate and other	2,572	2,127	7,367	1,192	1,831
	-----	-----	-----	-----	-----
	\$ 386,605	388,799	468,031	418,056	287,151
	=====	=====	=====	=====	=====
FINANCIAL CONDITION AT DECEMBER 31					
Current ratio	1.22	1.15	1.10	1.10	1.22
Working capital	\$ 105,477	56,616	48,333	56,128	87,388
Net property, plant and equipment	1,782,741	1,662,362	1,655,838	1,556,830	1,377,455
Total assets	2,445,508	2,164,419	2,238,319	2,243,786	2,098,466
Long-term debt	393,164	333,473	205,853	201,828	193,146
Stockholders' equity	1,057,172	978,233	1,079,351	1,027,478/2/	1,101,145
Per share	23.49	21.76	24.04	22.90	24.56
Long-term debt - percent of capital employed	27.1	25.4	16.0	16.4	14.9

/1/Includes effects on income of special items in 1999, 1998 and 1997 that are detailed in Management's Discussion and Analysis of Financial Condition and Results of Operations. Also, special items in 1996 and 1995 increased (decreased) net income by \$22,124, \$.49 a diluted share, and \$(152,066), \$(3.39) a diluted share, respectively.

/2/Reflects \$172,561 charge for distribution of common stock of Deltic Timber Corporation to Murphy's stockholders.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Company reported net income in 1999 of \$119.7 million, \$2.66 a diluted share, compared to a net loss in 1998 of \$14.4 million, \$0.32 a diluted share. In 1997, the Company earned \$132.4 million, \$2.94 a diluted share. Results of operations for the three years ended December 31, 1999 included certain special items that resulted in a net benefit of \$19.7 million, \$0.44 a diluted share, in 1999; a net charge of \$57.9 million, \$1.29 a diluted share, in 1998; and a net benefit of \$1 million, with no per share effect, in 1997. The 1999 special items included after-tax gains of \$7.5 million, \$0.17 a diluted share, from sale of assets, and \$12.2 million, \$0.27 a diluted share, primarily from settlements of income tax and other matters. The 1998 special items included an after-tax charge of \$57.6 million, \$1.28 a diluted share, from a write-down of assets determined to be impaired under Statement of Financial Accounting Standards (SFAS) No. 121.

1999 VS. 1998 - Excluding special items, income in 1999 totaled \$100 million, \$2.22 a share, an increase of \$56.5 million from the \$43.5 million earned in 1998. The increase in income was primarily attributable to record earnings from exploration and production operations, which totaled \$121.2 million in 1999 compared to \$5.8 million in 1998. This improvement was partially offset by lower earnings from the Company's refining, marketing and transportation operations, which earned \$14.9 million in 1999, down from \$49.2 million earned in 1998. The improvement in exploration and production earnings in 1999 was primarily attributable to an increase of \$6.05 a barrel in the average worldwide crude oil sales price, up 56% compared to 1998, and record crude oil production. In addition, the Company's worldwide natural gas sales volume and U.S. natural gas sales prices both increased 4% in 1999. Refining, marketing and transportation operations were adversely affected by the increase in the prices of crude oil and other refinery feedstocks. This segment's decline in earnings was primarily attributable to lower U.S. operating results, as rising crude oil prices squeezed margins throughout most of the year. The costs of corporate and other activities, which include interest income and expense and corporate overhead not allocated to operating functions, were \$36.1 million in 1999 compared to \$11.5 million in 1998. The increase in corporate costs in 1999 was primarily attributable to higher net interest costs and higher costs of awards under the Company's incentive plans.

1998 VS. 1997 - Excluding special items, income totaled \$43.5 million in 1998, \$0.97 a diluted share, a decrease of \$88.8 million from the \$132.3 million earned in 1997. The income reduction was primarily attributable to a \$79.2 million decline in earnings from the Company's exploration and production operations. Sharply lower crude oil prices in 1998 were the main reason for the reduction. The Company's average crude oil sales price declined by \$5.62 a barrel in 1998, down 34% from oil prices realized in 1997. Higher crude oil production from new fields in Canada and the United Kingdom were mostly offset by lower production from maturing U.S. and U.K. oil fields and by selective shut-in of Canadian heavy oil production. Natural gas sales prices in the United States declined 15% in 1998 and U.S. natural gas sales volume was down 20%. Earnings from the Company's refining, marketing and transportation operations were down \$7.5 million in 1998, as record levels of finished product sales volumes were more than offset by lower unit margins on product sales in the United States. The costs of corporate and other activities increased \$2.1 million in 1998 compared to 1997, primarily due to higher net interest costs offset in part by lower costs under the Company's incentive plans.

In the following table, the Company's results of operations for the three years ended December 31, 1999 are presented by segment. Special items, which can obscure underlying trends of operating results and affect comparability between years, are set out separately. More detailed reviews of operating results for the Company's exploration and production and refining, marketing and transportation activities follow the table.

(Millions of dollars)	1999	1998	1997
	-----	-----	-----
Exploration and production			
United States	\$ 30.3	20.1	56.5
Canada	47.0	2.6	18.8
United Kingdom	37.2	.7	13.1
Ecuador	14.4	2.4	12.9
Other	(7.7)	(20.0)	(16.3)
	-----	-----	-----
	121.2	5.8	85.0
	-----	-----	-----
Refining, marketing and transportation			
United States	(5.9)	27.7	41.3
United Kingdom	14.0	16.8	9.2
Canada	6.8	4.7	6.2
	-----	-----	-----
	14.9	49.2	56.7
	-----	-----	-----
Corporate and other	(36.1)	(11.5)	(9.4)
	-----	-----	-----
Income before special items	100.0	43.5	132.3
Gain on sale of assets	7.5	2.9	11.5
Settlement of income tax matters	5.0	--	3.2
Settlement of crude oil transportation rate	4.9	--	--
Net recovery pertaining to 1996 modifications of foreign crude oil contracts	3.3	2.4	1.6
Provision for reduction in force	(1.0)	--	--
Impairment of long-lived assets	--	(57.6)	(16.2)
Charge resulting from cancellation of a drilling rig contract	--	(4.2)	--
Write-down of crude oil inventories to market value	--	(4.2)	--
Settlement of U.K. long-term sales contract	--	2.8	--
	-----	-----	-----
Net income (loss)	\$ 119.7	(14.4)	132.4
	=====	=====	=====

EXPLORATION AND PRODUCTION - Earnings from exploration and production operations before special items were a record \$121.2 million in 1999, compared to earnings of \$5.8 million in 1998 and \$85 million in 1997. The improvement in 1999 was primarily attributable to an increase in the Company's average worldwide crude oil sales price, which averaged \$16.86 a barrel in 1999 compared to \$10.81 in 1998. The year 1999 also included a Company record for crude oil and condensate production, which increased primarily due to higher production from new fields in the United Kingdom and Canada. Natural gas sales volumes increased in 1999 in both the United States and Canada, and each area benefited from higher average natural gas sales prices. Lower average natural gas sales prices in the United Kingdom served as a partial offset. The earnings decline in 1998 was primarily due to lower worldwide crude oil sales prices, which averaged \$10.81 a barrel in 1998 and \$16.43 in 1997. Lower U.S. natural gas sales prices and volumes also contributed to the 1998 decline. Partial offsets were provided by higher crude oil production and lower exploration costs. Crude oil production from new fields in the United Kingdom brought on stream during the third quarter of 1998 and from the Hibernia field, offshore Newfoundland, which came on stream in late 1997, was partially offset by selective shut-in of heavy oil production in western Canada in response to lower heavy oil prices and by lower production from mature oil fields in the United States and the United Kingdom.

The results of operations for oil and gas producing activities for each of the last three years are shown by major operating area on pages F-25 and F-26 of this Form 10-K report. Daily production rates and weighted average sales prices are shown on page 21 of the 1999 Annual Report.

A summary of oil and gas revenues, including intersegment sales that are eliminated in the consolidated financial statements, is presented in the following table.

(Millions of dollars)	1999	1998	1997
	----	----	----
United States			
Crude oil	\$ 54.1	35.6	74.9
Natural gas	143.2	132.1	196.7
Canada			
Crude oil	106.8	55.4	71.6
Natural gas	38.9	24.0	22.1
Synthetic oil	74.8	53.0	67.9
United Kingdom			
Crude oil	134.7	70.3	95.3
Natural gas	7.7	10.0	12.2
Ecuador - crude oil	37.2	19.1	34.7
	-----	-----	-----
Total oil and gas revenues	\$ 597.4	399.5	575.4
	=====	=====	=====

The Company's crude oil and gas liquids production averaged 66,083 barrels a day in 1999, 59,128 in 1998 and 57,494 in 1997. Crude oil and liquids production in the United States increased 9% in 1999, with the increase primarily due to new production from several small fields on the continental shelf of the Gulf of Mexico. In 1998, U.S. production was down 28% from 1997, primarily due to declining production at mature oil fields in the Gulf of Mexico. Crude oil production in Canada rose 6% in 1999 and established a record of 29,980 barrels a day. The increase was primarily attributable to an increase of 2,212 barrels a day at Hibernia, which averaged 6,404 in 1999. Hibernia, which came on stream in the fourth quarter of 1997, produced 4,192 barrels a day in 1998 and 224 in 1997. Production at the Company's synthetic oil operation in Canada increased 5% in 1999, but this increase was offset by 6% and 9% reductions in onshore Canadian heavy oil and light oil production, respectively, during the year. The higher net production of synthetic oil in 1999 was due to a 6% increase in gross production, partially offset by a slightly higher net profit royalty rate caused by higher oil prices. The Company's net interest in production of synthetic oil in Canada increased 12% in 1998 due to a 1% increase in gross production and a decrease in the net profits royalty rate as a result of lower oil prices. Before royalties, the Company's synthetic oil production was 11,146 barrels a day in 1999, 10,501 in 1998 and 10,371 in 1997. Heavy oil production declined by 577 barrels a day in 1999 due to continued selective shut-in of fields caused by low oil prices during the early part of the year. In 1998, crude oil production in Canada increased 12%. As a result of selective shut-ins in the second half of the year, production of heavy oil in Canada decreased 16% in 1998, compared to 1997. The Company's U.K. oil production increased 33% in 1999 after an 11% increase in 1998. Oil production from the Mungo/Monan and Schiehallion fields, which commenced in the third quarter of 1998, averaged 5,568 and 4,721 barrels a day, respectively, in 1999. Mungo/Monan produced 2,025 barrels a day in 1998 and Schiehallion produced 1,219. Oil production from the "T" Block field in the United Kingdom declined by 24% during 1999, after an 18% decline in 1998. Production from Ninian, the Company's other major North Sea oil field, declined 7% in 1999, after having declined 8% in 1998. Production in Ecuador declined 8% in 1999 due to pipeline restrictions, after being essentially unchanged in 1998 when compared to 1997.

Worldwide sales of natural gas averaged 240.4 million cubic feet a day in 1999, 230.9 million in 1998 and 268.7 million in 1997. U.S. natural gas sales were 171.8 million cubic feet a day in 1999, 169.5 million in 1998 and 211.2 million in 1997. The 1% increase in U.S. natural gas sales in 1999 was mainly due to sales from several new fields in the Gulf of Mexico that offset lower sales from maturing fields in the Gulf. The 20% decrease in U.S. natural gas sales in 1998 was mainly due to reduced deliverability in certain maturing Gulf of Mexico fields. Natural gas sales in Canada in 1999 of 56.2 million cubic feet were at record levels for the fourth straight year, as sales increased 15% in 1999 following a 9% increase in 1998. Natural gas sales in the United Kingdom of 12.4 million cubic feet were essentially unchanged in 1999, following a 2% decline in 1998.

As previously indicated, worldwide crude oil sales prices strengthened considerably throughout 1999 after a significant downturn during 1998. In the United States, Murphy's 1999 monthly sales prices for crude oil and condensate ranged from \$10.71 to \$25.80 a barrel, and averaged \$17.97 for the year, 41% above the average 1998 price. In Canada, the average sales price for light oil was \$17.00 a barrel in 1999, also an increase of 41%. Heavy oil prices in Canada averaged \$12.77 a barrel, up 95% from prices in 1998. The average sales price for synthetic oil in 1999 was \$18.64 a barrel, 36% higher than a year earlier. The sales price for crude oil from the Hibernia field averaged \$18.69 a barrel, up 78%. Sales prices in the United Kingdom were up 44% in 1999 and averaged \$18.09 a barrel. Sales prices in Ecuador averaged \$12.94 a barrel in 1999, up 91% compared to a year ago. In 1998, U.S. crude and condensate sales prices decreased 34% compared to 1997 and averaged \$12.76 a barrel for the year. In Canada, crude oil prices in 1998 declined 32% for light oil, 39% for heavy oil,

31% for synthetic oil and 31% for Hibernia. Sales prices in the United Kingdom were down 34% in 1998 and prices in Ecuador were down 44%. Although crude oil sales prices were strong in early 2000, the Company can give no assurance that prices will remain at or near these levels in the future.

Average monthly natural gas sales prices in the United States ranged from \$1.73 to \$2.88 an MCF during 1999. For the year, U.S. sales prices averaged \$2.27 an MCF compared to \$2.18 a year ago. The average price for natural gas sold in Canada during 1999 was \$1.90 an MCF, an increase of 42% from the average in 1998, as Canadian natural gas sales prices moved closer to parity with other North American gas prices during the year. The average price in the United Kingdom declined 25% to \$1.68. The decline in average U.K. sales prices primarily resulted from a contractual price basis adjustment at the Company's largest gas producing field in the United Kingdom. Average U.S. natural gas sales prices in 1998 were 15% lower than in 1997, prices were essentially unchanged in Canada, and prices in the United Kingdom declined by 16%.

Based on 1999 volumes and deducting taxes at marginal rates, each \$1 a barrel and \$.10 an MCF fluctuation in prices would have affected annual exploration and production earnings by \$16.2 million and \$5.5 million, respectively. The effect of these price fluctuations on consolidated net income cannot be measured because operating results of the Company's refining, marketing and transportation segments could be affected differently.

Production costs were \$152 million in 1999, \$155.1 million in 1998 and \$164.8 million in 1997. These amounts are shown by major operating area on pages F-25 and F-26 of this Form 10-K report. Costs per equivalent barrel of production during the last three years were as follows.

(Dollars per equivalent barrel)	1999	1998	1997
	----	----	----
United States	\$2.63	3.32	2.59
Canada			
Excluding synthetic oil	3.84	3.64	4.63
Synthetic oil	9.09	8.99	11.32
United Kingdom	3.73	5.60	5.58
Ecuador	3.62	2.48	3.87
Worldwide - excluding synthetic oil	3.33	3.79	3.72

The decrease in U.S. production cost per equivalent barrel in 1999 was attributable to lower well servicing costs combined with higher production volumes. The increase in Canada in 1999, excluding synthetic oil, was caused by higher well servicing costs at heavy oil properties. The increase in the Canadian synthetic oil unit rate was due to an increase in royalty barrels caused by higher sales prices. The decrease in the U.K. cost per barrel was due to higher production from lower-cost fields at Mungo/Monan and Schiehallion. The higher cost in Ecuador in 1999 was caused by higher field operating costs combined with lower production during the year. The increase in the U.S. cost per equivalent barrel in 1998 was attributable to lower production volumes combined with higher workover costs. The decline in Canada in 1998, excluding synthetic oil, was caused by higher oil production at Hibernia, voluntary shut-in of certain high-cost heavy oil production and a lower Canadian dollar exchange rate vs. the U.S. dollar. The decrease in the cost for synthetic oil in 1998 was due to lower maintenance costs, a decrease in royalty barrels due to lower sales prices and a lower Canadian dollar exchange rate. The lower cost in Ecuador in 1998 was caused by lower energy and other field operating costs during the year.

Exploration expenses for each of the last three years are shown in total in the following table, and amounts are reported by major operating area on pages F-25 and F-26 of this Form 10-K report. Certain of the expenses are included in the capital expenditure totals for exploration and production activities.

(Millions of dollars)	1999	1998	1997
	----	----	----
Exploratory expenditures charged against income			
Dry hole costs	\$32.4	31.5	48.3
Geological and geophysical costs	18.7	17.0	26.4
Other costs	8.5	6.6	9.6
	----	----	----
	59.6	55.1	84.3
Undeveloped lease amortization	11.0	10.5	10.5
	----	----	----
Total exploration expenses	\$70.6	65.6	94.8
	====	====	====

Depreciation, depletion and amortization for exploration and production operations totaled \$166.3 million in 1999, \$163.1 million in 1998 and \$172.4 million in 1997. The 1999 increase was primarily due to higher production from the Hibernia field offshore eastern Canada. The decrease in 1998 was primarily attributable to lower worldwide hydrocarbon production.

REFINING, MARKETING AND TRANSPORTATION - Earnings from refining, marketing and transportation operations before special items were \$14.9 million in 1999, \$49.2 million in 1998 and \$56.7 million in 1997. Operations in the United States lost \$5.9 million in 1999 compared to earnings of \$27.7 million in 1998, as the average cost of crude oil and other feedstocks increased more than product sales realizations. U.S. operations earned \$41.3 million in 1997. Settlement of crude oil swap agreements increased earnings by \$5 million in 1997. U.K. operations earned \$14 million in 1999, \$16.8 million in 1998 and \$9.2 million in 1997. The lower earnings in the United Kingdom in 1999 were caused by a larger increase in the cost of refining feedstock than in product sales realizations. Canadian operations contributed \$6.8 million to 1999 earnings compared to \$4.7 million in 1998 and \$6.2 million in 1997.

Unit margins (sales realizations less costs of crude oil, other feedstocks, refining and transportation to point of sale) averaged \$.70 a barrel in the United States in 1999, \$1.47 in 1998 and \$1.79 in 1997. U.S. product sales declined 8% in 1999 following a 3% increase in 1998. The decline in sales volume in the United States in 1999 was caused by a turnaround at the Company's Meraux refinery early in the year. U.S. margins were under pressure during most of 1999 and the second half of 1998. Unit margins were very weak in early 2000 and the Company was experiencing losses in its U.S. downstream operations.

Unit margins in the United Kingdom averaged \$3.38 a barrel in 1999, \$2.81 in 1998 and \$2.90 in 1997. Sales of petroleum products were 11% lower in 1999 following a 25% increase in 1998. The volume decline in 1999 was attributable to lower sales in the cargo market. Sales in both terminal and cargo markets increased in 1998. Although margins improved in 1999, the Company's branded outlets still face stiff competition from supermarket sales of motor fuels. Unit margins have weakened considerably in early 2000.

Based on sales volumes for 1999 and deducting taxes at marginal rates, each \$.42 a barrel (\$.01 a gallon) fluctuation in unit margins would have affected annual refining and marketing profits by \$15.6 million. The effect of these unit margin fluctuations on consolidated net income cannot be measured because operating results of the Company's exploration and production segments could be affected differently.

Income before special items from purchasing, transporting and reselling crude oil in Canada in 1999 increased by \$2.1 million due to improved earnings from the Company's crude oil trading and pipeline operations. Earnings declined by \$1.5 million in 1998 as lower prices for heavy oil led to production shut-ins, which brought about lower pipeline throughputs and fewer barrels available for crude trading activities.

SPECIAL ITEMS - Net income for the last three years included the special items reviewed in the following paragraphs; the quarter in which each item occurred is indicated. The effects of special items on quarterly results for 1999 and 1998 are presented on page F-28 of this Form 10-K report.

- . GAIN ON SALE OF ASSETS - After-tax gains on sale of assets included \$6.3 million and \$1.2 million recorded in the third and fourth quarter, respectively, of 1999 from sale of U.S. service stations, \$2.9 million recorded in the fourth quarter of 1998 from sale of a U.K. service station, and \$11.5 million recorded in the fourth quarter of 1997 from sale of a Canadian heavy oil property.
- . SETTLEMENT OF INCOME TAX MATTERS - A gain of \$5 million for settlement of U.S. income taxes was recorded in the fourth quarter of 1999. A gain of \$3.2 million for settlement of U.K. income taxes was recorded in the third quarter of 1997.
- . SETTLEMENT OF CRUDE OIL TRANSPORTATION RATE - A gain of \$4.9 million for settlement of a crude oil transportation rate dispute in Ecuador was recorded in the fourth quarter of 1999.
- . NET RECOVERY PERTAINING TO 1996 MODIFICATIONS OF FOREIGN CRUDE OIL CONTRACTS - Gains of \$3.3 million, \$1.4 million, \$1 million and \$1.6 million were recorded in the fourth quarter of 1999, the second quarter of 1998, the fourth quarter of 1998 and the fourth quarter of 1997, respectively, for partial recoveries of a 1996 loss resulting from modification of a crude oil production contract in Ecuador. (See Note N to the consolidated financial statements.)

- . PROVISION FOR REDUCTION IN FORCE - An after-tax charge of \$1 million for a reduction in force program was recorded in the first quarter of 1999. (See Note E to the consolidated financial statements.)
- . IMPAIRMENT OF LONG-LIVED ASSETS - An after-tax provision of \$57.6 million was recorded in the fourth quarter of 1998 and after-tax provisions of \$3.3 million and \$12.9 million were recorded in the third and fourth quarters, respectively, of 1997 for the write-down of assets determined to be impaired. (See Note B to the consolidated financial statements.)
- . CHARGE RESULTING FROM CANCELLATION OF A DRILLING RIG CONTRACT - An after-tax charge of \$4.2 million was recorded in the fourth quarter of 1998 resulting from cancellation of a drilling contract for the Terra Nova oil field, offshore eastern Canada. The contract was cancelled because market conditions allowed a more efficient and modern rig to be obtained, thus reducing drilling costs for the Terra Nova project compared to what they might otherwise have been.
- . WRITE-DOWN OF CRUDE OIL INVENTORIES TO MARKET VALUE - An after-tax charge of \$4.2 million was recorded in the fourth quarter of 1998 to establish a valuation allowance to reduce the carried amount of crude oil inventories in the United Kingdom and Canada to market values.
- . SETTLEMENT OF U.K. LONG-TERM SALES CONTRACT - An after-tax gain of \$2.8 million was recorded in the second quarter of 1998 related to settlement of a U.K. long-term sales contract.

The income (loss) effects of special items for each of the three years ended December 31, 1999 are summarized by segment in the following table.

(Millions of dollars)	1999	1998	1997
	----	----	----
Exploration and production			
United States	\$ 5.0	(19.4)	(4.9)
Canada	--	(10.1)	.2
United Kingdom	--	(14.0)	3.2
Ecuador	8.2	2.4	1.6
Other	--	(15.1)	--
	----	----	----
	13.2	(56.2)	.1
	----	----	----
Refining, marketing and transportation			
United States	7.5	--	--
United Kingdom	--	.5	--
Canada	--	(2.2)	--
	----	----	----
	7.5	(1.7)	--
	----	----	----
Corporate and other	(1.0)	--	--
	----	----	----
Total income (loss) from special items	\$19.7	(57.9)	.1
	====	====	====

CAPITAL EXPENDITURES

As shown in the selected financial data on page 7 of this Form 10-K report, capital expenditures were \$386.6 million in 1999 compared to \$388.8 million in 1998 and \$468 million in 1997. Expenditures charged to expense during each of these years were \$59.6 million, \$55.1 million and \$84.3 million, respectively. Capital expenditures for exploration and production activities totaled \$295.9 million in 1999, 77% of the Company's total capital expenditures for the year. Exploration and production capital expenditures in 1999 included \$18.3 million for acquisition of undeveloped leases, \$.4 million for acquisition of proved oil and gas properties, \$79.2 million for exploration activities and \$198 million for development projects. Development expenditures included \$79.2 million for the Terra Nova oil field, offshore Newfoundland; \$26.8 million for expansion of the synthetic oil operations in Canada; and \$11.9 million and \$11.8 million for the Schiehallion and Mungo/Monan fields, respectively, offshore United Kingdom. Capital expenditures for exploration and production activities are shown by major operating area on page F-24 of this Form 10-K report. Amounts shown under "Other" included \$9.5 million in 1998 from drilling two unsuccessful offshore wildcat wells in the Falkland Islands and \$18.3 million in 1997 for exploration drilling and related costs in Bohai Bay, China.

Refining, marketing and transportation expenditures, detailed in the following table, were \$88.1 million in 1999, or 23% of total capital expenditures, compared to \$55 million in 1998 and \$37.5 million in 1997.

(Millions of dollars)	1999	1998	1997
	----	----	----
Refining			
United States	\$ 17.4	27.0	12.5
United Kingdom	7.0	.7	1.5
	----	----	----
Total refining	24.4	27.7	14.0
	----	----	----
Marketing			
United States	58.7	16.7	14.1
United Kingdom	4.4	6.1	2.2
	----	----	----
Total marketing	63.1	22.8	16.3
	----	----	----
Transportation			
United States	.3	1.9	2.6
Canada	.3	2.6	4.6
	----	----	----
Total transportation	.6	4.5	7.2
	----	----	----
Total	\$ 88.1	55.0	37.5
	=====	=====	=====

U.S. and U.K. refining expenditures were primarily for capital projects to keep the refineries operating efficiently and within industry standards and to study alternatives for meeting anticipated future environmentally driven changes to U.S. motor fuel specifications. Marketing expenditures in the United States included the costs of new stations, primarily on land leased from Wal-Mart, and improvements and normal replacements at existing stations and terminals. U.K. marketing expenditures were primarily for improvements and normal replacements at existing stations and terminals.

CASH FLOWS

Cash provided by operating activities was \$368.9 million in 1999, \$321.1 million in 1998 and \$401.8 million in 1997. Special items increased cash flow from operations by \$18.9 million in 1999 and \$3.8 million in 1997, but reduced cash by \$6.3 million in 1998. Changes in operating working capital other than cash and cash equivalents required cash of \$35.2 million, \$3.8 million and \$72.4 million in 1999, 1998 and 1997, respectively. Cash provided by operating activities was further reduced by expenditures for refinery turnarounds and abandonment of oil and gas properties totaling \$44.1 million in 1999, \$24.6 million in 1998 and \$14.4 million in 1997.

Cash proceeds from property sales were \$40.9 million in 1999, \$9.5 million in 1998 and \$43.8 million in 1997. Borrowings under long-term notes payable provided \$247.8 million of cash in 1999, \$161.3 million in 1998 and \$9.7 million in 1997. Additional borrowings under nonrecourse debt arrangements provided \$6.4 million of cash in 1997.

Capital expenditures required \$386.6 million of cash in 1999, \$388.8 million in 1998 and \$468 million in 1997. Other significant cash outlays during the three years included \$195.9 million in 1999, \$34.5 million in 1998 and \$17.3 million in 1997 for debt repayment. Cash used for dividends to stockholders was \$63 million in 1999, \$62.9 million in 1998 and \$60.6 million in 1997.

FINANCIAL CONDITION

Year-end working capital totaled \$105.5 million in 1999, \$56.6 million in 1998 and \$48.3 million in 1997. The current level of working capital does not fully reflect the Company's liquidity position, as the carrying values for inventories under last-in first-out accounting were \$115.2 million below current costs at December 31, 1999. Cash and cash equivalents at the end of 1999 totaled \$34.1 million compared to \$28.3 million a year ago and \$24.3 million at the end of 1997.

Long-term debt increased \$59.7 million during 1999 to \$393.2 million at the end of the year, 27.1% of total capital employed, and included \$144.6 million of nonrecourse debt incurred in connection with the acquisition and development of Hibernia. The increase in long-term debt in 1999 was attributable to the sale of \$250 million of long-term notes due in 2029; the proceeds of these notes were used primarily to pay down borrowings under other long-term credit facilities. Long-term debt totaled \$333.5 million at the end of 1998 compared to \$205.9 million at December 31, 1997. Stockholders' equity was \$1.1 billion at the end of 1999 compared to \$1 billion a year ago and \$1.1 billion at the end of 1997. A summary of transactions in the stockholders' equity accounts is presented on page F-5 of this Form 10-K report.

The primary sources of the Company's liquidity are internally generated funds, access to outside financing and working capital. The Company relies on internally generated funds to finance the major portion of its capital and other expenditures, but maintains lines of credit with banks and borrows as necessary to meet spending requirements. Current financing arrangements are set forth in Note C to the consolidated financial statements. The Company does not expect any problem in meeting future requirements for funds.

Murphy had commitments of \$256 million for capital projects in progress at December 31, 1999, including \$84 million related to its share of a multiyear contract for a semisubmersible deepwater drilling rig and associated equipment. Certain costs committed under this contract will be charged to Murphy's partners when future deepwater wells are drilled.

ENVIRONMENTAL

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 such 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 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.

Following a 1998 compliance inspection of the Superior, Wisconsin refinery, the EPA gave the Company notices of violation of environmental laws. Although the penalty amounts were not listed, the statutes involved provide for rates of up to \$27,500 per day of violation. The EPA has referred the matter to the U.S. Department of Justice for enforcement. The Superior refinery also received a notice of violation from the Wisconsin Department of Natural Resources for alleged failure to meet new source performance emission standards for the sulfur plant at the refinery. This item has been referred to the Wisconsin Department of Justice for enforcement. The Company believes it has valid defenses to these allegations and plans vigorous defenses. While the enforcement actions are in their preliminary stages and no assurance can be given, the Company does not believe that these 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 recorded a benefit for likely recoveries at December 31, 1999.

The Company's refineries also incur costs to handle and dispose of hazardous wastes and other chemical substances. These costs are expensed as incurred and amounted to \$2.9 million in 1999. In addition to these expenses, Murphy allocates a

portion of its capital expenditure program to comply with environmental laws and regulations. Such capital expenditures were approximately \$25 million in 1999 and are projected to be \$28 million in 2000.

YEAR 2000 ISSUES

The Year 2000 issues related to the possibility that computer programs and embedded computer chips might be unable to accurately process data with year dates of 2000 and beyond. Murphy devoted significant internal and external resources to address Year 2000 compliance. The Company's Year 2000 project (Project) was successful, as the Company experienced no operational disruptions attributable to Year 2000. The total amount expended on the Project was \$4.9 million, including \$3.3 million in 1999. Of the total expended, \$2.3 million was included in expense, including \$.7 million in 1999, and costs of \$2.6 million have been capitalized as improvements in business system functionality beyond Year 2000 compliance.

OTHER MATTERS

IMPACT OF INFLATION - General inflation was moderate during the last three years in most countries where the Company operates; however, the Company's revenues and capital and operating costs are influenced to a larger extent by specific price changes in the oil and gas and allied industries than by changes in general inflation. Crude oil and petroleum product prices generally reflect the balance between supply and demand, with crude oil prices being particularly sensitive to OPEC production levels and/or attitudes of traders concerning supply and demand in the near future. Natural gas prices are affected by supply and demand, which to a significant extent are affected by the weather and by the fact that delivery of gas is generally restricted to specific geographic areas. If crude oil prices, which strengthened during 1999, remain strong, the Company believes that future prices for oil field goods and services could be adversely affected. Lower commodity prices in 1998 led to a softening of prices for goods and services during the prior year.

ACCOUNTING MATTERS - The Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," in 1998. This statement establishes accounting and reporting standards for derivative instruments and hedging activities. Effective January 1, 2001, Murphy must recognize the fair value of all derivative instruments as either assets or liabilities in its Consolidated Balance Sheet. A derivative instrument meeting certain conditions may be designated as a hedge of a specific exposure; accounting for changes in a derivative's fair value will depend on the intended use of the derivative and the resulting designation. Any transition adjustments resulting from adopting this statement will be reported in net income or other comprehensive income, as appropriate, as the cumulative effect of a change in accounting principle. As described in Note A to the consolidated financial statements, the Company makes limited use of derivative instruments to hedge specific market risks. The Company has not yet determined the effects that SFAS No. 133 will have on its future consolidated financial statements or the amount of the cumulative adjustment that will be made upon adopting this new standard.

OUTLOOK

Prices for the Company's primary products are often quite volatile. Entering 1999, oil prices were under extreme pressure, but due to increased worldwide demand and disciplined management of supply by the world's producers -- primarily by members of OPEC -- oil prices rebounded significantly and the price of West Texas Intermediate crude oil was more than \$25 a barrel at the end of 1999. Despite the fact that crude oil prices have continued to strengthen in early 2000 due to low crude oil inventories caused by supplies not fully meeting demands, the Company can make no assurance that the price of oil will remain at this high level in the future. Due to milder than normal winter weather across much of North America, the price of natural gas has remained under pressure in early 2000. The Company was experiencing losses in its U.S. refining and marketing operations in early 2000, and U.K. margins had weakened considerably. In such an environment, constant reassessment of spending plans is required. The Company's capital expenditure budget for 2000 was prepared during the fall of 1999 and provides for expenditures of \$457 million. Of this amount, \$335 million or 73% is allocated for exploration and production. Geographically, 41% of the exploration and production budget is allocated to the United States; another 41% is allocated to Canada, including \$58 million for continued development of the Terra Nova oil field, offshore Newfoundland, that is currently scheduled for an early 2001 start-up; 9% is allocated to the United Kingdom; 3% is allocated to Ecuador; and 6% is allocated to other foreign operations, which primarily pertain to Malaysia. Planned refining, marketing and transportation capital expenditures for 2000 are \$120 million, including \$104 million in the United States, \$13 million in the United Kingdom and \$3 million in Canada. U.S. amounts include funds for additional stations at

Wal-Mart sites. Capital and other expenditures are under constant review and planned capital expenditures may be adjusted to reflect changes in estimated cash flow.

In the United States, the Company is concentrating its exploration and production capital spending on prospects in the deep waters of the Gulf of Mexico. Although the Company is pleased with the successes achieved to date in this exploration program, most of its discoveries in the deep water will take two years or more to bring on production. Because of the lead time to bring on this new production, the Company expects that its worldwide oil and natural gas production will decline in 2000 by approximately 3% to 4% on a barrel-equivalent basis when compared to 1999 production levels.

FORWARD-LOOKING STATEMENTS

This Form 10-K report, including documents incorporated by reference herein, 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 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risks associated with interest rates, foreign currency exchange rates, and prices of crude oil, natural gas and petroleum products. As described in Note A to the consolidated financial statements, Murphy makes limited use of derivative financial and commodity instruments to manage certain risks associated with existing or anticipated transactions.

At December 31, 1999, the Company was a party to interest rate swaps with notional amounts totaling \$100 million that were designed to convert a similar amount of variable rate debt to fixed rates. 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 December 31, 1999, the interest rate to be received by the Company averaged 6.19%. 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 a gain of \$3 million at December 31, 1999.

At December 31, 1999, 29% of the Company's long-term debt had variable interest rates and 19% was denominated in Canadian dollars. Based on debt outstanding at December 31, 1999, a 10% increase in variable interest rates would not change the Company's interest expense in 2000 after a \$6 million 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 vs. the U.S. dollar would increase interest expense in 2000 by \$3 million on debt denominated in Canadian dollars.

At December 31, 1999, the Company was a party to crude oil swap agreements for a total notional volume of 2.3 million barrels that reduce a portion of the financial exposure of Murphy's U.S. refineries to crude oil price movements. The agreements mature in 2001 and 2002. At termination, the swaps require Murphy to pay an average crude oil price of \$16.76 a barrel and to receive the average of the near-month NYMEX West Texas Intermediate (WTI) crude oil prices during the respective contractual maturity periods. At December 31, 1999, the estimated fair value of these crude oil swaps was a gain of \$2.7 million; a 10% fluctuation in the price of WTI crude oil would have changed the estimated fair value of these swaps by \$3.5 million.

At December 31, 1999, Murphy was also a party to natural gas price swap agreements for a total notional volume of 7 million MMBTU that are intended to reduce a portion of the financial exposure of its Meraux, Louisiana refinery to fluctuations in the price of natural gas purchased for fuel. The agreements are to be settled equally over the 12 months of 2004. In each month of settlement, the swaps require Murphy to pay an average natural gas price of \$2.61 an MMBTU and to receive the average NYMEX Henry Hub price for the final three trading days of the month. At December 31, 1999, the estimated fair value of these agreements was a loss of \$.1 million; a 10% fluctuation in the average NYMEX Henry Hub price of natural gas would have changed the estimated fair value of these swaps by \$1.3 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required by this item appears on pages F-1 through F-28 of this Form 10-K report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Certain information regarding executive officers of the Company is included on page 6 of this Form 10-K report. Other information required by this item is incorporated by reference to the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders on May 10, 2000 under the caption "Election of Directors."

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated by reference to the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders on May 10, 2000 under the captions "Compensation of Directors," "Executive Compensation," "Option Exercises and Fiscal Year-End Values," "Option Grants," "Compensation Committee Report for 1999," "Shareholder Return Performance Presentation" and "Retirement Plans."

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information required by this item is incorporated by reference to the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders on May 10, 2000 under the captions "Security Ownership of Certain Beneficial Owners" and "Security Ownership of Management."

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information required by this item is incorporated by reference to the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders on May 10, 2000 under the caption "Compensation Committee Interlocks and Insider Participation."

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

- (a) 1. FINANCIAL STATEMENTS - The consolidated financial statements of Murphy Oil Corporation and consolidated subsidiaries are located or begin on the pages of this Form 10-K report as indicated below.

	Page No.

Report of Management	F-1
Independent Auditors' Report	F-1
Consolidated Statements of Income	F-2
Consolidated Statements of Comprehensive Income	F-2
Consolidated Balance Sheets	F-3
Consolidated Statements of Cash Flows	F-4
Consolidated Statements of Stockholders' Equity	F-5
Notes to Consolidated Financial Statements	F-6
Supplemental Oil and Gas Information (unaudited)	F-22
Supplemental Quarterly Information (unaudited)	F-28

2. FINANCIAL STATEMENT SCHEDULES - Financial statement schedules are omitted because either they are not applicable or the required information is included in the consolidated financial statements or notes thereto.
3. EXHIBITS - The following is an index of exhibits that are hereby filed as indicated by asterisk (*), that are to be filed by an amendment as indicated by pound sign (#), or that are incorporated by reference. Exhibits other than those listed have been omitted since they either are not required or are not applicable.

Exhibit No. -----		Incorporated by Reference to -----
3.1	Certificate of Incorporation of Murphy Oil Corporation as of September 25, 1986	Exhibit 3.1 of Murphy's Form 10-K report for the year ended December 31, 1996
*3.2	By-laws of Murphy Oil Corporation as amended December 1, 1999	
4	Instruments Defining the Rights of Security Holders. Murphy is party to several long-term debt instruments in addition to the ones in Exhibits 4.1 and 4.2, 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	Credit Agreement among Murphy Oil Corporation and certain subsidiaries and the Chase Manhattan Bank et al as of November 13, 1997	Exhibit 4.1 of Murphy's Form 10-K report for the year ended December 31, 1997
4.2	Form of Indenture and Form of Supplemental Indenture between Murphy Oil Corporation and SunTrust Bank, Nashville, N.A., 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

*4.3	Rights Agreement dated as of December 6, 1989 between Murphy Oil Corporation and Harris Trust Company of New York, as Rights Agent	
4.4	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
4.5	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	1987 Management Incentive Plan as amended February 7, 1990 retroactive to February 3, 1988	
10.2	1992 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
10.3	Employee Stock Purchase Plan	Exhibit 99.01 of Murphy's Form S-8 Registration Statement filed May 19, 1997 under the Securities Act of 1993
*13	1999 Annual Report to Security Holders including Narrative to Graphic and Image Material as an appendix	
*21	Subsidiaries of the Registrant	
*23	Independent Auditors' Consent	
*27	Financial Data Schedule for 1999	
*99.1	Undertakings	
#99.2	Form 11-K, Annual Report for the fiscal year ended December 31, 1999 covering the Thrift Plan for Employees of Murphy Oil Corporation	To be filed as an amendment to this Form 10-K report not later than 180 days after December 31, 1999
#99.3	Form 11-K, Annual Report for the fiscal year ended December 31, 1999 covering the Thrift Plan for Employees of Murphy Oil USA, Inc. Represented by United Steelworkers of America, AFL-CIO, Local No. 8363	To be filed as an amendment to this Form 10-K report not later than 180 days after December 31, 1999
#99.4	Form 11-K, Annual Report for the fiscal year ended December 31, 1999 covering the Thrift Plan for Employees of Murphy Oil USA, Inc. Represented by International Union of Operating Engineers, AFL-CIO, Local No. 305	To be filed as an amendment to this Form 10-K report not later than 180 days after December 31, 1999

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

By CLAIBORNE P. DEMING

Date: March 23, 2000

Claiborne P. Deming, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on March 23, 2000 by the following persons on behalf of the registrant and in the capacities indicated.

R. MADISON MURPHY

R. Madison Murphy, Chairman and Director

C. H. MURPHY JR.

C. H. Murphy Jr., Director

CLAIBORNE P. DEMING

Claiborne P. Deming, President and Chief
Executive Officer and Director
(Principal Executive Officer)

MICHAEL W. MURPHY

Michael W. Murphy, Director

B. R. R. BUTLER

B. R. R. Butler, Director

WILLIAM C. NOLAN JR.

William C. Nolan Jr., Director

GEORGE S. DEMBROSKI

George S. Dembroski, Director

CAROLINE G. THEUS

Caroline G. Theus, Director

H. RODES HART

H. Rodes Hart, Director

LORNE C. WEBSTER

Lorne C. Webster, Director

ROBERT A. HERMES

Robert A. Hermes, Director

STEVEN A. COSSE'

Steven A. Cosse', Senior Vice President
and General Counsel
(Principal Financial Officer)

VESTER T. HUGHES JR.

Vester T. Hughes Jr., Director

JOHN W. ECKART

John W. Eckart, Controller
(Principal Accounting Officer)

REPORT OF MANAGEMENT

The management of Murphy Oil Corporation is responsible for the preparation and integrity of the accompanying consolidated financial statements and other financial data. The statements were prepared in conformity with generally accepted accounting principles appropriate in the circumstances and include some amounts based on informed estimates and judgments, with consideration given to materiality.

Management is also responsible for maintaining a system of internal accounting controls designed to provide reasonable, but not absolute, assurance that financial information is objective and reliable by ensuring that all transactions are properly recorded in the Company's accounts and records, written policies and procedures are followed and assets are safeguarded. The system is also supported by careful selection and training of qualified personnel. When establishing and maintaining such a system, judgment is required to weigh relative costs against expected benefits. The Company's audit staff independently and systematically evaluates and formally reports on the adequacy and effectiveness of the internal control system.

Our independent auditors, KPMG LLP, have audited the consolidated financial statements. Their audit was conducted in accordance with generally accepted auditing standards and provides an independent opinion about the fair presentation of the consolidated financial statements. When performing their audit, KPMG LLP considers the Company's internal control structure to the extent they deem necessary to issue their opinion on the financial statements. The Board of Directors appoints the independent auditors; ratification of the appointment is solicited annually from the shareholders.

The Board of Directors appoints an Audit Committee annually to perform an oversight role for the financial statements. This Committee is composed solely of directors who are not employees of the Company. The Committee meets periodically with representatives of management, the Company's audit staff and the independent auditors to review the Company's internal controls, the quality of its financial reporting, and the scope and results of audits. The independent auditors and the Company's audit staff have unrestricted access to the Committee, without management's presence, to discuss audit findings and other financial matters.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders of Murphy Oil Corporation:

We have audited the accompanying consolidated balance sheets of Murphy Oil Corporation and Consolidated Subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Murphy Oil Corporation and Consolidated Subsidiaries as of December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1999, in conformity with generally accepted accounting principles.

KPMG LLP

Shreveport, Louisiana
January 31, 2000

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31 (Thousands of dollars except per share amounts)	1999	1998	1997
	-----	-----	-----
REVENUES			
Crude oil and natural gas sales	\$ 464,802	312,253	450,785
Petroleum product sales	1,515,537	1,312,727	1,604,379
Other operating revenues	56,501	69,490	78,223
Interest and other nonoperating revenues	4,358	4,378	4,380
	-----	-----	-----
Total revenues	2,041,198	1,698,848	2,137,767
	-----	-----	-----
COSTS AND EXPENSES			
Crude oil, products and related operating expenses	1,484,089	1,279,619	1,527,301
Exploration expenses, including undeveloped lease amortization	70,557	65,582	94,792
Selling and general expenses	81,817	61,363	65,928
Depreciation, depletion and amortization	204,446	202,695	209,419
Impairment of long-lived assets	-	80,127	28,056
Charge resulting from cancellation of a drilling rig contract	-	7,255	-
Provision for reduction in force	1,513	-	-
Interest expense	28,139	18,090	12,717
Interest capitalized	(7,865)	(7,606)	(12,096)
	-----	-----	-----
Total costs and expenses	1,862,696	1,707,125	1,926,117
	-----	-----	-----
Income (loss) before income taxes	178,502	(8,277)	211,650
Federal and state income tax expense	5,808	18,469	49,062
Foreign income tax expense (benefit)	52,987	(12,352)	30,182
	-----	-----	-----
NET INCOME (LOSS)	\$ 119,707	(14,394)	132,406
	=====	=====	=====
NET INCOME PER COMMON SHARE - BASIC	\$ 2.66	(.32)	2.95
NET INCOME PER COMMON SHARE - DILUTED	2.66	(.32)	2.94
Average Common shares outstanding - basic	44,970,457	44,955,679	44,881,225
Average Common shares outstanding - diluted	45,030,225	44,955,679	44,960,907

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31 (Thousands of dollars)	1999	1998	1997
	-----	-----	-----
Net income (loss)	\$ 119,707	(14,394)	132,406
Other comprehensive income (loss) - net gain (loss) from foreign currency translation	18,536	(24,411)	(21,682)
	-----	-----	-----
COMPREHENSIVE INCOME (LOSS)	\$ 138,243	(38,805)	110,724
	=====	=====	=====

See notes to consolidated financial statements, page F-6.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

December 31 (Thousands of dollars)	1999 -----	1998 -----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 34,132	28,271
Accounts receivable, less allowance for doubtful accounts of \$8,298 in 1999 and \$11,048 in 1998	357,472	233,906
Inventories		
Crude oil and blend stocks	61,853	41,090
Finished products	50,572	49,714
Materials and supplies	39,218	38,973
Prepaid expenses	28,145	32,292
Deferred income taxes	21,720	13,120
	-----	-----
Total current assets	593,112	437,366
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of \$3,007,578 in 1999 and \$2,985,854 in 1998	1,782,741	1,662,362
Deferred charges and other assets	69,655	64,691
	-----	-----
Total assets	\$2,445,508 =====	2,164,419 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 71	5,951
Notes payable	-	1,961
Accounts payable	334,420	248,967
Withholdings and collections due governmental agencies	65,706	51,606
Other accrued liabilities	49,143	49,314
Income taxes	38,295	22,951
	-----	-----
Total current liabilities	487,635	380,750
Notes payable	248,569	189,705
Nonrecourse debt of a subsidiary	144,595	143,768
Deferred income taxes	154,109	124,543
Reserve for dismantlement costs	158,377	154,686
Reserve for major repairs	22,099	43,519
Deferred credits and other liabilities	172,952	149,215
Stockholders' equity		
Cumulative Preferred Stock, par \$100, authorized 400,000 shares, none issued	-	-
Common Stock, par \$1.00, authorized 80,000,000 shares, issued 48,775,314 shares	48,775	48,775
Capital in excess of par value	512,488	510,116
Retained earnings	601,956	545,199
Accumulated other comprehensive loss - foreign currency translation	(4,984)	(23,520)
Unamortized restricted stock awards	(2,328)	(2,361)
Treasury stock	(98,735)	(99,976)
	-----	-----
Total stockholders' equity	1,057,172	978,233
	-----	-----
Total liabilities and stockholders' equity	\$2,445,508 =====	2,164,419 =====

See notes to consolidated financial statements, page F-6.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31 (Thousands of dollars)	1999	1998	1997
	-----	-----	-----
OPERATING ACTIVITIES			
Net income (loss)	\$ 119,707	(14,394)	132,406
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation, depletion and amortization	204,446	202,695	209,419
Impairment of long-lived assets	-	80,127	28,056
Provisions for major repairs	18,721	20,420	24,614
Expenditures for major repairs and dismantlement costs	(44,096)	(24,582)	(14,393)
Exploratory expenditures charged against income	59,589	55,128	84,320
Amortization of undeveloped leases	10,968	10,454	10,472
Deferred and noncurrent income tax charges (credits)	38,027	(937)	25,992
Pretax gains from disposition of assets	(11,940)	(3,857)	(29,061)
Other - net	22,643	4,504	7,969
	-----	-----	-----
Increase in operating working capital other than cash and cash equivalents	(35,159)	(3,810)	(72,391)
Other adjustments related to operating activities	(14,028)	(4,657)	(5,560)
	-----	-----	-----
Net cash provided by operating activities	368,878	321,091	401,843
	-----	-----	-----
INVESTING ACTIVITIES			
Capital expenditures requiring cash	(386,605)	(388,799)	(468,031)
Proceeds from sale of property, plant and equipment	40,871	9,463	43,776
Other investing activities - net	(3,532)	(1,767)	673
	-----	-----	-----
Net cash required by investing activities	(349,266)	(381,103)	(423,582)
	-----	-----	-----
FINANCING ACTIVITIES			
Additions to notes payable	247,776	161,342	9,675
Reductions of notes payable	(190,806)	(218)	(4)
Additions to nonrecourse debt of a subsidiary	-	240	6,397
Reductions of nonrecourse debt of a subsidiary	(5,120)	(34,234)	(17,276)
Cash dividends paid	(62,950)	(62,939)	(60,573)
Other financing activities - net	(1,742)	552	192
	-----	-----	-----
Net cash provided (required) by financing activities	(12,842)	64,743	(61,589)
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(909)	(748)	(2,091)
	-----	-----	-----
Net increase (decrease) in cash and cash equivalents	5,861	3,983	(85,419)
Cash and cash equivalents at January 1	28,271	24,288	109,707
	-----	-----	-----
Cash and cash equivalents at December 31	\$ 34,132	28,271	24,288
	=====	=====	=====

See notes to consolidated financial statements, page F-6.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31 (Thousands of dollars)	1999	1998	1997
CUMULATIVE PREFERRED STOCK - par \$100, authorized 400,000 shares, none issued	\$ -	-	-
COMMON STOCK - par \$1.00, authorized 80,000,000 shares, issued 48,775,314 shares at beginning and end of year	48,775	48,775	48,775
CAPITAL IN EXCESS OF PAR VALUE			
Balance at beginning of year	510,116	509,615	509,008
Exercise of stock options	797	103	521
Restricted stock transactions	1,344	142	7
Sale of stock under employee stock purchase plan	231	256	79
Balance at end of year	512,488	510,116	509,615
RETAINED EARNINGS			
Balance at beginning of year	545,199	622,532	550,699
Net income (loss) for the year	119,707	(14,394)	132,406
Cash dividends - \$1.40 a share in 1999 and 1998, \$1.35 a share in 1997	(62,950)	(62,939)	(60,573)
Balance at end of year	601,956	545,199	622,532
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) - FOREIGN CURRENCY TRANSLATION			
Balance at beginning of year	(23,520)	891	22,573
Translation gains (losses) during the year	18,536	(24,411)	(21,682)
Balance at end of year	(4,984)	(23,520)	891
UNAMORTIZED RESTRICTED STOCK AWARDS			
Balance at beginning of year	(2,361)	(944)	(1,298)
Stock awards	-	(3,238)	-
Amortization, forfeitures and changes in price of Common Stock	33	1,821	354
Balance at end of year	(2,328)	(2,361)	(944)
TREASURY STOCK			
Balance at beginning of year	(99,976)	(101,518)	(102,279)
Exercise of stock options	704	110	526
Awarded restricted stock, net of forfeitures	-	1,136	122
Sale of stock under employee stock purchase plan	537	296	113
Balance at end of year - 3,777,319 shares of Common Stock in 1999, 3,824,838 shares in 1998 and 3,883,883 shares in 1997	(98,735)	(99,976)	(101,518)
TOTAL STOCKHOLDERS' EQUITY	\$1,057,172	978,233	1,079,351

See notes to consolidated financial statements, page F-6.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS - Murphy Oil Corporation is an international oil and gas company that conducts its business through various operating subsidiaries. The Company produces oil and natural gas in the United States, Canada, the United Kingdom, and Ecuador, and conducts exploration activities worldwide. The Company has an interest in a Canadian synthetic crude oil operation and operates two oil refineries in the United States and has an effective 30% interest in a U.K. refinery. Murphy markets petroleum products under various brand names and to unbranded wholesale customers in the United States, the United Kingdom, and Canada and transports and trades crude oil in Canada.

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of Murphy Oil Corporation and all majority-owned subsidiaries. Investments in affiliates in which the Company owns from 20% to 50% are accounted for by the equity method. Other investments are generally carried at cost. All significant intercompany accounts and transactions have been eliminated.

REVENUE RECOGNITION - Revenues associated with sales of refined products are recorded when title passes to the customer. The Company uses the sales method to record revenues associated with natural gas production. The Company records a liability for natural gas balancing when the Company has sold more than its working interest share of natural gas production and the estimated remaining reserves make it doubtful that partners can recoup their share of production from the field. At December 31, 1999 and 1998, the liabilities for gas balancing arrangements were immaterial. Excise taxes collected on sales of refined products and remitted to governmental agencies are not included in revenues or in costs and expenses.

CASH EQUIVALENTS - Short-term investments, which include government securities and other instruments with government securities as collateral, that have a maturity of three months or less from the date of purchase are classified as cash equivalents.

PROPERTY, PLANT AND EQUIPMENT - The Company uses the successful efforts method to account for exploration and development expenditures. Leasehold acquisition costs are capitalized. If proved reserves are found on an undeveloped property, leasehold cost is transferred to proved properties. Significant undeveloped leases are reviewed periodically and a valuation allowance is provided for any estimated decline in value. Cost of other undeveloped leases is expensed over the estimated average life of the leases. Cost of exploratory drilling is initially capitalized but is subsequently expensed if proved reserves are not found. Other exploratory costs are charged to expense as incurred. Development costs, including unsuccessful development wells, are capitalized.

Oil and gas properties are evaluated by field for potential impairment; other long-lived assets are evaluated on a specific asset basis or in groups of similar assets, as applicable. An impairment is recognized when the estimated undiscounted future net cash flows of an evaluated asset are less than its carrying value.

Depreciation and depletion of producing oil and gas properties are recorded based on units of production. Unit rates are computed for unamortized development costs using proved developed reserves and for unamortized leasehold costs using all proved reserves. Estimated dismantlement, abandonment and site restoration costs, net of salvage value, are considered in determining depreciation and depletion. Refining and marketing facilities are depreciated primarily using the composite straight-line method. Other properties are depreciated by individual unit on the straight-line method.

Gains and losses on disposals or retirements that are significant or include an entire depreciable or depletable property unit are included in income. Costs of dismantling oil and gas production facilities and site restoration are charged against the related reserve. All other dispositions, retirements or abandonments are reflected in accumulated depreciation, depletion and amortization.

Provisions for turnarounds of refineries and a synthetic oil upgrading facility are charged to expense monthly. Costs incurred are charged against the reserve. All other maintenance and repairs are expensed. Renewals and betterments are capitalized.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

INVENTORIES - Inventories of refinery feedstocks and finished products are valued at the lower of cost, generally applied on a last-in first-out (LIFO) basis, or market. Materials and supplies are valued at the lower of average cost or estimated value.

ENVIRONMENTAL LIABILITIES - A provision for environmental obligations is charged to expense when the Company's liability for an environmental assessment and/or cleanup is probable and the cost can be reasonably estimated. Related expenditures are charged against the reserve. Environmental remediation liabilities have not been discounted for the time value of future expected payments. Environmental expenditures that have future economic benefit are capitalized.

INCOME TAXES - The Company accounts for income taxes using the asset and liability method. Under this method, income taxes are provided for amounts currently payable, and for amounts deferred as tax assets and liabilities based on differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred income taxes are measured using the enacted tax rates that are assumed will be in effect when the differences reverse. Petroleum revenue taxes are provided using the estimated effective tax rate over the life of applicable U.K. properties.

FOREIGN CURRENCY - Local currency is the functional currency used for recording operations in Canada and Spain and the majority of activities in the United Kingdom. The U.S. dollar is the functional currency used to record all other operations. Gains or losses from translating foreign functional currency into U.S. dollars are included in "Accumulated Other Comprehensive Loss" on the Consolidated Balance Sheets. Exchange gains or losses from transactions in a currency other than the functional currency are included in income.

DERIVATIVE INSTRUMENTS - The Company uses derivative instruments on a limited basis to manage certain risks related to interest rates, foreign currency exchange rates and commodity prices. Instruments that reduce the exposure of assets, liabilities or anticipated transactions to interest rate, currency or price risks are accounted for as hedges. Gains or losses on derivatives that cease to qualify as hedges are recognized in income or expense. 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 either with creditworthy major financial institutions or over national exchanges.

Murphy uses interest swap agreements to convert certain variable rate long-term debt to fixed rates. Under the accrual/settlement method of accounting, the Company records the net amount to be received or paid under the swap agreements as part of "Interest Expense" in the Consolidated Statements of Income. If the Company should terminate an interest rate swap prior to maturity, any cash paid or received as settlement would be deferred and recognized as an adjustment to "Interest Expense" over the shorter of the remaining life of the debt or the remaining contractual life of the swap.

The Company periodically uses crude oil swap agreements to reduce a portion of the financial exposure of its U.S. refineries to crude oil price movements. Unrealized gains or losses on such swap contracts are generally deferred and recognized in connection with the associated crude oil purchase. If conditions indicate that the market price of finished products would not allow for recovery of the costs of the finished products, including any unrealized loss on the crude oil swap, a liability will be provided for the nonrecoverable portion of the unrealized swap loss. The Company records pretax operating results associated with crude oil swaps in "Crude Oil, Products and Related Operating Expenses" in the Consolidated Statements of Income.

The Company periodically uses natural gas swap agreements to reduce a portion of the financial exposure of its Meraux, Louisiana refinery to fluctuations in the price of future natural gas fuel purchases. Unrealized gains or losses on such swap contracts are deferred and recognized in connection with the associated fuel purchases. The Company records the related pretax contract results in "Crude Oil, Products and Related Operating Expenses" in the Consolidated Statements of Income.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NET INCOME PER COMMON SHARE - Basic income per Common share is computed by dividing net income for each reporting period by the weighted average number of Common shares outstanding during the period. Diluted income per Common share is computed by dividing net income for each reporting period by the weighted average number of Common shares outstanding during the period plus the effects of potentially dilutive Common shares.

USE OF ESTIMATES - In preparing the financial statements of the Company in conformity with generally accepted accounting principles, management has made a number of estimates and assumptions related to the reporting of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities. Actual results may differ from the estimates.

NOTE B - PROPERTY, PLANT AND EQUIPMENT

(Thousands of dollars)	Investment December 31, 1999		Investment December 31, 1998	
	Cost	Net	Cost	Net
Exploration and production	\$3,750,077	1,324,685*	3,657,399	1,228,477*
Refining	698,100	259,883	677,245	257,640
Marketing	219,124	140,786	196,362	116,958
Transportation	84,391	38,762	81,307	40,459
Corporate and other	38,627	18,625	35,903	18,828
	\$4,790,319	1,782,741	4,648,216	1,662,362
	=====	=====	=====	=====

*Includes \$16,270 in 1999 and \$15,766 in 1998 related to administrative assets and support equipment.

In 1998 and 1997, the Company recorded noncash charges of \$80,127,000 and \$28,056,000, respectively, for impairment of certain long-lived assets. After related income tax benefits, these write-downs reduced net income by \$57,573,000 in 1998 and \$16,224,000 in 1997. The 1998 charges resulted from management's expectation of a continuation of the low-price environment for sales of crude oil and natural gas that existed at the end of 1998; the write-down included certain oil and gas assets in the U.S. Gulf of Mexico, the U.K. North Sea, China, and Canada and certain marketing assets in Canada. The 1997 charges related to certain investments in Canadian heavy oil fields that were not adequately supported by reserves and three natural gas fields in the Gulf of Mexico that depleted earlier than anticipated. The carrying values for assets determined to be impaired were adjusted to the assets' fair values based on projected future discounted net cash flows, using the Company's estimates of future commodity prices.

NOTE C - FINANCING ARRANGEMENTS

At December 31, 1999, the Company had an unused committed credit facility with a major banking consortium of an equivalent US \$300,000,000 for a combination of U.S. dollar and Canadian dollar borrowings. U.S. dollar and Canadian dollar commercial paper totaling an equivalent US \$112,191,000 at December 31, 1999 was outstanding and classified as nonrecourse debt. This outstanding debt is supported by a similar amount of credit facilities with major banks based on loan guarantees from the Canadian government. Depending on the credit facility, borrowings bear interest at prime or varying cost of fund options. Facility fees are due at varying rates on certain of the commitments. The facilities expire at dates ranging from 2000 through 2002. In addition, the Company had unused uncommitted lines of credit with banks at December 31, 1999 totaling an equivalent US \$186,333,000 for a combination of U.S. dollar and Canadian dollar borrowings.

During 1999, the Company filed a shelf registration statement with the U.S. Securities and Exchange Commission that was declared effective and permits the offer and sale of up to \$1 billion in debt and equity securities. No securities had been issued under this shelf registration as of December 31, 1999.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE D - LONG-TERM DEBT

December 31 (Thousands of dollars)	1999	1998
	----	----
Notes payable		
7.05% notes, due 2029	\$247,277	-
Notes payable to bank, 10.1%, due 2004	-	20,000
Notes payable to banks, 5.30% to 5.35%, \$7,842 payable in Canadian dollars, due 2002	-	168,842
Other, 6% to 8%, due 2000-2021	1,363	867
Total notes payable	248,640	189,709
	-----	-----
Nonrecourse debt of a subsidiary		
Guaranteed credit facilities with banks		
Commercial paper, 4.93% to 6.15%, \$42,791 payable in Canadian dollars, supported by credit facility, due 2001-2008	112,191	109,786
Bankers' acceptance, 5.27%, payable in Canadian dollars, supported by credit facility	-	5,947
Loan payable to Canadian government, interest free, payable in Canadian dollars, due 2000-2008	32,404	33,982
Total nonrecourse debt of a subsidiary	144,595	149,715
	-----	-----
Total debt including current maturities	393,235	339,424
Current maturities	(71)	(5,951)
Total long-term debt	\$393,164	333,473
	=====	=====

Amounts becoming due for the four years after 2000 are: \$76,000 in 2001, \$29,645,000 in 2002, \$14,696,000 in 2003, and \$16,016,000 in 2004.

During 1999, the Company issued \$250 million of 30-year notes in the public market; these notes mature in May 2029 and are shown in the above table net of unamortized discount. The proceeds were used primarily to repay amounts previously borrowed under other financing arrangements, which remain available to the Company at December 31, 1999 as discussed in Note C.

The nonrecourse guaranteed credit facilities were arranged to finance certain expenditures for the Hibernia oil field. Subject to certain conditions and limitations, the Canadian government has unconditionally guaranteed repayment of amounts drawn under the facilities to lenders having qualifying Participation Certificates. The Company has borrowed the maximum amount available under the Primary Guarantee Facility at December 31, 1999. The amount guaranteed declines quarterly beginning in 2001, at which time repayment will begin based on the greater of 30% of Murphy's after-tax free cash flow from Hibernia or equal quarterly payments over eight years. The payment for 2001 is planned to be refinanced under an existing committed credit facility and is thereby reflected as becoming due in 2002. No guaranteed financing is available after January 1, 2016. A guarantee fee of .5% is payable annually in arrears to the Canadian government.

The interest free loan from the Canadian government was also used to finance expenditures for the Hibernia field. Repayment began in 1999, but payments through 2001 are planned to be refinanced under an existing committed credit facility and are thereby reflected as becoming due in 2002.

NOTE E - PROVISION FOR REDUCTION IN FORCE

In early 1999, the Company offered enhanced voluntary retirement benefits to eligible exploration, production and administrative employees in its New Orleans and Calgary offices and severed certain other employees at these locations. The voluntary retirements and severances reduced the Company's workforce by 31 employees, and a "Provision for Reduction in Force" of \$1,513,000 was recorded in the Consolidated Statement of Income in 1999. The provision included additional defined benefit plan expense of \$1,041,000 and severance and other costs of \$472,000, the latter of which was essentially all paid during 1999.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE F - INCOME TAXES

The components of income (loss) before income taxes for each of the three years ended December 31, 1999 and income tax expense (benefit) attributable thereto were as follows.

(Thousands of dollars)	1999	1998	1997
	-----	-----	-----
Income (loss) before income taxes			
United States	\$ 15,074	44,600	135,476
Foreign	163,428	(52,877)	76,174
	-----	-----	-----
	\$178,502	(8,277)	211,650
	=====	=====	=====
Income tax expense (benefit)			
Federal - Current ^{1/}	\$(13,497)	6,431	31,278
Deferred	1,597	6,232	(1,751)
Noncurrent	16,366	3,785	14,946
	-----	-----	-----
	4,466	16,448	44,473
State - Current	1,342	2,021	4,589
	-----	-----	-----
Foreign - Current	40,726	(3,498)	12,912
Deferred ^{2/}	11,165	(10,201)	19,423
Noncurrent	1,096	1,347	(2,153)
	-----	-----	-----
	52,987	(12,352)	30,182
	-----	-----	-----
Total income tax expense	\$ 58,795	6,117	79,244
	=====	=====	=====

^{1/}Net of benefits of \$12,537 in 1997 for alternative minimum tax credits.

^{2/}Net of benefits of \$609 in 1999 and \$1,573 in 1997 for reductions in U.K. tax rate.

Noncurrent taxes, classified in the Consolidated Balance Sheets as a component of "Deferred Credits and Other Liabilities," relate primarily to matters not resolved with various taxing authorities.

The following table reconciles income taxes based on the U.S. statutory tax rate to the Company's income tax expense.

(Thousands of dollars)	1999	1998	1997
	-----	-----	-----
Income tax expense (benefit) based on the U.S. statutory tax rate	\$62,475	(2,897)	74,078
Foreign income subject to foreign taxes at a rate different than the U.S. statutory rate	1,988	5,692	11,087
State income taxes	872	1,313	2,983
Settlement of U.S. taxes	(5,000)	(704)	-
Settlement of foreign taxes	-	(1,410)	(3,163)
Foreign asset impairment with no tax benefit	-	5,293	-
Other, net	(1,540)	(1,170)	(5,741)
	-----	-----	-----
Total income tax expense	\$58,795	6,117	79,244
	=====	=====	=====

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

An analysis of the Company's deferred tax assets and deferred tax liabilities at December 31, 1999 and 1998 showing the tax effects of significant temporary differences follows.

(Thousands of dollars)	1999	1998
	-----	-----
Deferred tax assets		
Property and leasehold costs	\$ 64,469	75,716
Reserves for dismantlements and major repairs	53,470	63,763
Federal alternative minimum tax credit carryforward	3,177	2,068
Postretirement and other employee benefits	24,637	17,979
Foreign tax operating losses	23,135	15,064
Other deferred tax assets	29,379	24,234
	-----	-----
Total gross deferred tax assets	198,267	198,824
Less valuation allowance	(57,388)	(62,358)
	-----	-----
Net deferred tax assets	140,879	136,466
	-----	-----
Deferred tax liabilities		
Property, plant and equipment	(32,985)	(34,152)
Accumulated depreciation, depletion and amortization	(213,674)	(189,082)
Other deferred tax liabilities	(27,364)	(24,686)
	-----	-----
Total gross deferred tax liabilities	(274,023)	(247,920)
	-----	-----
Net deferred tax liabilities	\$(133,144)	(111,454)
	=====	=====

The Company has tax loss carryforwards of \$92,500,000 associated with its operations in Ecuador. These losses can be carried forward for five years but are limited to 25% of each year's taxable income. The losses begin to expire in 2002.

In management's judgment, the net deferred tax assets in the preceding table will more likely than not be realized as reductions of future taxable income or by utilizing available tax planning strategies. The valuation allowance for deferred tax assets relates primarily to tax assets arising in foreign tax jurisdictions, and in the judgment of management, these tax assets are not likely to be realized. The valuation allowance decreased \$4,970,000 in 1999, but increased \$10,762,000 in 1998; the change in each year primarily offset the change in certain deferred tax assets. Any subsequent reductions of the valuation allowance will be reported as reductions of tax expense assuming no offsetting change in the deferred tax asset.

The Company has not recorded a deferred tax liability of \$23,640,000 related to undistributed earnings of certain foreign subsidiaries at December 31, 1999 because the earnings are considered permanently invested.

Tax returns are subject to audit by various taxing authorities. In 1999, 1998 and 1997, the Company recorded benefits to income of \$5,000,000, \$2,114,000, and \$3,163,000, respectively, from settlements of various U.S. and foreign tax issues primarily related to prior years. The Company believes that adequate accruals have been made for unsettled issues.

NOTE G - INCENTIVE PLANS

The Company's 1992 Stock Incentive Plan (the Plan) authorized the Executive Compensation and Nominating Committee (the Committee) to make annual grants of the Company's Common Stock to executives and other key employees as follows: (1) stock options (nonqualified or incentive), (2) stock appreciation rights (SAR), and/or (3) restricted stock. Annual grants may not exceed 1% (.5% prior to 2000) of shares outstanding at the end of the preceding year; allowed shares not granted may be granted in future years. The Company uses APB Opinion No. 25 to account for stock-based compensation, accruing costs of options and restricted stock over the vesting/performance periods and adjusting costs for changes in fair market value of Common Stock. Compensation cost charged against (credited to) income for stock-based plans was \$13,161,000 in 1999, \$(4,646,000) in 1998 and \$2,026,000 in 1997; outstanding awards were not significantly modified in the last three years. Had compensation cost of the Plan been based on the fair value of the instruments at the date of grant using the provisions of Statement of Financial Accounting Standards (SFAS) No. 123, the Company's net income and earnings per share would be the pro forma amounts shown in the following table. The pro forma effects on net income in the table may not be representative of the pro forma effects on net income of future years because the SFAS No. 123 provisions used in these calculations were only applied to stock options and restricted stock granted after 1994.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Thousands of dollars except per share data)		1999	1998	1997
		-----	-----	-----
Net income (loss)	- As reported	\$119,707	(14,394)	132,406
	Pro forma	124,543	(18,182)	132,089
Earnings per share	- As reported, basic	\$ 2.66	(.32)	2.95
	Pro forma, basic	2.77	(.40)	2.94
	As reported, diluted	2.66	(.32)	2.94
	Pro forma, diluted	2.76	(.40)	2.94

STOCK OPTIONS - The Committee fixes the option price of each option granted at no less than fair market value (FMV) on the date of the grant and fixes the option term at no more than 10 years from such date. Each option granted to date under the Plan has had a term of 10 years, has been nonqualified, and has had an option price equal to FMV at date of grant, except for certain 1997 grants with option prices above FMV. Generally, one-half of each grant may be exercised after two years and the remainder after three years. At exercise, a grantee may pay cash for shares, or alternatively, not remit cash and receive shares equal to the inherent value of options exercised on that date. On December 31, 1996, Murphy completed a tax-free spin-off to its stockholders of all the common stock of its wholly owned subsidiary, Deltic Timber Corporation (Deltic). The number of outstanding options at January 1, 1997 and the related option prices were adjusted to preserve the existing economic values of the options at the time of the Deltic spin-off.

The pro forma net income calculations in the preceding table reflect the following weighted-average fair values of options granted in 1999, 1998 and 1997; fair values of options have been estimated by using the Black-Scholes pricing model and the assumptions as shown.

	1999 FMV	1998 FMV	1997 FMV	1997 Above FMV
	-----	-----	-----	-----
Weighted-average fair value per share at grant date	\$ 7.76	\$ 9.01	\$ 9.75	\$ 8.25
Weighted-average assumptions				
Dividend yield	2.87%	2.91%	3.00%	3.00%
Expected volatility	24.21%	17.27%	17.37%	17.37%
Risk-free interest rate	4.77%	5.46%	6.18%	6.37%
Expected life	5 yrs.	5 yrs.	5 yrs.	7 yrs.

Changes in options outstanding, including shares issued under a prior plan, were as follows.

	Number of Shares	Average Exercise Price
	-----	-----
Outstanding at December 31, 1996	440,599	\$40.77
Deltic spin-off adjustment	17,407	-
Granted at FMV	180,250	50.38
Granted above FMV	231,750	60.45
Exercised	(68,022)	36.53
Forfeited	(31,295)	49.08
	-----	-----
Outstanding at December 31, 1997	770,689	48.04
Granted at FMV	312,000	49.75
Exercised	(17,400)	36.04
Forfeited	(12,040)	49.34
	-----	-----
Outstanding at December 31, 1998	1,053,249	48.73
Granted at FMV	325,500	35.69
Exercised	(109,130)	39.57
Forfeited	(15,250)	45.27
	-----	-----
Outstanding at December 31, 1999	1,254,369	46.19
	=====	
Exercisable at December 31, 1997	174,269	\$37.79
Exercisable at December 31, 1998	284,529	39.53
Exercisable at December 31, 1999	441,119	45.36

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Additional information about stock options outstanding at December 31, 1999 is shown below.

Range of Exercise Prices Per Share	Options Outstanding			Options Exercisable	
	No. of Options	Avg. Life in Years	Avg. Price	No. of Options	Avg. Price
\$34.56 to \$39.42	388,919	7.9	\$35.80	68,419	\$ 36.33
\$40.81 to \$42.25	180,700	5.7	41.41	180,700	41.41
\$49.75 to \$50.38	464,250	7.7	49.97	118,500	50.38
\$55.41 to \$65.49	220,500	7.1	60.45	73,500	55.41
	-----			-----	
Total outstanding	1,254,369	7.4	46.19	441,119	45.36
	=====			=====	

SAR - SAR may be granted in conjunction with or independent of stock options; the Committee determines when SAR may be exercised and the price. No SAR have been granted.

RESTRICTED STOCK - Beginning in 1992, shares of restricted stock were granted in certain years. Each grant will vest if the Company achieves specific financial objectives at the end of a five-year performance period. Additional shares may be awarded if objectives are exceeded, but some or all shares may be forfeited if objectives are not met. During the performance period, a grantee receives dividends and may vote these shares, but shares are subject to transfer restrictions and are all or partially forfeited if a grantee terminates. The Company may reimburse a grantee up to 50% of the award value for personal income tax liability on stock awarded. For the pro forma net income calculation, the fair values per share of restricted stock granted in 1998 was \$49.50, the market price of the stock at the date granted. The number of restricted shares outstanding at January 1, 1997 was adjusted to preserve the existing economic value of the stock at the time of the Deltic spin-off. On December 31, 1998, all shares granted in 1994 were forfeited because financial objectives were not achieved. Changes in restricted stock outstanding were as follows.

(Number of shares)	1999	1998	1997
	-----	-----	-----
Balance at beginning of year	83,364	39,856	36,512
Granted	-	59,750	-
Grant adjustment to reflect Deltic spin-off	-	-	5,977
Awarded	-	-	(1,336)*
Forfeited	-	(16,242)	(1,297)
	-----	-----	-----
Balance at end of year	83,364	83,364	39,856
	=====	=====	=====

*Additional shares awarded related to Deltic spin-off.

CASH AWARDS - The Committee also administers the Company's incentive compensation plans, which provide for annual or periodic cash awards to officers, directors and key employees if the Company achieves specific financial objectives. Compensation expense of \$5,301,000, \$518,000 and \$3,894,000 was recorded in 1999, 1998, and 1997, respectively, for these plans.

EMPLOYEE STOCK PURCHASE PLAN (ESPP) - In 1997, the Company's shareholders approved the ESPP, under which 50,000 shares of the Company's Common Stock could be purchased by employees. Each quarter, an eligible U.S. employee may elect to withhold up to 10% of his or her salary to purchase shares of the Company's stock at a price equal to 90% of the fair value of the stock as of the first day of the quarter. The ESPP will terminate on the earlier of the date that employees have purchased all 50,000 shares or June 30, 2002. Employee stock purchases under the ESPP were 20,486 shares at an average price of \$37.56 a share in 1999, 11,315 shares at \$48.81 a share in 1998 and 4,326 shares at \$44.44 in 1997. At December 31, 1999, 13,873 shares remained available for sale under the ESPP. Compensation costs related to the ESPP were immaterial.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE H - EMPLOYEE AND RETIREE BENEFIT PLANS

PENSION AND POSTRETIREMENT PLANS - The Company has noncontributory defined benefit pension plans that cover substantially all full-time employees. In addition, the Company sponsors plans that provide health care and life insurance benefits for most retired U.S. employees. The health care benefits are contributory; the life insurance benefits are noncontributory.

The tables that follow provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets for the years ended December 31, 1999 and 1998 and a statement of the funded status as of December 31, 1999 and 1998.

(Thousands of dollars)	Pension Benefits		Postretirement Benefits	
	1999	1998	1999	1998
CHANGE IN BENEFIT OBLIGATION				
Obligation at January 1	\$238,022	220,981	36,749	36,255
Service cost	5,791	5,242	712	601
Interest cost	15,516	15,309	2,366	2,474
Plan amendments	225	2,744	-	-
Participant contributions	-	-	531	535
Actuarial (gain) loss	(6,167)	8,492	(2,916)	496
Curtailment	226	-	-	-
Settlements	(82)	-	-	-
Special early retirement benefits	1,079	-	-	-
Exchange rate changes	18	(908)	-	-
Benefits paid	(13,998)	(13,838)	(3,092)	(3,612)
Obligation at December 31	240,630	238,022	34,350	36,749
CHANGE IN PLAN ASSETS				
Fair value of plan assets at January 1	286,846	269,794	-	-
Actual return on plan assets	30,613	30,727	-	-
Employer contributions	842	1,373	2,561	3,077
Participant contributions	-	-	531	535
Settlements	(82)	-	-	-
Exchange rate changes	253	(1,210)	-	-
Benefits paid	(13,998)	(13,838)	(3,092)	(3,612)
Fair value of plan assets at December 31	304,474	286,846	-	-
RECONCILIATION OF FUNDED STATUS				
Funded status at December 31	63,844	48,824	(34,350)	(36,749)
Unrecognized actuarial (gain) loss	(43,292)	(30,410)	3,610	6,730
Unrecognized transition asset	(8,729)	(10,960)	-	-
Unrecognized prior service cost	6,391	6,813	-	-
Net plan asset (liability) recognized	\$ 18,214	14,267	(30,740)	(30,019)
AMOUNTS RECOGNIZED IN THE CONSOLIDATED BALANCE SHEETS AT DECEMBER 31				
Prepaid benefit asset	\$ 34,200	29,477	-	-
Accrued benefit liability	(16,300)	(16,087)	(30,740)	(30,019)
Intangible asset	314	877	-	-
Net plan asset (liability) recognized	\$ 18,214	14,267	(30,740)	(30,019)

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company's U.S. and Canadian nonqualified retirement plans and U.S. directors' retirement plan were the only pension plans with accumulated benefit obligations in excess of plan assets at December 31, 1999 and 1998. The accumulated benefit obligations of these plans at December 31, 1999 and 1998 were \$7,784,000 and \$7,486,000, respectively; there were no assets in these plans. The Company's postretirement benefit plan also had no plan assets; the benefit obligation for this plan at December 31, 1999 and 1998 was \$30,740,000 and \$30,019,000, respectively.

The table that follows provides the components of net periodic benefit expense (credit) for each of the three years ended December 31, 1999.

(Thousands of dollars)	Pension Benefits			Postretirement Benefits		
	1999	1998	1997	1999	1998	1997
Service cost	\$ 5,791	5,242	4,517	712	601	508
Interest cost	15,516	15,309	14,889	2,366	2,474	2,466
Expected return on plan assets	(23,105)	(22,180)	(19,040)	-	-	-
Amortization of prior service cost	622	626	402	-	-	-
Amortization of transitional asset	(2,204)	(2,211)	(2,216)	-	-	-
Recognized actuarial (gain) loss	(766)	(758)	(965)	203	194	67
Net periodic benefit expense (credit)	(4,146)	(3,972)	(2,413)	3,281	3,269	3,041
Special early retirement benefits	1,041	-	-	-	-	-
Total periodic benefit expense (credit)	\$ (3,105)	(3,972)	(2,413)	3,281	3,269	3,041

The preceding tables in Note H include the following amounts related to foreign benefit plans.

(Thousands of dollars)	Pension Benefits		Postretirement Benefits	
	1999	1998	1999	1998
Obligation at December 31	\$53,675	47,625	-	-
Fair value of plan assets at December 31	61,462	54,348	-	-
Net plan liability recognized	(3,178)	(3,285)	-	-
Net periodic benefit expense	364	410	-	-

The following table provides the weighted-average assumptions used in the measurement of the Company's benefit obligations at December 31, 1999 and 1998.

	Pension Benefits		Postretirement Benefits	
	1999	1998	1999	1998
Discount rate	7.26%	6.62%	7.50%	6.75%
Expected return on plan assets	8.34%	8.31%	-	-
Rate of compensation increase	4.66%	4.67%	-	-

For purposes of measuring postretirement benefit obligations at December 31, 1999, the future annual rates of increase in the cost of health care were assumed to be 6.5% for 2000, 5.5% for 2001 and 4.5% for 2002 and beyond.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Assumed health care cost trend rates have a significant effect on the expense and obligation reported for the postretirement benefit plan. A 1% change in assumed health care cost trend rates would have the following effects.

(Thousands of dollars)	1% Increase -----	1% Decrease -----
Effect on total service and interest cost components of net periodic postretirement benefit expense for the year ended December 31, 1999	\$ 221	(211)
Effect on the health care component of the accumulated postretirement benefit obligation at December 31, 1999	2,124	(2,063)

THRIFT PLANS - Most U.S. and Canadian employees of the Company may participate in thrift plans by allotting up to a specified percentage of their base pay. The Company matches contributions at a stated percentage of each employee's allotment based on years of participation in the plans. Amounts charged to expense for these plans were \$2,523,000 in 1999, \$3,333,000 in 1998 and \$3,076,000 in 1997. In early 2000, the Company initiated a profit sharing plan for its U.K. employees, whereby the Company matches contributions of eligible employees. The cost of the U.K. plan is projected to be \$190,000 in 2000.

NOTE I - FINANCIAL INSTRUMENTS

DERIVATIVE INSTRUMENTS - As discussed in Note A, Murphy utilizes derivative instruments on a limited basis to manage risks related to interest rates, foreign currency exchange rates and commodity prices. At December 31, 1999 and 1998, the Company had interest rate swap agreements with notional amounts totaling \$100,000,000 that serve to convert an equal amount of variable rate long-term debt to fixed rates. The swaps mature in 2002 and 2004. The swaps require Murphy to pay an average interest rate of 6.46% over their composite lives and to receive a variable rate, which averaged 6.19% at December 31, 1999. The variable rate received by the Company under each contract is repriced quarterly.

The Company periodically uses crude oil swap agreements to reduce a portion of the financial exposure of its U.S. refineries to crude oil price movements. At December 31, 1999, the Company was a party to crude oil swap agreements for a total notional volume of 2.3 million barrels; these swaps mature in 2001 and 2002. At termination, the swaps require Murphy to pay an average crude oil price of \$16.76 a barrel and to receive the average of the near-month NYMEX West Texas Intermediate (WTI) crude oil prices during the respective contractual maturity periods. Unrealized gains or losses on such swap contracts are generally deferred and recognized in connection with the associated crude oil purchase. If conditions indicate that the market price of finished products would not allow for recovery of the costs of the finished products, including any unrealized loss on the crude oil swap, a liability will be provided for the nonrecoverable portion of the unrealized swap loss. After-tax gains from crude oil swaps were \$5,041,000 in 1997.

The Company periodically uses natural gas swap agreements to reduce a portion of the financial exposure of its Meraux, Louisiana refinery to fluctuations in the price of natural gas purchased for fuel. At December 31, 1999, Murphy was a party to natural gas swap agreements for a total notional volume of 7 million MMBTU. One-twelfth of the notional volume matures each month during 2004. The swaps require Murphy to pay an average natural gas price of \$2.61 an MMBTU and to receive the average NYMEX Henry Hub price for the final three trading days of each respective month in 2004. Unrealized gains or losses on such swap contracts are deferred and recognized in connection with the associated fuel purchases.

FAIR VALUE - The following table presents the carrying amounts and estimated fair values of financial instruments held by the Company at December 31, 1999 and 1998. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties. The table excludes cash and cash equivalents, trade accounts receivable, investments and noncurrent receivables, trade accounts payable, and accrued expenses, all of which had fair values approximating carrying amounts.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Carrying (Thousands of dollars)	1999		1998	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities				
Current and long-term debt	\$(393,235)	(373,546)	(341,385)	(333,905)
Off-balance-sheet exposures - unrealized gain (loss)				
Interest rate swaps	-	266	-	(5,453)
Crude oil swaps	-	2,668	-	-
Natural gas swaps	-	(83)	-	-
Financial guarantees and letters of credit	-	-	-	-

The carrying amounts of financial liabilities in the preceding table are included in the Consolidated Balance Sheets under "Current Maturities of Long-Term Debt," "Notes Payable," and "Nonrecourse Debt of a Subsidiary." The following methods and assumptions were used to estimate the fair value of each class of financial instruments shown in the table.

- Current and long-term debt - The fair value is estimated based on current rates offered the Company for debt of the same maturities.
- Interest rate swaps, crude oil swaps and natural gas swaps - The fair values are based on quotes from counterparties.
- Financial guarantees and letters of credit - The fair value, which represents fees associated with obtaining the instruments, was nominal.

CREDIT RISKS - The Company's primary credit risks are associated with trade accounts receivable, cash equivalents and derivative instruments. Trade receivables arise mainly from sales of crude oil, natural gas and petroleum products to a large number of customers in the United States, Canada and the United Kingdom. The credit history and financial condition of potential customers are reviewed before credit is extended, security is obtained when deemed appropriate based on a potential customer's financial condition, and routine follow-up evaluations are made. The combination of these evaluations and the large number of customers tends to limit the risk of credit concentration to an acceptable level. Cash equivalents are placed with several major financial institutions, which limits the Company's exposure to credit risk. The Company controls credit risk on derivatives through credit approvals and monitoring procedures and believes that such risks are minimal because counterparties to the transactions are major financial institutions.

NOTE J - STOCKHOLDER RIGHTS PLAN

The Company's Stockholder Rights Plan provides for each Common stockholder to receive a dividend of one Right for each share of the Company's Common Stock held. The Rights will expire on April 6, 2008 unless earlier redeemed or exchanged. The Rights will detach from the Common Stock and become exercisable following a specified period of time after the first public announcement that a person or group of affiliated or associated persons (other than certain persons) has become the beneficial owner of 15% or more of the Company's Common Stock. The Rights have certain antitakeover effects and will cause substantial dilution to a person or group that attempts to acquire the Company without conditioning the offer on a substantial number of Rights being acquired. The Rights are not intended to prevent a takeover, but rather are designed to enhance the ability of the Board of Directors to negotiate with an acquiror on behalf of all shareholders. Other terms of the Rights are set forth in, and the foregoing description is qualified in its entirety by, the Rights Agreement, as amended, between the Company and Harris Trust Company of New York, as Rights Agent.

NOTE K - EARNINGS PER SHARE

The following table reconciles the weighted-average shares outstanding for computation of basic and diluted income (loss) per Common share for each of the three years ended December 31, 1999. No difference existed between net income (loss) used in computing basic and diluted income (loss) per Common share for these years.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Weighted-average shares outstanding)	1999	1998	1997
	----	----	----
Basic method	44,970,457	44,955,679	44,881,225
Dilutive stock options	59,768	-	79,682
	-----	-----	-----
Diluted method	45,030,225	44,955,679	44,960,907
	=====	=====	=====

The computations of diluted earnings per share in the Consolidated Statements of Income did not consider outstanding options at year end of 684,750 shares in 1999, 1,053,249 shares in 1998 and 397,000 shares in 1997 because the effects of these options would have improved the Company's earnings per share. Average exercise prices per share of the options not used were \$53.34, \$48.73 and \$55.97, respectively.

NOTE L - OTHER FINANCIAL INFORMATION

INVENTORIES - Inventories accounted for under the LIFO method totaled \$72,452,000 and \$65,107,000 at December 31, 1999 and 1998, respectively, and were \$115,236,000 and \$14,195,000 less than such inventories would have been valued using the first-in first-out method. At December 31, 1998, the Company established an allowance to reduce the carrying value of certain crude oil inventories to market value, resulting in an after-tax charge to income of \$4,227,000. Based on crude oil prices at December 31, 1999, the Company carried no such inventory valuation allowance at that date.

FOREIGN CURRENCY - Cumulative translation gains and losses, net of insignificant related income tax effects, are included in "Accumulated Other Comprehensive Loss" in the Consolidated Balance Sheets. At December 31, 1999, components of the net cumulative loss of \$4,984,000 were gains (losses) of \$31,218,000 for pounds sterling, \$(36,632,000) for Canadian dollars and \$430,000 for other currencies. Comparability of net income was not significantly affected by exchange rate fluctuations in 1999, 1998 or 1997. Net gains (losses) from foreign currency transactions included in the Consolidated Statements of Income were \$(847,000) in 1999, \$282,000 in 1998 and \$200,000 in 1997.

CASH FLOW DISCLOSURES - Cash income taxes paid (refunded) were \$(5,343,000), \$26,227,000 and \$86,962,000 in 1999, 1998 and 1997, respectively. Interest paid, net of amounts capitalized, was \$17,140,000, \$9,551,000 and \$269,000 in 1999, 1998 and 1997, respectively.

Noncash operating working capital (increased) decreased for each of the three years ended December 31, 1999 as follows.

(Thousands of dollars)	1999	1998	1997
	----	----	----
Accounts receivable	\$(123,566)	38,541	47,214
Inventories	(21,866)	28,639	(27,061)
Prepaid expenses	4,147	15,031	(17,503)
Deferred income tax assets	(8,600)	2,158	4,348
Accounts payable and accrued liabilities	99,382	(85,503)	(67,623)
Current income tax liabilities	15,344	(2,676)	(11,766)
	-----	-----	-----
Net increase in noncash operating working capital	\$ (35,159)	(3,810)	(72,391)
	=====	=====	=====

NOTE M - COMMITMENTS

The Company leases land, gasoline stations and other facilities under operating leases. Future minimum rental commitments under noncancellable operating leases are not material. Commitments for capital expenditures were approximately \$256,000,000 at December 31, 1999, including \$84,000,000 related to the Company's share of a multiyear contract for a semisubmersible deepwater drilling rig and associated support equipment. Certain costs committed under this contract will be charged to the Company's partners when future deepwater wells are drilled.

NOTE N - CONTINGENCIES

The Company's operations and earnings have been and may be affected by various forms of governmental action both in the United States and throughout the world. Examples of such governmental action include, but are by no means limited to: tax increases and retroactive tax claims; restrictions on production; import and export controls; price controls; currency controls; allocation of supplies of crude oil and petroleum products and other goods; expropriation of property; restrictions and preferences affecting the issuance of oil and gas or mineral leases; restrictions on drilling and/or production; laws and regulations intended for the promotion of safety and the protection and/or remediation of the environment; 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.

FOREIGN CRUDE OIL CONTRACTS - In August 1996, the Ecuadoran government notified the Company that its risk service contract for production of crude oil in Ecuador would be replaced by a production sharing contract effective January 1, 1997 to give the government a larger share of future oil revenues. While the state oil company, PetroEcuador, acknowledged that amounts were owed under the former contract and indicated its intention to pay, the Company considered the circumstances surrounding the contract replacement and recorded an \$8,876,000 provision for doubtful accounts in 1996. Based on amounts subsequently collected, the Company determined that portions of the allowance for doubtful accounts were no longer required and recognized income of \$3,304,000 in 1999, \$2,410,000 in 1998 and \$1,642,000 in 1997.

ENVIRONMENTAL MATTERS - The Company's environmental contingencies are reviewed in Management's Discussion and Analysis of Financial Condition and Results of Operations under the section entitled "Environmental" beginning on page 15 of this Form 10-K report.

OTHER MATTERS - 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 letters of credit that may be drawn upon if the Company fails to perform under those contracts. At December 31, 1999, the Company had contingent liabilities of \$52,400,000 on outstanding letters of credit and \$66,900,000 under certain financial guarantees.

NOTE O - BUSINESS SEGMENTS

Murphy's reportable segments are organized into two major types of business activities, each subdivided into geographic areas of operations. The Company's exploration and production activity is subdivided into segments for the United States, Canada, the United Kingdom, Ecuador, and all other countries; each of these segments derives revenues primarily from the sale of crude oil and natural gas. The refining, marketing and transportation segments in the United States and the United Kingdom derive revenues mainly from the sale of petroleum products; the Canadian segment derives revenues primarily from the transportation and trading of crude oil. The Company's management evaluates segment performance based on income from operations, excluding interest income and interest expense. Intersegment transfers of crude oil, natural gas and petroleum products are at market prices and intersegment services are recorded at cost.

Information about business segments and geographic operations is reported in the following tables. Excise taxes on petroleum products of \$898,917,000, \$831,385,000 and \$679,953,000 for the years 1999, 1998 and 1997, respectively, were excluded from revenues and costs and expenses. For geographic purposes, revenues are attributed to the country in which the sale occurs. The Company had no single customer from which it derived more than 10% of its revenues. Murphy's equity method investments are in companies that transport crude oil and petroleum products. Corporate and other activities, including interest income, miscellaneous gains and losses, interest expense and unallocated overhead, are shown in the tables to reconcile the business segments to consolidated totals. As used in the table on page F-20, "Certain Long-Lived Assets at December 31" exclude investments, noncurrent receivables and deferred tax assets.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

SEGMENT INFORMATION

Exploration and Production

(Millions of dollars)	U.S.	Canada	U.K.	Ecuador	Other	Total
YEAR ENDED DECEMBER 31, 1999						
Segment income (loss)	\$ 35.3	47.0	37.2	22.6	(7.7)	134.4
Revenues from external customers	151.1	162.0	119.0	40.1	2.0	474.2
Intersegment revenues	50.6	58.7	23.4	-	-	132.7
Interest income	-	-	-	-	-	-
Interest expense, net of capitalization	-	-	-	-	-	-
Income of equity companies	-	-	-	-	-	-
Income tax expense (benefit)	10.3	24.8	24.5	-	.5	60.1
Significant noncash charges (credits)						
Depreciation, depletion, amortization	65.1	50.3	42.8	8.0	.1	166.3
Provisions for major repairs	-	2.5	-	-	-	2.5
Amortization of undeveloped leases	7.0	4.0	-	-	-	11.0
Deferred and noncurrent income taxes	12.6	21.3	(3.8)	-	1.3	31.4
Additions to property, plant, equipment	60.7	143.0	25.6	7.1	(.1)	236.3
Total assets at year-end	391.0	737.9	299.4	60.0	9.5	1,497.8
YEAR ENDED DECEMBER 31, 1998						
Segment income (loss)	\$.7	(7.5)	(13.3)	4.8	(35.1)	(50.4)
Revenues from external customers	146.7	92.5	82.8	21.3	2.7	346.0
Intersegment revenues	32.4	42.5	12.3	-	-	87.2
Interest income	-	-	-	-	-	-
Interest expense, net of capitalization	-	-	-	-	-	-
Income of equity companies	-	-	-	-	-	-
Income tax expense (benefit)	(.1)	(11.3)	(1.6)	(.8)	.1	(13.7)
Significant noncash charges (credits)						
Depreciation, depletion, amortization	66.0	44.0	42.9	10.2	-	163.1
Impairment of long-lived assets	29.9	10.1	24.3	-	15.1	79.4
Provisions for major repairs	-	3.1	-	-	-	3.1
Amortization of undeveloped leases	6.7	3.8	-	-	-	10.5
Deferred and noncurrent income taxes	(3.3)	(6.3)	(4.3)	-	.7	(13.2)
Additions to property, plant, equipment	104.0	94.1	67.5	10.2	.7	276.5
Total assets at year-end	399.1	595.6	317.6	60.3	13.3	1,385.9
YEAR ENDED DECEMBER 31, 1997						
Segment income (loss)	\$ 51.6	19.0	16.3	14.5	(16.3)	85.1
Revenues from external customers	210.7	125.1	121.6	36.0	2.5	495.9
Intersegment revenues	64.1	60.5	-	-	-	124.6
Interest income	-	-	-	-	-	-
Interest expense, net of capitalization	-	-	-	-	-	-
Income of equity companies	-	-	-	-	-	-
Income tax expense (benefit)	27.2	9.8	15.4	(1.1)	.1	51.4
Significant noncash charges (credits)						
Depreciation, depletion, amortization	79.4	37.9	43.7	11.4	-	172.4
Impairment of long-lived assets	7.7	20.4	-	-	-	28.1
Provisions for major repairs	-	4.6	-	-	-	4.6
Amortization of undeveloped leases	6.7	3.6	.1	-	.1	10.5
Deferred and noncurrent income taxes	(9.8)	9.1	(.9)	-	1.3	(.3)
Additions to property, plant, equipment	102.5	135.1	80.0	10.4	10.9	338.9
Total assets at year-end	400.7	596.0	319.6	61.5	24.9	1,402.7

GEOGRAPHIC INFORMATION

Certain Long-Lived Assets at December 31

(Millions of dollars)	U.S.	Canada	U.K.	Ecuador	Other	Total
1999	\$ 725.6	724.5	333.8	53.5	7.7	1,845.1
1998	706.2	600.4	352.8	54.4	8.4	1,722.2
1997	683.8	601.4	354.5	54.4	21.7	1,715.8

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

SEGMENT INFORMATION (CONTINUED)

(Millions of dollars)	Refining, Marketing & Transportation				Corp. & Other	Consolidated
	U.S.	U.K.	Canada	Total		
YEAR ENDED DECEMBER 31, 1999						
Segment income (loss)	\$ 1.6	14.0	6.8	22.4	(37.1)	119.7
Revenues from external customers	1,247.8	286.7	28.1	1,562.6	4.4	2,041.2
Intersegment revenues	4.6	-	.6	5.2	-	137.9
Interest income	-	-	-	-	3.9	3.9
Interest expense, net of capitalization	-	-	-	-	20.3	20.3
Income of equity companies	.5	-	-	.5	-	.5
Income tax expense (benefit)	.4	6.6	6.6	13.6	(14.9)	58.8
Significant noncash charges (credits)						
Depreciation, depletion, amortization	27.6	5.8	2.0	35.4	2.7	204.4
Provisions for major repairs	14.2	1.9	-	16.1	.1	18.7
Amortization of undeveloped leases	-	-	-	-	-	11.0
Deferred and noncurrent income taxes	7.9	(.5)	-	7.4	(.8)	38.0
Additions to property, plant, equipment	76.4	11.4	.3	88.1	2.6	327.0
Total assets at year-end	549.7	199.0	89.6	838.3	109.4	2,445.5
YEAR ENDED DECEMBER 31, 1998						
Segment income (loss)	\$ 27.7	17.3	2.5	47.5	(11.5)	(14.4)
Revenues from external customers	1,064.9	260.7	22.8	1,348.4	4.4	1,698.8
Intersegment revenues	3.1	-	.3	3.4	-	90.6
Interest income	-	-	-	-	4.0	4.0
Interest expense, net of capitalization	-	-	-	-	10.5	10.5
Income of equity companies	.8	-	-	.8	-	.8
Income tax expense (benefit)	15.7	7.9	3.1	26.7	(6.9)	6.1
Significant noncash charges (credits)						
Depreciation, depletion, amortization	29.3	5.2	1.9	36.4	3.2	202.7
Impairment of long-lived assets	-	-	.7	.7	-	80.1
Provisions for major repairs	15.2	2.0	-	17.2	.1	20.4
Amortization of undeveloped leases	-	-	-	-	-	10.5
Deferred and noncurrent income taxes	2.9	.6	(.3)	3.2	9.1	(.9)
Additions to property, plant, equipment	45.6	6.8	2.6	55.0	2.2	333.7
Total assets at year-end	465.5	160.8	50.2	676.5	102.0	2,164.4
YEAR ENDED DECEMBER 31, 1997						
Segment income (loss)	\$ 41.3	9.2	6.2	56.7	(9.4)	132.4
Revenues from external customers	1,342.8	268.6	26.1	1,637.5	4.4	2,137.8
Intersegment revenues	2.4	-	.1	2.5	-	127.1
Interest income	-	-	-	-	4.8	4.8
Interest expense, net of capitalization	-	-	-	-	.6	.6
Income of equity companies	1.1	-	-	1.1	-	1.1
Income tax expense (benefit)	23.7	5.9	6.2	35.8	(8.0)	79.2
Significant noncash charges (credits)						
Depreciation, depletion, amortization	27.8	4.7	2.0	34.5	2.5	209.4
Impairment of long-lived assets	-	-	-	-	-	28.1
Provisions for major repairs	18.1	1.8	-	19.9	.1	24.6
Amortization of undeveloped leases	-	-	-	-	-	10.5
Deferred and noncurrent income taxes	(.7)	1.9	.1	1.3	25.0	26.0
Additions to property, plant, equipment	29.2	3.7	4.6	37.5	7.3	383.7
Total assets at year-end	491.4	194.7	64.5	750.6	85.0	2,238.3

GEOGRAPHIC INFORMATION

(Millions of dollars)	Revenues from External Customers for the Year					
	U.S.	U.K.	Canada	Ecuador	Other	Total
1999	\$1,400.1	408.6	190.4	40.1	2.0	2,041.2
1998	1,212.0	346.9	115.9	21.3	2.7	1,698.8
1997	1,554.7	392.9	151.7	36.0	2.5	2,137.8

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED)

The following schedules are presented in accordance with SFAS No. 69, "Disclosures about Oil and Gas Producing Activities," to provide users with a common base for preparing estimates of future cash flows and comparing reserves among companies. Additional background information follows concerning four of the schedules.

SCHEDULES 1 AND 2 - ESTIMATED NET PROVED OIL AND NATURAL GAS RESERVES - Reserves of crude oil, condensate, natural gas liquids and natural gas are estimated by the Company's engineers and are adjusted to reflect contractual arrangements and royalty rates in effect at the end of each year. Many assumptions and judgmental decisions are required to estimate reserves. Reported quantities are subject to future revisions, some of which may be substantial, as additional information becomes available from: reservoir performance, new geological and geophysical data, additional drilling, technological advancements, price changes and other economic factors.

The U.S. Securities and Exchange Commission defines proved reserves as those volumes of crude oil, condensate, natural gas liquids and natural gas that geological and engineering data demonstrate with reasonable certainty are recoverable from known reservoirs under existing economic and operating conditions. Proved developed reserves are volumes expected to be recovered through existing wells with existing equipment and operating methods. Proved undeveloped reserves are volumes expected to be recovered as a result of additional investments for drilling new wells to offset productive units, recompleting existing wells, and/or installing facilities to collect and transport production.

Production quantities shown are net volumes withdrawn from reservoirs. These may differ from sales quantities due to inventory changes, and especially in the case of natural gas, volumes consumed for fuel and/or shrinkage from extraction of natural gas liquids.

Synthetic oil reserves in Canada are attributable to Murphy's share, after deducting estimated net profit royalty, of the Syncrude project, and include currently producing leases and the approved development of the Aurora mine. Additional reserves will be added as development progresses.

The Company has no proved reserves attributable to either long-term supply agreements with foreign governments or investees accounted for by the equity method.

SCHEDULE 4 - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES - Results of operations from exploration and production activities by geographic area are reported as if these activities were not part of an operation that also refines crude oil and sells refined products. Results of oil and gas producing activities include certain special items that are reviewed in Management's Discussion and Analysis of Financial Condition and Results of Operations on page 9 of this Form 10-K report, and should be considered in conjunction with the Company's overall performance.

SCHEDULE 6 - STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS RELATING TO PROVED OIL AND GAS RESERVES - SFAS No. 69 requires calculation of future net cash flows using a 10% annual discount factor and year-end prices, costs and statutory tax rates, except for known future changes such as contracted prices and legislated tax rates. Future net cash flows from the Company's interest in synthetic oil are excluded.

The reported value of proved reserves is not necessarily indicative of either fair market value or present value of future cash flows because prices, costs and governmental policies do not remain static; appropriate discount rates may vary; and extensive judgment is required to estimate the timing of production. Other logical assumptions would likely have resulted in significantly different amounts. Average year-end 1999 crude oil prices used for this calculation were \$23.23 a barrel for the United States, \$25.68 for Canadian light, \$17.25 for Canadian heavy, \$23.85 for Canadian offshore, \$24.29 for the United Kingdom and \$17.45 for Ecuador. Average year-end 1999 natural gas prices used were \$2.23 an MCF for the United States, \$1.95 for Canada and \$2.01 for the United Kingdom.

Schedule 6 also presents the principal reasons for change in the standardized measure of discounted future net cash flows for each of the three years ended December 31, 1999.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED) (Continued)

SCHEDULE 1 - ESTIMATED NET PROVED OIL RESERVES

(Millions of barrels) PROVED	Crude Oil, Condensate and Natural Gas Liquids					Synthetic Oil -	
	United States	Canada	United Kingdom	Ecuador	Total	Canada	Total
December 31, 1996	18.7	35.2	50.0	27.4	131.3	96.4	227.7
Revisions of previous estimates	1.6	(.4)	6.1	6.6	13.9	10.5	24.4
Improved recovery	-	.5	-	-	.5	-	.5
Purchases	.2	2.1	-	-	2.3	-	2.3
Extensions and discoveries	2.5	18.8	6.2	-	27.5	-	27.5
Production	(3.9)	(5.8)	(5.0)	(2.9)	(17.6)	(3.4)	(21.0)
Sales	-	(1.3)	-	-	(1.3)	-	(1.3)
December 31, 1997	19.1	49.1	57.3	31.1	156.6	103.5	260.1
Revisions of previous estimates	(1.0)	6.7	5.0	2.6	13.3	15.9	29.2
Purchases	-	1.3	-	-	1.3	-	1.3
Extensions and discoveries	8.0	.3	-	1.3	9.6	-	9.6
Production	(2.8)	(6.5)	(5.6)	(2.8)	(17.7)	(3.8)	(21.5)
Sales	(.3)	(.1)	-	-	(.4)	-	(.4)
December 31, 1998	23.0	50.8	56.7	32.2	162.7	115.6	278.3
Revisions of previous estimates	(1.6)	9.1	7.7	4.5	19.7	8.9	28.6
Extensions and discoveries	15.8	.7	-	2.9	19.4	-	19.4
Production	(3.1)	(6.9)	(7.5)	(2.6)	(20.1)	(4.0)	(24.1)
December 31, 1999	34.1	53.7	56.9	37.0	181.7	120.5	302.2
PROVED DEVELOPED							
December 31, 1996	16.3	21.4	16.8	10.1	64.6	66.9	131.5
December 31, 1997	15.3	22.5	18.3	20.6	76.7	70.4	147.1
December 31, 1998	14.5	27.9	31.5	21.0	94.9	67.1	162.0
December 31, 1999	11.7	26.6	34.1	21.2	93.6	66.0	159.6

SCHEDULE 2 - ESTIMATED NET PROVED NATURAL GAS RESERVES

(Billions of cubic feet) PROVED	United States	Canada	United Kingdom	Total
	-----	-----	-----	-----
December 31, 1996	464.4	151.1	43.9	659.4
Revisions of previous estimates	(23.7)	(4.9)	(2.9)	(31.5)
Purchases	11.1	.4	-	11.5
Extensions and discoveries	63.2	17.0	-	80.2
Production	(79.4)	(16.4)	(4.6)	(100.4)
Sales	(.2)	(6.8)	-	(7.0)
December 31, 1997	435.4	140.4	36.4	612.2
Revisions of previous estimates	(14.3)	(.2)	7.2	(7.3)
Purchases	-	6.3	-	6.3
Extensions and discoveries	80.9	2.6	-	83.5
Production	(61.9)	(17.9)	(4.5)	(84.3)
Sales	-	(1.1)	-	(1.1)
December 31, 1998	440.1	130.1	39.1	609.3
Revisions of previous estimates	(2.6)	5.5	3.9	6.8
Extensions and discoveries	53.6	10.8	-	64.4
Production	(62.7)	(20.6)	(4.5)	(87.8)
Sales	(1.1)	-	-	(1.1)
December 31, 1999	427.3	125.8	38.5	591.6
PROVED DEVELOPED				
December 31, 1996	291.1	146.0	25.4	462.5
December 31, 1997	304.2	135.2	24.0	463.4
December 31, 1998	291.8	120.3	29.9	442.0
December 31, 1999	284.8	111.3	32.9	429.0

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED) (Continued)

SCHEDULE 3 - COSTS INCURRED IN OIL AND GAS PROPERTY ACQUISITION, EXPLORATION AND
DEVELOPMENT ACTIVITIES

(Millions of dollars) YEAR ENDED DECEMBER 31, 1999	United States -----	Canada -----	United Kingdom -----	Ecuador -----	Other -----	Subtotal -----	Synthetic Oil -	
							Canada -----	Total -----
Property acquisition costs								
Unproved	\$ 12.1	6.2	-	-	-	18.3	-	18.3
Proved	-	.4	-	-	-	.4	-	.4
Total acquisition costs	12.1	6.6	-	-	-	18.7	-	18.7
Exploration costs	54.9	14.2	1.2	1.0	7.9	79.2	-	79.2
Development costs	28.6	108.2	28.3	6.1	-	171.2	26.8	198.0
Total capital expenditures	95.6	129.0	29.5	7.1	7.9	269.1	26.8	295.9
Charged to expense								
Dry hole expense	24.2	3.9	3.0	-	1.3	32.4	-	32.4
Geophysical and other costs	10.7	8.9	.9	-	6.7	27.2	-	27.2
Total charged to expense	34.9	12.8	3.9	-	8.0	59.6	-	59.6
Expenditures capitalized	\$ 60.7	116.2	25.6	7.1	(.1)	209.5	26.8	236.3
YEAR ENDED DECEMBER 31, 1998								
Property acquisition costs								
Unproved	\$ 14.1	2.7	.2	-	-	17.0	-	17.0
Proved	3.8	1.1	-	-	-	4.9	-	4.9
Total acquisition costs	17.9	3.8	.2	-	-	21.9	-	21.9
Exploration costs	77.6	18.3	2.6	-	21.9	120.4	-	120.4
Development costs	25.1	69.4	68.2	10.2	-	172.9	16.4	189.3
Total capital expenditures	120.6	91.5	71.0	10.2	21.9	315.2	16.4	331.6
Charged to expense								
Dry hole expense	10.8	8.9	(.4)	-	12.2	31.5	-	31.5
Geophysical and other costs	5.8	4.9	3.9	-	9.0	23.6	-	23.6
Total charged to expense	16.6	13.8	3.5	-	21.2	55.1	-	55.1
Expenditures capitalized	\$104.0	77.7	67.5	10.2	.7	260.1	16.4	276.5
YEAR ENDED DECEMBER 31, 1997								
Property acquisition costs								
Unproved	\$ 20.5	5.9	.2	-	-	26.6	-	26.6
Proved	8.2	13.9	.1	-	-	22.2	-	22.2
Total acquisition costs	28.7	19.8	.3	-	-	48.8	-	48.8
Exploration costs	74.4	18.2	14.6	-	28.1	135.3	-	135.3
Development costs	43.9	96.0	76.0	10.4	-	226.3	12.8	239.1
Total capital expenditures	147.0	134.0	90.9	10.4	28.1	410.4	12.8	423.2
Charged to expense								
Dry hole expense	30.9	4.5	5.7	-	7.2	48.3	-	48.3
Geophysical and other costs	13.6	7.2	5.2	-	10.0	36.0	-	36.0
Total charged to expense	44.5	11.7	10.9	-	17.2	84.3	-	84.3
Expenditures capitalized	\$102.5	122.3	80.0	10.4	10.9	326.1	12.8	338.9

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED) (Continued)

SCHEDULE 4 - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES

(Millions of dollars)	United States	Canada	United Kingdom	Ecuador	Other	Subtotal	Synthetic Oil - Canada	Total
YEAR ENDED DECEMBER 31, 1999								
Revenues								
Crude oil and natural gas liquids								
Transfers to consolidated operations	\$ 48.8	15.9	23.4	-	-	88.1	42.8	130.9
Sales to unaffiliated enterprises	5.3	90.9	111.3	37.2	-	244.7	32.0	276.7
Natural gas								
Transfer to consolidated operations	1.8	-	-	-	-	1.8	-	1.8
Sales to unaffiliated enterprises	141.4	38.9	7.7	-	-	188.0	-	188.0
Total oil and gas revenues	197.3	145.7	142.4	37.2	-	522.6	74.8	597.4
Other operating revenues/1/	4.4	.2	-	2.9	2.0	9.5	-	9.5
Total revenues	201.7	145.9	142.4	40.1	2.0	532.1	74.8	606.9
Costs and expenses								
Production costs	35.6	39.7	30.8	9.4	-	115.5	36.5	152.0
Exploration costs charged to expense	34.9	12.8	3.9	-	8.0	59.6	-	59.6
Undeveloped lease amortization	7.0	4.0	-	-	-	11.0	-	11.0
Depreciation, depletion and amortization	65.1	43.2	42.8	8.0	.1	159.2	7.1	166.3
Selling and general expenses	13.5	5.6	3.2	.1	1.1	23.5	-	23.5
Total costs and expenses	156.1	105.3	80.7	17.5	9.2	368.8	43.6	412.4
Income tax expense	45.6	40.6	61.7	22.6	(7.2)	163.3	31.2	194.5
Results of operations/2/	\$ 35.3	26.3	37.2	22.6	(7.7)	113.7	20.7	134.4
YEAR ENDED DECEMBER 31, 1998								
Revenues								
Crude oil and natural gas liquids								
Transfers to consolidated operations	\$ 32.4	7.1	12.3	-	-	51.8	35.4	87.2
Sales to unaffiliated enterprises	3.2	48.3	58.0	19.1	-	128.6	17.6	146.2
Natural gas								
Sales to unaffiliated enterprises	132.1	24.0	10.0	-	-	166.1	-	166.1
Total oil and gas revenues	167.7	79.4	80.3	19.1	-	346.5	53.0	399.5
Other operating revenues/3/	11.4	2.7	14.8	2.2	2.7	33.8	(.1)	33.7
Total revenues	179.1	82.1	95.1	21.3	2.7	380.3	52.9	433.2
Costs and expenses								
Production costs	43.6	34.3	35.7	7.0	-	120.6	34.5	155.1
Exploration costs charged to expense	16.6	13.8	3.5	-	21.2	55.1	-	55.1
Undeveloped lease amortization	6.7	3.8	-	-	-	10.5	-	10.5
Depreciation, depletion and amortization	66.0	37.8	42.9	10.2	-	156.9	6.2	163.1
Impairment of long-lived assets	29.9	10.1	24.3	-	15.1	79.4	-	79.4
Cancellation of a drilling rig contract	-	7.2	-	-	-	7.2	-	7.2
Selling and general expenses	15.7	6.0	3.6	.1	1.4	26.8	.1	26.9
Total costs and expenses	178.5	113.0	110.0	17.3	37.7	456.5	40.8	497.3
Income tax expense (benefit)	.6	(30.9)	(14.9)	4.0	(35.0)	(76.2)	12.1	(64.1)
Results of operations/2/	\$.7	(15.7)	(13.3)	4.8	(35.1)	(58.6)	8.2	(50.4)

/1/Includes a gain of \$3.3 from recovery on a 1996 contract modification in Ecuador.

/2/Excludes corporate overhead and interest.

/3/Includes pretax gains of \$4 from settlement of a U.K. long-term sales contract and \$2.4 from recovery on a 1996 contract modification in Ecuador.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED) (Continued)

SCHEDULE 4 - RESULTS OF OPERATIONS FOR OIL AND GAS PRODUCING ACTIVITIES
(CONTINUED)

(Millions of dollars)	United States	Canada	United Kingdom	Ecuador	Other	Subtotal	Synthetic Oil - Canada	Total
YEAR ENDED DECEMBER 31, 1997	-----	-----	-----	-----	-----	-----	-----	-----
Revenues								
Crude oil and natural gas liquids								
Transfers to consolidated operations	\$ 64.1	13.7	-	-	-	77.8	46.8	124.6
Sales to unaffiliated enterprises	10.8	57.9	95.3	34.7	-	198.7	21.1	219.8
Natural gas								
Sales to unaffiliated enterprises	196.7	22.1	12.2	-	-	231.0	-	231.0
Total oil and gas revenues	271.6	93.7	107.5	34.7	-	507.5	67.9	575.4
Other operating revenues/1/	3.2	24.0	14.1	1.3	2.5	45.1	-	45.1
Total revenues	274.8	117.7	121.6	36.0	2.5	552.6	67.9	620.5
Costs and expenses								
Production costs	43.5	39.2	32.5	11.0	-	126.2	38.6	164.8
Exploration costs charged to expense	44.5	11.7	10.9	-	17.2	84.3	-	84.3
Undeveloped lease amortization	6.7	3.6	.1	-	.1	10.5	-	10.5
Depreciation, depletion and amortization	79.4	31.4	43.7	11.4	-	165.9	6.5	172.4
Impairment of long-lived assets	7.7	20.4	-	-	-	28.1	-	28.1
Selling and general expenses	14.3	5.2	2.7	.2	1.4	23.8	.1	23.9
Total costs and expenses	196.1	111.5	89.9	22.6	18.7	438.8	45.2	484.0
Income tax expense (benefit)	78.7	6.2	31.7	13.4	(16.2)	113.8	22.7	136.5
Results of operations/2/	\$ 51.5	4.8	16.3	14.5	(16.3)	70.8	14.3	85.1

/1/Includes pretax gains of \$20.7 from sale of Canadian properties and \$1.6 from recovery on a 1996 contract modification in Ecuador.

/2/Excludes corporate overhead and interest.

SCHEDULE 5 - CAPITALIZED COSTS RELATING TO OIL AND GAS PRODUCING ACTIVITIES

(Millions of dollars)	United States	Canada	United Kingdom	Ecuador	Other	Subtotal	Synthetic Oil - Canada	Total
DECEMBER 31, 1999	-----	-----	-----	-----	-----	-----	-----	-----
Unproved oil and gas properties	\$ 91.5	37.7	.3	-	3.5	133.0	-	133.0
Proved oil and gas properties	1,453.7	902.6	841.5	206.6	-	3,404.4	176.7	3,581.1
Gross capitalized costs	1,545.2	940.3	841.8	206.6	3.5	3,537.4	176.7	3,714.1
Accumulated depreciation, depletion and amortization								
Unproved oil and gas properties	(34.4)	(22.1)	(.3)	-	(3.5)	(60.3)	-	(60.3)
Proved oil and gas properties/1/	(1,182.0)	(370.0)	(609.1)	(153.1)	-	(2,314.2)	(31.2)	(2,345.4)
Net capitalized costs	\$ 328.8	548.2/2/	232.4	53.5	-	1,162.9	145.5	1,308.4
DECEMBER 31, 1998	-----	-----	-----	-----	-----	-----	-----	-----
Unproved oil and gas properties	\$ 102.4	31.8	1.3	-	20.3	155.8	-	155.8
Proved oil and gas properties	1,536.1	755.5	836.0	199.5	-	3,327.1	140.8	3,467.9
Gross capitalized costs	1,638.5	787.3	837.3	199.5	20.3	3,482.9	140.8	3,623.7
Accumulated depreciation, depletion and amortization								
Unproved oil and gas properties	(50.7)	(18.2)	(1.0)	-	(19.1)	(89.0)	-	(89.0)
Proved oil and gas properties/1/	(1,250.4)	(317.8)	(585.6)	(145.1)	-	(2,298.9)	(23.1)	(2,322.0)
Net capitalized costs	\$ 337.4	451.3/2/	250.7	54.4	1.2	1,095.0	117.7	1,212.7

/1/Does not include reserve for dismantlement costs of \$158.4 in 1999 and \$154.7 in 1998.

/2/Includes net costs of \$365.2 in 1999 and \$276.3 in 1998 related to the Hibernia and Terra Nova oil fields.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL OIL AND GAS INFORMATION (UNAUDITED) (Continued)

SCHEDULE 6 - STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS RELATING
TO PROVED OIL AND GAS RESERVES

(Millions of dollars)	United States	Canada*	United Kingdom	Ecuador	Total
DECEMBER 31, 1999	-----	-----	-----	-----	-----
Future cash inflows	\$1,745.5	1,417.9	1,426.4	645.3	5,235.1
Future development costs	(210.6)	(90.1)	(66.0)	(48.1)	(414.8)
Future production and abandonment costs	(409.9)	(339.3)	(417.4)	(184.5)	(1,351.1)
Future income taxes	(356.4)	(202.8)	(315.9)	(115.9)	(991.0)
-----	-----	-----	-----	-----	-----
Future net cash flows	768.6	785.7	627.1	296.8	2,478.2
10% annual discount for estimated timing of cash flows	(271.3)	(230.6)	(205.5)	(119.8)	(827.2)
-----	-----	-----	-----	-----	-----
Standardized measure of discounted future net cash flows	\$ 497.3	555.1	421.6	177.0	1,651.0
=====	=====	=====	=====	=====	=====
DECEMBER 31, 1998					
Future cash inflows	\$1,120.5	647.6	667.2	167.2	2,602.5
Future development costs	(182.7)	(177.5)	(64.6)	(14.9)	(439.7)
Future production and abandonment costs	(361.1)	(269.9)	(372.6)	(93.9)	(1,097.5)
Future income taxes	(139.0)	(28.3)	(23.6)	(.6)	(191.5)
-----	-----	-----	-----	-----	-----
Future net cash flows	437.7	171.9	206.4	57.8	873.8
10% annual discount for estimated timing of cash flows	(138.1)	(74.3)	(56.4)	(23.1)	(291.9)
-----	-----	-----	-----	-----	-----
Standardized measure of discounted future net cash flows	\$ 299.6	97.6	150.0	34.7	581.9
=====	=====	=====	=====	=====	=====

*Excludes future net cash flows from synthetic oil of \$410.2 at December 31, 1999 and \$64.1 at December 31, 1998.

Following are the principal sources of change in the standardized measure of discounted future net cash flows for the years shown.

(Millions of dollars)	1999	1998	1997
	-----	-----	-----
Net changes in prices, production costs and development costs	\$1,188.2	(894.8)	(1,437.3)
Sales and transfers of oil and gas produced, net of production costs	(317.9)	(132.3)	(230.8)
Net change due to extensions and discoveries	250.0	125.4	278.6
Net change due to purchases and sales of proved reserves	(2.0)	4.5	17.4
Development costs incurred	163.4	165.4	214.2
Accretion of discount	71.9	129.0	217.6
Revisions of previous quantity estimates	220.7	30.7	55.0
Net change in income taxes	(505.2)	191.0	327.3
-----	-----	-----	-----
Net increase (decrease)	1,069.1	(381.1)	(558.0)
Standardized measure at January 1	581.9	963.0	1,521.0
-----	-----	-----	-----
Standardized measure at December 31	\$1,651.0	581.9	963.0
=====	=====	=====	=====

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
SUPPLEMENTAL QUARTERLY INFORMATION (UNAUDITED)

(Millions of dollars except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
YEAR ENDED DECEMBER 31, 1999/1/					
Sales and other operating revenues	\$ 302.9	449.9	632.4	651.6	2,036.8
Income (loss) before income taxes	(11.2)	28.2	80.5	81.0	178.5
Net income (loss)	(6.7)	15.7	51.2	59.5	119.7
Net income (loss) per Common share - basic	(.15)	.35	1.14	1.32	2.66
Net income (loss) per Common share - diluted	(.15)	.35	1.14	1.32	2.66
Cash dividends per Common share	.35	.35	.35	.35	1.40
Market Price of Common Stock/2/					
High	42 5/8	50 15/16	54 5/8	61 9/16	61 9/16
Low	32 7/8	41 3/8	47 11/16	51 1/4	32 7/8
YEAR ENDED DECEMBER 31, 1998/1/					
Sales and other operating revenues	\$ 439.8	447.8	432.2	374.7	1,694.5
Income (loss) before income taxes	24.8	36.9	15.4	(85.4)	(8.3)
Net income (loss)	15.5	22.2	9.0	(61.1)	(14.4)
Net income (loss) per Common share - basic	.35	.49	.20	(1.36)	(.32)
Net income (loss) per Common share - diluted	.35	.49	.20	(1.36)	(.32)
Cash dividends per Common share	.35	.35	.35	.35	1.40
Market Price of Common Stock/2/					
High	54 7/16	53 11/16	51 15/16	42 5/16	54 7/16
Low	47 7/16	48 1/8	34 1/2	36 3/16	34 1/2

/1/The effect of special gains (losses) on quarterly net income are reviewed in Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 12 and 13 of this Form 10-K report. Quarterly totals, in millions of dollars, and the effect per Common share of these special items are shown in the following table.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
1999					

Quarterly totals	\$(1.0)	-	6.3	14.4	19.7
Per Common share - basic	(.02)	-	.14	.32	.44
Per Common share - diluted	(.02)	-	.14	.32	.44
1998					

Quarterly totals	\$ -	4.2	-	(62.1)	(57.9)
Per Common share - basic	-	.09	-	(1.38)	(1.29)
Per Common share - diluted	-	.09	-	(1.38)	(1.29)

/2/Prices are as quoted on the New York Stock Exchange.

BY-LAWS

OF

MURPHY OIL CORPORATION
As Amended December 1, 1999

ARTICLE I.

Offices.

Section 1. Offices. Murphy Oil Corporation (hereinafter called the Company) may have, in addition to its principal office in Delaware, a principal or other office or offices at such place or places, either within or without the State of Delaware, as the board of directors may from time to time determine or as shall be necessary or appropriate for the conduct of the business of the Company.

ARTICLE II.

Meetings of Stockholders.

Section 1. Place of Meetings. The annual meeting of the stockholders shall be held at the place therein determined by the board of directors and stated in the notice thereof, and other meetings of the stockholders may be held at such place or places, within or without the State of Delaware, as shall be fixed by the board of directors and stated in the notice thereof.

Section 2. Annual Meetings. The annual meeting of stockholders for the election of directors and the transaction of such other business as may come before the meeting shall be held in each year on the second Wednesday in May. If this date shall fall upon a legal holiday, the meeting shall be held on the next succeeding business day. At each annual meeting the stockholders entitled to vote shall elect a board of directors and they may transact such other corporate business as shall be stated in the notice of the meeting.

Section 3. Special Meetings. Special meetings of the stockholders for any purpose or purposes may be called by the Chairman of the Board or by order of the board of directors and shall be called by the Chairman of the Board or the Secretary upon the written request of stockholders holding of record at least a majority of the outstanding shares of stock of the Company entitled to vote at such meeting. Such written request shall state the purpose or purposes for which such meeting is to be called.

Section 4. Notice of Meetings. Except as otherwise expressly required by law, notice of each meeting of stockholders, whether annual or special, shall be given at least 10 days before the date on which the meeting is to be held to each stockholder of record entitled to vote thereat by delivering a notice thereof to him personally, or by mailing such notice in a postage prepaid envelope directed

to him at his address as it appears on the books of the Company, unless he shall have filed with the Secretary of the Company a written request that notices intended for him be directed to another address, in which case such notice shall be directed to him at the address designated in such request. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy; and if any stockholder shall in person or by attorney thereunto authorized, in writing or by telegraph, cable, radio or wireless and confirmed in writing, waive notice of any meeting of the stockholders, whether prior to or after such meeting, notice thereof need not be given to him. Notice of any adjourned meeting of the stockholders shall not be required to be given except where expressly required by law.

Section 5. Quorum. At each meeting of the stockholders the holders of record of a majority of the issued and outstanding stock of the Company entitled to vote at such meeting, present in person or by proxy, shall constitute a quorum for the transaction of business except where otherwise provided by law, the certificate of incorporation or these by-laws. In the absence of a quorum, any officer entitled to preside at or act as secretary of such meeting shall have the power to adjourn the meeting from time to time until a quorum shall be constituted. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally called.

Section 6. Voting. At every meeting of stockholders each holder of record of the issued and outstanding stock of the Company entitled to vote at such meeting shall be entitled to one vote in person or by proxy, but no proxy shall be voted after three years from its date unless the proxy provides for a longer period, and, except where the transfer books of the Company have been closed or a date has been fixed as the record date for the determination of stockholders entitled to vote, no share of stock shall be voted directly or indirectly. At all meetings of the stockholders, a quorum being present, all matters shall be decided by majority vote of those present in person or by proxy, except as otherwise required by the laws of the State of Delaware or the certificate of incorporation. The vote thereat on any question need not be by ballot unless required by the laws of the State of Delaware.

ARTICLE III.

Board of Directors.

Section 1. General Powers. The property, business and affairs of the Company shall be managed by the board of directors.

Section 2. Number and Term of Office. The number of directors shall be twelve, but may from time to time be increased or diminished to not less than three by amendment of these by-laws. Directors need not be stockholders. Each director shall hold office until the annual meeting of the stockholders next following his election and until his successor shall have been elected and shall qualify, or until his death, resignation or removal.

Section 3. Quorum and Manner of Acting. Unless otherwise provided by law the presence of six members of the board of directors shall be necessary to constitute a quorum for the transaction

of business. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given. At all meetings of directors, a quorum being present, all matters shall be decided by the affirmative vote of a majority of the directors present, except as otherwise required by the laws of the State of Delaware.

Section 4. Place of Meetings, etc. The board of directors may hold its meetings and keep the books and records of the Company at such place or places within or without the State of Delaware as the board may from time to time determine.

Section 5. Annual Meeting. Promptly after each annual meeting of stockholders for the election of directors and on the same day the board of directors shall meet for the purpose of organization, the election of officers and the transaction of other business. Notice of such meeting need not be given. Such meeting may be held at any other time or place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors or in a consent and waiver of notice thereof signed by all the directors.

Section 6. Regular Meetings. Regular meetings of the board of directors may be held at such time and place, within or without the State of Delaware, as shall from time to time be determined by the board of directors. After there has been such determination and notice thereof has been once given to each member of the board of directors, regular meetings may be held without further notice being given.

Section 7. Special Meetings; Notice. Special meetings of the board of directors shall be held whenever called by the Chairman of the Board or by a majority of the directors. Notice of each such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least 10 days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable, radio or wireless, or be delivered personally or by telephone, not later than the day before the day on which such meeting is to be held. Each such notice shall state the time and place of the meeting but need not state the purposes thereof. Notice of any meeting of the board of directors need not be given to any director, however, if waived by him in writing or by telegraph, cable, radio or wireless and confirmed in writing, whether before or after such meeting, or if he shall be present at such meeting. Any meeting of the board of directors shall be a legal meeting without any notice thereof having been given if all the directors then in office shall be present thereat.

Section 8. Resignation. Any director of the Company may resign at any time by giving written notice to the Chairman of the Board or the Secretary of the Company. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Removal. Any director may be removed at any time, either with or without cause, by the affirmative vote of the holders of record of a majority of the issued and outstanding class of stock of the Company entitled to vote for the election of such director, given at a special meeting of the stockholders called for that purpose. The vacancy in the board of directors caused by any such removal may be filled by the stockholders at such meeting.

Section 10. Vacancies. Any vacancy that shall occur in the board of directors by reason of death, resignation, disqualification or removal or any other cause whatever, unless filled as provided in Section 9 hereof, shall be filled by the majority (even if that be only a single director) of the remaining directors theretofore elected by the holders of the class of capital stock which elected the directors whose office shall have become vacant. If any new directorship is created by increase in the number of directors, a majority of the directors then in office may fill such new directorship. The term of office of any director so chosen to fill a vacancy or a new directorship shall terminate upon the election and qualification of directors at any meeting of stockholders called for the purpose of electing directors.

Section 11. Compensation of Directors. Directors may receive a fee, as fixed by the Chairman of the Board, for their services, together with expenses for attendance at regular or special meetings of the board. Members of committees of the board of directors may be allowed compensation for attending committee meetings. Nothing herein contained shall be construed to preclude any director from serving the Company or any subsidiary thereof in any other capacity and receiving compensation therefor.

ARTICLE IV.

Committees of the Board.

Section 1. Executive Committee. The board of directors shall elect from the directors an executive committee.

The board of directors shall fill vacancies in the executive committee by election from the directors.

The executive committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the board of directors, but in every case the presence of at least three members of the committee shall be necessary to constitute a quorum for the transaction of business.

In every case the affirmative vote of a majority of all of the members of the committee present at the meeting shall be necessary for the adoption of any resolution.

Section 2. Membership and Powers. The executive committee shall consist of such number of members as the Board in its discretion shall determine, in addition to the Chairman of the Board, who by virtue of his office shall be a member of the executive committee and chairman thereof. Unless otherwise ordered by the board of directors, each elected member of the executive committee shall continue to be a member thereof until the expiration of his term of office as a director.

The executive committee, subject to any limitations prescribed by the board of directors, shall have special charge of all financial accounting, legal and general administrative affairs of the Company. During the intervals between the meetings of the board of directors the executive committee shall have all the powers of the board in the management of the business and affairs of the

Company, including the power to authorize the seal of the Company to be affixed to all papers which require it, except that said committee shall not have the power of the board (i) to fill vacancies in the board, (ii) to amend the by-laws, (iii) to adopt a plan of merger or consolidation, (iv) to recommend to the stockholders the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Company otherwise than in the usual and regular course of its business, or (v) to recommend to the stockholders a voluntary dissolution of the Company or a revocation thereof.

Section 3. Other Committees. The board of directors may, by resolution or resolutions passed by a majority of the whole board, designate one or more other committees, each committee to consist of two or more of the directors of the Company, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the Company, and may have power to authorize the seal of the Company to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

ARTICLE V.

Officers.

Section 1. Number. The principal officers of the Company shall be a Chairman of the Board, President, one or more Vice Presidents (which may be designated as Executive or Senior Vice President(s)), a Secretary, a Treasurer, and a Controller. No officers except the Chairman of the Board and President need be directors. One person may hold the offices and perform the duties of any two or more of said offices.

Section 2. Election and Term of Office. The principal officers of the Company shall be chosen annually by the board of directors at the annual meeting thereof. Each such officer shall hold office until his successor shall have been chosen and shall qualify, or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Subordinate Officers. In addition to the principal officers enumerated in Section 1 of this Article V, the Company may have one or more Assistant Vice Presidents, one or more Assistant Treasurers, one or more Assistant Secretaries and such other officers, agents and employees as the board of directors may deem necessary, each of whom shall hold office for such period, have such authority, and perform such duties as the board or the President may from time to time determine. The board of directors may delegate to any principal officer the power to appoint and to remove any such subordinate officers, agents or employees.

Section 4. Compensation of Principal Officers. The salaries of the principal officers shall be fixed from time to time either by the board of directors or by a committee of the board to which such power may be delegated. The salaries of any other officers shall be fixed by the President or by a committee or committees to which he may delegate such power.

Section 5. Removal. Any officer may be removed, either with or without cause, at any time, by resolution adopted by the board of directors at any regular meeting of the board or at any special meeting of the board called for the purpose at which a quorum is present.

Section 6. Vacancies. A vacancy in any office may be filled for the unexpired portion of the term in the manner prescribed in these by-laws for election or appointment to such office for such term.

Section 7. Chairman of the Board. The Chairman of the Board shall preside at all meetings of the stockholders and directors at which he may be present. He shall have such other authority and responsibility and perform such other duties as may be determined by the board of directors.

Section 8. President. The President shall be the chief executive officer of the Company and as such shall have general supervision and management of the affairs of the Company subject to the control of the board of directors. He may enter into any contract or execute any deeds, mortgages, bonds, contracts or other instruments in the name and on behalf of the Company except in cases in which the authority to enter into such contract or execute and deliver such instrument, as the case may be, shall be otherwise expressly delegated. In general he shall perform all duties incident to the office of President as herein defined and all such other duties as from time to time may be assigned to him by the board of directors. In the absence of the Chairman of the Board, the President shall preside at meetings of the stockholders and directors.

Section 9. Vice Presidents. The Vice Presidents, in order of their seniority unless otherwise determined by the board of directors, shall in the absence or disability of the President perform the duties and exercise the powers of such offices. The Vice Presidents shall perform such other duties and have such other powers as the President or the board of directors may from time to time prescribe.

Section 10. Secretary. The Secretary shall attend all sessions of the board and all meetings of the stockholders, and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the committees of the board of directors when required. He shall give or cause to be given, notice of all meetings of the stockholders and of special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors, or the President, under whose supervision he shall be. He shall keep in safe custody the seal of the Company and, when authorized by the board of directors, affix the same to any instrument requiring it, and when so affixed it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary.

Section 11. Treasurer. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in the books belonging to the Company, and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated from time to time by the board of directors.

He shall disburse the funds of the Company as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the President and board of directors at the

regular meetings of the board, or whenever they may require it, an account of the financial condition of the Company.

If required by the board of directors, he shall give the Company a bond, in such sum and with such surety or sureties as shall be satisfactory to the board, for the faithful performance of the duties of his office, and for the restoration to the Company, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Company.

Section 12. Controller. The Controller shall be in charge of the accounts of the Company and shall perform such duties as from time to time may be assigned to him by the President or by the board of directors.

ARTICLE VI.

Shares and Their Transfer.

Section 1. Certificates for Stock. Certificates for shares of capital stock of the Company shall be numbered, and shall be entered in the books of the Company, in the order in which they are issued.

Section 2. Regulations. The board of directors may make such rules and regulations as it may deem expedient, not inconsistent with the certificate of incorporation or these by-laws, concerning the issue, transfer and registration of certificates for shares of capital stock of the Company. It may appoint, or authorize any principal officer or officers to appoint, one or more transfer clerks or one or more transfer agents and one or more registrars, and may require all such certificates to bear the signature or signatures of any of them.

Section 3. Stock Certificate Signature. The certificates for shares of the respective classes of such stock shall be signed by, or in the name of the Company by, the Chairman of the Board, the President or any Vice President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, and where signed (a) by a transfer agent or an assistant transfer agent or (b) by a transfer clerk acting on behalf of the Company and a registrar, the signature of any such Chairman of the Board, President, Vice President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be facsimile. Each such certificate shall exhibit the name of the holder thereof and number of shares represented thereby and shall not be valid until countersigned by a transfer agent.

The board of directors may, if it so determines, direct that certificates for shares of any class or classes of capital stock of the Company be registered by a registrar, in which case such certificates will not be valid until so registered.

In case any officer of the Company who shall have signed, or whose facsimile signature shall have been used on, any certificate for shares of capital stock of the Company shall cease to be such officer, whether because of death, resignation or otherwise, before such certificate shall have been delivered by the Company, such certificate shall nevertheless be deemed to have been adopted by the

Company and may be issued and delivered as though the person who signed such certificate or whose facsimile signature shall have been used thereon had not ceased to be such officer.

Section 4. Designations, Preferences, etc. on Certificates for Stock. Certificates for shares of capital stock of the Company shall state on the face or back thereof that the Company will furnish without charge to each stockholder who so requests (which request may be addressed to the Secretary of the Company or to a transfer agent) a statement of the designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof which the Company is authorized to issue and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 5. Stock Ledger. A record shall be kept by the Secretary or by any other officer, employee or agent designated by the board of directors of the name of the person, firm, or corporation holding the stock represented by such certificates, the number of shares represented by such certificates, respectively, and the respective dates thereof, and in case of cancellation the respective dates of cancellation.

Section 6. Cancellation. Every certificate surrendered to the Company for exchange or transfer shall be canceled, and no new certificate or certificates shall be issued in exchange for any existing certificate until such existing certificate shall have been so canceled.

Section 7. Transfers of Stock. Transfers of shares of the capital stock of the Company shall be made only on the books of the Company by the registered holder thereof or by his attorney thereunto authorized on surrender of the certificate or certificates for such shares properly endorsed and the payment of all taxes thereon. The person in whose name shares of stock stand on the books of the Company shall be deemed the owner thereof for all purposes as regards the Company; provided, however, that whenever any transfer of shares shall be made for collateral security, and not absolutely, such fact, if known to the Secretary or the transfer agent making such transfer, shall be so expressed in the entry of transfer.

Section 8. Closing of Transfer Books. The board of directors may by resolution direct that the stock transfer books of the Company be closed for a period not exceeding 60 days preceding the date of any meeting of the stockholders, or the date for the payment of any dividend, or the date for the allotment of any rights, or the date when any change or conversion or exchange of capital stock of the Company shall go into effect, or for a period not exceeding 60 days in connection with obtaining the consent of stockholders for any purpose. In lieu of such closing of the stock transfer books, the board may fix in advance a date, not exceeding 60 days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, such meeting, and any adjournment thereof, or to receive payment of any such dividend, or to receive any such allotment of rights, or to exercise the rights in respect of any such change, conversion, or exchange of capital stock or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the Company after any record date so fixed.

ARTICLE VII.

Miscellaneous Provisions.

Section 1. Corporate Seal. The board of directors shall provide a corporate seal which shall be in the form of a circle and shall bear the name of the Company and words and figures showing that it was incorporated in the State of Delaware in the year 1964. The Secretary shall be the custodian of the seal. The board of directors may authorize a duplicate seal to be kept and used by any other officer.

Section 2. Fiscal Year. The fiscal year of the Company shall be fixed by resolution of the board of directors.

Section 3. Voting of Stocks Owned by the Company. The board of directors may authorize any person in behalf of the Company to attend, vote and grant proxies to be used at any meeting of stockholders of any corporation in which the Company may hold stock.

Section 4. Dividends. Subject to the provisions of the certificate of incorporation, the board of directors may, out of funds legally available therefor, at any regular or special meeting declare dividends upon the capital stock of the Company as and when they deem expedient. Dividends may be paid in cash, in property, or in shares of capital stock of the Company, subject to the provisions of the certificate of incorporation. Before declaring any dividend there may be set apart out of any funds of the Company available for dividends such sum or sums as the directors from time to time in their discretion deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the directors shall deem conducive to the interests of the Company.

ARTICLE VIII.

Indemnification of Officers, Directors,
Employees and Agents; Insurance.

Section 1. Indemnification.

(a) The Company may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) and, except for an action by or in the right of the Company, judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no

reasonable cause to believe his conduct was unlawful. Except for an action by or in the right of the Company, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. With respect to an action by or in the right of the Company, no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Company unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

(b) To the extent that a director, officer, employee or agent of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsection (a) or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(c) Any indemnification under subsection (a) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsection (a). Such determination shall be made (i) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders.

(d) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the manner provided in subsection (c) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Company as authorized in this section.

(e) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in other capacities while holding such offices, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 2. Insurance. The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company

would have the power to indemnify him against such liability under the provisions of either the General Corporation Law of the State of Delaware or of these by-laws.

ARTICLE IX.

Amendments.

The by-laws of the Company may be altered, amended or repealed either by the affirmative vote of a majority of the stock issued and outstanding and entitled to vote in respect thereof and represented in person or by proxy at any annual or special meeting of the stockholders, or by the affirmative vote of a majority of the directors then in office given at any regular or special meeting of the board of directors. By-laws, whether made or altered by the stockholders or by the board of directors, shall be subject to alteration or repeal by the stockholders as in this Article provided.

Ex. 3.2-11

RIGHTS AGREEMENT

dated as of

December 6, 1989

between

MURPHY OIL CORPORATION

and

HARRIS TRUST COMPANY OF NEW YORK,

as Rights Agent

Ex. 4.3-0

TABLE OF CONTENTS*

	Page
Section 1. Definitions.....	Ex. 4.3-1
Section 2. Appointment of Rights Agent.....	Ex. 4.3-4
Section 3. Issue of Right Certificates.....	Ex. 4.3-4
Section 4. Form of Right Certificates.....	Ex. 4.3-6
Section 5. Countersignature and Registration.....	Ex. 4.3-6
Section 6. Transfer and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates.....	Ex. 4.3-7
Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.....	Ex. 4.3-8
Section 8. Cancellation and Destruction of Right Certificates.....	Ex. 4.3-10
Section 9. Reservation and Availability of Capital Stock.....	Ex. 4.3-10
Section 10. Preferred Stock Record Date.....	Ex. 4.3-11
Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights.....	Ex. 4.3-12
Section 12. Certificate of Adjusted Purchase Price or Number of Shares.....	Ex. 4.3-21
Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power.....	Ex. 4.3-21
Section 14. Fractional Rights and Fractional Shares.....	Ex. 4.3-23
Section 15. Rights of Action.....	Ex. 4.3-25
Section 16. Agreement of Right Holders.....	Ex. 4.3-25
Section 17. Right Certificate Holder Not Deemed a Stockholder.....	Ex. 4.3-26
Section 18. Concerning the Rights Agent.....	Ex. 4.3-26
Section 19. Merger or Consolidation or Change of Name of Rights Agent....	Ex. 4.3-27
Section 20. Duties of Rights Agent.....	Ex. 4.3-28
Section 21. Change of Rights Agent.....	Ex. 4.3-30
Section 22. Issuance of New Right Certificates.....	Ex. 4.3-31
Section 23. Redemption.....	Ex. 4.3-31
Section 24. Exchange.....	Ex. 4.3-32
Section 25. Notice of Proposed Actions.....	Ex. 4.3-33
Section 26. Notices.....	Ex. 4.3-34
Section 27. Supplements and Amendments.....	Ex. 4.3-34
Section 28. Successors.....	Ex. 4.3-35
Section 29. Determinations and Actions by the Board of Directors, etc.....	Ex. 4.3-35
Section 30. Benefits of this Agreement.....	Ex. 4.3-35

* The Table of Contents is not a part of this Agreement.

	Page
Section 31. Severability.....Ex.	4.3-35
Section 32. Governing Law.....Ex.	4.3-36
Section 33. Counterparts.....Ex.	4.3-36
Section 34. Descriptive Headings.....Ex.	4.3-36
Exhibit A - Form of Certificate of Designation of Preferred Stock....Ex.	4.3-A-1
Exhibit B - Form of Right Certificate.....Ex.	4.3-B-1
Exhibit C - Summary Description of the Stockholder Rights Plan.....Ex.	4.3-C-1

Ex. 4.3-ii

RIGHTS AGREEMENT

AGREEMENT dated as of December 6, 1989, between Murphy Oil Corporation, a Delaware corporation (the "Company"), and Harris Trust Company of New York, as Rights Agent (the "Rights Agent"),

W I T N E S S E T H

WHEREAS, on December 6, 1989 the Board of Directors of the Company authorized and declared a dividend of one preferred stock purchase right (a "Right") for each share of Common Stock (as hereinafter defined) outstanding at the close of business on December 20, 1989 (the "Record Date") and has authorized the issuance, upon the terms and subject to the conditions hereinafter set forth, of one Right in respect of each share of Common Stock issued after the Record Date, each Right representing the right to purchase, upon the terms and subject to the conditions hereinafter set forth, one one-hundredth of a share of Preferred Stock (as hereinafter defined);

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Definitions. The following terms, as used herein, have the following meanings:

"Acquiring Person" means any Person (other than Charles H. Murphy, Jr. and Affiliates of Charles H. Murphy, Jr.) who, together with all Affiliates and Associates of such Person, shall be the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding, but shall not include the Company, any of its Subsidiaries, any employee benefit plan of the Company or any of its Subsidiaries or any Person organized, appointed or established by the Company or any of its Subsidiaries for or pursuant to the terms of any such plan.

"Affiliate" and "Associate" have the respective meanings ascribed to such terms in Rule 12b-2 under the Exchange Act as in effect on the date hereof.

A Person shall be deemed the "Beneficial Owner" of, and shall be deemed to "Beneficially Own", any securities:

(a) which such Person or any of its Affiliates or Associates, directly or indirectly, beneficially owns (as determined pursuant to Rule 13d-3 under the Exchange Act as in effect on the date hereof);

Ex. 4.3-1

(b) which such Person or any of its Affiliates or Associates, directly or indirectly, has

(i) the right to acquire (whether such right is exercisable immediately or only upon the occurrence of certain events or the passage of time or both) pursuant to any agreement, arrangement or understanding (whether or not in writing) or otherwise (other than pursuant to the Rights); PROVIDED that a Person shall not be deemed the "Beneficial Owner" of or to "Beneficially Own" securities tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of its Affiliates or Associates until such tendered securities are accepted for payment or exchange; or

(ii) the right to vote (whether such right is exercisable immediately or only upon the occurrence of certain events or the passage of time or both) pursuant to any agreement, arrangement or understanding (whether or not in writing) or otherwise; PROVIDED that a Person shall not be deemed the "Beneficial Owner" of or to "Beneficially Own" any security under this clause (ii) as a result of an agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding (A) arises solely from a revocable proxy or consent given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations under the Exchange Act and (B) is not also then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(c) which are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person or any of its Affiliates or Associates has any agreement, arrangement or understanding (whether or not in writing) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in subparagraph (b)(ii) immediately above) or disposing of any such securities.

"Business Day" means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"Close Of Business" on any given date means 5:00 P.M., New York City time, on such date; PROVIDED that if such date is not a Business Day "Close Of Business" means 5:00 P.M., New York City time, on the next succeeding Business Day.

"Common Stock" means the Common Stock, par value \$1.00 per share, of the Company, except that, when used with reference to any Person other than the Company, "COMMON STOCK" means the capital stock of such Person with the greatest voting power, or the equity securities or other equity interest having power to control or direct the management, of such Person.

"Continuing Director" means any member of the Board of Directors of the Company, while such Person is a member of the Board, who is not an Acquiring Person or an Affiliate or Associate of an Acquiring Person or a representative or nominee of an Acquiring Person or of any such Affiliate or Associate and either (a) was a member of the Board immediately prior to the time any Person becomes an Acquiring Person or (b) subsequently becomes a member of the Board, if such Person's nomination for election or election to the Board is recommended or approved by a majority of the Continuing Directors.

"Distribution Date" means the close of business on the tenth day (or such later day as may be designated by action of a majority of the Continuing Directors) after the Stock Acquisition Date.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Expiration Date" means the earlier of (a) the Final Expiration Date and (b) the time at which all Rights are redeemed as provided in Section 23 or exchanged as provided in Section 24.

"Final Expiration Date" means the close of business on December 6, 1999.

"Person" means an individual, corporation, partnership, association, trust or any other entity or organization.

"Preferred Stock" means the Series A Participating Cumulative Preferred Stock, par value \$100.00 per share, of the Company, having the terms set forth in the form of certificate of designation attached hereto as Exhibit A.

"Purchase Price" means the price (subject to adjustment as provided herein) at which a holder of a Right may purchase one one-hundredth of a share of Preferred Stock (subject to adjustment as provided herein) upon exercise of a Right, which price shall initially be \$130.00.

"Section 11(a)(ii) Event" means any event described in the first clause of Section 11(a)(ii).

"Section 13 Event" means any event described in clauses (x), (y) or (z) of Section 13(a).

"Securities Act" means the Securities Act of 1933, as amended.

"Stock Acquisition Date" means the date of the first public announcement (including the filing of a report on Schedule 13D under the Exchange Act (or any comparable or successor report)) by the Company or an Acquiring Person indicating that an Acquiring Person has become such.

"Subsidiary" of any Person means any other Person of which securities or other ownership interests having ordinary voting power, in the absence of contingencies, to elect a majority of the board of directors or other Persons performing similar functions are at the time directly or indirectly owned by such first Person.

"Trading Day" means a day on which the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading is open for the transaction of business or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, a Business Day.

"Triggering Event" means any Section 11(a)(ii) Event or any Section 13 Event.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company and the holders of the Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such Co-Rights Agents as it may deem necessary or desirable. If the Company appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and any Co-Rights Agents shall be as the Company shall determine.

Section 3. Issue of Right Certificates. (a) Prior to the Distribution Date, (i) the Rights will be evidenced by the certificates for the Common Stock and not by separate Right Certificates (as hereinafter defined) and the registered holders of the Common Stock shall be deemed to be the registered holders of the associated Rights, and (ii) the Rights will be transferable only in connection with the transfer of the underlying shares of Common Stock. As soon as practicable after the Record Date, the Company will send a summary of the Rights substantially in the form of Exhibit C hereto, by first-class, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Record Date at the address of such holder shown on the records of the Company.

(b) As soon as practicable after the Company has notified the Rights Agent of the occurrence of the Distribution Date, the Rights Agent will send, by first-class, insured, postage prepaid mail, to each record holder of the Common Stock as of the close of business on the Distribution Date, at the address of such holder shown on the records of the Company, one or more Right Certificates evidencing one Right (subject to adjustment as provided herein) for each share of Common Stock so held. If an adjustment in the number of Rights per share of Common Stock has been made pursuant to Section 11(p), the Company shall, at the time of distribution of the Right Certificates, make the necessary and appropriate rounding adjustments (in accordance with Section 14(a)) so that Right Certificates representing only whole numbers of Rights are distributed and cash is paid in lieu of any fractional Rights. From and after the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(c) Rights shall be issued in respect of all shares of Common Stock outstanding as of the Record Date or issued (on original issuance or out of treasury) after the Record Date but prior to the earlier of the Distribution Date and the Expiration Date. In addition, in connection with the issuance or sale of shares of Common Stock following the Distribution Date and prior to the Expiration Date, the Company (i) shall, with respect to shares of Common Stock so issued or sold (x) pursuant to the exercise of stock options or under any employee plan or arrangement or (y) upon the exercise, conversion or exchange of other securities issued by the Company prior to the Distribution Date and (ii) may, in any other case, if deemed necessary or appropriate by the Board of Directors of the Company, issue Right Certificates representing the appropriate number of Rights in connection with such issuance or sale; PROVIDED that no such Right Certificate shall be issued if, and to the extent that, (i) the Company shall be advised by counsel that such issuance would create a significant risk of material adverse tax consequences to the Company or the Person to whom such Right Certificate would be issued or (ii) appropriate adjustment shall otherwise have been made in lieu of the issuance thereof.

(d) Certificates for the Common Stock issued after the Record Date but prior to the earlier of the Distribution Date and the Expiration Date shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

This certificate also evidences certain Rights as set forth in a Rights Agreement between Murphy Oil Corporation (the "Company") and Harris Trust Company of New York dated as of December 6, 1989 (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive offices of the Company. The Company will

mail to the holder of this certificate a copy of the Rights Agreement without charge promptly after receipt of a written request therefor. Under certain circumstances, as set forth in the Rights Agreement, such Rights may be evidenced by separate certificates and no longer be evidenced by this certificate, may be redeemed or exchanged or may expire. As set forth in the Rights Agreement, Rights issued to, or held by, any Person who is, was or becomes an Acquiring Person or an Affiliate or Associate thereof (as such terms are defined in the Rights Agreement), whether currently held by or on behalf of such Person or by any subsequent holder, may be null and void.

Section 4. Form of Right Certificates. (a) The certificates evidencing the Rights (and the forms of assignment, election to purchase and certificates to be printed on the reverse thereof) (the "Right Certificates") shall be substantially in the form of Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law, rule or regulation or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. The Right Certificates, whenever distributed, shall be dated as of the Record Date.

(b) Any Right Certificate representing Rights beneficially owned by any Person referred to in clauses (i), (ii) or (iii) of the first sentence of Section 7(d) shall (to the extent feasible) contain the following legend:

The Rights represented by this Right Certificate are or were beneficially owned by a Person who was or became an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Rights Agreement). This Right Certificate and the Rights represented hereby may be or may become null and void in the circumstances specified in Section 7(d) of such Agreement.

Section 5. Countersignature and Registration. (a) The Right Certificates shall be executed on behalf of the Company by its Chairman of the Board, its President or any Vice President, either manually or by facsimile signature, and shall have affixed thereto the Company's seal or a facsimile thereof which shall be attested by the Secretary or an Assistant Secretary of the Company, either manually or by facsimile signature. The Right Certificates shall be manually countersigned by the Rights Agent and shall not be valid for any purpose unless so countersigned. In case any officer of the Company whose manual or facsimile signature is affixed to the Right Certificates shall cease to be such officer of the

Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates may, nevertheless, be countersigned by the Rights Agent and issued and delivered with the same force and effect as though the Person who signed such Right Certificates had not ceased to be such officer of the Company. Any Right Certificate may be signed on behalf of the Company by any Person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate, although at the date of the execution of this Rights Agreement any such Person was not such an officer.

(b) Following the Distribution Date, the Rights Agent will keep or cause to be kept, at its principal office or offices designated as the place for surrender of Right Certificates upon exercise, transfer or exchange, books for registration and transfer of the Right Certificates. Such books shall show with respect to each Right Certificate the name and address of the registered holder, the number of Rights indicated on the certificate and the certificate number.

Section 6. Transfer and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates. (a) At any time after the Distribution Date and prior to the Expiration Date, any Right Certificate or Certificates may, upon the terms and subject to the conditions set forth below in this Section 6(a), be transferred or exchanged for another Right Certificate or Certificates evidencing a like number of Rights as the Right Certificate or Certificates surrendered. Any registered holder desiring to transfer or exchange any Right Certificate or Certificates shall surrender such Right Certificate or Certificates (with, in the case of a transfer, the form of assignment and certificate on the reverse side thereof duly executed) to the Rights Agent at the principal office or offices of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Right Certificate or Certificates until the registered holder of the Rights has complied with the requirements of Section 7(e). Upon satisfaction of the foregoing requirements, the Rights Agent shall, subject to Sections 4(b), 7(d), 14 and 24, countersign and deliver to the Person entitled thereto a Right Certificate or Certificates as so requested. The Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge that may be imposed in connection with any transfer or exchange of any Right Certificate or Certificates.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Company's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto,

and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Company will issue and deliver a new Right Certificate of like tenor to the Rights Agent for countersignature and delivery to the registered owner in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Purchase Price; Expiration Date of Rights.

(a) The registered holder of any Right Certificate may exercise the Rights evidenced thereby (except as otherwise provided herein, including Sections 7(d) and (e), 9(c), 11(a)(iii) and 24) in whole or in part at any time after the Distribution Date and prior to the Expiration Date upon surrender of the Right Certificate, with the form of election to purchase and the certificate on the reverse side thereof duly executed, to the Rights Agent at the principal office or offices of the Rights Agent designated for such purpose, together with payment (in lawful money of the United States of America by certified check or bank draft payable to the order of the Company) of the aggregate Purchase Price with respect to the Rights then to be exercised and an amount equal to any applicable transfer tax or other governmental charge.

(b) Upon satisfaction of the requirements of Section 7(a) and subject to Section 20(k), the Rights Agent shall thereupon promptly (i)(A) requisition from any transfer agent of the Preferred Stock (or make available, if the Rights Agent is the transfer agent therefor) certificates for the total number of one one-hundredths of a share of Preferred Stock to be purchased (and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests) or (B) if the Company shall have elected to deposit the shares of Preferred Stock issuable upon exercise of the Rights with a depository agent, requisition from the depository agent depository receipts representing such number of one one-hundredths of a share of Preferred Stock as are to be purchased (in which case certificates for the shares of Preferred Stock represented by such receipts shall be deposited by the transfer agent with the depository agent) and the Company will direct the depository agent to comply with such request, (ii) requisition from the Company the amount of cash, if any, to be paid in lieu of issuance of fractional shares in accordance with Section 14 and (iii) after receipt of such certificates or depository receipts and cash, if any, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate (with such certificates or receipts registered in such name or names as may be designated by such holder). If the Company is obligated to deliver Common Stock, other securities or assets pursuant to this Agreement, the Company will make all arrangements necessary so that such other securities and assets are available for delivery by the Rights Agent, if and when appropriate.

(c) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing the number of Rights remaining unexercised shall be issued by the Rights Agent and delivered to, or upon the order of, the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder, subject to the provisions of Section 14.

(d) Notwithstanding anything in this Agreement to the contrary, from and after the first occurrence of a Section 11(a)(ii) Event, any Rights beneficially owned by (i) an Acquiring Person or an Associate or Affiliate of an Acquiring Person, (ii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such or (iii) a transferee of an Acquiring Person (or of any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such and receives such Rights pursuant to either (A) a transfer (whether or not for consideration) from the Acquiring Person (or any such Associate or Affiliate) to holders of equity interests in such Acquiring Person (or in any such Associate or Affiliate) or to any Person with whom the Acquiring Person (or any such Associate or Affiliate) has any continuing agreement, arrangement or understanding regarding the transferred Rights or (B) a transfer which the Board of Directors of the Company has determined is part of a plan, arrangement or understanding which has as a primary purpose or effect the avoidance of this Section 7(d) shall become null and void without any further action, and no holder of such Rights shall have any rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The Company shall use all reasonable efforts to insure that the provisions of this Section 7(d) and Section 4(b) are complied with, but shall have no liability to any holder of Right Certificates or other Person as a result of its failure to make any determinations with respect to an Acquiring Person or its Affiliates and Associates or any transferee of any of them hereunder.

(e) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder of Rights upon the occurrence of any purported transfer pursuant to Section 6 or exercise pursuant to this Section 7 unless such registered holder (i) shall have completed and signed the certificate contained in the form of assignment or election to purchase, as the case may be, set forth on the reverse side of the Right Certificate surrendered for such transfer or exercise, as the case may be, (ii) shall not have indicated an affirmative response to clause 1 or 2 thereof and (iii) shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company shall reasonably request.

Section 8. Cancellation and Destruction of Right Certificates. All Right Certificates surrendered for exercise, transfer or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in cancelled form, or, if surrendered to the Rights Agent, shall be cancelled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by this Agreement. The Company shall deliver to the Rights Agent for cancellation, and the Rights Agent shall cancel, any other Right Certificate purchased or acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all cancelled Right Certificates to the Company, or shall, at the written request of the Company, destroy such cancelled Right Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 9. Reservation and Availability of Capital Stock. (a) The Company covenants and agrees that it will cause to be reserved and kept available a number of shares of Preferred Stock which are authorized but not outstanding or otherwise reserved for issuance sufficient to permit the exercise in full of all outstanding Rights as provided in this Agreement.

(b) So long as the Preferred Stock issuable upon the exercise of Rights may be listed on any national securities exchange, the Company shall use its best efforts to cause, from and after such time as the Rights become exercisable, all securities reserved for such issuance to be listed on any such exchange upon official notice of issuance upon such exercise.

(c) The Company shall use its best efforts (i) to file, as soon as practicable following the earliest date after the occurrence of a Section 11(a)(ii) Event as of which the consideration to be delivered by the Company upon exercise of the Rights has been determined in accordance with Section 11(a)(iii), or as soon as is required by law following the Distribution Date, as the case may be, a registration statement under the Securities Act with respect to the securities issuable upon exercise of the Rights, (ii) to cause such registration statement to become effective as soon as practicable after such filing and (iii) to cause such registration statement to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the earlier of (A) the date as of which the Rights are no longer exercisable for such securities and (B) the Expiration Date. The Company will also take such action as may be appropriate under, or to ensure compliance with, the securities or blue sky laws of the various states in connection with the exercisability of the Rights. The Company may temporarily suspend, for a period of time not to exceed 90 days after the date set forth in clause (i) of the first sentence of this Section 9(c), the exercisability of the Rights in order to prepare and file such registration statement and permit it to become effective. Upon any such suspension, the Company shall issue a public

announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. Notwithstanding any such provision of this Agreement to the contrary, the Rights shall not be exercisable for securities in any jurisdiction if the requisite qualification in such jurisdiction shall not have been obtained, such exercise therefor shall not be permitted under applicable law or a registration statement in respect of such securities shall not have been declared effective.

(d) The Company covenants and agrees that it will take all such action as may be necessary to insure that all one one-hundredths of a share of Preferred Stock issuable upon exercise of Rights shall, at the time of delivery of the certificates for such securities (subject to payment of the Purchase Price), be duly and validly authorized and issued and fully paid and nonassessable.

(e) The Company further covenants and agrees that it will pay when due and payable any and all federal and state transfer taxes and other governmental charges which may be payable in respect of the issuance or delivery of the Right Certificates and of any certificates for Preferred Stock upon the exercise of Rights. The Company shall not, however, be required to pay any transfer tax or other governmental charge which may be payable in respect of any transfer involved in the issuance or delivery of any Right Certificates or of any certificates for Preferred Stock to a Person other than the registered holder of the applicable Right Certificate, and prior to any such transfer, issuance or delivery any such tax or other governmental charge shall have been paid by the holder of such Right Certificate or it shall have been established to the Company's satisfaction that no such tax or other governmental charge is due.

Section 10. Preferred Stock Record Date. Each Person (other than the Company) in whose name any certificate for Preferred Stock is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of such Preferred Stock represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Purchase Price (and any transfer taxes or other governmental charges) was made; PROVIDED that if the date of such surrender and payment is a date upon which the transfer books of the Company relating to the Preferred Stock are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the applicable transfer books of the Company are open. Prior to the exercise of the Rights evidenced thereby, the holder of a Right Certificate shall not be entitled to any rights of a stockholder of the Company with respect to shares for which the Rights shall be exercisable, including the right to vote, to receive dividends or other distributions or to

exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company except as provided herein.

Section 11. Adjustment of Purchase Price, Number and Kind of Shares or Number of Rights. (a) (i) If the Company shall at any time after the date of this Agreement (A) pay a dividend on the Preferred Stock payable in shares of Preferred Stock, (B) subdivide the outstanding Preferred Stock into a greater number of shares, (C) combine the outstanding Preferred Stock into a smaller number of shares or (D) issue any shares of its capital stock in a reclassification of the Preferred Stock (including any such reclassification in connection with a consolidation or merger involving the Company), the Purchase Price in effect immediately prior to the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the number and kind of shares of Preferred Stock or other capital stock issuable on such date shall be proportionately adjusted so that each holder of a Right shall (except as otherwise provided herein, including Section 7(d)) thereafter be entitled to receive, upon exercise thereof at the Purchase Price in effect immediately prior to such date, the aggregate number and kind of shares of Preferred Stock or other capital stock, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the applicable transfer books of the Company were open, such holder would have been entitled to receive upon such exercise and by virtue of such dividend, subdivision, combination or reclassification. If an event occurs which requires an adjustment under both this Section 11(a)(i) and Section 11(a)(ii), the adjustment provided for in this Section 11(a)(i) shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 11(a)(ii).

(ii) If any Person, alone or together with its Affiliates and Associates, shall, at any time after the date of this Agreement, become the Beneficial Owner of 15% or more of the shares of Common Stock then outstanding, then proper provision shall promptly be made so that each holder of a Right shall (except as otherwise provided herein, including Section 7(d)) thereafter be entitled to receive, upon exercise thereof at the Purchase Price in effect immediately prior to the first occurrence of a Section 11(a)(ii) Event, in lieu of Preferred Stock, such number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock of the Company (such number of shares being referred to herein as the "Adjustment Shares") as shall be equal to the result obtained by dividing

(x) the product obtained by multiplying the Purchase Price in effect immediately prior to the first occurrence of a Section 11(a)(ii) Event by the number of one one-hundredths of a share of Preferred Stock for which a Right was exercisable immediately

prior to such first occurrence (such product being thereafter referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by

(y) 50% of the current market price (determined pursuant to Section 11(d)(i)) per share of Common Stock on the date of such first occurrence;

PROVIDED that if the transaction that would otherwise give rise to the foregoing adjustment is also subject to the provisions of Section 13, then only the provisions of Section 13 shall apply and no adjustment shall be made pursuant to this Section 11(a)(ii).

(iii) If the number of shares of Common Stock which are authorized by the Company's certificate of incorporation but not outstanding or reserved for issuance other than upon exercise of the Rights is not sufficient to permit the exercise in full of the Rights in accordance with Section 11(a)(ii), the Company shall, with respect to each Right, make adequate provision to substitute for the Adjustment Shares, upon payment of the Purchase Price then in effect, (A) (to the extent available) Common Stock and then, (B) (to the extent available) other equity securities of the Company which the Board of Directors of the Company (or, if at such time there is an Acquiring Person, a majority of the Continuing Directors) has determined to be essentially equivalent to shares of Common Stock in respect to dividend, liquidation and voting rights (such securities being referred to herein as "common stock equivalents") and then, if necessary, (C) other equity or debt securities of the Company, cash or other assets, a reduction in the Purchase Price or any combination of the foregoing, having an aggregate value (as determined by the Board of Directors of the Company based upon the advice of a nationally recognized investment banking firm selected by the Board of Directors of the Company) equal to the value of the Adjustment Shares; PROVIDED that (x) the Company may, and (y) if the Company shall not have made adequate provision as required above to deliver value within 30 days following the later of the first occurrence of a Section 11(a)(ii) Event and the first date that the right to redeem the Rights pursuant to Section 23 shall expire, then the Company shall be obligated to, deliver, upon the surrender for exercise of a Right and without requiring payment of the Purchase Price, (1) (to the extent available) Common Stock and then (2) (to the extent available) common stock equivalents and then, if necessary, (3) other debt or equity securities to the Company, cash or other assets or any combination of the foregoing, having an aggregate value (as determined by the Board of Directors of the Company based upon the advice of a nationally recognized

investment banking firm selected by the Board of Directors of the Company) equal to the excess of the value of the Adjustment Shares over the Purchase Price. If the Board of Directors of the Company shall determine in good faith that it is likely that sufficient additional shares of Common Stock could be authorized for issuance upon exercise in full of the Rights, the 30 day period set forth above (such period, as it may be extended, being referred to herein as the "Substitution Period") may be extended to the extent necessary, but not more than 90 days following the first occurrence of a Section 11(a)(ii) Event, in order that the Company may seek stockholder approval for the authorization of such additional shares. To the extent that the Company determines that some action is to be taken pursuant to the first and/or second sentence of this Section 11(a)(iii), the Company (X) shall provide, subject to Section 7(d), that such action shall apply uniformly to all outstanding Rights and (Y) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek any authorization of additional shares and/or to decide the appropriate form and value of any consideration to be delivered as referred to in such first and/or second sentence. If any such suspension occurs, the Company shall issue a public announcement stating that the exercisability of the Rights has been temporarily suspended, as well as a public announcement at such time as the suspension is no longer in effect. For purposes of this Section 11(a)(iii), the value of the Common Stock shall be the current market price per share of Common Stock (as determined pursuant to Section 11(d)) on the later of the date of the first occurrence of a Section 11(a)(ii) Event and the first date that the right to redeem the Rights pursuant to Section 23 shall expire; any "common stock equivalent" shall be deemed to have the same value as the Common Stock on such date; and the value of other securities or assets shall be determined pursuant to Section 11(d)(iii).

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Preferred Stock entitling them to subscribe for or purchase (for a period expiring within 45 calendar days after such record date) Preferred Stock (or securities having the same rights, privileges and preferences as the shares of Preferred Stock ("equivalent preferred stock")) or securities convertible into or exercisable for Preferred Stock (or equivalent preferred stock) at a price per share of Preferred Stock (or equivalent preferred stock) (in each case, taking account of any conversion or exercise price) less than the current market price (as determined pursuant to Section 11(d)) per share of Preferred Stock on such record date, the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such date by a fraction, the numerator of which shall be the number of shares of Preferred Stock outstanding on such record date, plus the number of shares of

Preferred Stock which the aggregate price (taking account of any conversion or exercise price) of the total number of shares of Preferred Stock (and/or equivalent preferred stock) so to be offered would purchase at such current market price and the denominator of which shall be the number of shares of Preferred Stock outstanding on such record date plus the number of additional shares of Preferred Stock (and/or equivalent preferred stock) so to be offered. In case such subscription price may be paid by delivery of consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes. Shares of Preferred Stock owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed, and if such rights, options or warrants are not so issued, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for the making of a distribution to all holders of Preferred Stock (including any such distribution made in connection with a consolidation or merger involving the Company) of evidences of indebtedness, equity securities other than Preferred Stock, assets (other than a regular periodic cash dividend out of the earnings or retained earnings of the Company) or rights, options or warrants (excluding those referred to in Section 11(b)), the Purchase Price to be in effect after such record date shall be determined by multiplying the Purchase Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the current market price (as determined pursuant to Section 11(d)) per share of Preferred Stock on such record date, less the value (as determined pursuant to Section 11(d)(iii)) of such evidences of indebtedness, equity securities, assets, rights, options or warrants so to be distributed with respect to one share of Preferred Stock and the denominator of which shall be such current market price per share of Preferred Stock. Such adjustment shall be made successively whenever such a record date is fixed, and if such distribution is not so made, the Purchase Price shall be adjusted to be the Purchase Price which would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder other than computations made pursuant to Section 11(a)(iii) or 14, the "current market price" per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per share of such Common Stock for the 30 consecutive Trading Days immediately prior to such date; for purposes of computations made pursuant to Section 11(a)(iii), the "current market price" per share of Common Stock on any date shall be deemed to be the average of the daily closing prices per

share of such Common Stock for the 10 consecutive Trading Days immediately following such date; and for purposes of computations made pursuant to Section 14, the "current market price" per share of Common Stock for any Trading Day shall be deemed to be the closing price per share of Common Stock for such Trading Day; PROVIDED that if the current market price per share of the Common Stock is determined during a period following the announcement by the issuer of such Common Stock of (A) a dividend or distribution on such Common Stock payable in shares of such Common Stock or securities exercisable for or convertible into shares of such Common Stock (other than the Rights), or (B) any subdivision, combination or reclassification of such Common Stock, and prior to the expiration of the requisite 30 Trading Day or 10 Trading Day period, as set forth above, after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the "current market price" shall be properly adjusted to take into account ex-dividend trading. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the shares of Common Stock are not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which the shares of Common Stock are listed or admitted to trading or, if the shares of Common Stock are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System ("NASDAQ") or such other system then in use or, if on any such date the shares of Common Stock are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Common Stock selected by the Board of Directors of the Company. If on any such date no market maker is making a market in the Common Stock, the fair value of such shares on such date as determined in good faith by the Board of Directors of the Company shall be used. If the Common Stock is not publicly held or not so listed or traded, the "current market price" per share means the fair value per share as determined in good faith by the Board of Directors of the Company, or, if at the time of such determination there is an Acquiring Person, by a majority of the Continuing Directors, or if there are no Continuing Directors, by a nationally recognized investment banking firm selected by the Board of Directors, which determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

Ex. 4.3-16

(ii) For the purpose of any computation hereunder, the "current market price" per share of Preferred Stock shall be determined in the same manner as set forth above for the Common Stock in Section 11(d)(i) (other than the last sentence thereof). If the current market price per share of Preferred Stock cannot be determined in such manner, the "current market price" per share of Preferred Stock shall be conclusively deemed to be an amount equal to 100 (as such number may be appropriately adjusted for such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock occurring after the date of this Agreement) multiplied by the current market price per share of Common Stock (as determined pursuant to Section 11(d)(i) (other than the last sentence thereof)). If neither the Common Stock nor the Preferred Stock is publicly held or so listed or traded, the "Current Market Price" per share of the Preferred Stock shall be determined in the same manner as set forth in the last sentence of Section 11(d)(i). For all purposes of this Agreement, the "current market price" of one one-hundredth of a share of Preferred Stock shall be equal to the "current market price" of one share of Preferred Stock divided by 100.

(iii) For the purpose of any computation hereunder, the value of any securities or assets other than Common Stock or Preferred Stock shall be the fair value as determined in good faith by the Board of Directors of the Company, or, if at the time of such determination there is an Acquiring Person, by a majority of the Continuing Directors then in office, or, if there are no Continuing Directors, by a nationally recognized investment banking firm selected by the Board of Directors, which determination shall be described in a statement filed with the Rights Agent and shall be conclusive for all purposes.

(e) Anything herein to the contrary notwithstanding, no adjustment in the Purchase Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Purchase Price; PROVIDED that any adjustments which by reason of this Section 11(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest ten-thousandth of a share of Common Stock or other share or one-millionth of a share of Preferred Stock, as the case may be.

(f) If at any time, as a result of an adjustment made pursuant to Section 11(a)(ii) or Section 13(a), the holder of any Right shall be entitled to receive upon exercise of such Right any shares of capital stock other than Preferred Stock, thereafter the number of such other shares so receivable upon exercise of any Right and the Purchase Price thereof shall be subject to adjustment from time to

time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Stock contained in Section 11(a), (b), (c), (e), (g), (h), (i), (j), (k) and (m), and the provisions of Sections 7, 9, 10, 13 and 14 with respect to the Preferred Stock shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made hereunder shall evidence the right to purchase, at the Purchase Price then in effect, the then applicable number of one one-hundredths of a share of Preferred Stock and other capital stock of the Company issuable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i), upon each adjustment of the Purchase Price as a result of the calculations made in Section 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Purchase Price, that number of one one-hundredths of a share of Preferred Stock (calculated to the nearest one-millionth) obtained by (i) multiplying (x) the number of one one-hundredths of a share for which a Right was exercisable immediately prior to this adjustment by (y) the Purchase Price in effect immediately prior to such adjustment of the Purchase Price and (ii) dividing the product so obtained by the Purchase Price in effect immediately after such adjustment of the Purchase Price.

(i) The Company may elect on or after the date of any adjustment of the Purchase Price to adjust the number of Rights, in lieu of any adjustment in the number of one one-hundredths of a share of Preferred Stock issuable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one one-hundredths of a share of Preferred Stock for which such Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest ten-thousandth) obtained by dividing the Purchase Price in effect immediately prior to adjustment of the Purchase Price by the Purchase Price in effect immediately after adjustment of the Purchase Price. The Company shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Purchase Price is adjusted or any day thereafter, but, if the Right Certificates have been issued, shall be at least 10 days later than the date of the public announcement. If Right Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right

Certificates evidencing, subject to Section 14, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein (and may bear, at the option of the Company, the adjusted Purchase Price) and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Purchase Price or the number of one one-hundredths of a share of Preferred Stock issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Purchase Price per one one-hundredth of a share and the number of shares which were expressed in the initial Right Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Purchase Price below the par value, if any, of the number of one one-hundredths of a share of Preferred Stock issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and nonassessable such number of one one-hundredths of a share of Preferred Stock at such adjusted Purchase Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Purchase Price be made effective as of a record date for a specified event, the Company may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of one one-hundredths of a share of Preferred Stock or other capital stock of the Company, if any, issuable upon such exercise over and above the number of one one-hundredths of a share of Preferred Stock or other capital stock of the Company, if any, issuable upon such exercise on the basis of the Purchase Price in effect prior to such adjustment; PROVIDED that the Company shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Purchase Price, in addition to those adjustments expressly required by this Section 11, as and to the

extent that it, in its sole discretion, shall determine to be advisable in order that any consolidation or subdivision of the Preferred Stock, issuance wholly for cash of any Preferred Stock at less than the current market price, issuance wholly for cash of Preferred Stock or securities which by their terms are convertible into or exercisable for Preferred Stock, stock dividends or issuance of rights, options or warrants referred to in this Section 11, hereafter made by the Company to the holders of its Preferred Stock, shall not be taxable to such stockholders.

(n) The Company covenants and agrees that it will not at any time after the Distribution Date (i) consolidate, merge or otherwise combine with or (ii) sell or otherwise transfer (and/or permit any of its Subsidiaries to sell or otherwise transfer), in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries, taken as a whole, to any other Person or Persons if (x) at the time of or immediately after such consolidation, merger, combination or sale there are any rights, warrants or other instruments or securities outstanding or any agreements or arrangements in effect which would substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights or (y) prior to, simultaneously with or immediately after such consolidation, merger, combination or sale, the stockholders of a Person who constitutes, or would constitute, the "Principal Party" for the purposes of Section 13 shall have received a distribution of Rights previously owned by such Person or any of its Affiliates and Associates.

(o) The Company covenants and agrees that after the Distribution Date, it will not, except as permitted by Sections 23, 24 and 27, take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will substantially diminish or otherwise eliminate the benefits intended to be afforded by the Rights.

(p) Notwithstanding anything in this Agreement to the contrary, if at any time after the date hereof and prior to the Distribution Date the Company shall (i) pay a dividend on the outstanding shares of Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock into a larger number of shares or (iii) combine the outstanding Common Stock into a smaller number of shares, the number of Rights associated with each share of Common Stock then outstanding, or issued or delivered thereafter as contemplated by Section 3(c), shall be proportionately adjusted so that the number of Rights thereafter associated with each share of Common Stock following any such event shall equal the result obtained by multiplying the number of Rights associated with each share of Common Stock immediately prior to such event by a fraction the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to the occurrence of the event and the denominator

of which shall be the total number of shares of Common Stock outstanding immediately following the occurrence of such event.

Section 12. Certificate of Adjusted Purchase Price or Number of Shares. Whenever an adjustment is made as provided in Sections 11 and 13, the Company shall (a) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment, (b) promptly file with the Rights Agent and with each transfer agent for the Preferred Stock and the Common Stock a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate (or, if prior to the Distribution Date, to each holder of a certificate representing shares of Common Stock) in the manner set forth in Section 26. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power. (a) If, following the Stock Acquisition Date, directly or indirectly,

(x) the Company shall consolidate with, merge into, or otherwise combine with, any other Person, and the Company shall not be the continuing or surviving corporation of such consolidation, merger or combination,

(y) any Person shall merge into, or otherwise combine with, the Company, and the Company shall be the continuing or surviving corporation of such merger or combination and, in connection with such merger or combination, all or part of the outstanding shares of Common Stock shall be changed into or exchanged for other stock or securities of the Company or any other Person, cash or any other property, or

(z) the Company and/or one or more of its Subsidiaries shall sell or otherwise transfer, in one transaction or a series of related transactions, assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries, taken as a whole, to any other Person or Persons,

then, and in each such case, proper provision shall promptly be made so that

(1) each holder of a Right shall (except as otherwise provided herein, including Section 7(d)) thereafter be entitled to receive, upon exercise thereof at the Purchase Price in effect immediately prior to the first occurrence of any Triggering Event, such number of duly authorized, validly issued, fully paid and nonassessable shares of freely tradeable Common Stock of the Principal Party (as

hereinafter defined), not subject to any rights of call or first refusal, liens, encumbrances or other claims, as shall be equal to the result obtained by dividing

(A) the product obtained by multiplying the Purchase Price in effect immediately prior to the first occurrence of any Triggering Event by the number of one one-hundredths of a share of Preferred Stock for which a Right was exercisable immediately prior to such first occurrence (such product being thereafter referred to as the "Purchase Price" for each Right and for all purposes of this Agreement) by

(B) 50% of the current market price (determined pursuant to Section 11(d)(i)) per share of the Common Stock of such Principal Party on the date of consummation of such consolidation, merger, combination, sale or transfer;

(2) the Principal Party shall thereafter be liable for, and shall assume, by virtue of such consolidation, merger, combination, sale or transfer, all the obligations and duties of the Company pursuant to this Agreement;

(3) the term "Company" shall thereafter be deemed to refer to such Principal Party, it being specifically intended that the provisions of Section 11 shall apply only to such Principal Party following the first occurrence of a Section 13 Event; and

(4) such Principal Party shall take such steps (including the authorization and reservation of a sufficient number of shares of its Common Stock to permit exercise of all outstanding Rights in accordance with this Section 13(a)) in connection with the consummation of any such transaction as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to the shares of its Common Stock thereafter deliverable upon the exercise of the Rights.

(b) "Principal Party" means

(i) in the case of any transaction described in Section 13(a)(x) or (y), the Person that is the issuer of any securities into which shares of Common Stock of the Company are converted in such merger, consolidation or combination, and if no securities are so issued, the Person that is the other party to such merger, consolidation or combination; and

(ii) in the case of any transaction described in Section 13(a)(z), the Person that is the party receiving the greatest portion of the assets or earning power transferred pursuant to such transaction or transactions;

PROVIDED that in any such case, (A) if the Common Stock of such Person is not at such time and has not been continuously over the preceding 12-month period registered under Section 12 of the Exchange Act, and such Person is a direct or indirect Subsidiary of another Person the Common Stock of which is and has been so registered, "Principal Party" shall refer to such other Person; and (B) in case such Person is a Subsidiary, directly or indirectly, of more than one Person, the Common Stocks of two or more of which are and have been so registered, "Principal Party" shall refer to whichever of such Persons is the issuer of the Common Stock having the greatest aggregate market value.

(c) The Company shall not consummate any such consolidation, merger, combination, sale or transfer unless the Principal Party shall have a sufficient number of authorized shares of its Common Stock which are not outstanding or otherwise reserved for issuance to permit the exercise in full of the Rights in accordance with this Section 13 and unless prior thereto the Company and such Principal Party shall have executed and delivered to the Rights Agent a supplemental agreement providing for the terms set forth in Section 13(a) and (b) and providing that, as soon as practicable after the date of any consolidation, merger, combination, sale or transfer mentioned in Section 13(a), the Principal Party will

(i) prepare and file a registration statement under the Securities Act with respect to the securities issuable upon exercise of the Rights, and will use its best efforts to cause such registration statement (A) to become effective as soon as practicable after such filing and (B) to remain effective (with a prospectus at all times meeting the requirements of the Securities Act) until the Expiration Date and

(ii) deliver to holders of the Rights historical financial statements for the Principal Party and each of its Affiliates which comply in all respects with the requirements for registration on Form 10 under the Exchange Act.

The provisions of this Section 13 shall similarly apply to successive mergers, consolidations, combinations, sales or other transfers. If any Section 13 Event shall occur at any time after the occurrence of a Section 11(a)(ii) Event, the Rights which have not theretofore been exercised shall thereafter become exercisable in the manner described in Section 13(a).

Section 14. Fractional Rights and Fractional Shares. (a) The Company shall not be required to issue fractions of Rights, except prior to the Distribution Date as provided in Section 11(p), or to distribute Right Certificates which evidence fractional Rights. In lieu of any such fractional Rights, the Company shall

pay to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable an amount in cash equal to the same fraction of the current market price of a whole Right. For purposes of this Section 14(a), the current market price of a whole Right shall be the closing price of a Right for the Trading Day immediately prior to the date on which such fractional Rights would otherwise have been issuable. The closing price of a Right for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, on the principal national securities exchange on which the Rights are listed or admitted to trading or, if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors of the Company. If on any such date no such market maker is making a market in the Rights, the current market price of the Rights on such date shall be as determined in good faith by the Board of Directors of the Company.

(b) The Company shall not be required to issue fractions of shares of Preferred Stock (other than fractions which are multiples of one one-hundredth of a share of Preferred Stock) upon exercise of the Rights or to distribute certificates which evidence fractional shares of Preferred Stock (other than fractions which are multiples of one one-hundredth of a share of Preferred Stock). In lieu of any such fractional shares of Preferred Stock, the Company shall pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market price of one one-hundredth of a share of Preferred Stock. For purposes of this Section 14(b), the current market price of one one-hundredth of a share of Preferred Stock shall be one one-hundredth of the closing price of a share of Preferred Stock (as determined pursuant to Section 11(d)) for the Trading Day immediately prior to the date of such exercise.

(c) Following the occurrence of any Triggering Event or upon any exchange pursuant to Section 24, the Company shall not be required to issue fractions of shares of Common Stock upon exercise of the Rights or to distribute certificates which evidence fractional shares of Common Stock. In lieu of fractional shares of Common Stock, the Company shall pay to the registered holders of Right Certificates at the time such Rights are exercised or exchanged as

herein provided an amount in cash equal to the same fraction of the current market price of a share of Common Stock. For purposes of this Section 14(c), the current market price of a share of Common Stock shall be the closing price of a share of Common Stock (as determined pursuant to Section 11(d)(i)) for the Trading Day immediately prior to the date of such exercise or exchange.

(d) The holder of a Right by the acceptance of the Right expressly waives his right to receive any fractional Rights or any fractional shares upon exercise of a Right except as permitted by this Section 14.

Section 15. Rights of Action. All rights of action in respect of this Agreement are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of certificates representing Common Stock); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of any certificate representing Common Stock), without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of any certificate representing Common Stock), may, in his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of, any Person subject to this Agreement.

Section 16. Agreement of Right Holders. Every holder of a Right by accepting the same consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of Common Stock;

(b) after the Distribution Date, the Right Certificates are transferable only on the registry books of the Rights Agent if surrendered at the principal office or offices of the Rights Agent designated for such purposes, duly endorsed or accompanied by a proper instrument of transfer and with the appropriate forms and certificates fully executed;

(c) subject to Sections 6 and 7, the Company and the Rights Agent may deem and treat the Person in whose name a Right Certificate (or, prior to the

Distribution Date, a certificate representing shares of Common Stock) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificate or the certificate representing shares of Common Stock made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent, subject to the last sentence of Section 7(d), shall be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority prohibiting or otherwise restraining performance of such obligation; PROVIDED that the Company must use its best efforts to have any such order, decree or ruling lifted or otherwise overturned as soon as possible.

Section 17. Right Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Right Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the shares of capital stock which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent. (a) The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and disbursements and other disbursements incurred in the execution or administration of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done or omitted by the Rights Agent in connection with the administration of this Agreement or the exercise or performance of its duties

hereunder, including the costs and expenses of defending against any claim of liability.

(b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with the administration of this Agreement or the exercise or performance of its duties hereunder in reliance upon any Right Certificate or certificate for Common Stock or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, instruction, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

Section 19. Merger or Consolidation or Change of Name of Rights Agent.

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any corporation succeeding to the corporate trust or stock transfer business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto; PROVIDED that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 21. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement, any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of a predecessor Rights Agent and deliver such Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) The Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter (including, without limitation, the identity of any "Acquiring Person" and the determination of "current market price") be proved or established by the Company prior to taking, suffering or omitting to take any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the Chairman of the Board, the President or any Vice President and by the Treasurer or any Assistant Treasurer or the Secretary or any Assistant Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken, suffered or omitted in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own negligence, bad faith or willful misconduct.

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Right Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Right Certificate; nor shall it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 7(d)) or any adjustment in the terms of the Rights (including the manner, method or amount thereof) provided for in Sections 3, 11, 13, 23 or 24, or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right

Certificates after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock or Preferred Stock to be issued pursuant to this Agreement or any Right Certificate or as to whether any shares of Common Stock or Preferred Stock will, when issued, be duly authorized, validly issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from the Chairman of the Board, the President or any Vice President or the Secretary or any Assistant Secretary or the Treasurer or any Assistant Treasurer of the Company, and to apply to such officers for advice or instructions in connection with its duties, and it shall not be liable for any action taken, suffered or omitted to be taken by it in good faith in accordance with instructions of any such officer.

(h) The Rights Agent and any stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other Person.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company or to any holders of Rights resulting from any such act, default, neglect or misconduct, provided that reasonable care was exercised in the selection and continued employment thereof.

(j) No provision of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) If, with respect to any Right Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the cases may be, has either not been completed or indicates an affirmative response to clause 1 or 2 thereof, the Rights Agent shall not take any further action with respect to such requested exercise or transfer without first consulting with the Company.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Stock and Preferred Stock by registered or certified mail, and, subsequent to the Distribution Date, to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Stock and Preferred Stock by registered or certified mail, and, subsequent to the Distribution Date, to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a corporation organized and doing business under the laws of the United States or of any state of the United States, in good standing, having a principal office in the State of New York, which is authorized under such laws to exercise stock transfer or corporate trust powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50,000,000 or (b) an Affiliate of a corporation described in clause (a) of this sentence. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Stock and the Preferred Stock, and, subsequent to the Distribution Date, mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any

notice provided for in this Section 21, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates. Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Purchase Price and the number or kind or class of shares of stock issuable upon exercise of the Rights made in accordance with the provisions of this Agreement.

Section 23. Redemption. (a) The Board of Directors of the Company may, at its option, at any time prior to the earlier of (i) the close of business on the tenth day after the Stock Acquisition Date (or such later date as a majority of the Continuing Directors may designate prior to such time as the Rights are no longer redeemable) and (ii) the Final Expiration Date, redeem all but not less than all the then outstanding Rights at a redemption price of \$.01 per Right, as such amount may be appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such redemption price being hereinafter referred to as the "REDEMPTION PRICE"); PROVIDED that after any Person has become an Acquiring Person, any redemption of the Rights shall be effective only if there are Continuing Directors then in office, and such redemption shall have been approved by a majority of such Continuing Directors. Notwithstanding anything in this Agreement to the contrary, the Rights shall not be exercisable after the first occurrence of a Section 11(a)(ii) Event until such time as the Company's right of redemption hereunder has expired.

(b) Immediately upon the action of the Board of Directors of the Company electing to redeem the Rights and without any further action and without any notice, the right to exercise the Rights will terminate and thereafter the only right of the holders of Rights shall be to receive the Redemption Price for each Right so held. The Company shall promptly thereafter give notice of such redemption to the Rights Agent and the holders of the Rights in the manner set forth in Section 26; PROVIDED that the failure to give, or any defect in, such notice shall not affect the validity of such redemption. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. Neither the Company nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in Section 23 or 24, and other than in connection with the purchase, acquisition or redemption of shares of Common Stock prior to the Distribution Date.

Section 24. Exchange. (a) The Board of Directors of the Company may, at its option, at any time after any Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become void pursuant to Section 7(d)) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors shall not be empowered to effect such exchange at any time after any Person (other than the Company, any of its Subsidiaries, any employee benefit plan of the Company or any of its Subsidiaries or any Person organized, appointed or established by the Company or any of its Subsidiaries for or pursuant to the terms of any such plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of 50% or more of the shares of Common Stock then outstanding.

(b) Immediately upon the action of the Board of Directors of the Company electing to exchange any Rights pursuant to Section 24(a) and without any further action and without any notice, the right to exercise such Rights will terminate and thereafter the only right of a holder of such Rights shall be to receive that number of shares of Common Stock equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly thereafter give notice of such exchange to the Rights Agent and the holders of the Rights to be exchanged in the manner set forth in Section 26; PROVIDED that the failure to give, or any defect in, such notice shall not affect the validity of such exchange. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the shares of Common Stock for Rights will be effected and, in the event of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become void pursuant to Section 7(d)) held by each holder of Rights.

(c) In any exchange pursuant to this Section 24, the Company, at its option, may substitute common stock equivalents (as defined in Section 11(a)(iii)) for shares of Common Stock exchangeable for Rights, at the initial rate of one common stock equivalent for each share of Common Stock, as appropriately adjusted to reflect adjustments in dividend, liquidation and voting rights of common stock equivalents pursuant to the terms thereof, so that each common stock equivalent delivered in lieu of each share of Common Stock shall have essentially the same dividend, liquidation and voting rights as one share of Common Stock.

Section 25. Notice of Proposed Actions. (a) In case the Company shall propose, at any time after the Distribution Date, (i) to pay any dividend payable in stock of any class to the holders of Preferred Stock or to make any other distribution to the holders of Preferred Stock (other than a regular quarterly cash dividend out of earnings or retained earnings of the Company), or (ii) to offer to the holders of its Preferred Stock rights or warrants to subscribe for or to purchase any additional shares of Preferred Stock or shares of stock of any class or any other securities, rights or options, or (iii) to effect any reclassification of its Preferred Stock (other than a reclassification involving only the subdivision or combination of outstanding shares of Preferred Stock) or (iv) to effect any consolidation or merger with any other Person, or to effect and/or to permit one or more of its Subsidiaries to effect any sale or other transfer, in one transaction or a series of related transactions, of assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries, taken as a whole, to any other Person or Persons, or (v) to effect the liquidation, dissolution or winding up of the Company, then, in each such case, the Company shall give to each holder of a Right, to the extent feasible and in accordance with Section 26, a notice of such proposed action, which shall specify the record date for the purposes of any such dividend, distribution or offering of rights or warrants, or the date on which any such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution or winding up is to take place and the date of participation therein by the holders of Preferred Stock, if any such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least 20 days prior to the record date for determining holders of the Preferred Stock entitled to participate in such dividend, distribution or offering, and in the case of any such other action, at least 20 days prior to the date of the taking of such proposed action or the date of participation therein by the holders of Preferred Stock, whichever shall be the earlier. The failure to give notice required by this Section or any defect therein shall not affect the legality or validity of the action taken by the Company or the vote upon any such action.

(b) Notwithstanding anything in this Agreement to the contrary, prior to the Distribution Date a filing by the Company with the Securities and Exchange Commission shall constitute sufficient notice to the holders of securities of the Company, including the Rights, for purposes of this Agreement and no other notice need be given to such holders.

(c) If a Triggering Event shall occur, then, in any such case, (1) the Company shall as soon as practicable thereafter give to each holder of a Right, in accordance with Section 26, a notice of the occurrence of such event, which shall specify the event and the consequences of the event to holders of Rights under Section 11(a)(ii) or 13, as the case may be, and (2) all references in Section 25(a)

to Preferred Stock shall be deemed thereafter to refer to Common Stock or other capital stock, as the case may be.

Section 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right to or on the Company shall be sufficiently given or made if sent by first-class mail (postage prepaid) to the address of the Company indicated on the signature page hereof or such other address as the Company shall specify in writing to the Rights Agent. Subject to the provisions of Section 21, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Right to or on the Rights Agent shall be sufficiently given or made if sent by first-class mail (postage prepaid) to the address of the Rights Agent indicated on the signature page hereof or such other address as the Rights Agent shall specify in writing to the Company. Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Right Certificate (or, prior to the Distribution Date, to the holder of any certificate representing shares of Common Stock) shall be sufficiently given or made if sent by first-class mail (postage prepaid) to the address of such holder shown on the registry books of the Company.

Section 27. Supplements and Amendments. Prior to the Distribution Date, the Company and the Rights Agent shall, if the Company so directs, supplement or amend any provision of this Agreement without the approval of any holders of certificates representing shares of Common Stock. From and after the Distribution Date, the Company and the Rights Agent shall, if the Company so directs, supplement or amend this Agreement without the approval of any holders of Right Certificates in order (a) to cure any ambiguity, (b) to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein or (c) to change or supplement the provisions hereof in any manner which the Company may deem necessary or desirable and which shall not adversely affect the interests of the holders of Rights (other than an Acquiring Person or an Affiliate or Associate of an Acquiring Person). Notwithstanding the foregoing, after any Person has become an Acquiring Person, any supplement or amendment shall be effective only if there are Continuing Directors then in office, and such supplement or amendment shall have been approved by a majority of such Continuing Directors. Upon the delivery of a certificate from an appropriate officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section, the Rights Agent shall execute such supplement or amendment. Prior to the Distribution Date, the interests of the holders of Rights shall be deemed coincident with the interests of the holders of Common Stock.

Section 28. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Determinations and Actions by the Board of Directors, etc. For all purposes of this Agreement, any calculation of the number of shares of Common Stock outstanding at any particular time, including for purposes of determining the particular percentage of such outstanding shares of Common Stock of which any Person is the Beneficial Owner, shall be made in accordance with the last sentence of Rule 13d-3(d)(1)(i) under the Exchange Act as in effect on the date of this Agreement. The Board of Directors of the Company (with, where specifically provided for herein, the concurrence of the Continuing Directors) shall have the exclusive power and authority to administer this Agreement and to exercise all rights and powers specifically granted to the Board or to the Company, or as may be necessary or advisable in the administration of this Agreement, including the right and power to (i) interpret the provisions of this Agreement and (ii) make all determinations deemed necessary or advisable for the administration of this Agreement (including a determination to redeem or exchange or not to redeem or exchange the Rights or to amend the Agreement). All such actions, calculations, interpretations and determinations (including, for purposes of clause (y) below, all omissions with respect to the foregoing) which are done or made by the Board (or, where specifically provided for herein, by the Continuing Directors) in good faith shall (x) be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other parties, and (y) not subject the Board of Directors of the Company or the Continuing Directors to any liability to the holders of the Rights.

Section 30. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the certificates representing the shares of Common Stock) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the certificates representing the shares of Common Stock).

Section 31. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated; PROVIDED that, notwithstanding anything in this Agreement to the contrary, if any such term, provision, covenant or restriction is held by such court or authority to be invalid,

void or unenforceable and the Board of Directors of the Company determines in its good faith judgment that severing the invalid language from this Agreement would adversely affect the purpose or effect of this Agreement, the right of redemption set forth in Section 23 hereof shall be reinstated and shall not expire until the close of business on the tenth day following the date of such determination by the Board of Directors.

Section 32. Governing Law. This Agreement, each Right and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State, except that the rights and obligations of the Rights Agent shall be governed by the law of the State of New York.

Section 33. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

Section 34. Descriptive Headings. The captions herein are included for convenience of reference only, do not constitute a part of this Agreement and shall be ignored in the construction and interpretation hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

MURPHY OIL CORPORATION

By: /s/ CLEFTON VAUGHAN
Clefton Vaughan
Vice President

200 Peach Street
El Dorado, Arkansas 71730
Attention: W. Bayless Rowe

Ex. 4.3-36

HARRIS TRUST COMPANY
OF NEW YORK

By: /s/ VINCENT G. MARRONE
Vincent G. Marrone
Assistant Vice President

77 Water Street
New York, New York 10005
Attention: Vincent Marrone

Ex. 4.3-37

FORM OF
CERTIFICATE OF DESIGNATION
OF
SERIES A PARTICIPATING CUMULATIVE
PREFERRED STOCK

OF

MURPHY OIL CORPORATION

Pursuant to Section 151 of the
General Corporation Law of the
State of Delaware

We, R. Madison Murphy, Vice President, Planning, and W. Bayless Rowe, Secretary, of Murphy Oil Corporation, a corporation organized and existing under the General Corporation Law of the State of Delaware ("Delaware Law"), in accordance with the provisions thereof, DO HEREBY CERTIFY:

That pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation of the Corporation, the Board of Directors on December 6, 1989, adopted the following resolution creating a series of Preferred Stock in the amount and having the designation, voting powers, preferences and relative, participating, optional and other special rights and qualifications, limitations and restrictions thereof as follows:

Section 1. Designation and Number of Shares. The shares of such series shall be designated as "Series A Participating Cumulative Preferred Stock" (the "Series A Preferred Stock"), and the number of shares constituting such series shall be 350,000.

Section 2. Dividends and Distributions.

(A) The holders of shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable on March 1, June 1, September 1 and December 1 of each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of any share or fraction of a share

Ex. 4.3-A-1

of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$1.00 and (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends or other distributions and 100 times the aggregate per share amount of all non-cash dividends or other distributions (other than (i) a dividend payable in shares of Common Stock (as hereinafter defined) or (ii) a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise)), declared on the Common Stock, par value \$1.00 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. If the Corporation shall at any time after December 6, 1989 (the "Rights Declaration Date") pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than as described in clause (i) and (ii) of the first sentence of paragraph (A)); PROVIDED that if no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date (or, with respect to the first Quarterly Dividend Payment Date, the period between the first issuance of any share or fraction of a share of Series A Preferred Stock and such first Quarterly Dividend Payment Date), a dividend of \$1.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Preferred Stock, unless the date of issue of such shares is on or before the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue and be cumulative from the date of issue of such shares, or unless the date of issue is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and on

or before such Quarterly Dividend Payment Date, in which case dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall not be more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. In addition to any other voting rights required by law, the holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of stockholders of the Corporation. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as a single class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Preferred Stock shall be in arrears in an amount equal to six quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock and any other series of Preferred Stock then entitled as a class

to elect directors, voting together as a single class, irrespective of series, shall have the right to elect two Directors.

(ii) During any default period, such voting right of the holders of Series A Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of 10% in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of holders of Common Stock shall not affect the exercise by holders of Preferred Stock of such voting right. At any meeting at which holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two Directors or, if such right is exercised at an annual meeting, to elect two Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or "pari passu" with the Series A Preferred Stock.

(iii) the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of special meeting of holders of Preferred Stock, which meeting shall thereupon be called by the President, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C)(iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60

days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or bylaws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or bylaws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) The Certificate of Incorporation of the Corporation shall not be amended in any manner (whether by merger or otherwise) so as to adversely affect the powers, preferences or special rights of the Series A Preferred Stock without the affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred Stock, voting separately as a class.

(E) Except as otherwise provided herein, holders of Series A Preferred Stock shall have no special voting rights, and their consent shall not be required for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on outstanding shares of Series A Preferred Stock shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, or make any other distributions on, any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends on, or make any other distributions on, any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such other parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem, purchase or otherwise acquire for value any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock; PROVIDED that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem, purchase or otherwise acquire for value any shares of Series A Preferred Stock, or any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of Series A Preferred Stock and all such other parity stock upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for value any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Recquired Shares. Any shares of Series A Preferred Stock redeemed, purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock without designation as to series and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors as permitted by the Certificate of Incorporation or as otherwise permitted under Delaware Law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$1.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment; PROVIDED that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock, or (2) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such other parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. If the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of

Common Stock are exchanged for or changed into other stock or securities, cash or any other property, then in any such case the shares of Series A Preferred Stock shall at the same time be similarly exchanged for or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash or any other property, as the case may be, into which or for which each share of Common Stock is changed or exchanged. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The Series A Preferred Stock shall not be redeemable.

Section 9. Rank. The Series A Preferred Stock shall rank junior (as to dividends and upon liquidation, dissolution and winding up) to all other series of the Corporation's preferred stock except any series that specifically provides that such series shall rank junior to the Series A Preferred Stock.

Section 10. Fractional Shares. Series A Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

IN WITNESS WHEREOF, we have executed and subscribed this Certificate this () day of December, 1989.

()
R. Madison Murphy
Vice President

Attest:

()
W. Bayless Rowe
Secretary

Ex. 4.3-A-8

[Form of Right Certificate]

No. R- () Rights

NOT EXERCISABLE AFTER THE EARLIER OF DECEMBER 6, 1999 AND THE DATE ON WHICH THE RIGHTS EVIDENCED HEREBY ARE REDEEMED OR EXCHANGED BY THE COMPANY AS SET FORTH IN THE RIGHTS AGREEMENT. AS SET FORTH IN THE RIGHTS AGREEMENT, RIGHTS ISSUED TO, OR HELD BY, ANY PERSON WHO IS, WAS OR BECOMES AN ACQUIRING PERSON OR AN AFFILIATE OR ASSOCIATE THEREOF (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT), WHETHER CURRENTLY HELD BY OR ON BEHALF OF SUCH PERSON OR BY ANY SUBSEQUENT HOLDER, MAY BE NULL AND VOID. [THE RIGHTS REPRESENTED BY THIS RIGHT CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS OR BECAME AN ACQUIRING PERSON OR AN AFFILIATE OR AN ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT). THIS RIGHT CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY MAY BE OR MAY BECOME NULL AND VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 7(d) OF THE RIGHTS AGREEMENT.]*

RIGHT CERTIFICATE

MURPHY OIL CORPORATION

This Right Certificate certifies that (), or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the holder (upon the terms and subject to the conditions set forth in the Rights Agreement dated as of December 6, 1989 (the "Rights Agreement") between Murphy Oil Corporation, a Delaware corporation (the "Company"), and Harris Trust Company of New York (the "Rights Agent")) to

*If applicable, insert this portion of the legend and delete the preceding sentence.

purchase from the Company, at any time after the Distribution Date and prior to the Expiration Date, () one-hundredth[s] of a fully paid, nonassessable share of Series A Participating Cumulative Preferred Stock (the "Preferred Stock") of the Company at a purchase price of \$130.00 per one one-hundredth of a share (the "Purchase Price"), payable in lawful money of the United States of America, upon surrender of this Right Certificate, with the form of election to purchase and related certificate duly executed, and payment of the Purchase Price at an office of the Rights Agent designated for such purpose.

Terms used herein and not otherwise defined herein have the meanings assigned to them in the Rights Agreement.

The number of Rights evidenced by this Right Certificate (and the number and kind of shares issuable upon exercise of each Right) and the Purchase Price set forth above are as of December 6, 1989, and may have been or in the future be adjusted as a result of the occurrence of certain events, as more fully provided in the Rights Agreement.

Upon the occurrence of a Section 11(a)(ii) Event, if the Rights evidenced by this Right Certificate are beneficially owned by (a) an Acquiring Person or an Associate or Affiliate of an Acquiring Person, (b) a transferee of an Acquiring Person (or any such Associate or Affiliate) who becomes a transferee after the Acquiring Person becomes such, or (c) under certain circumstances specified in the Rights Agreement, a transferee of an Acquiring Person (or any such Associate or Affiliate) who becomes a transferee prior to or concurrently with the Acquiring Person becoming such, such Rights shall become null and void, and no holder hereof shall have any right with respect to such Rights from and after the occurrence of such Section 11(a)(ii) Event.

This Right Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates, which limitations of rights include the temporary suspension of the exercisability of such Rights under the specific circumstances set forth in the Rights Agreement.

Upon surrender at the principal office or offices of the Rights Agent designated for such purpose and subject to the terms and conditions set forth in the Rights Agreement, any Rights Certificate or Certificates may be transferred or exchanged for another Rights Certificate or Certificates evidencing a like number of Rights as the Rights Certificate or Certificates surrendered.

Ex. 4.3-B-2

Subject to the provisions of the Rights Agreement, the Board of Directors of the Company may, at its option,

(a) at any time prior to the earlier of (i) the close of business on the tenth day after the Stock Acquisition Date (or such later date as a majority of the Continuing Directors may designate prior to such time as the Rights are no longer redeemable) and (ii) the Final Expiration Date, redeem all but not less than all the then outstanding Rights at a redemption price of \$.01 per Right; or

(b) at any time after any Person becomes an Acquiring Person (but before such Person becomes the Beneficial Owner of 50% or more of the shares of Common Stock then outstanding), exchange all or part of the then outstanding Rights (other than Rights held by the Acquiring Person and certain related Persons) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right. If the Rights shall be exchanged in part, the holder of this Right Certificate shall be entitled to receive upon surrender hereof another Right Certificate or Certificates for the number of whole Rights not exchanged.

No fractional shares of Preferred Stock will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions which are multiples of one one-hundredth of a share of Preferred Stock, which may, at the election of the Company, be evidenced by depositary receipts), but in lieu thereof a cash payment will be made, as provided in the Rights Agreement. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Certificates for the number of whole Rights not exercised.

No holder of this Right Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the shares of capital stock which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or, to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate shall have been exercised as provided in the Rights Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

Form of Reverse Side of Right Certificate

FORM OF ASSIGNMENT

(To be executed if the registered holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED ()

hereby sells, assigns and transfers unto ()

()
(Please print name and address of transferee)

()

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint () Attorney, to transfer the within Right Certificate on the books of the within-named Company, with full power of substitution.

Dated: (), 19()

()
Signature

Signature Guaranteed:

Ex. 4.3-B-5

FORM OF ELECTION TO PURCHASE

(To be executed if the registered holder desires to exercise
Rights represented by the Right Certificate.)

To: Murphy Oil Corporation

The undersigned hereby irrevocably elects to exercise () Rights
represented by this Right Certificate to purchase shares of Preferred Stock
issuable upon the exercise of the Rights (or such other securities of the
Company or of any other person which may be issuable upon the exercise of the
Rights) and requests that certificates for such securities be issued in the name
of and delivered to:

Please insert social security
or other identifying number

()
(Please print name and address)

()

If such number of Rights shall not be all the Rights evidenced by this
Right Certificate, a new Right Certificate for the balance of such Rights shall
be registered in the name of and delivered to:

Please insert social security
or other identifying number

()
(Please print name and address)

()

Dated: (), 19 ()

()
Signature

Signature Guaranteed:

MURPHY OIL CORPORATION
STOCKHOLDER RIGHTS PLAN
Summary of Terms

- Form of Security: The Board of Directors has declared a dividend of one preferred stock purchase right for each share of the Company's Common Stock outstanding at the close of business on December 20, 1989 (each a "Right" and collectively, the "Rights").
- Transfer: Prior to the Distribution Date*, the Rights will be evidenced by the certificates for and will trade with the Common Stock, and the registered holders of the Common Stock will be deemed to be the registered holders of the Rights.
- After the Distribution Date, the Rights Agent will mail separate certificates evidencing the Rights to each record holder of the Common Stock as of the close of business on the Distribution Date, and thereafter the Rights will be transferable separately from the Common Stock.
- Exercise: Prior to the Distribution Date, the Rights will not be exercisable.

*Distribution Date means the close of business on the 10th day after public announcement that any person or group (an "Acquiring Person") has become the beneficial owner of 15% or more of the Company's Common Stock subject to extension by a majority of the directors not affiliated with the Acquiring Person.

After the Distribution Date, each Right will be exercisable to purchase, for \$130.00 (the "Exercise Price"), one one-hundredth of a share of Series A Participating Cumulative Preferred Stock, par value \$100.00 per share, of the Company.

Flip-In: If any person or group (an "Acquiring Person") becomes the beneficial owner of 15% or more of the Company's Common Stock, then each Right (other than Rights owned by the Acquiring Person and certain related persons) will entitle the holder to purchase, for the Exercise Price, a number of shares of the Company's Common Stock having a market value of twice the Exercise Price.

Flip-Over: If, after any person has become an Acquiring Person, (1) the Company is involved in a merger or other business combination in which the Company is not the surviving corporation or its Common Stock is changed into or exchanged for other securities or assets or (2) the Company and/or one or more of its subsidiaries sell or otherwise transfer assets or earning power aggregating more than 50% of the assets or earning power of the Company and its Subsidiaries, taken as a whole, then each Right (other than Rights owned by the Acquiring Person and certain related persons) will entitle the holder to purchase, for the Exercise Price, a number of shares of common stock of the other party to such business combination or sale (or in certain circumstances, an affiliate) having a market value of twice the Exercise Price.

Redemption: The Board of Directors may redeem all of the Rights at a price of \$.01 per Right at any time prior to the close of business on the 10th day after public announcement that any person has become an Acquiring Person

Ex. 4.3-C-2

(subject to extension by a majority of the directors not affiliated with the Acquiring Person).

After any person has become an Acquiring Person, the Rights may be redeemed only with the approval of a majority of the directors not affiliated with the Acquiring Person.

Exchange: The Board of Directors may, at any time after any person or group has become the beneficial owner of 15% or more but less than 50% of the Company's Common Stock, exchange all or part of the Rights (other than Rights owned by the Acquiring Person and certain related persons) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right.

Expiration: The Rights will expire on December 6, 1999, unless earlier redeemed or exchanged.

Amendments: Prior to the Distribution Date, the Rights Agreement may be amended in any respect.

After the Distribution Date, the Rights Agreement may be amended in any respect that does not adversely affect the Rights holders (other than any Acquiring Person and certain related persons); PROVIDED that the Rights Agreement may be amended to extend the redemption period at any time prior to the expiration of such period.

After any person has become an Acquiring Person, the Rights Agreement may be amended only with the approval of a majority of the directors not affiliated with the Acquiring Person.

Voting Rights: The Rights have no voting power.

Ex. 4.3-C-3

Antidilution
Provisions:

The Rights Agreement includes antidilution provisions designed to prevent efforts to diminish the efficacy of the Rights.

Taxes:

Distribution of the Rights is designed to be tax-free to the Company and the stockholders, although income may be recognized by the holders of the Rights upon the occurrence of certain subsequent events.

A copy of the Rights Agreement has been filed with the Securities and Exchange Commission as an Exhibit to a Registration Statement on Form 8-A. A copy of the Rights Agreement is available free of charge from the Company. This summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement.

Ex. 4.3-C-4

MURPHY OIL CORPORATION
1987 MANAGEMENT INCENTIVE PLAN
(As Amended February 7, 1990
Retroactive to February 3, 1988)

SECTION I. DEFINITIONS

Unless the context otherwise indicates, the following definitions shall be applicable for the purpose of this Management Incentive Plan:

- . "Company" means Murphy Oil Corporation, a Delaware corporation.
- . "Board of Directors" means the Board of Directors of the Company.
- . "Committee" means the Executive Compensation Committee appointed by the Board of Directors and composed of not less than three directors of the Company. A majority of the members of the Committee shall not be employees.
- . "Subsidiary" means any company more than 50% of the voting stock of which is owned directly or indirectly by the Company, except that for the purposes of the Plan Ocean Drilling & Exploration Company (ODECO) shall not be considered a Subsidiary and for the purpose of the Incentive Bonus Plan portion of the Plan Murphy Oil Company Ltd. (MOCL) shall not be considered a Subsidiary.
- . "Company and Consolidated Subsidiaries" means the Company and all the Company's subsidiaries, the financial results of which for the year in question are consolidated with those of the Company and so included in the Company's Annual Report to its stockholders, with the exception of ODECO and its subsidiaries and MOCL and its subsidiaries for purposes of the Incentive Bonus Plan portion of the Plan.
- . "Employee" means regular employee, whether or not a director.
- . "Key Employee" means employee who is a director or officer or in a managerial, professional or other key position.

- . "Eligible Employee" means Key Employee of the Company or of a Subsidiary that does not have in effect for its personnel any plan similar to the Plan. In addition to Key Employees the Committee may in any year include any other Employee who has made some unusual contribution which would not be expected of such Employee in the ordinary course of his work.
- . "Independent Auditors" means the independent auditors appointed by the Board of Directors to examine and certify the financial statements of the Company and Consolidated Subsidiaries.
- . "Incentive Award" means an award either paid currently or paid on a deferred basis as a result of the operation of the Plan.
- . "Incentive Award Reserve" or "Reserve" means monies available for distribution as Incentive Awards as the result of the operation of the Plan.
- . "Shares," "Shares of Stock," or "Stock" means shares of the Common Stock of the Company including shares which have been previously issued and reacquired by the Company at such times as the Company may deem advisable.
- . "Plan" means this Management Incentive Plan.
- . "Beneficiary" means the person designated by an Option Holder by written notice to the Company as the person entitled to exercise an option upon the death of the Option Holder.
- . "Normal Termination" means terminate (i) at normal retirement time, (ii) for permanent and total disability, or (iii) with Employer approval, and without being terminated for cause.
- . "Option Holder" or "Holder" means an Employee to whom an option has been granted.

Ex. 10.1-2

. "Terminate" means cease to be an Employee of the Company or a Subsidiary except by death, but a change of employment from the Company or one Subsidiary to another Subsidiary or to the Company shall not be considered a Termination. For this definition ODECO and MOCL shall be considered Subsidiaries.

SECTION II. ADMINISTRATION

The Plan shall be administered by the Committee. The Committee shall have the exclusive right to interpret provisions of the Plan, which interpretation shall be binding and conclusive upon all persons. The Committee may promulgate rules and regulations for the administration of the Plan. The Committee shall also have the exclusive right to select Employees eligible for participation in the Plan, and the amount and extent of such participation in each individual case shall rest in the Committee's absolute discretion. No member of the Committee, while he serves on the Committee, may be granted an Incentive Award or a Stock Option under the Plan.

The Board of Directors may from time to time remove members from the Committee or add members thereto, and vacancies in the Committee, however caused, shall be filled by action of the Board of Directors. The Committee shall select one of its members as chairman, and shall hold its meetings at such times and places as it may determine. A majority of its members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. The members of the Committee may receive such compensation for their services as the Board of Directors may determine.

SECTION III. STOCK OPTION PLAN

1. Stock Subject to Plan

Subject to adjustment as provided in subsection 2, the total number of shares of Common Stock which may be acquired pursuant to options granted under the Plan shall not

Ex. 10.1-3

exceed 300,000. Not more than 100,000 of such shares may be optioned to directors and not more than 30,000 such shares may be optioned to any one Employee. Shares optioned to an Employee who is not a director shall not be counted against the limitations on grants to directors, even though such Employee may have previously been a director or should later be elected a director. All options granted under this Plan which are outstanding or have been exercised shall be deducted from the foregoing totals in determining whether further options may be granted hereunder. For this purpose options which have expired or lapsed due to the death or Termination of an Option Holder before the option becomes exercisable shall not be considered outstanding.

2. Adjustments

The total number of shares which may be acquired pursuant to the Plan and the total number of shares which may be acquired by directors or by any one director, as well as the number of shares subject to any outstanding option and the option price per share with respect to any outstanding option, shall be appropriately adjusted to take into account any stock split, stock dividend, or other relevant change in the capitalization of the Company which becomes effective while this Plan is in effect or any option granted hereunder is outstanding.

3. Provisions of Options

Each option granted hereunder shall be evidenced by a written agreement between the Company and the Option Holder and shall not be assignable except as provided in case of death and shall not be subject in whole or in part to attachment, execution or levy. Any option or portion thereof which is exercisable shall be exercisable for the full amount or for any part thereof.

Each option shall be granted for an option price determined by the Committee which shall not be less than the fair market value of the Common Stock subject thereto on the date the option is granted.

Ex. 10.1-4

Provided the Option Holder has not died or Terminated, each option shall become exercisable as to one-half of the shares subject thereto beginning two years from the date of grant and shall become exercisable as to all of the shares subject thereto beginning three years from the date of grant provided that each option shall become exercisable in full immediately if the Company should propose or become a party to any form of corporate reorganization requiring a vote of Common Stockholders of the Company, or if there should be a tender offer for Common Stock of the Company which results in one person or group of persons acting in concert becoming the owners of as much as 20% of the outstanding Common Stock of the Company. Each option may be exercised only by the Option Holder, except that in the event of his death after the option has become exercisable the option may be exercised by his Beneficiary or, if no Beneficiary has been designated, the option may be exercised by the executor or administrator of his estate.

Each option shall expire and be no longer exercisable as follows:

- A. If the Option Holder is then living, it shall expire at the earliest of the following times:
 - (i) Ten years after it is granted.
 - (ii) Three months after Normal Termination, or
 - (iii) Any earlier time provided for in the option agreement.
- B. If the Option Holder Terminates otherwise than normally, it shall expire at the time of Termination.
- C. If the Option Holder dies, it shall expire:
 - (i) One year after his death, or
 - (ii) Any earlier time provided for in the option agreement.

At the discretion of the Committee, options may be designated as either "Stock Options" or "Incentive Stock Options." Options designated as Incentive Stock options may not

be granted to any employee which would result in Shares of Stock having an aggregate fair market value at the time of grant in excess of \$100,000 first becoming exercisable in any one calendar year.

4. Grant of Options

The Committee shall select Eligible Employees to whom options are to be granted under this Plan. Subject to the limitations expressed in subsection 1, the Committee shall grant options under this Plan for such numbers of shares as the Committee shall in its discretion determine to be appropriate.

5. Payment for Options Exercised

Upon exercise of an option, the purchase price of Shares purchased shall be paid either in cash or by delivery of Shares of Stock of the Company, which Shares shall be valued at the fair market value on date of exercise.

6. Cancellation of Options

The Committee may in its discretion authorize payment, in cash or in Shares, or partly in cash and partly in Shares, as the Committee may direct, of an amount equal to the difference at the time between the fair market value of all or part of the Shares subject to an option and the option price in consideration of the cancellation of the option in whole or in part. In such an event the Shares subject to the option so cancelled shall be charged against the limitations set forth in subsection 1 of this Section III.

SECTION IV. INCENTIVE BONUS PLAN

1. Incentive Award Reserve

In each of the five calendar years after 1987 the Board of Directors may cause to be credited to the Incentive Award Reserve an amount not exceeding 3% of the amount by which the Net Income of the Company and Consolidated Subsidiaries for that year, exclusive of ODECO

Ex. 10.1-6

and MOCL, exceeds an amount equal to 7% of Capital Employed in the Business of the Company and Consolidated Subsidiaries, exclusive of ODECO and MOCL. For the purpose of determining the maximum amount creditable to the Reserve in each year as above provided:

- A. "Capital Employed in the Business of the Company and Consolidated Subsidiaries" for any year means the amount of (i) Stockholders' Equity (which includes Capital Stock, Capital in Excess of Par Value, and Retaining Earnings) less the cost of shares reacquired, plus (ii) Long-Term Debt having a maturity of more than one year, as reported in the financial statements of the Company and Consolidated Subsidiaries included in the Company's Annual Report to stockholders as of the end of the previous year, exclusive of ODECO and MOCL, with an appropriate adjustment for any significant change during the year in the amount of issued capital or debt as well as in the amount of earnings reinvested and employed in the business resulting from surplus adjustments.
- B. "Net Income" for any year means the amount reported as "Net Income" in the "Statement of Income of the Company and Consolidated Subsidiaries" included in the Company's Annual Report to stockholders for that year, after eliminating the accounts of ODECO and MOCL from the consolidation and after giving effect to such adjustment for any unusual or nonrecurring items of income or loss not arising in the ordinary course of the business as the Committee in its sole discretion may determine, plus (i) interest on long-term debt, reduced by interest attributable to debt funds invested in or loaned or advanced to ODECO and MOCL, and (ii) amounts credited to the Reserve during the year, and less (iii) any dividends received from ODECO and MOCL (adjusted in each case by the estimated tax effect applicable thereto). In determining the amount of interest attributable to long-term debt funds invested in or loaned or advanced to ODECO or MOCL, the Company's investments and loans or

Ex. 10.1-7

advances to these companies after their elimination from the consolidation shall be deemed to have been 40% long-term debt funds, and the annual interest rate shall be deemed to be 7%.

As soon as practicable after the end of each fiscal year, the Independent Auditors shall determine, in accordance with the Plan, and report to the Board of Directors the maximum amount available for credit to the Incentive Award Reserve for that year and the amount of any balance in such Reserve credited thereto in prior years and currently available for Incentive Awards, and the Board of Directors shall rely upon and be bound by such reports. The Board of Directors will determine the amount to be credited to the Reserve and advise the Committee the total amount available for Incentive Awards. In making such determination, the Board of Directors may reduce the amount to be credited to the Reserve to adjust for the effect of any extraordinary or unusual accounting adjustments, such as a writedown of asset values.

No amount shall be credited to the Reserve in any year in which no dividends, either in cash, stock, or property, have been declared on the Common Stock of the Company.

2. Allotments to Participants

In respect of any year the Committee shall select those Employees to whom Incentive Awards shall be made and its determination of the amount and method of payment of each such Incentive Award shall be final.

The Committee shall not be required to award the total amount creditable to the Reserve for any particular year, and any amount of the Reserve for any year which the Committee shall not have awarded shall be carried forward and may be awarded in succeeding years or, if the Committee so determines, may be restored to net income.

Ex. 10.1-8

No allotment to an individual Employee shall exceed 50% of such Employee's annual salary rate for that year as in effect on the date of the Incentive Award.

3. Form of Allotments

Subject to the limitations of subsection 4, the Committee may in its absolute discretion make allotments to Employees eligible for participation wholly in cash or in Shares of Stock, or in a combination of cash or Shares of Stock. The number of Shares shall be determined by reference to the closing price on the New York Stock Exchange on the trading date next preceding the date of allotment. Such number of Shares shall be adjusted to give effect to any stock splits, stock dividends, or other relevant changes in capitalization occurring after the date of allotment. Shares allotted under the Plan may be freely transferable or may be subject to such terms and conditions, including forfeiture, and to such restrictions against sale, transfer or other disposition as may be determined by the Committee at the time of making a bonus award. The Committee may in its discretion remove, modify or accelerate the release of restrictions on any Shares in the event of hardship or disability of the participant while employed, or for such other reasons as the Committee may deem appropriate in the event that the participant ceases to be an Employee of the Company or a Subsidiary (including ODECO and MOCL) as the result of death or otherwise. In the event of the death of a participant following the transfer of Shares to him subject to restrictions, the legal representatives of the participant and the person receiving such Shares under his Will or under the laws of descent and distribution shall take such Shares subject to the same restrictions, conditions and provisions in effect at the time of his death, to the extent applicable.

4. Settlement of Allotments

- A. Subject to the provisions of paragraph B of this subsection 4, all allotments shall be settled as determined by the Committee in individual cases at the time of allotment by payment of cash and delivery of Shares either (i) in full as soon as

practicable after the date of allotment, or (ii) in not more than four equal annual installments commencing as soon as practicable after date of allotment.

- B. If any allotment is payable after the death of the participant it shall be payable (i) to his designated Beneficiary, or if there is no designated Beneficiary, to his personal representative, and (ii) either in the same installments as originally provided in the allotment or otherwise as the Committee may determine in individual cases.

5. Contribution by Subsidiaries

To the extent that Employees of Subsidiaries shall participate in the Plan, each of such Subsidiaries will be charged with the total amount of allotments made to its Employees in each fiscal year.

6. Forfeiture Provisions

All allotments to participants, whether in cash or Shares of Stock, shall be deemed to be provisional and, to the extent not actually paid to participants, shall be subject to forfeiture under the following circumstances:

- A. unless otherwise determined by the Committee, if a participant's service is terminated for any reason other than by death, disability, retirement at normal retirement age, early retirement for the convenience of the Company, or
- B. if after termination of employment a participant shall engage in activities which would be detrimental to the interest of the Company or its Subsidiaries.

A change in employment from the Company or one Subsidiary to another Subsidiary of the Company shall not be considered a termination. For purposes of the preceding sentence ODECO and MOCL shall be considered Subsidiaries.

Any amounts so forfeited (in the case of forfeited Stock, said amounts being determined by reference to prices used to determine the amount of the original allotment) shall be restored to net income in the year of forfeiture.

SECTION V. AMENDMENT AND TERMINATION OF THE PLAN

The Board of Directors may from time to time amend the Plan or any provision thereof without the consent of the stockholders except that (i) the number of shares which may be optioned under the Stock Option portion of the Plan may not be increased nor may the number of shares which may be acquired by members of the Board or any one member thereof be increased, (ii) the minimum time provided for an option to become exercisable may not be decreased nor may the maximum term for options be increased, (iii) the minimum price at which options may be granted may not be decreased, (iv) the maximum amount which may be credited to the Bonus Reserve may not be increased, (v) the maximum amount which may be allotted in any year to any participant in the Incentive Bonus portion of the Plan may not be increased, and (vi) the Plan may not be amended to permit participation by members of the Committee.

The Board of Directors may terminate the Plan in whole or in part at any time provided that no such termination shall alter the terms of options then outstanding or of Bonus awards which have been allocated but remain unpaid.

SECTION VI. EFFECTIVE PERIOD

The Plan has been approved by the Board of Directors but will not become effective unless and until approved by Common stockholders of the Company at the annual meeting on May 13, 1987. If the 1987 Management Incentive Plan is then approved by stockholders, (i) the Stock Option portion of the existing Management Incentive Plan shall be terminated except with respect to options previously granted, (ii) the Stock Option portion of the 1987 Management

Incentive Plan shall become effective immediately and shall remain in effect until April 30, 1992, and (iii) the Incentive Bonus portion of the 1987 Management Incentive Plan shall be effective for the purposes of accruing Reserves for the five calendar years 1988 through 1992 and shall continue thereafter with respect to awards made from Reserves accrued during such years.

Ex. 10.1-12

MURPHY OIL CORPORATION
1999 ANNUAL REPORT

CONTENTS

Murphy Oil at a Glance.....	1
Highlights.....	3
Letter to the Shareholders.....	4
Exploration and Production.....	6
Refining, Marketing & Transportation.....	16
Corporate Responsibility.....	20
Statistical Summary.....	21
Directors and Officers.....	23
Principal Subsidiaries.....	24
Corporate Information.....	inside back cover

As used in this report, the terms Murphy, Murphy Oil, we, our, its and Company may refer to Murphy Oil Corporation or any one or more of its consolidated subsidiaries. The Company's interest percentage in exploration and production projects and other jointly owned facilities is shown following the name of each field, block or facility.

MURPHY OIL AT A GLANCE

Murphy Oil Corporation is a worldwide oil and gas exploration and production company with refining and marketing operations in the United States and the United Kingdom. In 1999, Murphy's long-standing philosophy of conservative financial management, selective investment and carefully calculated risk-taking enabled the Company to successfully weather wildly fluctuating commodity prices and report record results from its upstream operations.

Murphy's exploration and production activities are centered in four of the world's premier oil and natural gas regions: the Gulf of Mexico and onshore South Louisiana, off the east coast of Canada, western Canada and the United Kingdom. Significant achievements during 1999 included two important deepwater Gulf of Mexico discoveries, record hydrocarbon production, and the acquisition of highly prospective exploration acreage off the coasts of Nova Scotia and Malaysia. The Company continued to lower its per-barrel production costs, and for the ninth consecutive year, proved reserves grew. Murphy's production profile, one of the strongest in the industry, improved in 1999 due to growing volumes from low-cost, long-lived properties now on line -- Hibernia, Schiehallion and Mungo/Monan.

Downstream operations were highlighted by the Wal-Mart project. In 1999, Murphy built an additional 113 stations in Wal-Mart parking areas, bringing the number of stations in operation to 145 at year end. The Wal-Mart project -- with

[GRAPH -- INCOME CONTRIBUTION FROM CONTINUING OPERATIONS BY FUNCTION]

[GRAPH -- CASH FLOW FROM CONTINUING OPERATIONS BY FUNCTION]

[GRAPH -- HYDROCARBON PRODUCTION REPLACEMENT]

[GRAPH -- CAPITAL EXPENDITURES BY FUNCTION]

its well-designed and well-executed strategy -- is one of the Company's impact investments and positions Murphy as an industry leader in the evolving retail landscape. The focus at the Company's three refineries continues to be reliability and on-stream efficiency.

Worldwide, Murphy's continued emphasis on employee safety and training, environmental responsibility and corporate citizenship are evidenced by a record of achievement far above industry norms.

After emerging from a period of extremely low oil prices, Murphy recorded strong 1999 operating results. Exploration successes, driven by a commitment to premier geologic plays, have added high-impact projects to the Company's development portfolio. As expected, increasing output from legacy properties has led to record hydrocarbon production. Continued expansion of the Wal-Mart program exemplifies the excellent array of investment opportunities available to the Company across all segments of the enterprise.

In 1999, Murphy's long-term commitment to its core principles was justly rewarded, and the Company is well-positioned to build on that foundation in the years to come.

[PICTURE APPEARS HERE]

HIGHLIGHTS

FINANCIAL

(Thousands of dollars except per share data)	1999	1998	1997
For the Year*			
Revenues	\$ 2,041,198	1,698,848	2,137,767
Net income (loss)	119,707	(14,394)	132,406
Cash dividends paid	62,950	62,939	60,573
Capital expenditures	386,605	388,799	468,031
Net cash provided by operating activities	368,878	321,091	401,843
Average Common shares outstanding - diluted	45,030,225	44,955,679	44,960,907
At End of Year			
Working capital	\$ 105,477	56,616	48,333
Total assets	2,445,508	2,164,419	2,238,319
Notes payable	248,569	189,705	28,367
Nonrecourse debt of a subsidiary	144,595	143,768	177,486
Stockholders' equity	1,057,172	978,233	1,079,351
Per Share of Common Stock*			
Net income (loss) - diluted	\$ 2.66	(.32)	2.94
Cash dividends paid	1.40	1.40	1.35
Stockholders' equity	23.49	21.76	24.04

* Includes special items that are detailed in Management's Discussion and Analysis, page 9 of the attached Form 10-K report.

OPERATING

For the Year	1999	1998	1997
Net crude oil and gas liquids produced - barrels a day	66,083	59,128	57,494
United States	8,461	7,798	10,760
International	57,622	51,330	46,734
Net natural gas sold - thousands of cubic feet a day	240,443	230,901	268,669
United States	171,762	169,519	211,207
International	68,681	61,382	57,462
Crude oil refined - barrels a day	143,204	165,580	161,560
United States	115,812	134,800	134,854
United Kingdom	27,392	30,780	26,706
Petroleum products sold - barrels a day	159,042	174,152	163,430
United States	126,195	137,620	134,209
United Kingdom	32,251	36,093	28,977
Canada	596	439	244

[PICTURE APPEARS HERE]

LETTER TO THE SHAREHOLDERS

DEAR FELLOW SHAREHOLDER:

By almost every meaningful measure -- earnings, exploration success, production growth, reserve replacement, finding and development costs, and retail expansion -- 1999 was a very good year for Murphy Oil Corporation. Earnings before special items rose to \$100 million (\$2.22 a share). That is a healthy 130% increase over 1998 and reflects the impact of higher crude oil and natural gas sales prices as well as a 9% increase in net hydrocarbon production. Net income for 1999 totaled \$119.7 million (\$2.66 a share) compared to a loss of \$14.4 million (\$.32 a share) in 1998. Cash provided by operations, the source of funds for future growth, increased to \$368.9 million (\$8.19 a share) in 1999.

More telling than the numbers, however, are the events that transpired during 1999. Initiatives such as deepwater Gulf of Mexico exploration that started several years ago began contributing to the Company's success. As a result, we can now identify the assets that will provide future growth and complement the extraordinarily strong core assets of Murphy -- Hibernia, Syncrude, Schiehallion and Terra Nova. These core assets, all long-lived, low-cost oil fields, provide strength and stability that very few oil and gas companies enjoy. What we lacked, however, was a demonstrable means to grow beyond this base. Now we have it. I will review the year, highlighting the properties and programs that provide our future.

Murphy made two significant deepwater Gulf of Mexico discoveries in 1999. The first, Habanero (33.8%), was announced in February and the second, Medusa (60%), was announced in October. Habanero is located in Garden Banks Block 341 in the Auger Basin and has a field size within a range of 75 to 100 million barrels of oil equivalent. Importantly, this discovery sets up two similar prospects located immediately to the north called Moccasin (37.5%) and South Moccasin (37.5%). Murphy-operated Medusa, located in Mississippi Canyon Blocks 538/582, has been substantially delineated and has estimated reserves of about 80 million barrels of oil equivalent. The Medusa development team is in place, with first oil currently targeted for the second quarter of 2002.

Although important in their own right, the Habanero and Medusa discoveries also serve to establish the validity and credibility of our deepwater program and provide a successful introduction to a prospect inventory that Murphy began building in 1995. Of course there will be disappointments along the way, but Murphy continues to grow its portfolio of drillable prospects, several of which will be tested this year.

Your Company's international frontier exploratory program also increased its pace and intensity last year.

[GRAPH -- ESTIMATED NET PROVED HYDROCARBON RESERVES]

Similar to the deepwater Gulf of Mexico, this program is focused on proven basins that are early in their exploration cycle. Murphy added 740,000 net acres in eight blocks in the highly prospective, gas-prone Scotian Shelf offshore Nova Scotia. Two of these large acreage blocks are adjacent to the Sable Island Gas Project, which started delivering natural gas to New England in November. This basin is one of very few in North America that can provide the opportunity for multitrillion cubic foot gas discoveries. In addition, Murphy acquired concessions covering three large offshore blocks in Malaysia. Two are shallow-water blocks, which contain identified structures with exploitation potential. The third is a rank wildcat deepwater block, which also contains structures and is adjacent to Brunei and blocks held by major oil companies.

Your Company set a hydrocarbon production record in 1999. Volumes will be flat to down this year, primarily due to declines in Gulf of Mexico natural gas production as we shift investment dollars to deep water. Nevertheless, Murphy will establish another record in 2001, when Terra Nova (12%) comes on stream. This field will provide approximately 15,000 barrels a day for Murphy's account when it reaches its plateau rate. Yet another production record should be set in 2002, when Medusa starts up. Likewise, hydrocarbon reserves reached record levels at year-end 1999, increasing for the ninth consecutive year and exceeding 400 million barrels of oil equivalent for the first time.

Your Company built 113 stations at Wal-Mart sites during 1999 and plans to construct 150 more this year. Sales volume per station averaged 200,000 gallons a month towards year end, one of the best in the nation for a large network. We added seven states in the Midwest to the 13 southern states that comprise our Wal-Mart territory. High volumes, minimal capital costs and excellent locations create a low-cost, competitive business enterprise. My hat is off to the entrepreneurial Murphy people who created this industry-leading opportunity.

During the trying days of 1998 and early 1999, we prudently trimmed programs yet maintained a core investment strategy. Your Company never lost momentum and picked up key exploratory acreage in the deepwater Gulf of Mexico, Scotian Shelf and Malaysia as well as sealed the Wal-Mart deal during this period. Those decisions laid the foundation for where we are today. Our strategy is sound and proven. On the upstream side, our Company is drill-bit focused, primarily in basins that have proven hydrocarbon systems with large reserve potential. Over time, this is the best way to add low-cost, sizable reserves that deliver profitable growth. Nevertheless, if a unique acquisition that complements existing assets becomes available, we have the balance sheet strength and flexibility to make the deal. On the downstream side, Wal-Mart is our focus. The Meraux refinery will be upgraded to make low sulfur gasoline and diesel to provide "green" products for this premier distribution and marketing system.

Charles H. Murphy Jr., the Company's founder and retired CEO and Chairman, steps down from the Board in May after 50 years of service. Charles' genius, as Jack McNutt, my predecessor, once observed, was his ability to see "over the horizon." This unique gift, as well as Charles' insights, witticisms and loyalty will be missed.

Two other valued directors -- Vester Hughes and Lorne Webster -- will also retire in May. Vester has been a director for 27 years and a trusted advisor as well as a valued friend to Murphy. Lorne joined the Board in 1989, bringing many years of experience from the Canadian business community. We will miss their views and advice in the years ahead.

We were extremely fortunate to add Robert Hermes of Houston to the Board in November of last year. Bob is a recognized expert in downstream issues and his counsel will be invaluable.

In addition, Ron Herman, a 25-year employee of the Company will retire March 1, 2000 after nine years as Controller. Ron's intelligence, work ethic and good judgment will be sorely missed. John Eckart will move up from Assistant Controller to take Ron's place.

The future will undoubtedly bring more challenges, but our asset base and our people are the best in this Company's history. As a result, we will meet these challenges and continue to deliver accelerating future growth.

As always, I appreciate your support.

/s/ Claiborne P. Deming
Claiborne P. Deming
President and Chief Executive Officer

February 17, 2000
El Dorado, Arkansas

EXPLORATION AND PRODUCTION

THE YEAR IN REVIEW

Continued long-term success in Murphy's exploration and production activities remains the critical component in the Company's ability to achieve strategic, profitable growth. Significant achievements in 1999 included two important discoveries in the deepwater Gulf of Mexico, record hydrocarbon production levels, and the acquisition of highly prospective exploration acreage off the coasts of Nova Scotia and Malaysia.

The improvement in oil prices in the second half of the year, combined with the growing production profile, resulted in record earnings from the Company's exploration and production operations in 1999. Such earnings before special items totaled \$121.2 million in 1999 compared to \$5.8 million in 1998. Proved reserves at the end of 1999 increased to a Company record 401 million barrels of oil equivalent -- the ninth consecutive year that Murphy has more than replaced its production. Importantly, this growth did not come at the expense of a reduced competitive position as the Company's concerted effort to manage its cost structure aggressively resulted in a continued decline in unit operating expenses and finding and development costs. Record worldwide production of 106,157 barrels of oil equivalent a day represented a 9% increase over 1998.

Murphy's upstream activities are centered in four of the world's premier, politically secure oil and natural gas regions: the Gulf of Mexico and onshore South Louisiana, off the east coast of Canada, western Canada and the United Kingdom.

Approximately two-thirds of Murphy's exploration capital was invested in the Gulf of Mexico and onshore South Louisiana in 1999, and a similar allocation is budgeted for 2000. In the Gulf of Mexico, Murphy has shifted its emphasis from the continental shelf to deep water, which offers better opportunities to identify prospects with impact reserve potential. Building on the successful deepwater exploration efforts achieved in 1998, the

EXPLORATION AND PRODUCTION

	1999	1998	1997

(Thousands of dollars)			
Income contribution before special items	\$ 121,182	5,809	84,984
Total assets	1,497,770	1,385,879	1,402,684
Capital expenditures	295,959	331,647	423,181

Crude oil and liquids produced - barrels a day	66,083	59,128	57,494
Natural gas sold - MCF a day	240,443	230,901	268,669
Total hydrocarbons produced - oil equivalent barrels a day	106,157	97,612	102,272
Net proved hydrocarbon reserves - thousands of oil equivalent barrels	400,800	379,900	362,100

[PICTURE APPEARS HERE]

Company added two discoveries to its development portfolio during 1999.

Production from the Hibernia oil field (6.5%) offshore eastern Canada continued to ramp up throughout 1999. On balance, the field is performing better than originally anticipated, and regulatory approval has been sought in 2000 to increase average annual gross production to 180,000 barrels a day. The nearby Terra Nova development project (12%) is expected to deliver first oil in early 2001. Plateau production rate estimates have recently been increased to approximately 130,000 gross barrels of crude oil a day. Murphy's Canadian activities also include an interest in Syncrude (5%), the world's largest producer of synthetic crude oil from oil sands. In addition, the Company has established an impressive portfolio of acreage offshore Nova Scotia, giving Murphy a foothold in one of the very exciting natural gas plays in North America.

The Company's U.K. properties continued to provide significant production during 1999. A full year of production from the Schiehallion (5.9%) and Mungo/Monan (12.7%) oil fields, which both came on stream during the third quarter of 1998, resulted in a 33% increase in the Company's U.K. oil production. As the North Sea basin continues to mature, growth opportunities will diminish and the Company's efforts will focus on harvesting the existing asset base.

[GRAPH -- WORLDWIDE FINDING AND DEVELOPMENT COSTS]

[GRAPH -- NET HYDROCARBONS PRODUCED]

[MAP -- PRIMARY AREAS OF UPSTREAM ACTIVITIES]

Murphy also has a growing international frontier program that seeks to acquire high-interest ownership positions in a world-class portfolio of prospects, preferably early in the exploration cycle of these emerging basins. Frontier areas of particular note include the Atlantic Margin; Ecuador; and Malaysia, where a local office was established during 1999 to commence exploration activities on the three offshore blocks acquired earlier in the year.

A review of the Company's principal exploration and production activities is presented in the sections that follow. Murphy's working interest percentage is shown, generally following the name of each field or block. Unless otherwise indicated, average daily production rates are net to the Company after deduction for royalty interests. Oil production includes crude oil, condensate and natural gas liquids where applicable.

UNITED STATES

Murphy's U.S. operations during 1999 were highlighted by discoveries in the deepwater region of the Gulf of Mexico and onshore South Louisiana. Additions to the Company's U.S. proved reserves totaled 22.5 million barrels of oil equivalent, which replaced 166% of U.S. production. Finding and development costs for the United States were \$4.21 an equivalent barrel for the year, continuing the marked decline experienced over the last few years. Daily U.S. production for 1999 averaged 37,088 barrels of oil equivalent, an increase of 3% from a year ago. Additionally, Murphy participated in two 1999 Gulf of Mexico federal lease sales, acquiring interests ranging from 40% to 100% in 19 blocks, 18 of which are in deep water, where the Company currently has an interest in 110 leases.

[MAP -- GULF OF MEXICO]

The shifting focus in the Gulf of Mexico to deep water has resulted in the continuing dedication of a large percentage of exploration capital to the area. The deepwater Gulf is well known for its potential for discoveries with impact reserves, and Murphy has positioned itself as an early mover in collecting a robust portfolio of such prospects.

Murphy's strategy is to drill four to six deepwater wells per year in this premier basin. Aggressive participation in Gulf of Mexico lease sales and ongoing acreage evaluation should provide the Company with attractive prospects for many years.

During 1999, discoveries were made at Garden Banks Block 341 (Habanero, 33.8%) and Mississippi Canyon Blocks 538/582 (Medusa, 60%). The Habanero discovery, located in approximately 2,000 feet of water, encountered over 250 net feet of oil pay in two zones, with current gross reserve estimates of 75 to 100 million barrels of oil equivalent. Furthermore, success at Habanero has enhanced the potential of two nearby prospects to the north -- Garden Banks Block 253 (Moccasin, 37.5%) and Garden Banks Block 297 (South Moccasin, 37.5%). These prospects each target reserves in the range of 100-plus million barrels of oil equivalent, and development scenarios in this area will depend on drilling results. Current plans project the Habanero area being placed on stream in 2003. The Medusa discovery, located in approximately 2,200 feet of water, penetrated 161 net feet of oil pay in three intervals. Appraisal activities have included two successful sidetracks into a separate fault block, and an additional well commenced in January 2000. Current gross reserve estimates are approaching 80 million barrels of oil equivalent. Development alternatives are presently being evaluated and first oil is expected in 2002.

[MAP -- MEDUSA]

[PICTURE APPEARS HERE]

[GRAPH -- CAPITAL EXPENDITURES -- EXPLORATION AND PRODUCTION]

Complementing the successes of Habanero and Medusa, planned deepwater activity in 2000 also includes drilling at Green Canyon Block 25 (Sidewinder, 42.5%) near the 1998 discovery well at Ewing Bank Block 994 (Boomslang, 45%). Results of this well will determine the type of development required.

In the shallower waters of the Gulf of Mexico, exploitation drilling is planned in 2000 for certain producing fields as well as selective drilling on untested prospects, some of which will be obtained via joint participation or farm-in of third party acreage.

Murphy has a 33.3% interest in the Destin Dome Block 56 unit located in federal waters 30 miles off the coast of Florida. The unit is one of the largest undeveloped natural gas discoveries remaining in the United States. Along with its two partners, Murphy filed a development plan in 1996 with the U.S. Minerals Management Service. A rigorous regulatory process designed to protect the environment and ensure compatibility with other uses of surrounding areas is under way, but opposition to development exists. Completion of this process will extend well into 2000 and possibly beyond.

Natural gas discoveries in the Murphy-operated Wright field (50%) have confirmed Murphy's renewed interest in prolific onshore South Louisiana. The Broussard well, completed in

[PICTURE APPEARS HERE]

1999, logged 150 net feet of natural gas pay in the Marg Tex sand interval. A third Wright field well, named Langlinais, was spudded in January 2000. Due to the attractiveness of this gas-prone province, an evaluation program is currently in place to identify additional regional prospects. Murphy's success onshore South Louisiana will be fundamental in providing near-term production opportunities while larger deepwater projects proceed through development.

CANADA

Murphy's Canadian holdings include three of the country's most significant oil assets (Syncrude, Hibernia and Terra Nova); a portfolio of heavy oil, light oil and natural gas properties in western Canada; and exploratory acreage offshore Nova Scotia. Production activities in 1999 established record Canadian volumes for both oil and natural gas. Murphy participated in several natural gas discoveries, and added significantly to acreage and seismic data, particularly offshore Nova Scotia.

Syncrude, the world's largest producer of synthetic crude oil from oil sands, set a record for annual production of 81.4 million barrels, or 10,997 barrels a day net to Murphy. Lease acquisitions in recent years will ensure ample bitumen feedstock for many years. Syncrude is in the midst of a four-phase expansion aimed at increasing production and reducing fixed operating costs per barrel. Phase II, including a debottlenecking of the existing plant and start-up of the Aurora mine, will be completed in 2000, netting additional productive capacity. Engineering is under way for Phase III, which includes a new coker and an additional mining train at Aurora, both of which are planned to be operational by 2004. Phase IV includes more mining and upgrading capacity. Successful implementation of all phases has the potential to raise gross production to 166 million barrels a year by 2007.

In 1999, operations at the Hibernia oil field produced 6,404 barrels of oil a day, but suffered from reliability

[GRAPH -- WORLDWIDE EXTRACTION COSTS]

[PICTURE APPEARS HERE]

[MAP -- SCOTIAN SHELF]

issues, primarily related to early operations on a complex platform. Several design shortcomings were identified and corrected. Despite these disappointments, reservoir performance in the Hibernia sands exceeded expectations. This resulted in increasing Murphy's ultimate recovery estimates for the field to over 700 million gross barrels. At year end, the platform was demonstrating stabilized throughputs of over 150,000 gross barrels a day, and was tested at 180,000 barrels a day for short periods of time. During 2000, significant efforts will be directed towards increasing production rates and improving reliability. Future development efforts will begin to focus more on the Avalon sands, which contain the bulk of the oil in place and represent the potential for further reserve additions. Drilling plans for 2000 include an exploration well at Southwest Hibernia to test a potential accumulation of thicker Avalon sands on the flank of the main field structure.

Construction activities continued throughout 1999 on the 350 to 400 million barrel Terra Nova project. The floating production, storage and offloading vessel (FPSO) is nearing completion in Korea and will be transported to Bull Arm, Newfoundland in the second quarter of 2000. Topside equipment will be installed and commissioned prior to field installation near year end. Marine operations commenced in 1999, including sea floor excavations to provide iceberg protection for wellheads and subsea manifolds, installation of mooring equipment and drilling of the first development well. Drilling will continue throughout 2000 and first oil production is anticipated in early 2001.

Organizational modifications at Hibernia and Terra Nova are being made to capture synergies between the operations,

[PICTURE APPEARS HERE]

improve the focus on operational excellence, and utilize knowledge acquired from Hibernia's operations as Terra Nova comes on stream. Murphy has booked less than half of its share of estimated ultimate reserves from Hibernia and Terra Nova, and the Company expects to add proved reserves as additional fault blocks are successfully tested and as more performance history is established.

Heavy oil prices in western Canada staged a remarkable recovery in 1999 as narrow heavy oil price differentials caused by declining supply coincided with strong worldwide crude oil prices. Reactivated capital spending and start-up of shut-in wells and projects raised Murphy's volumes to around 10,000 barrels a day by year end, compared to the year's average of 9,099 barrels a day. Capital spending in 2000 will include drilling of up to 40 low-cost vertical and horizontal wells.

Murphy's natural gas production in western Canada reached record levels of 56 million cubic feet a day through a combination of exploitation and exploration successes. Exploratory drilling took place during the year at Josephine (50%), Hotchkiss (100%), Snowfall (25%) and Parkland (100%). In addition, Murphy has a 33.3% interest in a successful well at Chicken Creek in the British Columbia foothills that is currently being tied in and will increase Canadian natural gas production during 2000. Additional acreage on this trend was acquired at a 50% working interest. At year end, Murphy initiated a four-well drilling program in the South Hamburg area, which resulted in a January 2000 discovery that tested at over 30 million gross cubic feet of natural gas a day. Drilling continues, and pipeline construction has commenced to provide early production from this area. Further foothills exploration is planned later in 2000.

One of the most significant industry events in Canada in 1999 was the April lease sale on the Scotian Shelf, in which a significant portion of the prospective acreage offshore Nova Scotia was awarded. At that sale, Murphy acquired interests in three blocks, which attracted some of the highest bids, including the Southampton (25%) and Annapolis (20%) tracts immediately south of the Sable Island project. Five blocks were added in the October sale, increasing the Company's gross leasehold in the area to 3.7 million acres, with a 25% average working interest. A 3-D seismic survey is under way over the Southampton and Annapolis blocks, and drilling plans should be firm by early 2001.

UNITED KINGDOM

Murphy's production in the United Kingdom averaged 22,612 barrels of oil equivalent a day in 1999, an increase of 29% from a year ago. The increase was due primarily to a full year of production from new fields that came on stream during 1998. These include the Mungo and Monan fields (12.7%), which are part of the seven-field Eastern Trough Area Project integrated development, and the Schiehallion field (5.9%), which is located west of the Shetland Islands. Development drilling activities will continue in 2000.

The Mungo/Monan fields produced over 5,500 barrels of oil a day in 1999. Producing through an unmanned platform, Mungo/Monan is a flagship development that utilizes technology and existing infrastructure. Crude oil production from Schiehallion averaged over 6,500 barrels

[MAP -- ECUADOR]

a day at the end of 1999. Extending across five blocks, Schiehallion contains over 400 million gross barrels of oil and is expected to produce for another 15 years.

As the North Sea basin matures, the Company foresees fewer growth opportunities in this region. Accordingly, Murphy has shifted emphasis to portfolio rationalization and to exploration acreage in the Atlantic Margin, including west of Britain and Ireland and offshore the Faroe Islands. Exploration activity in these areas was down significantly due to low oil prices in the first part of 1999, and exploratory drilling related to the initial license phases has been delayed. In preparation for this drilling, previously agreed seismic commitments have largely been fulfilled.

ECUADOR

Murphy's production from Block 16 (20%) in Ecuador averaged 7,104 barrels of oil a day in 1999, down 8% from 1998. Lack of pipeline export capacity significantly hampered production levels, but plans to expand the system are being actively pursued with industry partners. Ongoing development drilling has met with continued success, including the drilling of the horizontal Ginta B-4 well, which tested at initial rates of 18,170 gross barrels of oil a day. This is the eleventh horizontal well drilled on this block and further confirms the success of this technique for generating high rate, quick payout wells. Additionally, two successful exploration wells were drilled in Block 16 during 1999.

[PICTURE APPEARS HERE]

MALAYSIA

Exploration activities offshore Malaysia in the three newly acquired blocks operated by Murphy progressed during 1999 with the establishment of an office in Kuala Lumpur and preparations to begin seismic acquisition early in 2000. Additional technical work throughout the year has high-graded specific target areas within the Company's acreage. Blocks SK 309 (85%) and SK 311 (85%) are contiguous shallow-water blocks covering 2.4 million acres and carry a \$15 million five-year work commitment, which includes seismic data acquisition and four exploratory wells. Both blocks contain a number of attractive features and contain previously discovered oil and gas deposits. Exploitation work will be geared toward near-term production opportunities. Block K (80%) covers 4.1 million undrilled acres in water depths of 4,800 to 10,000 feet. A loose grid of existing seismic data has been used to identify several large structures and the potential for various geologic plays. Commitments include a seismic program and one exploratory well over seven years, with a minimum expenditure of \$14 million. Murphy is the third largest holder of exploration acreage in Malaysia behind two of the world's largest oil companies. In addition to the development of the existing prospect base in Malaysia and identification of new opportunities there, Murphy plans to use its Malaysian office as a base from which to evaluate additional ventures in the region.

[PICTURE APPEARS HERE]

[MAP -- MALAYSIA]

REFINING, MARKETING & TRANSPORTATION

THE YEAR IN REVIEW

Murphy Oil's refining, marketing and transportation strategy remains focused: develop prudent, cost-effective means to supply the end user; target reduction of operating costs while increasing operational efficiency and reliability; seek out appropriate joint ventures; and continue the Company's commitment to environmental protection and performance.

The Company's refining, marketing and transportation businesses are centered around major assets in the United States, the United Kingdom and western Canada.

The most exciting development for Murphy's downstream operations in 1999 was the rapid expansion of the Company's program to build high-volume, low-cost retail gasoline stations, primarily in the parking areas of Wal-Mart Supercenters. During the year, 113 such stations were built, increasing the total to 145 in operation at the end of 1999 and giving the Company a leading position in the growing U.S. market of gasoline sales at nontraditional locations. With an expanding marketing area that now includes seven states in the Midwest, the program will experience significant growth in 2000 as 150 additional sites are slated for construction. All Wal-Mart stations operate under the Murphy USA(R) brand. Operational results have been compelling, with immediate and strong customer acceptance.

Through a network of 27 Company-owned terminals and numerous terminals owned by others, Murphy supplied products to 625 retail and branded wholesale stations at year end in the United States, along with

REFINING, MARKETING & TRANSPORTATION

	1999	1998	1997

(Thousands of dollars)			
Income contribution before special items	\$ 14,881	49,230	56,738
Total assets	838,295	676,517	750,626
Capital expenditures	88,075	55,025	37,483

Crude oil processed - barrels a day	143,204	165,580	161,560
Products sold - barrels a day	159,042	174,152	163,430
Average gross margin on products sold - dollars a barrel			
United States	\$.70	1.47	1.79
United Kingdom	3.38	2.81	2.90

[PICTURE APPEARS HERE]

numerous unbranded wholesale customers, in a total of 22 states. In the United Kingdom, Murphy supplied 384 MURCO stations from 10 terminals, three of which are owned by the Company.

The year 1999 was a difficult one for U.S. refiners, who experienced the lowest margins in recent years. As a result, earnings from Murphy's downstream activities before special items were \$14.9 million in 1999, down from \$49.2 million earned in 1998.

UNITED STATES

Murphy's refinery at Meraux, Louisiana is capable of processing 100,000 barrels of crude oil a day. Crude oil is supplied to the refinery by pipeline through the Louisiana Offshore Oil Port (3.2%) or by ocean tanker directly to the Mississippi River dock. Products are transported by barge or pipeline to a network of terminals, 22 of which are wholly or jointly owned. This network supplied 145 Murphy USA stations at Wal-Mart sites and 238 SPUR(R) branded stations at December 31, 1999.

As a result of the focus on reliability and on-stream efficiency, the Meraux refinery concluded a record 51 months between scheduled turnarounds in January 1999. As a result of this maintenance downtime, refinery crude oil throughput of 82,410 barrels a day was lower than in 1998.

Engineering is under way for a capital program to allow the Meraux refinery to produce "green" products while reducing emissions of greenhouse gases. This investment is targeted to allow the refinery to cost effectively meet future

[MAP -- WAL-MART SITES]

[GRAPH -- CAPITAL EXPENDITURES - REFINING MARKETING AND TRANSPORTATION]

[PICTURE APPEARS HERE]

sulfur limits for gasoline and diesel and to improve its position in the highly competitive Gulf Coast market.

Murphy's Superior, Wisconsin refinery can process 35,000 barrels a day of crude oil, which is supplied to the refinery by pipeline from Canada and the northern United States. Products are sold in the local market or supplied via pipeline for sales in eight states through a network of terminals, five of which are wholly owned. This system supplied products to 242 owned or branded SPUR stations at December 31, 1999.

Crude runs in 1999 were 33,402 barrels a day at Superior, up slightly from 1998, when the refinery underwent a complete turnaround. Capitalizing on attractive heavy crude oil prices remains a key component in the profitability of the refinery. Strong market development enabled the Company to sell almost 1.8 million barrels of asphalt through three Company terminals in the Upper Midwest.

In its first full year of operation, Murphy's marine fueling terminal at the Duluth, Minnesota harbor was a great success and provided further evidence of the Company's strategy to sell more of its refined products to end users. A good location, combined with state-of-the-art equipment and efficient operations, led to satisfied customers, as evidenced by higher than forecasted sales at the terminal.

UNITED KINGDOM

The Milford Haven refinery (30%), which can process 108,000 barrels of crude oil a day, was revamped in the fourth quarter of 1999 to accommodate new product

[PICTURE APPEARS HERE]

specifications for cleaner-burning fuels as required by the European Union. The economics of the refinery continue to be enhanced by the plant's capability to manufacture ultra-low sulfur diesel fuel.

Murphy's U.K. retail marketing operations continued a program of upgrading its gasoline stations to maximize non-fuel income. At year end, 19 of the Company's 95 owned stations had undergone substantial modernization, with plans to redevelop another 20 during 2000. A key element of the retail upgrading program is Murphy's alliance with the Costcutter grocery chain, which transforms neighborhood stations into attractive shopping destinations for local customers.

WESTERN CANADA

Canadian downstream operations include crude oil pipeline operations as well as trucking of crude oil and natural gas liquids. Throughputs on Murphy's two wholly owned and three jointly owned pipelines were only slightly above 1998 levels in total, but showed substantial improvement near year end as a result of higher oil prices. Major contributors in 1999 were the Manito pipeline, averaging 48,000 barrels a day, and the Milk River pipeline, averaging 83,000 barrels a day.

[GRAPH -- REFINED PRODUCTS SOLD]

[PICTURE APPEARS HERE]

CORPORATE RESPONSIBILITY

Murphy Oil is proud of its record of innovation, leadership and accomplishment in the areas of employee safety and training, environmental stewardship and community involvement.

No one embodies that commitment better than C. H. Murphy Jr., former Chairman, President and CEO of Murphy Oil, who was honored in 1999 with the prestigious Chevron Conservation Award. He is the first oil industry executive to receive the award.

Today, Murphy is building on its legacy as an industry leader, and the Company's achievements are a testament to a commitment that extends across every facet of the Murphy enterprise.

Murphy's employees participate in over 30,000 hours of safety training annually, both internally at various Company locations and externally in conjunction with federal and local emergency response agencies. This training ranges from first aid and firefighting to marine survival and transportation of hazardous materials.

Murphy has made significant investments in environmental improvement and safety features over the past 10 years, and those investments have resulted in an outstanding environmental record.

To build on its leadership role, Murphy has elected to spearhead the development of a program modeled after the Responsible Care Program(R) of the Chemical Manufacturers' Association and to implement this program at its U.S. refineries.

In 1999, Murphy successfully completed federally mandated Risk Management Plans (RMP) for both the Meraux and Superior refineries. In addition, Murphy took the initiative to inform and involve a number of community partners in the RMP process. This underscores the Company's commitment to both environmental and community responsibility.

Murphy's Safety and Environmental Management Program (SEMP) is a voluntary system for exploration and production developed in cooperation with the U.S. Minerals Management Service and the American Petroleum Institute. Initially designed to cover the Company's offshore operations in the United States, SEMP is being expanded to ensure that Murphy's worldwide exploration and production operations are conducted in accordance with sound environmental practices. Under SEMP, the Company's oil releases have been among the lowest in the industry measured as a percent of production, and its personal injury accident rates have been well below industry averages.

[PICTURE APPEARS HERE]

STATISTICAL SUMMARY

	1999	1998	1997	1996	1995
EXPLORATION AND PRODUCTION					
Net crude oil and condensate production - barrels a day					
United States	7,582	7,025	9,565	10,614	12,772
Canada - light	2,992	3,219	3,351	3,774	4,417
- heavy	9,099	9,676	11,538	9,670	8,864
- offshore	6,404	4,192	224	-	-
- synthetic	10,997	10,500	9,341	8,163	8,832
United Kingdom	20,217	14,975	13,438	12,918	14,588
Ecuador	7,104	7,720	7,802	6,005	5,274
Other	-	-	-	-	117
Net natural gas liquids production - barrels a day					
United States	879	773	1,195	1,031	964
Canada	488	612	617	689	740
United Kingdom	321	436	423	346	447
Total	66,083	59,128	57,494	53,210	57,015
Net natural gas sold - thousands of cubic feet a day					
United States	171,762	169,519	211,207	155,017	189,250
Canada	56,238	48,998	44,853	43,031	40,907
United Kingdom	12,443	12,384	12,609	15,247	10,671
Spain	-	-	-	7,338	10,898
Total	240,443	230,901	268,669	220,633	251,726
Total hydrocarbons produced - equivalent barrels/1, 3/ a day					
	106,157	97,612	102,272	89,982	98,969
Estimated net hydrocarbon reserves - million equivalent barrels/1, 2, 3/					
	400.8	379.9	362.1	337.6	333.8
Weighted average sales prices/4/					
Crude oil and condensate - dollars a barrel					
United States	\$ 17.97	12.76	19.43	20.31	16.61
Canada/5/ - light	17.00	12.03	17.74	19.97	16.45
- heavy	12.77	6.56	10.76	14.27	12.10
- offshore	18.69	10.49	15.15	-	-
- synthetic	18.64	13.73	19.92	21.20	17.28
United Kingdom	18.09	12.52	18.89	21.08	16.96
Ecuador	12.94	6.76	12.17	15.96	13.03
Other	-	-	-	-	15.12
Natural gas liquids - dollars a barrel					
United States	13.70	11.50	15.82	17.00	12.62
Canada/5/	12.09	9.16	14.87	13.69	9.70
United Kingdom	13.45	11.04	18.02	18.54	13.99
Natural gas - dollars a thousand cubic feet					
United States	2.27	2.18	2.57	2.60	1.64
Canada/5/	1.90	1.34	1.35	1.10	.97
United Kingdom/5/	1.68	2.23	2.65	2.58	2.53
Spain/5/	-	-	-	2.89	2.88
Net wells drilled					
Oil wells - United States	1.4	1.8	.8	3.7	3.0
- Canada	11.2	6.0	78.9	41.6	29.6
- Other	2.2	3.1	3.3	3.6	3.7
Gas wells - United States	.6	7.8	9.7	14.7	3.6
- Canada	7.8	4.2	19.9	33.9	2.3
- Other	-	-	.1	-	.2
Dry holes - United States	1.0	.8	6.8	3.9	1.9
- Canada	5.7	7.5	8.3	6.5	5.9
- Other	-	1.0	1.9	1.2	.6
Total	29.9	32.2	129.7	109.1	50.8

/1/Natural gas converted at a 6:1 ratio.

/2/At December 31.

/3/Includes synthetic oil.

/4/Includes intracompany transfers at market prices.

/5/U.S. dollar equivalent.

	1999	1998	1997	1996	1995
REFINING					
Crude capacity* of refineries - barrels per stream day	167,400	167,400	167,400	167,400	167,400
Refinery inputs - barrels a day					
Crude - Meraux, Louisiana	82,410	101,834	101,150	93,929	91,940
Superior, Wisconsin	33,402	32,966	33,704	32,657	33,217
Milford Haven, Wales	27,392	30,780	26,706	31,300	30,346
Other feedstocks	10,484	11,404	8,178	6,315	8,280
Total inputs	153,688	176,984	169,738	164,201	163,783
Refinery yields - barrels a day					
Gasoline	65,216	73,482	72,672	69,658	73,964
Kerosine	11,316	15,394	14,959	14,965	15,113
Diesel and home heating oils	44,054	50,506	44,681	43,514	39,351
Residuals	17,370	21,310	20,852	19,756	19,641
Asphalt, LPG and other	12,225	12,565	13,139	12,513	10,158
Fuel and loss	3,507	3,727	3,435	3,795	5,556
Total yields	153,688	176,984	169,738	164,201	163,783
Average cost of crude inputs to refineries - dollars a barrel					
United States	\$ 18.80	12.55	18.54	21.05	17.34
United Kingdom	17.22	13.62	20.12	21.66	17.59
MARKETING					
Products sold - barrels a day					
United States - Gasoline	61,190	60,990	62,244	58,726	61,690
Kerosine	7,545	10,170	9,301	9,644	9,626
Diesel and home heating oils	34,514	40,403	36,192	34,797	31,237
Residuals	13,812	16,170	16,527	15,415	14,775
Asphalt, LPG and other	9,134	9,887	9,945	9,008	8,815
	126,195	137,620	134,209	127,590	126,143
United Kingdom - Gasoline	12,511	14,058	11,467	13,919	14,277
Kerosine	3,053	4,369	3,795	4,353	4,387
Diesel and home heating oils	10,995	10,884	7,638	8,981	6,647
Residuals	3,608	5,203	4,215	4,351	4,993
LPG and other	2,084	1,579	1,862	2,011	930
	32,251	36,093	28,977	33,615	31,234
Canada	596	439	244	254	283
Total products sold	159,042	174,152	163,430	161,459	157,660
Average gross margin on products sold - dollars a barrel					
United States	\$.70	1.47	1.79	.27	.47
United Kingdom	3.38	2.81	2.90	2.08	2.26
Branded retail outlets*					
United States	625	552	585	527	514
United Kingdom	384	389	396	424	465
Canada	8	8	6	7	7
TRANSPORTATION					
Pipeline throughputs of crude oil - Canada - barrels a day	175,244	170,236	188,685	183,130	173,720
STOCKHOLDER AND EMPLOYEE DATA					
Common shares outstanding* (thousands)	44,998	44,950	44,891	44,862	44,833
Number of stockholders of record*	3,431	3,684	3,899	4,093	4,873
Number of employees*	2,153	1,566	1,446	1,406	1,889
Average number of employees	1,797	1,498	1,421	1,777	1,874
Salaries, wages and benefits (thousands)	\$103,757	97,307	92,495	95,583	96,035

*At December 31.

DIRECTORS

R. Madison Murphy /1/
Chairman of the Board
Murphy Oil Corporation
El Dorado, Arkansas
Director since 1993

Claiborne P. Deming /1/
President and Chief Executive Officer
Murphy Oil Corporation
El Dorado, Arkansas
Director since 1993

B. R. R. Butler /3, 4/
Managing Director, Retired
The British Petroleum Company p.l.c.
Holbeton, Devon, England
Director since 1991

George S. Dembroski /2, 3/
Vice Chairman, Retired
RBC Dominion Securities Limited
Toronto, Ontario, Canada
Director since 1995

H. Rodes Hart /1, 3, 4/
Chairman and Chief Executive Officer
Franklin Industries, Inc.
Nashville, Tennessee
Director since 1975

Robert A. Hermes
Chairman of the Board
Purvin & Gertz, Inc.
Houston, Texas
Director since 1999

Vester T. Hughes Jr. /2, 3, 4/
Partner
Hughes & Luce, LLP
Dallas, Texas
Director since 1973

C. H. Murphy Jr. /1, 3/
Former Chairman of the Board
Murphy Oil Corporation
El Dorado, Arkansas
Director since 1950

Michael W. Murphy /1, 3/
President
Marmik Oil Company
El Dorado, Arkansas
Director since 1977

William C. Nolan Jr. /1, 3/
Partner
Nolan and Alderson
El Dorado, Arkansas
Director since 1977

Caroline G. Theus /1, 3, 4/
President
Keller Enterprises, LLC
Alexandria, Louisiana
Director since 1985

Lorne C. Webster /2, 3/
Chairman and Chief Executive Officer
Prenor Group Ltd.
Montreal, Quebec, Canada
Director since 1989

Committees of the Board
/1/ Member of the Executive Committee chaired by Mr. R. Madison Murphy.
/2/ Member of the Audit Committee chaired by Mr. Hughes.
/3/ Member of the Executive Compensation and Nominating Committee chaired by Mr. William C. Nolan Jr.
/4/ Member of the Public Policy and Environmental Committee chaired by Mr. Butler.

OFFICERS

R. Madison Murphy
Chairman of the Board

Claiborne P. Deming
President and Chief Executive Officer

Steven A. Cosse¹
Senior Vice President and General Counsel

Herbert A. Fox Jr.
Vice President

Bill H. Stobaugh
Vice President

Odie F. Vaughan
Treasurer

John W. Eckart

Controller

Walter K. Compton
Secretary

DIRECTORS EMERITI

William C. Nolan

George S. Ishiyama

PRINCIPAL SUBSIDIARIES

MURPHY EXPLORATION & PRODUCTION COMPANY

131 South Robertson Street
New Orleans, Louisiana 70112
(504) 561-2811

Mailing Address:
P. O. Box 61780
New Orleans, Louisiana 70161-1780

Engaged worldwide in crude oil and natural gas exploration and production.

Enoch L. Dawkins
President

John C. Higgins
Senior Vice President, U.S. Exploration and Production

David M. Wood
Senior Vice President, Frontier Exploration and Production

S. J. Carboni Jr.
Vice President, U.S. Production

James R. Murphy
Vice President, U.S. Exploration

Steven A. Cosse'
Vice President and General Counsel

Odie F. Vaughan
Vice President and Treasurer

Bobby R. Campbell
Controller

Walter K. Compton
Secretary

MURPHY OIL USA, INC.

200 Peach Street
El Dorado, Arkansas 71730
(870) 862-6411

Mailing Address:
P. O. Box 7000
El Dorado, Arkansas 71731-7000

Engaged in refining, marketing and transporting of petroleum products in the United States.

Herbert A. Fox Jr.
President

Charles A. Ganus
Senior Vice President, Marketing

Frederec C. Green
Senior Vice President, Manufacturing and Crude Oil Supply

Henry J. Heithaus
Vice President, Retail Marketing

Kevin W. Melnyk
Vice President, Manufacturing

Steven A. Cosse'
Vice President and General Counsel

Gordon W. Williamson
Treasurer

John W. Eckart
Controller

Walter K. Compton
Secretary

MURPHY OIL COMPANY LTD.

2100-555-4th Avenue S.W.
Calgary, Alberta T2P 3E7
(403) 294-8000

Mailing Address:
P. O. Box 2721, Station M
Calgary, Alberta T2P 3Y3
Canada

Engaged in crude oil and natural gas exploration and production; extraction and sale of synthetic crude oil; purchasing, transporting and reselling of crude oil; and marketing of petroleum products in Canada.

Harvey Doerr
President

R. D. Urquhart
Senior Vice President, Supply and Transportation

Timothy A. Larson
Vice President, Crude Oil and Natural Gas

W. Patrick Olson
Vice President, Production

Robert L. Lindsey
Vice President, Finance and Secretary

Odie F. Vaughan
Treasurer

MURPHY EASTERN OIL COMPANY

Winston House, Dollis Park,
Finchley
London N3 1HZ, England
181-371-3333

Provides technical and professional services to certain of Murphy Oil Corporation's subsidiaries engaged in crude oil and natural gas exploration and production in the Eastern Hemisphere and refining, marketing and transporting of petroleum products in the United Kingdom.

W. Michael Hulse
President

James N. Copeland
Vice President, Legal and Personnel

Ijaz Iqbal
Vice President

Odie F. Vaughan
Treasurer

Walter K. Compton
Secretary

CORPORATE INFORMATION

CORPORATE OFFICE
200 Peach Street
El Dorado, Arkansas 71730
(870) 862-6411

MAILING ADDRESS
P. O. Box 7000
El Dorado, Arkansas 71731-7000

INTERNET ADDRESS
<http://www.murphyoilcorp.com>

E-MAIL ADDRESS
murphyoil@murphyoilcorp.com

STOCK EXCHANGE LISTINGS
Trading Symbol: MUR
New York Stock Exchange
Toronto Stock Exchange

TRANSFER AGENTS
Harris Trust Company of New York
77 Water Street
New York, New York 10005
Mailing address:
c/o Harris Trust and Savings Bank
P. O. Box 830
Chicago, Illinois 60690-9972
Toll-free (888) 239-5303
Local Chicago (312) 360-5303

Montreal Trust Company of Canada
151 Front Street West
Toronto, Ontario M5J 2N1

REGISTRAR
Harris Trust Company of New York
77 Water Street
New York, New York 10005

ANNUAL MEETING
The annual meeting of the Company's
shareholders will be held at 10 a.m. on May 10, 2000
at the South Arkansas Arts Center,
110 East 5th Street, El Dorado, Arkansas.
A formal notice of the meeting, together with a
proxy statement and proxy form, will be mailed
to all shareholders.

INQUIRIES
Inquiries regarding shareholder account matters
should be addressed to:
Walter K. Compton
Secretary
Murphy Oil Corporation
P. O. Box 7000
El Dorado, Arkansas 71731-7000

Members of the financial community should direct
their inquiries to:
Kevin G. Fitzgerald
Director of Investor Relations
Murphy Oil Corporation
P. O. Box 7000
El Dorado, Arkansas 71731-7000
(870) 864-6272

ELECTRONIC PAYMENT OF DIVIDENDS
Shareholders may have dividends deposited directly into their bank accounts by
electronic funds transfer. Authorization forms may be obtained from:
Harris Trust and Savings Bank
P. O. Box 830
Chicago, Illinois 60690-9972
Toll-free (888) 239-5303
Local Chicago (312) 360-5303

inside back cover

EXHIBIT 13 APPENDIX

MURPHY OIL CORPORATION - CIK 0000717423

Appendix to Electronically Filed Exhibit 13
(1999 Annual Report to Security Holders, Which is Incorporated in This Form 10-K
Report)
Providing a Narrative of Graphic and Image Material Appearing on
Pages 1 Through 20 of Paper Format

Exhibit 13

Page No. Map Narrative

- 7 Primary Areas of Upstream Activities - Murphy's main exploration areas are depicted as western Canada, the U.S. Gulf of Mexico, Ecuador, offshore eastern Canada, the Atlantic Margin, Spain, the U.K. North Sea and Malaysia. In addition, Murphy's production areas are shown as all of the preceding areas except for Spain and Malaysia.
- 8 Gulf of Mexico - The locations of the Company's leases on the Gulf of Mexico Continental Shelf and in the deepwater Gulf of Mexico are shown. Each lease is colored to denote either (1) production acreage or (2) exploration acreage.
- 9 Medusa - A schematic diagram of Mississippi Canyon Blocks 538/582 (Medusa, 60%) and adjacent blocks, which are in the deepwater Gulf of Mexico, depicts water depth, location and depth of Murphy's 1999 natural gas discovery well and locations of another prospect and another company's discovery well.
- 12 Scotian Shelf - Depicted on the Scotian Shelf, offshore Nova Scotia, are locations of acreage owned by Murphy and other companies and of existing discoveries within this natural gas play.
- 14 Ecuador - The locations of producing fields, Murphy's acreage, other existing concessions, and connecting pipelines and other production infrastructure in Ecuador are shown.
- 15 Malaysia - The locations and areal extent of shallow-water Blocks SK 309 and SK 311 and deepwater Block K, which were acquired by the Company in 1999, are shown offshore the Malaysian states of Sarawak and Sabah.
- 17 Wal-Mart Sites Operational as of Year-end 1999 - The sites of the Company's 145 gasoline stations located in the parking areas of Wal-Mart stores in a 13-state area of the southern United States are shown. Also depicted are the seven midwestern states comprising Murphy's new Wal-Mart marketing area and the locations of the Company's refineries in Superior, Wisconsin and Meraux, Louisiana.

Ex. 13A-1

Appendix to Electronically Filed Exhibit 13 (Contd.)

Exhibit 13

Page No. Picture Narrative

- 2 The floating production, storage and offloading vessel for the Terra Nova oil field, offshore eastern Canada, is shown being built in a Korean shipyard; production from Terra Nova should commence in early 2001.
- 4 Claiborne P. Deming, President and Chief Executive Officer of Murphy Oil Corporation, is pictured.
- 6 The testing of a recent natural gas discovery in western Canada is shown in a nighttime view; Murphy's successful exploration program in this area should cause significant increases in the Company's natural gas production in western Canada.
- 9 Pictured is the semisubmersible rig Amos Runner, which will be utilized in Murphy's deepwater Gulf of Mexico drilling program.
- 10 A view is shown of the Langlinais well, which was spudded in early 2000 to further delineate the Wright natural gas field in South Louisiana.
- 11 Construction activity at the Syncrude oil sands project, near Fort McMurray, Alberta is shown. This activity is part of staged development expansions that should increase Syncrude's gross production to over 450,000 barrels a day by 2007.
- 12 A view is shown of the one-acre concrete "island" at the Hibernia field, offshore Newfoundland that provides production facilities for one of the largest crude oil discoveries of the last 30 years.
- 14 The floating production, storage and offloading vessel for the Schiehallion field, located west of the Shetland Islands and placed on stream in 1998, is shown as an example of Murphy's ownership in premier, long-lived reserves.
- 15 Some of Murphy's office staff in Kuala Lumpur, Malaysia are shown. Murphy opened this office in 1999 to support its Malaysian program and to identify new opportunities in this high growth region.
- 16 A Murphy USA gasoline station that recently opened in Campbellsville, Kentucky in the parking area of a Wal-Mart Supercenter is shown. Under current expansion plans, 150 similar stations will be built in 2000.
- 17 An aerial view of the Company's refinery in Superior, Wisconsin is shown. The refinery supplies a wide range of refined petroleum products to customers in the U.S. Upper Midwest.

Appendix to Electronically Filed Exhibit 13 (Contd.)

Exhibit 13

Page No. Picture Narrative (Contd.)

- 18 A view is shown of Murphy's marine terminal in Duluth, Minnesota. In its first full year of operation, this has become a popular refueling destination for shipping traffic on Lake Superior.
- 19 A Murco neighborhood gasoline station in Chiswick, England is shown to exemplify the alliance between Murphy and Costcutter grocery stores in the United Kingdom.
- 20 C. H. Murphy Jr., former Chairman, President and CEO of Murphy Oil, is shown receiving the Chevron Conservation Award from Chevron's Dr. Donald Paul. Mr. Murphy is the first oil industry executive to receive this award.

Graph Narrative

1 INCOME CONTRIBUTION FROM CONTINUING OPERATIONS BY FUNCTION

Excludes special items and Corporate activities.
Scale 0 to 160 (millions of dollars)

	1995	1996	1997	1998	1999
Refining, Marketing and Transportation (top)	2	14	57	49	15
Exploration and Production (bottom)	30	102	85	6	121
Total	32	116	142	55	136

This stacked vertical bar graph has the total for each bar printed above it.

1 CASH FLOW FROM CONTINUING OPERATIONS BY FUNCTION

Excludes special items, Corporate activities, and changes in noncash working capital.
Scale 0 to 500 (millions of dollars)

	1995	1996	1997	1998	1999
Refining, Marketing and Transportation (top)	51	59	100	89	36
Exploration and Production (bottom)	270	343	365	268	376
Total	321	402	465	357	412

This stacked vertical bar graph has the total for each bar printed above it.

Appendix to Electronically Filed Exhibit 13 (Contd.)

Exhibit 13

Page No. Graph Narrative (Continued)

2 HYDROCARBON PRODUCTION REPLACEMENT
Scale 0 to 180 (percent of production)

1995	1996	1997	1998	1999
117	111	165	150	154

This vertical bar graph has the value for each bar printed above it.

2 CAPITAL EXPENDITURES BY FUNCTION
Scale 0 to 500 (millions of dollars)

1995	1996	1997	1998	1999	
Corporate (top)	2	1	7	2	3
Refining, Marketing and Transportation	53	43	38	55	88
Exploration and Production (bottom)	232	374	423	332	296
Total	287	418	468	389	387

This stacked vertical bar graph has the total for each bar printed above it.

4 ESTIMATED NET PROVED HYDROCARBON RESERVES
Scale 0 to 450 (millions of oil equivalent barrels)

1995	1996	1997	1998	1999	
Ecuador and Other (top)	30	27	31	32	37
United Kingdom	48	58	63	63	63
Canada	159	157	176	188	195
United States (bottom)	97	96	92	97	106
Total	334	338	362	380	401

This stacked vertical bar graph has the total for each bar printed above it.

7 WORLDWIDE FINDING AND DEVELOPMENT COSTS
Scale 0 to 9.00 (dollars per oil equivalent barrel)

1995	1996	1997	1998	1999
5.17	8.08	6.54	6.16	4.94

This vertical bar graph has the value for each bar printed above it.

7 NET HYDROCARBONS PRODUCED
Scale 0 to 120 (thousands of oil equivalent barrels a day)

1995	1996	1997	1998	1999	
Ecuador and Other (top)	7	7	8	8	7
United Kingdom	17	16	16	18	23
Canada	30	30	32	36	39
United States (bottom)	45	37	46	36	37
Total	99	90	102	98	106

This stacked vertical bar graph has the total for each bar printed above it.

Appendix to Electronically Filed Exhibit 13 (Contd.)

Exhibit 13

Page No. Graph Narrative (Continued)

10	CAPITAL EXPENDITURES - EXPLORATION AND PRODUCTION	1995	1996	1997	1998	1999
	Scale 0 to 480 (millions of dollars)	----	----	----	----	----
	Ecuador and Other (top)	29	21	38	32	15
	United Kingdom	33	69	91	71	29
	Canada	99	99	147	108	156
	United States (bottom)	71	185	147	121	96
	Total	232	374	423	332	296
		=====	=====	=====	=====	=====

This stacked vertical bar graph has the total for each bar printed above it.

11	WORLDWIDE EXTRACTION COSTS	1995	1996	1997	1998	1999
	Scale 0 to 10.50 (dollars per oil equivalent barrel)	----	----	----	----	----
	Depreciation, Depletion and Amortization (top)	5.06	4.48	4.62	4.58	4.29
	Production Expense (bottom)	4.64	4.87	4.41	4.35	3.92
	Total	9.70	9.35	9.03	8.93	8.21
		=====	=====	=====	=====	=====

This stacked vertical bar graph has the value for each component printed within each bar and the total printed above the bar.

17	CAPITAL EXPENDITURES - REFINING, MARKETING AND TRANSPORTATION	1995	1996	1997	1998	1999
	Scale 0 to 100 (millions of dollars)	----	----	----	----	----
	Canada (top)	4	8	5	3	-
	United Kingdom	22	14	4	7	12
	United States (bottom)	28	21	29	45	76
	Total	54	43	38	55	88
		=====	=====	=====	=====	=====

This stacked vertical bar graph has the total for each bar printed above it.

19	REFINED PRODUCTS SOLD	1995	1996	1997	1998	1999
	Scale 0 to 200 (thousands of barrels a day)	----	----	----	----	----
	United Kingdom (top)	31	33	29	36	32
	United States (bottom)	127	128	134	138	127
	Total	158	161	163	174	159
		=====	=====	=====	=====	=====

This stacked vertical bar graph has the total for each bar printed above it.

MURPHY OIL CORPORATION

SUBSIDIARIES OF THE REGISTRANT AS OF DECEMBER 31, 1999

Name of Company	State or Other Jurisdiction of Incorporation	Percentage of Voting Securities Owned by Immediate Parent
Murphy Oil Corporation (REGISTRANT)		
A. El Dorado Engineering Inc.	Delaware	100.0
1. El Dorado Contractors Inc.	Delaware	100.0
B. Murphy Eastern Oil Company	Delaware	100.0
C. Murphy Exploration & Production Company (formerly Ocean Drilling & Exploration Company)	Delaware	100.0
1. Canam Offshore A. G. (Switzerland)	Switzerland	100.0
2. Canam Offshore Limited	Bahamas	100.0
a. Murphy Ireland Offshore Limited	Bahamas	100.0
b. Ocean Drilling Limited	Bahamas	100.0
3. El Dorado Exploration, S.A.	Delaware	100.0
4. Mentor Holding Corporation	Delaware	100.0
a. Mentor Excess and Surplus Lines Insurance Company	Delaware	100.0
b. Mentor Insurance and Reinsurance Company	Louisiana	100.0
c. Mentor Insurance Limited	Bermuda	99.993
(1) Mentor Insurance Company (U.K.) Limited	England	100.0
(2) Mentor Underwriting Agents (U.K.) Limited	England	100.0
5. Murphy Bangladesh Oil Company	Delaware	100.0
6. Murphy Brazil Exploracao e Producao de Petroleo e Gas Ltda. (see company C18a below)	Brazil	90.0
7. Murphy Building Corporation	Delaware	100.0
8. Murphy Central Asia Oil Co., Ltd.	Bahamas	100.0
9. Murphy Denmark Oil Company	Delaware	100.0
10. Murphy Ecuador Oil Company Ltd.	Bermuda	100.0
11. Murphy Equatorial Guinea Oil Company	Delaware	100.0
12. Murphy Exploration (Alaska), Inc.	Delaware	100.0
13. Murphy Faroes Oil Co., Ltd.	Bahamas	100.0
14. Murphy France Oil Company	Delaware	100.0
15. Murphy Ireland Oil Company	Delaware	100.0
16. Murphy Italy Oil Company	Delaware	100.0
17. Murphy New Zealand Oil Company	Delaware	100.0
18. Murphy Overseas Ventures Inc.	Delaware	100.0
a. Murphy Brazil Exploracao e Producao de Petroleo e Gas Ltda. (see company C6 above)	Brazil	10.0
19. Murphy Pakistan Oil Company	Delaware	100.0
20. Murphy Philippines Oil Co., Ltd.	Bahamas	100.0
21. Murphy Sabah Oil Co., Ltd.	Bahamas	100.0
22. Murphy Sarawak Oil Co., Ltd.	Bahamas	100.0
23. Murphy Somali Oil Company	Delaware	100.0
24. Murphy South Asia Oil Co., Ltd.	Bahamas	100.0
25. Murphy South Atlantic Oil Company	Delaware	100.0
26. Murphy-Spain Oil Company	Delaware	100.0
27. Murphy Venezuela Oil Company, S.A.	Panama	100.0
28. Murphy Western Oil Company	Delaware	100.0

Ex. 21-1

EXHIBIT 21 (Contd.)

MURPHY OIL CORPORATION

SUBSIDIARIES OF THE REGISTRANT AS OF DECEMBER 31, 1999 (Contd.)

Name of Company	State or Other Jurisdiction of Incorporation	Percentage of Voting Securities Owned by Immediate Parent
Murphy Oil Corporation (REGISTRANT) - Contd.		
C. Murphy Exploration & Production Company - Contd.		
29. Murphy Yemen Oil Company	Delaware	100.0
30. Norske Murphy Oil Company	Delaware	100.0
31. Norske Ocean Exploration Company	Delaware	100.0
32. Ocean Exploration Company	Delaware	100.0
33. Ocean France Oil Company	Delaware	100.0
34. Ocean International Finance Corporation	Delaware	100.0
35. Odeco Drilling (UK) Limited	England	100.0
36. Odeco International Corporation	Panama	100.0
37. Odeco Italy Oil Company	Delaware	100.0
38. Sub Sea Offshore (M) Sdn. Bhd.	Malaysia	60.0
D. Murphy Oil Company Ltd.		
1. 340236 Alberta Ltd.	Canada	100.0
2. Murphy Atlantic Offshore Finance Company Ltd.	Canada	100.0
3. Murphy Atlantic Offshore Oil Company Ltd.	Canada	100.0
4. Spur Refined Products Ltd.	Canada	100.0
E. Murphy Oil USA, Inc.		
1. 864 Beverage, Inc.	Texas	100.0
2. Arkansas Oil Company	Delaware	100.0
3. Murphy Gas Gathering Inc.	Delaware	100.0
4. Murphy Latin America Refining & Marketing, Inc.	Delaware	100.0
5. Murphy LOOP, Inc.	Delaware	100.0
6. Murphy Oil Trading Company (Eastern)	Delaware	100.0
7. Spur Oil Corporation	Delaware	100.0
8. Superior Crude Oil Trading Company	Delaware	100.0
F. Murphy Realty Inc.		
G. Murphy Ventures Corporation		
H. New Murphy Oil (UK) Corporation		
1. Murphy Petroleum Limited	England	100.0
a. Alnery No. 166 Ltd.	England	100.0
b. H. Hartley (Doncaster) Ltd.	England	100.0
c. Murco Petroleum Limited	England	100.0
(1) European Petroleum Distributors Ltd.	England	100.0
(2) Murco Petroleum (Ireland) Ltd.	Ireland	100.0
I. Rowel Corporation		
	Delaware	100.0

INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Murphy Oil Corporation:

We consent to incorporation by reference in the Registration Statements (Nos. 2-82818, 2-86749, 2-86760, and 333-27407) on Form S-8 and (Nos. 33-55161 and 333-84547) on Form S-3 of Murphy Oil Corporation of our report dated January 31, 2000, relating to the consolidated balance sheets of Murphy Oil Corporation and Consolidated Subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1999, which report is included in the December 31, 1999, annual report on Form 10-K of Murphy Oil Corporation.

KPMG LLP

Shreveport, Louisiana
March 23, 2000

Ex. 23-1

THIS FINANCIAL DATA SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE AUDITED CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 1999, AND THE AUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1999, OF MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR	DEC-31-1999	DEC-31-1999
		34,132
		0
	365,770	
	8,298	
	151,643	
	593,112	
		4,790,319
	3,007,578	
	2,445,508	
487,635		
		393,164
	0	
		0
		48,775
2,445,508		1,008,397
		1,980,339
2,041,198		
		1,688,535
	1,688,535	
	72,070	
	0	
	20,274	
	178,502	
	58,795	
119,707		
	0	
	0	
		0
	119,707	
	2.66	
	2.66	

INCLUDES 1,513 PROVISION FOR REDUCTION IN FORCE.

UNDERTAKINGS

To be incorporated by reference into Form S-8 Registration Statement Nos. 2-82818, 2-86749, 2-86760, and 333-27407, and Form S-3 Registration Statement Nos. 33-55161 and 333-84547.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represents a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned registrant hereby undertakes:

(1) To deliver or cause to be delivered with the prospectus to each employee to whom the prospectus is sent or given a copy of the registrant's annual report to stockholders for its last fiscal year, unless such employee otherwise has received a copy of such report, in which case the registrant shall state in the prospectus that it will promptly furnish, without charge, a copy of

such report on written request of the employee. If the last fiscal year of the registrant has ended within 120 days prior to the use of the prospectus, the annual report of the registrant for the preceding fiscal year may be so delivered, but within such 120 day period the annual report for the last fiscal year will be furnished to each such employee.

(2) To transmit or cause to be transmitted to all employees participating in the plan who do not otherwise receive such material as stockholders of the registrant, at the time and in the manner such material is sent to its stockholders, copies of all reports, proxy statements and other communications distributed to its stockholders generally.

Where interests in a plan are registered herewith, the undersigned registrant and plan hereby undertake to transmit or cause to be transmitted promptly, without charge, to any participant in the plan who makes a written request, a copy of the then latest annual report of the plan filed pursuant to section 15(d) of the Securities Exchange Act of 1934 (Form 11-K). If such report is filed separately on Form 11-K, such form shall be delivered upon written request. If such report is filed as a part of the registrant's annual report on Form 10-K, that entire report (excluding exhibits) shall be delivered upon written request. If such report is filed as a part of the registrant's annual report to stockholders delivered pursuant to paragraph (1) or (2) of this undertaking, additional delivery shall not be required.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.