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

FORM 10-Q

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

For the quarterly period ended MARCH 31, 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 incorporation or organization)	(I.R.S. Employer Identification Number)
200 PEACH STREET P. O. BOX 7000, EL DORADO, ARKANSAS	71731-7000
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes   No

Number of shares of Common Stock, $1.00 par value, outstanding at March 31, 1999, was 44,958,766.

PART I - FINANCIAL INFORMATION

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

	(unaudited) March 31, 1999	December 31, 1998
ASSETS		
Current assets		
Cash and cash equivalents	$ 15,512	28,271
Accounts receivable, less allowance for doubtful accounts of $11,045 in 1999 and $11,048 in 1998	243,584	233,906
Inventories		
Crude oil and blend stocks	73,935	41,090
Finished products	58,128	49,714
Materials and supplies	37,132	38,973
Prepaid expenses	31,847	32,292
Deferred income taxes	14,461	13,120
Total current assets	474,599	437,366

Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of $3,009,016 in 1999 and $2,985,854 in 1998	1,684,130	1,662,362
Deferred charges and other assets	62,755	64,691
Total assets	$2,221,484	2,164,419
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 4	5,951
Notes payable	-	1,961
Accounts payable and accrued liabilities	341,557	349,887
Income taxes	23,911	22,951
Total current liabilities	365,472	380,750
Notes payable	303,048	189,705
Nonrecourse debt of a subsidiary	144,827	143,768
Deferred income taxes	134,846	124,543
Reserve for dismantlement costs	153,971	154,686
Reserve for major repairs	18,116	43,519
Deferred credits and other liabilities	147,174	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	510,185	510,116
Retained earnings	522,767	545,199
Accumulated other comprehensive income - foreign currency translation	(25,748)	(23,520)
Unamortized restricted stock awards	(2,189)	(2,361)
Treasury stock, 3,816,548 shares of Common Stock in 1999, 3,824,838 shares in 1998, at cost	(99,760)	(99,976)
Total stockholders' equity	954,030	978,233
Total liabilities and stockholders' equity	$2,221,484	2,164,419

See Notes to Consolidated Financial Statements, page 4.

The Exhibit Index is on page 15.

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

	Three Months Ended March 31, 1999	1998*
REVENUES		
Crude oil and natural gas sales	$ 84,063	80,501
Petroleum product sales	205,147	338,319
Other operating revenues	13,669	20,939
Interest and other nonoperating revenues	1,387	892
Total revenues	304,266	440,651
COSTS AND EXPENSES		
Crude oil, products and related operating expenses	220,015	329,421
Exploration expenses, including undeveloped lease amortization	26,339	18,054
Selling and general expenses	16,526	16,768
Depreciation, depletion and amortization	46,595	50,272
Provision for reduction in force	1,513	-
Interest expense	5,616	3,876
Interest capitalized	(1,145)	(2,550)
Total costs and expenses	315,459	415,841
Income (loss) before income taxes	(11,193)	24,810
Federal and state income tax expense (benefit)	(3,006)	7,733
Foreign income tax expense (benefit)	(1,489)	1,536
NET INCOME (LOSS)	$ (6,698)	15,541
Net income (loss) per Common share - basic	$ (.15)	.35
Net income (loss) per Common share - diluted	$ (.15)	.35
Cash dividends per Common share	$ .35	.35
Average Common shares outstanding - basic	44,955,013	44,940,128
Average Common shares outstanding - diluted	44,955,013	45,016,395

*Revenues have been reclassified to conform to 1999 presentation.

Murphy Oil Corporation and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Thousands of dollars)

	Three Months Ended March 31, 1999	1998
Net income (loss)	$ (6,698)	15,541
Other comprehensive income - net gain (loss) from foreign currency translation	(2,228)	6,379
COMPREHENSIVE INCOME (LOSS)	$ (8,926)	21,920

See Notes to Consolidated Financial Statements, page 4.

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

	Three Months Ended March 31, 1999	1998
OPERATING ACTIVITIES		
Net income (loss)	$ (6,698)	15,541
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation, depletion and amortization	46,595	50,272
Provisions for major repairs	2,416	5,526
Expenditures for major repairs and dismantlement costs	(28,316)	(6,126)
Exploratory expenditures charged against income	23,720	15,337
Amortization of undeveloped leases	2,619	2,717
Deferred and noncurrent income tax charges	7,820	3,732
Pretax gains from disposition of assets	(61)	(484)
Other - net	3,311	2,368
	51,406	88,883
Net increase in operating working capital other than cash and cash equivalents	(57,362)	(19,730)
Other adjustments related to operating activities	(3,471)	(5,806)
Net cash provided (required) by operating activities	(9,427)	63,347
INVESTING ACTIVITIES		
Capital expenditures requiring cash	(94,165)	(102,039)
Proceeds from sale of property, plant and equipment	984	1,213
Other investing activities - net	(593)	(2,296)
Net cash required by investing activities	(93,774)	(103,122)
FINANCING ACTIVITIES		
Increase in notes payable	111,382	44,982
Increase (decrease) in nonrecourse debt of a subsidiary	(4,888)	2,341
Sale of treasury shares under employee stock purchase plan	226	184
Cash dividends paid	(15,734)	(15,733)
Net cash provided by financing activities	90,986	31,774
Effect of exchange rate changes on cash and cash equivalents	(544)	25
Net decrease in cash and cash equivalents	(12,759)	(7,976)
Cash and cash equivalents at January 1	28,271	24,288
Cash and cash equivalents at March 31	$ 15,512	16,312
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES		
Cash income taxes paid, net of refunds	$ (3,821)	10,188
Interest paid, net of amounts capitalized	3,004	711

See Notes to Consolidated Financial Statements, page 4.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of the financial statements of Murphy Oil Corporation and Consolidated Subsidiaries (Murphy/the Company) on pages 1 through 3 of this Form 10-Q report.

NOTE A - INTERIM FINANCIAL STATEMENTS

The consolidated financial statements of the Company presented herein have not been audited by independent auditors, except for the Consolidated Balance Sheet at December 31, 1998. In the opinion of Murphy's management, the unaudited financial statements presented herein include all accruals necessary to present fairly the Company's financial position at March 31, 1999, and the results of operations and cash flows for the three-month periods ended March 31, 1999 and 1998, in conformity with generally accepted accounting principles.

Financial statements and notes to consolidated financial statements included in this Form 10-Q report should be read in conjunction with the Company's 1998 Form 10-K report, as certain notes and other pertinent information have been abbreviated or omitted in this report. Financial results for the three months ended March 31, 1999, are not necessarily indicative of future results.

NOTE B - ENVIRONMENTAL CONTINGENCIES

The Company's operations are subject to numerous laws and regulations intended to protect the environment and/or impose remedial obligations. The Company is also involved in personal injury and property damage claims, allegedly caused by exposure to or by the release or disposal of materials manufactured or used in the Company's operations. The Company operates or has previously operated certain sites and facilities, including refineries, oil and gas fields, service stations, and terminals, for which known or potential obligations for environmental remediation exist.

Under the Company's accounting policies, a liability for an environmental obligation is recorded when an obligation is probable and the cost can be reasonably estimated. If there is a range of reasonably estimated costs, the most likely amount will be recorded, or if no amount is most likely, the minimum of the range is used. Recorded liabilities are reviewed quarterly. Actual cash expenditures often occur one or more years after a liability is recognized.

The Company's reserve for remedial obligations, which is included in "Deferred Credits and Other Liabilities" in the Consolidated Balance Sheets, contains certain amounts that are based on anticipated regulatory approval for proposed remediation of former refinery waste sites. If regulatory authorities require more costly alternatives than the proposed processes, future expenditures could exceed the amount reserved by up to an estimated $3 million.

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

Following a compliance inspection in 1998, Murphy's Superior, Wisconsin refinery received notices of violations of the Clean Air Act from the EPA. Although the penalty amounts were not listed, the statutes involved provide for rates of up to $27,500 per day of violation. The Company believes it has valid defenses to the allegations and plans a vigorous defense. The Company does not believe that this or other known environmental matters will have a material adverse effect on its financial condition. There is the possibility that expenditures could be required at currently unidentified sites, and new or revised regulatory requirements could necessitate 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 recoveries from other sources will occur, the Company has not recognized a benefit for likely recoveries at March 31, 1999.

NOTE C - OTHER CONTINGENCIES

The Company's operations and earnings have been and may be affected by various other forms of governmental action both in the 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 issuance of oil and gas or mineral leases; laws and regulations intended for the promotion of safety; governmental support for other forms of energy; and laws and regulations affecting the Company's relationships with employees, suppliers, customers, stockholders and others. Because governmental actions are often motivated by political considerations, may be taken without full consideration of their consequences, and may be taken in response to actions of other governments, it is not practical to attempt to predict the likelihood of such actions, the form the actions may take or the effect such actions may have on the Company.

The Company and its subsidiaries are engaged in a number of 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 March 31, 1999, the Company had contingent liabilities of $43.7 million on outstanding letters of credit and $25.5 million under certain financial guarantees.

NOTE D - DERIVATIVE INSTRUMENTS

Murphy 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. Counterparties to derivative instruments are either creditworthy major financial institutions or national exchanges.

At March 31, 1999 and 1998, Murphy had interest rate swap agreements with notional amounts totaling $100 million 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 a weighted-average interest rate of 6.46% over their composite lives and to receive a variable rate, which averaged 4.98% at March 31, 1999. Using 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 terminates 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 is 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. At March 31, 1999, the Company was a party to crude oil swap agreements for a total notional volume of one million barrels that mature in 2002. At termination, the swaps require Murphy to pay an average crude oil

NOTE D - DERIVATIVE INSTRUMENTS (CONTD.)

price of $16.29 a barrel and to receive the average of the near-month NYMEX West Texas Intermediate (WTI) crude oil prices during the three-month maturity period. No crude oil swaps were outstanding at March 31, 1998.

At March 31, 1998, the Company had a forward foreign currency exchange contract that served to fix the U.S. dollar cost for Canadian dollar nonrecourse debt associated with the Company's investment in the Syncrude project. The currency exchange contract matured and the related debt was retired in December 1998. During the life of the contract, the Company recorded the unrealized difference between the contract exchange rate and the actual exchange rate in the Consolidated Balance Sheet as an adjustment to "Nonrecourse Debt of a Subsidiary" with the offset to "Accumulated Other Comprehensive Income."

NOTE E - EARNINGS PER SHARE

Net income (loss) was used as the numerator in computing both basic and diluted income (loss) per Common share for the three months ended March 31, 1999 and 1998. Reconciliations of the weighted-average shares outstanding for these computations are shown in the following table.

Reconciliation of Shares Outstanding	Three Months Ended March 31,	
(Weighted average shares)	1999	1998
Basic method	44,955,013	44,940,128
Dilutive stock options	-	76,267
Diluted method	44,955,013	45,016,395

The computation of 1999 diluted earnings per share in the preceding table did not consider any of the 1,371,839 shares of outstanding stock options at March 31, 1999, because the effects of these options would have reduced the Company's loss per share. In the 1998 period, 393,000 shares of the total 1,071,689 shares of outstanding stock options at the period-end were not considered in the computation of diluted earnings per share because the effects of these options would have improved the Company's earnings per share. Such options outstanding at March 31, 1999, had exercise prices ranging from $34.55 to $65.49 a share (with an average of $45.69 a share) and remaining lives of .8 to 9.8 years (with an average of 7.9 years).

NOTE F - 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. As a result of this reduction in force, the Company recorded a "Provision for Reduction in Force" of $1.5 million, $1 million after taxes, in the Consolidated Statement of Income for the three months ended March 31, 1999.

NOTE G - BUSINESS SEGMENTS

(Millions of dollars)	Total Assets at March 31, 1999	Three Mos. Ended March 31, 1999 External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*				
United States	$ 394.6	32.9	7.4	(4.7)
Canada	622.1	26.7	8.3	.2
United Kingdom	308.8	23.1	-	1.5
Ecuador	59.6	4.7	-	1.0
Other	9.7	.6	-	(1.2)
Total	1,394.8	88.0	15.7	(3.2)
Refining, marketing and transportation				
United States	477.6	162.6	1.0	-
United Kingdom	193.8	45.9	-	1.3
Canada	58.5	6.4	.1	1.6
Total	729.9	214.9	1.1	2.9
Total operating segments	2,124.7	302.9	16.8	(.3)
Corporate and other	96.8	1.4	-	(6.4)
Total consolidated	$2,221.5	304.3	16.8	(6.7)

(Millions of dollars)	Three Mos. Ended March 31, 1998 External Revenues	Interseg. Revenues	Income (Loss)
Exploration and production*			
United States	$ 41.9	10.3	7.0
Canada	19.6	11.6	.5
United Kingdom	21.9	-	.6
Ecuador	5.7	-	1.4
Other	.8	-	(3.5)
Total	89.9	21.9	6.0
Refining, marketing and transportation			
United States	268.8	.5	6.0
United Kingdom	74.1	-	4.5
Canada	7.0	-	1.9
Total	349.9	.5	12.4
Total operating segments	439.8	22.4	18.4
Corporate and other	.9	-	(2.9)
Total consolidated	$ 440.7	22.4	15.5

*Additional details about results of operations are presented in the tables on page 13.

NOTE H - SUBSEQUENT EVENTS

In April 1999, the Company sold $250 million of 7.05% notes due in 2029. The Company will use the net proceeds of approximately $247 million from these notes to repay outstanding indebtedness under existing credit facilities.

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

RESULTS OF OPERATIONS

Murphy's loss before special items in the first quarter of 1999 totaled $5.7 million, $.13 a diluted share, compared to net income of $15.5 million, $.35 a diluted share, in the first quarter a year ago. The net loss in the current quarter totaled $6.7 million, $.15 a diluted share, and included an after-tax charge of $1 million, $.02 a diluted share, for a reduction in force.

The Company's worldwide downstream operations earned $2.9 million in the current quarter compared to $12.4 million a year ago, as margins in both the United States and the United Kingdom were under pressure throughout the quarter. Exploration and production operations reported a loss of $3.2 million in the current quarter compared to earnings of $6 million a year ago, with an 18% increase in crude oil production more than offset by a 9% decline in average worldwide crude oil sales prices, a 21% reduction in U.S. natural gas sales prices and a 45% increase in exploration expenses.

Exploration and production operations in the United States reported a loss of $4.7 million compared to earnings of $7 million in the first quarter of 1998. Operations in Canada earned $.2 million compared to $.5 million a year ago, and U.K. operations earned $1.5 million in the current quarter, up from $.6 million. Operations in Ecuador earned $1 million in the first quarter of 1999 compared to $1.4 million a year ago. Other international operations reported a loss of $1.2 million compared to a $3.5 million loss a year earlier. The Company's worldwide crude oil and condensate sales prices averaged $10.57 a barrel in the current quarter compared to $11.65 a year ago. Crude oil and condensate prices averaged $11.70 a barrel in the United States and $10.92 in the United Kingdom, decreases of 20% and 22%, respectively. In Canada, sales prices averaged $11.31 a barrel for light oil, down 15%; $8.25 for heavy oil, up 61%; $12.38 for offshore oil, down 5%; and $12.62 for synthetic oil, down 18%. The average sales price in Ecuador was $7.06 a barrel, down 19%. Total crude oil and gas liquids production averaged 63,555 barrels a day compared to 54,059 in the first quarter of 1998. The increase was due to production from new fields in the United Kingdom and Canada and higher synthetic oil production in Canada. Natural gas sales prices in the United States averaged $1.84 a thousand cubic feet (MCF) in the current quarter compared to $2.33 a year ago. Natural gas sales prices in Canada averaged $1.55 an MCF, an increase of 40%. Total natural gas sales averaged 251 million cubic feet a day compared to 249 million a year ago. Sales of natural gas in the United States averaged 177 million cubic feet a day, down from 189 million in the first quarter of 1998. Canadian natural gas sales averaged 54 million cubic feet a day in the current quarter, up 17%. Exploration expenses totaled $26.3 million in the current quarter compared to $18.1 million a year ago. The tables on page 13 provide additional details of the results of exploration and production operations for the first quarter of each year.

Refining, marketing and transportation operations in the United States broke even during the first quarter of 1999 compared to earning $6 million a year ago. Operations in the United Kingdom earned $1.3 million in the current quarter compared to $4.5 million in the first quarter of 1998. Earnings from purchasing, transporting and reselling crude oil in Canada were $1.6 million in the current quarter compared to $1.9 million in the first quarter of 1998. Refinery crude runs were 91,213 barrels a day compared to 167,031 in the first quarter of 1998, and refined product sales were 117,398 barrels a day in 1999, down from 174,027 a year ago. Crude runs and product sales for the current quarter were both adversely affected by a scheduled turnaround at the Company's Meraux, Louisiana refinery.

Corporate activities, which include interest income and expense and corporate overhead not allocated to operating functions, reflected a loss before special items of $5.4 million in the current quarter compared to a loss of $2.9 million in the first quarter of 1998. The increased loss was primarily due to higher interest expense net of amounts capitalized.

FINANCIAL CONDITION

Net cash required by operating activities was $9.4 million for the first three months of 1999 compared to $63.3 million of cash provided for the same period in 1998. Changes in operating working capital other than cash and cash equivalents required cash of $57.4 million in the first quarter of 1999 and $19.7 million in the 1998 period. The cash results from operating activities were also reduced by expenditures for refinery turnarounds and abandonment of oil and gas properties totaling $28.3 million, including $26.1 million for the Meraux refinery turnaround, in the current quarter compared to $6.1 million a year ago.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTD.)

FINANCIAL CONDITION (CONTD.)

In addition to the turnaround expenditures in 1999, predominant uses of cash in both years were for capital expenditures (which, including amounts expensed, are summarized in the following table) and for dividends of $15.7 million.

Capital Expenditures	Three Months Ended March 31,	
(Millions of dollars)	1999	1998
Exploration and production	$81.4	92.7
Refining, marketing and transportation	12.5	9.0
Corporate and other	.3	.3
	$94.2	102.0

Working capital at March 31, 1999 was $109.1 million, up $52.5 million from December 31, 1998. This level of working capital does not fully reflect the Company's liquidity position, because the lower historical costs assigned to inventories under LIFO accounting were $39.7 million below current costs at March 31, 1999.

At March 31, 1999, notes payable of $303.1 million were up $113.4 million due to additional borrowing for certain oil and gas development projects and other corporate uses. Long-term nonrecourse debt of a subsidiary was $144.8 million, up slightly from December 31, 1998 due to changes in foreign currency exchange rates. A summary of capital employed at March 31, 1999 and December 31, 1998 follows.

Capital Employed	March 31, 1999		Dec. 31, 1998	
(Millions of dollars)	Amount	%	Amount	%
Notes payable	$ 303.1	22	189.7	14
Nonrecourse debt of a subsidiary . .	144.8	10	143.8	11
Stockholders' equity	954.0	68	978.2	75
	$1,401.9	100	1,311.7	100

NEW ACCOUNTING STANDARD

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities," in June 1998. This statement establishes accounting and reporting standards for derivative instruments and hedging activities. Effective January 1, 2000, 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 either net income or other comprehensive income, as appropriate, as the cumulative effect of a change in accounting principle. As described under the heading "Quantitative and Qualitative disclosures about Market Risk" on page 11 of this Form 10-Q report, 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.

YEAR 2000 ISSUES

GENERAL - Year 2000 issues affect all companies and relate to the possibility that computer programs and embedded computer chips may be unable to accurately process data with year dates of 2000 and beyond. Murphy is devoting significant internal and external resources to address Year 2000 compliance, and the Company's Year 2000 project (Project) is proceeding well. In 1993, Murphy began a worldwide business systems replacement project using systems primarily from J.D. Edwards & Company (Edwards) in the United States and the United Kingdom, PricewaterhouseCoopers LLP (PW*Sequel) in Canada, and for exploration and production operations, Applied Terravision Systems Inc. (Artesia) in the United States and EFA Software Services Ltd. (PRISM) in Canada. Certain U.S. business software systems developed by the Company will not be replaced with compliant vendor systems by the Year 2000 and have been remedied to be Year 2000 compliant. Remaining hardware, software and facilities are expected to be made Year 2000

YEAR 2000 ISSUES (CONTD.)

compliant through the Project. None of the Company's other information technology projects are expected to be significantly delayed due to the implementation of the Project.

PROJECT - The Company has established an Enterprise Project Office (EPO) and has engaged KPMG LLP to assist with Project management. The Project is primarily being managed by major operating location. At each location, the Project is divided into three major components: Computer Hardware, Applications Software, and Process Control and Instrumentation (Embedded Technology). The Computer Hardware component consists of computing equipment and systems software other than Applications Software. Applications Software includes both internally developed and vendor software systems. Embedded Technology includes the hardware, software and associated embedded computer chips (other than computing equipment) that are used in facilities operated by the Company. The general phases common to all components are: (1) inventorying Year 2000 items; (2) assigning priorities to identified items; (3) assessing the Year 2000 compliance of identified items; (4) repairing or replacing material items that are determined not to be Year 2000 compliant; (5) evaluating and testing required material items; and (6) designing and implementing contingency and business continuation plans as necessary. Material items are those that the Company believes to have safety, environmental or property damage risks, or that may adversely affect the Company's ability to process and record revenues if not properly addressed. The inventorying and priority assessment phases of the Project were completed during 1998. The remaining four phases of the Project are in progress and are being performed primarily by employees of the Company, with assistance from vendors and independent contractors.

A fourth major component of the Project, which involves the review of third party suppliers, customers and business partners (Third Parties), is being managed for all locations by the EPO. This includes the process of identifying and prioritizing critical Third Parties and communicating with them about their plans and progress in addressing the Year 2000 problem. Evaluations of the most critical Third Parties began in the second quarter of 1998 and will continue throughout 1999. Based on the results of evaluations and other available information, contingency plans are being developed as necessary to address potential Year 2000 problems related to critical Third Parties.

A Year 2000 compliant version of Edwards has been fully implemented in the United States and is approximately 70% complete in the United Kingdom. Implementation of Edwards is ongoing in the United Kingdom and final phases are expected to be completed in October 1999. Contingency plans were prepared in early 1999 to address the possibility that the last phases of the U.K. implementation will not be achieved by the end of 1999. If implementation is necessary, the contingency plans call for activation of certain temporary back-up systems, which could be triggered as late as the third quarter of 1999. A Year 2000 compliant version of Artesia was implemented in the United States at the end of 1998 and testing was completed in January 1999. In Canada, the Company upgraded to a Year 2000 compliant version of PRISM during the first quarter of 1999, and Year 2000 testing will be completed in the second quarter of 1999. A compliant version of PW*Sequel is scheduled to be fully implemented and tested in the second quarter of 1999. Testing of U.S. offshore production platform systems was essentially completed at March 31, 1999. Exploration system upgrades were released by the vendor in early 1999 and will be installed and tested by the third quarter of 1999. Remedy of certain internally developed downstream accounting, customer invoicing and human resources systems in the United States had been completed at December 31, 1998. Upgrading and testing of U.S. refining and marketing systems are scheduled to be essentially complete by June 30, 1999. The operator at the Company's jointly owned U.K. refinery is directing that location's Year 2000 action plan and has reported that the plan is scheduled to be completed by October 31, 1999. Company employees are monitoring the operator's progress and believe the work is on schedule. Systems at U.K. marketing terminals are being upgraded to a Year 2000 compliant version; certain terminals have been upgraded and the remaining locations are scheduled to be completed by August 1999. Supply and transportation systems in Canada are expected to be essentially compliant by June 30, 1999.

PROJECT SUMMARY - At April 30, 1999, the overall Project is estimated to be 90% complete. Thus far, no material noncompliant Year 2000 issues have been discovered that were not identified in the completed Year 2000 inventory. Most significant components of the Project are expected to be nearly complete by June 30, 1999. The final stages of the Company's U.K. Edwards implementation and certain Year 2000

YEAR 2000 ISSUES (CONTD.)

compliance activities at the Company's jointly owned refinery in the United Kingdom will be completed in the fourth quarter of 1999.

The Company does not expect to develop formal contingency plans for Project issues that are resolved in accordance with the current schedule. Any unresolved issues that fall significantly behind schedule or that lead to a material risk of system failure will be addressed by contingency plans during 1999.

COSTS - The Company's total cost to become Year 2000 compliant is not expected to be material to its financial position. The most likely estimate of the total cost of the Project is approximately $5 million, including the costs of new systems that concurrently provide improved business functionality and Year 2000 compliance. These costs include $2 million for the EPO (including assessment of Third Parties); the remaining costs are for miscellaneous hardware replacement, noncompliant system renovations and upgrades, and Embedded Technology issues. It is reasonably possible that total costs could exceed the most likely estimate by up to $1 million. Funds for the Project are primarily obtained from internally generated cash flows. This cost estimate does not include the Company's potential share of Year 2000 costs that may be incurred by partnerships and joint ventures that the Company does not operate, except for an estimated $.7 million to make Murphy's jointly owned U.K. refinery Year 2000 compliant.

The total amount expended on the Project through March 31, 1999 was $2.4 million, including $.8 million in the first three months of 1999. Of this amount, $1.9 million has been included in selling and general expenses, including $.3 million in the first three months of 1999. The remaining cost to complete the Year 2000 Project is estimated to be approximately $2.6 million.

RISKS - Not correcting material Year 2000 problems could result in interruptions in, or failures of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's results of operations, liquidity or financial condition by impeding the Company's ability to produce and deliver crude oil, natural gas and finished petroleum products, and to invoice and collect related revenues from customers. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from uncertainty about the Year 2000 readiness of critical Third Parties, the Company is unable to determine at this time whether or not the consequences of possible Year 2000 failures will materially affect its results of operations, liquidity or financial condition. The Project is expected to significantly reduce the Company's level of uncertainty about the Year 2000 issue, and in particular, about the Year 2000 compliance and readiness of the Company's critical Third Parties. The Company believes that it is taking reasonable steps to address potentially material Year 2000 failures, and with completion of the Project as scheduled, the possibility of significant interruptions of normal operations should be greatly reduced.

Readers are cautioned that forward-looking statements contained in this Year 2000 section should be read in conjunction with Murphy's disclosures in the following paragraph of this Form 10-Q report.

FORWARD-LOOKING STATEMENTS

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

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. Murphy makes limited use of derivative financial and commodity instruments to manage risks associated with existing or anticipated transactions. All derivatives used for risk management are covered by operating policies and are closely monitored by the Company's senior management. The Company does not hold derivatives for trading purposes and it does not use derivatives with leveraged or complex features. Counterparties to derivative instruments are either creditworthy major financial institutions or national exchanges.

At March 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. The interest rate swaps mature in 2002 and 2004. The swaps require the Company to pay an average interest rate of 6.46% over their composite lives, and at March 31, 1999, the interest rate to be received by the Company averaged 4.98%. 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 negative $3.7 million at March 31, 1999.

At March 31, 1999, 88% of the Company's long-term debt had variable interest rates and 22% was denominated in Canadian dollars. Based on debt outstanding at March 31, 1999, a 10% increase in variable interest rates would increase the Company's interest expense over the next 12 months by an estimated $1.6 million after a $.5 million favorable effect of lower net settlement payments under the aforementioned interest rate swaps. A 10% increase in the exchange rate of the Canadian dollar versus the U.S. dollar would increase interest expense by an estimated $.4 million over the next 12 months on Canadian dollar denominated debt.

At March 31, 1999, the Company was a party to crude oil swap agreements for a total notional volume of one million barrels that reduce a portion of the financial exposure of Murphy's U.S. refineries to crude oil price movements. At termination, the swaps require Murphy to pay an average crude oil price of $16.29 a barrel and to receive the average of the near-month NYMEX WTI crude oil prices during the three-month maturity period. Although the estimated fair value of these crude oil swaps was immaterial at March 31, 1999, a 10% change in the price of WTI crude oil over the next 12 months would change the estimated fair value of these swaps by $1.3 million.

OIL AND GAS OPERATING RESULTS (UNAUDITED)

(Millions of dollars)	United States	Canada	United King-dom	Ecua-dor	Other	Synthetic Oil - Canada	Total
THREE MONTHS ENDED MARCH 31, 1999							
Oil and gas sales and operating revenues	$40.3	22.5	23.1	4.7	.6	12.5	103.7
Production costs	9.6	8.7	9.6	1.6	-	8.7	38.2
Depreciation, depletion and amortization	15.7	8.9	11.0	2.1	-	1.7	39.4
Exploration expenses							
Dry hole costs	13.0	2.0	-	-	-	-	15.0
Geological and geophysical costs	3.5	2.5	.3	-	.7	-	7.0
Other costs	.4	.2	.3	-	.7	-	1.6
	16.9	4.7	.6	-	1.4	-	23.6
Undeveloped lease amortization	1.8	.9	-	-	-	-	2.7
Total exploration expenses	18.7	5.6	.6	-	1.4	-	26.3
Selling and general expenses	4.1	1.5	.8	-	.3	-	6.7
Income tax expenses (benefits)	(3.1)	(1.0)	(.4)	-	.1	.7	(3.7)
Results of operations (excluding corporate overhead and interest)	$(4.7)	(1.2)	1.5	1.0	(1.2)	1.4	(3.2)
THREE MONTHS ENDED MARCH 31, 1998							
Oil and gas sales and operating revenues	$52.2	18.8	21.9	5.7	.8	12.4	111.8
Production costs	9.9	9.6	7.9	1.8	-	7.1	36.3
Depreciation, depletion and amortization	18.3	8.7	9.9	2.5	-	1.5	40.9
Exploration expenses							
Dry hole costs	5.4	1.0	-	-	2.7	-	9.1
Geological and geophysical costs	2.1	2.0	.3	-	.3	-	4.7
Other costs	.3	.2	.4	-	.7	-	1.6
	7.8	3.2	.7	-	3.7	-	15.4
Undeveloped lease amortization	1.6	1.1	-	-	-	-	2.7
Total exploration expenses	9.4	4.3	.7	-	3.7	-	18.1
Selling and general expenses	4.1	1.7	.8	-	.4	-	7.0
Income tax expenses (benefits)	3.5	(3.3)	2.0	-	.2	1.1	3.5
Results of operations (excluding corporate overhead and interest)	$ 7.0	(2.2)	.6	1.4	(3.5)	2.7	6.0

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Following a 1998 compliance inspection of the Superior, Wisconsin refinery, the Company received notices of violations of the Clean Air Act from the U.S. Environmental Protection Agency. Although the penalty amounts were not listed, the statutes involved provide for rates of up to $27,500 per day of violation, and penalties therefore could exceed $100,000. The Company believes it has valid defenses to the alleged violations and plans a vigorous defense. While the notices of violation are preliminary in nature and no assurance can be given, the Company does not believe that the ultimate resolution of the matter will have a material adverse effect on the financial condition of the Company.

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 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The Exhibit Index on page 15 of this Form 10-Q report lists the exhibits that are hereby filed or incorporated by reference.

(b) No reports on Form 8-K have been filed for the quarter covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MURPHY OIL CORPORATION
(Registrant)

By /s/ Ronald W. Herman

Ronald W. Herman, Controller
(Chief Accounting Officer and Duly Authorized Officer)

May 11, 1999
(Date)

EXHIBIT INDEX

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	Bylaws of Murphy Oil Corporation at January 24, 1996	Exhibit 3.2 of Murphy's Form 10-K report for the year ended December 31, 1997
4	Instruments Defining the Rights of Security Holders. Murphy is party to several long-term debt instruments in addition to the ones below, 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	Exhibit 4.1 of Murphy's Form 10-K report for the year ended December 31, 1994
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	Exhibit 10.2 of Murphy's Form 10-K report for the year ended December 31, 1994
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 1933
27	Financial Data Schedule for the three months ended March 31, 1999	Filed herewith in electronic filing

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

5

THIS FINANCIAL DATA SCHEDULE CONTAINS SUMMARY UNAUDITED FINANCIAL INFORMATION
EXTRACTED FROM THE CONSOLIDATED BALANCE SHEET AT MARCH 31, 1999, AND THE
CONSOLIDATED STATEMENT OF INCOME FOR THE THREE MONTHS THEN ENDED OF MURPHY OIL
CORPORATION AND CONSOLIDATED SUBSIDIARIES AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1999
MAR-31-1999
15,512
0
254,629
11,045
169,195
474,599
4,693,146
3,009,016
2,221,484
365,472
447,875
0
0
48,775
905,255
2,221,484
289,210
304,266
266,610
266,610
27,852
0
4,471
(11,193)
(4,495)
(6,698)
0
0
0
(6,698)
(.15)
(.15)

Includes 1,513 provision for reduction in force.