UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024

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)**
9805 Katy Fwy, Suite G-200	**77024**
Houston, Texas	**(Zip Code)**
(Address of principal executive offices)	

(281) 675-9000

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $1.00 Par Value	MUR	New York Stock Exchange

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. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange act.

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

Number of shares of Common Stock, $1.00 par value, outstanding at July 31, 2024 was 150,887,425.

MURPHY OIL CORPORATION

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(Thousands of dollars, except share amounts)	**June 30, 2024**	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	**$ 333,619**	$ 317,074
Accounts receivable, net	**336,965**	343,992
Inventories	**51,811**	54,454
Prepaid expenses	**35,053**	36,674
Total current assets	**757,448**	752,194
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization of $13,495,406 in 2024 and $13,135,385 in 2023	**8,214,554**	8,225,197
Operating lease assets	**885,582**	745,185
Deferred income taxes	**–**	435
Deferred charges and other assets	**36,134**	43,686
Total assets	**$ 9,893,718**	$ 9,766,697
LIABILITIES AND EQUITY		
Current liabilities		
Current maturities of long-term debt, finance lease	**$ 739**	$ 723
Accounts payable	**507,753**	446,891
Income taxes payable	**20,001**	21,007
Other taxes payable	**29,669**	29,339
Operating lease liabilities	**254,780**	207,840
Other accrued liabilities	**114,690**	140,745
Total current liabilities	**927,632**	846,545
Long-term debt, including finance lease obligation	**1,279,310**	1,328,352
Asset retirement obligations	**923,696**	904,051
Deferred credits and other liabilities	**291,110**	309,605
Non-current operating lease liabilities	**645,043**	551,845
Deferred income taxes	**324,379**	276,646
Total liabilities	**$ 4,391,170**	$ 4,217,044
Equity		
Cumulative Preferred Stock, par $100, authorized 400,000 shares, none issued	**$ –**	$ –
Common Stock, par $1.00, authorized 450,000,000 shares, issued 195,100,628 shares in 2024 and 195,100,628 shares in 2023	**195,101**	195,101
Capital in excess of par value	**826,861**	880,297
Retained earnings	**6,672,275**	6,546,079
Accumulated other comprehensive loss	**(571,645)**	(521,117)
Treasury stock	**(1,798,872)**	(1,737,566)
Murphy Shareholders' Equity	**5,323,720**	5,362,794
Noncontrolling interest	**178,828**	186,859
Total equity	**5,502,548**	5,549,653
Total liabilities and equity	**$ 9,893,718**	$ 9,766,697

See Notes to Consolidated Financial Statements, page 7.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(Thousands of dollars, except per share amounts)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Revenues and other income				
Revenue from production	**$ 797,510**	$ 799,836	**$ 1,592,113**	$ 1,596,067
Sales of purchased natural gas	**3,497**	13,014	**3,742**	56,751
Total revenue from sales to customers	**801,007**	812,850	**1,595,855**	1,652,818
Gain on sale of assets and other income	**1,764**	1,738	**3,328**	3,486
Total revenues and other income	**802,771**	814,588	**1,599,183**	1,656,304
Costs and expenses				
Lease operating expenses	**259,628**	194,292	**493,892**	394,276
Severance and ad valorem taxes	**10,417**	12,765	**20,503**	24,205
Transportation, gathering and processing	**53,470**	59,868	**110,023**	113,790
Costs of purchased natural gas	**2,987**	9,657	**3,147**	41,926
Exploration expenses, including undeveloped lease amortization	**42,677**	115,793	**87,106**	125,975
Selling and general expenses	**22,893**	25,345	**54,054**	43,653
Depreciation, depletion and amortization	**215,543**	215,667	**426,677**	411,337
Accretion of asset retirement obligations	**13,053**	11,364	**25,827**	22,521
Other operating (income) expense	**(2,219)**	4,960	**5,047**	16,948
Impairment of assets	**–**	–	**34,528**	–
Total costs and expenses	**618,449**	649,711	**1,260,804**	1,194,631
Operating income from continuing operations	**184,322**	164,877	**338,379**	461,673
Other income (loss)				
Other income (loss)	**26,245**	(7,694)	**37,796**	(7,767)
Interest expense, net	**(20,986)**	(29,856)	**(41,007)**	(58,711)
Total other income (loss)	**5,259**	(37,550)	**(3,211)**	(66,478)
Income from continuing operations before income taxes	**189,581**	127,327	**335,168**	395,195
Income tax expense	**32,676**	34,870	**62,733**	88,703
Income from continuing operations	**156,905**	92,457	**272,435**	306,492
Loss from discontinued operations, net of income taxes	**(643)**	(602)	**(1,515)**	(323)
Net income including noncontrolling interest	**156,262**	91,855	**270,920**	306,169
Less: Net income (loss) attributable to noncontrolling interest	**28,523**	(6,431)	**53,179**	16,239
NET INCOME ATTRIBUTABLE TO MURPHY	**$ 127,739**	$ 98,286	**$ 217,741**	$ 289,930
INCOME (LOSS) PER COMMON SHARE – BASIC				
Continuing operations	**$ 0.84**	$ 0.63	**$ 1.44**	$ 1.86
Discontinued operations	**–**	–	**(0.01)**	–
Net income	**$ 0.84**	$ 0.63	**$ 1.43**	$ 1.86
INCOME (LOSS) PER COMMON SHARE – DILUTED				
Continuing operations	**$ 0.83**	$ 0.62	**$ 1.43**	$ 1.84
Discontinued operations	**–**	–	**(0.01)**	–
Net income	**$ 0.83**	$ 0.62	**$ 1.42**	$ 1.84
Cash dividends per common share	**$ 0.300**	$ 0.275	**$ 0.600**	$ 0.550
Average common shares outstanding (thousands)				
Basic	**152,153**	156,127	**152,409**	155,976
Diluted	**153,144**	157,299	**153,480**	157,308

See Notes to Consolidated Financial Statements, page 7.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
(Thousands of dollars)	**2024**	**2023**	**2024**	2023
Net income including noncontrolling interest	**$ 156,262**	$ 91,855	**$ 270,920**	$ 306,169
Other comprehensive (loss) income, net of tax				
Net (loss) gain from foreign currency translation	**(16,824)**	33,083	**(52,352)**	36,752
Retirement and postretirement benefit plans	**914**	1,053	**1,824**	2,151
Other comprehensive (loss) income	**(15,910)**	34,136	**(50,528)**	38,903
Comprehensive income including noncontrolling interest	**$ 140,352**	$ 125,991	**$ 220,392**	$ 345,072
Less: Comprehensive income (loss) attributable to noncontrolling interest	**28,523**	(6,431)	**53,179**	16,239
COMPREHENSIVE INCOME ATTRIBUTABLE TO MURPHY	**$ 111,829**	$ 132,422	**$ 167,213**	$ 328,833

See Notes to Consolidated Financial Statements, page 7.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(Thousands of dollars)	**Six Months Ended June 30, 2024**	Six Months Ended June 30, 2023
Operating Activities		
Net income including noncontrolling interest	**$ 270,920**	$ 306,169
Adjustments to reconcile net income to net cash provided by continuing operations activities		
Depreciation, depletion and amortization	**426,677**	411,337
Impairment of assets	**34,528**	–
Unsuccessful exploration well costs and previously suspended exploration costs	**58,280**	96,533
Deferred income tax expense	**53,928**	92,557
Accretion of asset retirement obligations	**25,827**	22,521
Long-term non-cash compensation	**21,823**	22,076
Amortization of undeveloped leases	**5,778**	5,369
Loss from discontinued operations	**1,515**	323
Contingent consideration payment	**–**	(139,574)
Mark-to-market loss on contingent consideration	**–**	7,113
Other operating activities, net	**(33,959)**	(59,417)
Net decrease (increase) in noncash working capital	**1,126**	(15,340)
Net cash provided by continuing operations activities	**866,443**	749,667
Investing Activities		
Property additions and dry hole costs	**(516,876)**	(694,753)
Net cash required by investing activities	**(516,876)**	(694,753)
Financing Activities		
Borrowings on revolving credit facility	**200,000**	200,000
Repayment of revolving credit facility	**(200,000)**	(200,000)
Retirement of debt	**(50,000)**	–
Repurchase of common stock	**(105,887)**	–
Cash dividends paid	**(91,545)**	(85,867)
Withholding tax on stock-based incentive awards	**(25,298)**	(14,220)
Distributions to noncontrolling interest	**(61,210)**	(15,983)
Finance lease obligation payments	**(331)**	(296)
Contingent consideration payment	**–**	(60,243)
Issue costs of debt facility	**–**	(20)
Net cash required by financing activities	**(334,271)**	(176,629)
Effect of exchange rate changes on cash and cash equivalents	**1,249**	(893)
Net increase (decrease) in cash and cash equivalents	**16,545**	(122,608)
Cash and cash equivalents at beginning of period	**317,074**	491,963
Cash and cash equivalents at end of period	**$ 333,619**	$ 369,355

See Notes to Consolidated Financial Statements, page 7.

MURPHY OIL CORPORATION AND CONSOLIDATED SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

(Thousands of dollars except number of shares)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Common Stock – par $1.00, authorized 450,000,000 shares, issued 195,100,628 shares at June 30, 2024 and 195,100,628 shares at June 30, 2023				
Balance at beginning and end of period	**$ 195,101**	$ 195,101	**$ 195,101**	$ 195,101
Capital in Excess of Par Value				
Balance at beginning of period	**816,815**	857,000	**880,297**	893,578
Restricted stock transactions and other	**(99)**	(2,321)	**(70,486)**	(42,415)
Share-based compensation	**10,145**	7,272	**17,050**	10,788
Balance at end of period	**826,861**	861,951	**826,861**	861,951
Retained Earnings				
Balance at beginning of period	**6,590,308**	6,204,217	**6,546,079**	6,055,498
Net income attributable to Murphy	**127,739**	98,286	**217,741**	289,930
Cash dividends paid	**(45,772)**	(42,942)	**(91,545)**	(85,867)
Balance at end of period	**6,672,275**	6,259,561	**6,672,275**	6,259,561
Accumulated Other Comprehensive Loss				
Balance at beginning of period	**(555,735)**	(529,919)	**(521,117)**	(534,686)
Foreign currency translation (loss) gain, net of income taxes	**(16,824)**	33,083	**(52,352)**	36,752
Retirement and postretirement benefit plans, net of income taxes	**914**	1,053	**1,824**	2,151
Balance at end of period	**(571,645)**	(495,783)	**(571,645)**	(495,783)
Treasury Stock				
Balance at beginning of period	**(1,742,498)**	(1,588,841)	**(1,737,566)**	(1,614,717)
Repurchase of common stock	**(56,445)**	–	**(106,494)**	–
Awarded restricted stock, net of forfeitures	**71**	2,319	**45,188**	28,195
Balance at end of period – 43,884,080 shares of common stock in 2024 and 38,945,622 shares of common stock in 2023, at cost	**(1,798,872)**	(1,586,522)	**(1,798,872)**	(1,586,522)
Murphy Shareholders' Equity	**5,323,720**	5,234,308	**5,323,720**	5,234,308
Noncontrolling Interest				
Balance at beginning of period	**188,514**	167,110	**186,859**	154,119
Net income attributable to noncontrolling interest	**28,523**	(6,431)	**53,179**	16,239
Distributions to noncontrolling interest owners	**(38,209)**	(6,304)	**(61,210)**	(15,983)
Balance at end of period	**178,828**	154,375	**178,828**	154,375
Total Equity	**$ 5,502,548**	$ 5,388,683	**$ 5,502,548**	$ 5,388,683

See Notes to Consolidated Financial Statements, page 7.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of the financial statements of Murphy Oil Corporation and Consolidated Subsidiaries (the Company or Murphy) on pages 2 through 6 of this Form 10-Q report.

Note A – Basis of Presentation

The unaudited financial statements presented herein, in the opinion of Murphy's management, include all accruals necessary to present fairly the Company's financial position as at June 30, 2024 and December 31, 2023, and the results of operations, statements of operations, cash flows and changes in stockholders' equity for the interim periods ended June 30, 2024 and 2023, in conformity with U.S. generally accepted accounting principles (GAAP). In preparing the financial statements of the Company in conformity with GAAP, management has made a number of estimates and assumptions that affect the reporting of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities. Actual results may differ from the estimates.

Consolidated financial statements and notes to consolidated financial statements included in this Form 10-Q report should be read in conjunction with the Company's 2023 Form 10-K report, as certain notes and other pertinent information have been abbreviated or omitted in this report. Financial results for the three-month and six-month periods ended June 30, 2024 are not necessarily indicative of future results.

Note B – New Accounting Principles and Recent Accounting Pronouncements

Accounting Principles Adopted

None affecting the Company.

Recent Accounting Pronouncements

Income Tax Disclosures. In December 2023 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) *2023-09 Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The standard becomes effective for annual periods beginning after December 15, 2024. The update requires financial statements to include consistent categories and greater disaggregation of information in the rate reconciliation, as well as income taxes paid disaggregated by jurisdiction. Murphy is currently evaluating the impact of adopting this standard.

Reportable Segment Disclosures. In November 2023 the FASB issued ASU *2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* The standard becomes effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The standard requires additional disclosures about operating segments, including segment expense information provided to the chief operating decision maker, and extends certain disclosure requirements to interim periods. The standard does not affect our determination of significant segments. Murphy is currently evaluating the impact of adopting this standard.

Note C – Revenue from Contracts with Customers

Nature of Goods and Services

The Company explores for and produces crude oil, natural gas and natural gas liquids (collectively oil and natural gas) in select basins around the globe. The Company's revenue from sales of oil and natural gas production activities are primarily divided into two key geographic segments: the United States (U.S.) and Canada. Additionally, revenue from sales to customers is generated from three primary revenue streams: crude oil and condensate, natural gas liquids (NGL), and natural gas.

For operated oil and natural gas production where the non-operated working interest owner does not take in kind its proportionate interest in the produced commodity, the Company acts as an agent for the working interest owner and recognizes revenue only for its own share of the commingled production. The exception to this is the reporting of the noncontrolling interest (NCI) in MP Gulf of Mexico, LLC (MP GOM) as prescribed by GAAP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note C – Revenue from Contracts with Customers (Continued)

U.S. - In the U.S., the Company primarily produces oil and natural gas from fields in the Eagle Ford Shale area of South Texas and in the Gulf of Mexico. Revenue is generally recognized when oil and natural gas are transferred to the customer at the delivery point. Revenue recognized is largely index-based with price adjustments for floating market differentials.

Canada - In Canada, contracts include long-term floating commodity index priced and natural gas physical forward sales fixed-price contracts. For the offshore business in Canada, contracts are based on index prices and revenue is recognized at the time of vessel load based on the volumes on the bill of lading and point of custody transfer. The Company also purchases natural gas in Canada to meet certain sales commitments.

Disaggregation of Revenue

The Company reviews performance based on two key geographical segments and between onshore and offshore sources of revenue within these geographies.

The Company's revenues and other income for the three-month and six-month periods ended June 30, 2024 and 2023 were as follows.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Thousands of dollars)	**2024**	2023	**2024**	2023
Net crude oil and condensate revenue				
United States - Onshore	**$ 145,955**	$ 177,085	**$ 288,498**	$ 307,166
United States - Offshore [1]	**501,692**	480,841	**982,131**	981,151
Canada - Onshore	**19,580**	19,306	**33,453**	41,258
Canada - Offshore	**43,326**	24,871	**98,101**	41,001
Other	**4,307**	–	**4,209**	3,644
Total crude oil and condensate revenue	**714,860**	702,103	**1,406,392**	1,374,220
Net natural gas liquids revenue				
United States - Onshore	**7,311**	6,540	**15,147**	14,810
United States - Offshore [1]	**9,337**	11,541	**19,711**	26,170
Canada - Onshore	**1,595**	1,517	**3,032**	4,980
Total natural gas liquids revenue	**18,243**	19,598	**37,890**	45,960
Net natural gas revenue				
United States - Onshore	**3,352**	4,138	**7,628**	9,588
United States - Offshore [1]	**10,500**	14,802	**23,389**	36,934
Canada - Onshore	**50,555**	59,195	**116,814**	129,365
Total natural gas revenue	**64,407**	78,135	**147,831**	175,887
Revenue from production	**797,510**	799,836	**1,592,113**	1,596,067
Sales of purchased natural gas				
Canada - Onshore	**3,497**	13,014	**3,742**	56,751
Total sales of purchased natural gas	**3,497**	13,014	**3,742**	56,751
Total revenue from sales to customers	**801,007**	812,850	**1,595,855**	1,652,818
Gain on sale of assets and other income	**1,764**	1,738	**3,328**	3,486
Total revenues and other income	**$ 802,771**	$ 814,588	**$ 1,599,183**	$ 1,656,304

[1] Includes revenue attributable to noncontrolling interest in MP GOM.

Contract Balances and Asset Recognition

As of June 30, 2024, and December 31, 2023, receivables from contracts with customers, net of royalties and associated payables, on the balance sheet from continuing operations, were $233.2 million and $193.7 million, respectively. Payment terms for the Company's sales vary across contracts and geographical regions, with the majority of the cash receipts required within 30 days of billing. Based on a forward-looking expected loss model in accordance with ASU 2016-13, the Company did not recognize any impairment losses on receivables or contract assets arising from customer contracts during the reporting periods.

The Company has not entered into any revenue contracts that have financing components as of June 30, 2024.

The Company does not employ sales incentive strategies such as commissions or bonuses for obtaining sales contracts. For the periods presented, the Company did not identify any assets to be recognized associated with the costs to obtain a contract with a customer.

Performance Obligations

The Company recognizes oil and natural gas revenue when it satisfies a performance obligation by transferring control over a commodity to a customer. Judgment is required to determine whether some customers simultaneously receive and consume the benefit of commodities. As a result of this assessment for the Company, each unit of measure of the specified commodity is considered to represent a distinct performance obligation that is satisfied at a point in time upon the transfer of control of the commodity.

For contracts with market or index-based pricing, which represent the majority of sales contracts, the Company has elected the allocation exception and allocates the variable consideration to each single performance obligation in the contract. As a result, there is no price allocation to unsatisfied remaining performance obligations for delivery of commodity product in subsequent periods.

The Company has entered into several long-term, fixed-price contracts in Canada. The underlying reason for entering a fixed price contract is generally unrelated to anticipated future prices or other observable data and serves a particular purpose in the Company's long-term strategy.

As of June 30, 2024, the Company had the following sales contracts in place which are expected to generate revenue from sales to customers for a period over 12 months starting at the inception of the contract:

Long-Term Contracts Outstanding at June 30, 2024

Location	Commodity	End Date	Description	Approximate Volumes
U.S.	Natural Gas and NGL	Q1 2030	Deliveries from dedicated acreage in Eagle Ford	As produced
Canada	Natural Gas	Q4 2024	Contracts to sell natural gas at USD index pricing	31 MMCFD
Canada	Natural Gas	Q4 2024	Contracts to sell natural gas at CAD fixed pricing	124 MMCFD
Canada	Natural Gas	Q4 2024	Contracts to sell natural gas at USD fixed pricing	25 MMCFD
Canada	Natural Gas	Q4 2024	Contracts to sell natural gas at CAD index pricing	28 MMCFD
Canada	Natural Gas	Q4 2025	Contracts to sell natural gas at USD index pricing	25 MMCFD
Canada	Natural Gas	Q4 2026	Contracts to sell natural gas at USD index pricing	49 MMCFD
Canada	Natural Gas	Q4 2027	Contracts to sell natural gas at USD index pricing	30 MMCFD
Canada	Natural Gas	Q4 2028	Contracts to sell natural gas at USD index pricing	10 MMCFD
Canada	NGL	Q2 2025	Contracts to sell NGL at CAD index pricing	As produced

Fixed price contracts are accounted for as normal sales and purchases for accounting purposes.

Note D – Property, Plant and Equipment

Exploratory Wells

Under FASB guidance, exploratory well costs should continue to be capitalized when the well has found a sufficient quantity of reserves to justify its completion as a producing well and the company is making sufficient progress assessing the reserves and the economic and operating viability of the project.

As of June 30, 2024, the Company had total capitalized drilling costs pending the determination of proved reserves of $43.0 million. The following table reflects the net changes in capitalized exploratory well costs during the six-month periods ended June 30, 2024 and 2023.

(Thousands of dollars)	**2024**	2023
Beginning balance at January 1	**$ 49,118**	$ 171,860
Additions pending the determination of proved reserves	**20,391**	47,733
Capitalized exploratory well costs charged to expense	**(26,471)**	(26,188)
Balance at June 30	**$ 43,038**	$ 193,405

Capitalized well costs charged to dry hole expense of $26.5 million for the six months ended June 30, 2024 was related to the Hoffe Park #1 (Mississippi Canyon 166) exploratory well in the Gulf of Mexico. Capital additions are mainly for Ocotillo #1 (Mississippi Canyon 40) exploratory well in the Gulf of Mexico. The preceding table excludes well costs of $31.8 million and $70.3 million incurred and expensed directly to dry hole for the six months ended June 30, 2024 and 2023, respectively. In 2024 the amount includes $25.5 million for the Orange #1 (Mississippi Canyon 216) exploration well in the Gulf of Mexico and in 2023 the amount includes $69.2 million related to the Chinook #7 exploration well in the Gulf of Mexico.

The following table provides an aging of capitalized exploratory well costs based on the date the drilling was completed for each individual well and the number of projects for which exploratory well costs have been capitalized. The projects are aged based on the last well drilled in the project.

	June 30,					
	2024			2023		
(Thousands of dollars)	**Amount**	**No. of Wells**	**No. of Projects**	Amount	No. of Wells	No. of Projects
Aging of capitalized well costs:						
Zero to one year	**$ 20,545**	**3**	**3**	$ 8,494	1	1
One to two years	**–**	**–**	**–**	38,497	1	1
Two to three years	**–**	**–**	**–**	2,698	1	1
Three years or more	**22,493**	**3**	**3**	143,716	4	3
	$ 43,038	**6**	**6**	$ 193,405	7	6

Of the $22.5 million of exploratory well costs capitalized more than one year at June 30, 2024, $15.1 million was in Vietnam, $4.7 million was in Canada, and $2.7 million was in Brunei. In all geographical areas, either further appraisal or development drilling is planned and/or development studies/plans are in various stages of completion.

Impairments

There were no impairments in the three months ended June 30, 2024. There were pre-tax impairments of $34.5 million in the six months ended June 30, 2024 related to Calliope field in Mississippi Canyon, in the Gulf of Mexico, where operational issues led to a reserve reduction. There were no impairments in the three and six months ended June 30, 2023.

Divestitures

On September 15, 2023, the Company completed the divestment of certain non-core operated Kaybob Duvernay assets and all of our non-operated Placid Montney assets, located in Alberta, Canada for net cash proceeds of C$139.0 million. No gain or loss was recorded related to this transaction, and the effective date of the transaction was March 1, 2023.

Note E – Financing Arrangements and Debt

As of June 30, 2024, the Company had an $800 million revolving credit facility (RCF). The RCF is a senior unsecured guaranteed facility which expires on November 17, 2027. At June 30, 2024, the Company had no outstanding borrowings under the RCF and $3.7 million of outstanding letters of credit, which reduce the borrowing capacity of the RCF. At June 30, 2024, the interest rate in effect on borrowings under the RCF would have been 7.69%. At June 30, 2024, the Company was in compliance with all covenants related to the RCF.

In May 2024, the Company paid a total of $50.5 million to complete the open market repurchases of $26.5 million aggregate principal of its 5.875% senior notes due 2027 (2027 Notes) and $23.5 million aggregate principal of its 6.375% senior notes due 2028 (2028 Notes). The cash costs of the debt extinguishment of $0.5 million is included in “Interest expense, net” on the Consolidated Statements of Operations for the six months ended June 30, 2024.

The Company also has a shelf registration statement on file with the U.S. Securities and Exchange Commission (SEC) that permits the offer and sale of debt and/or equity securities through October 15, 2024.

Note F – Other Financial Information

Additional disclosures regarding cash flow activities are provided below.

	Six Months Ended June 30,	
(Thousands of dollars)	**2024**	2023
Net (increase) decrease in operating working capital, excluding cash and cash equivalents:		
(Increase) decrease in accounts receivable	**$ 7,355**	$ (18,915)
(Increase) decrease in inventories	**2,170**	(8,353)
Decrease in prepaid expenses	**2,296**	8,291
Increase (decrease) in accounts payable and accrued liabilities [1]	**(9,689)**	6,642
Increase (decrease) in income taxes payable	**(1,006)**	(3,005)
Net decrease (increase) in noncash working capital	**$ 1,126**	$ (15,340)
Supplementary disclosures:		
Cash income taxes paid, net of refunds	**$ 3,236**	$ 10,904
Interest paid, net of amounts capitalized of $7.8 million in 2024 and $6.8 million in 2023	**38,262**	54,305
Non-cash investing activities:		
Asset retirement costs capitalized	**$ 16,175**	$ 2,742
(Increase) decrease in capital expenditure accrual	**(24,780)**	20,522

[1] Excludes payable balances relating to contingent consideration for prior acquisitions.

Note G – Asset Retirement Obligations

The asset retirement obligations liabilities (ARO) recognized by the Company are related to the estimated costs to dismantle and abandon its producing oil and natural gas properties and related equipment.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO for the six-month periods ended June 30, 2024 and 2023 are shown in the following table.

(Thousands of dollars)	**June 30, 2024**	June 30, 2023
Balance at beginning of year	**$ 914,763**	$ 911,653
Accretion	**25,827**	22,521
Liabilities incurred	**14,199**	4,805
Revisions of previous estimates	**1,995**	(822)
Liabilities settled	**(2,925)**	(64,978)
Changes due to translation of foreign currencies	**(4,541)**	2,920
Balance at end of period	**949,318**	876,099
Current portion of liability [1]	**(25,622)**	(32,771)
Noncurrent portion of liability	**$ 923,696**	$ 843,328

[1] Included in “Other accrued liabilities” on the Consolidated Balance Sheets.

The estimation of future ARO is based on a number of assumptions requiring professional judgment. The Company cannot predict the type of revisions to these assumptions that may be required in future periods due to the availability of additional information such as: prices for oil field services, technological changes, governmental requirements and other factors.

Note H – Employee and Retiree Benefit Plans

The Company has defined benefit pension plans that are noncontributory and cover most full-time employees. All pension plans are funded except for the U.S. and Canadian nonqualified supplemental plan and the U.S. director's plan. All U.S. tax qualified plans meet the funding requirements of federal laws and regulations. Contributions to foreign plans meet the requirements of local laws and tax regulations. The Company also sponsors health care and life insurance benefit plans, which are not funded, that cover most retired U.S. employees. The health care benefits are contributory; the life insurance benefits are noncontributory.

The table that follows provides the components of net periodic benefit expense for the three-month and six-month periods ended June 30, 2024 and 2023.

	Three Months Ended June 30,			
	Pension Benefits		Other Postretirement Benefits	
(Thousands of dollars)	**2024**	2023	**2024**	2023
Service cost	**$ 1,706**	$ 1,650	**$ 135**	$ 132
Interest cost	**8,393**	8,564	**782**	874
Expected return on plan assets	**(8,359)**	(8,254)	**–**	–
Estimated defined contribution provision	**54**	54	**–**	–
Amortization of prior service cost (credit)	**579**	155	**(133)**	(133)
Recognized actuarial loss (gain)	**2,361**	2,414	**(812)**	(767)
Total net periodic benefit expense	**$ 4,734**	$ 4,583	**$ (28)**	$ 106

	Six Months Ended June 30,			
	Pension Benefits		Other Postretirement Benefits	
(Thousands of dollars)	**2024**	2023	**2024**	2023
Service cost	**$ 3,412**	$ 3,300	**$ 270**	$ 264
Interest cost	**16,784**	17,071	**1,564**	1,748
Expected return on plan assets	**(16,716)**	(16,448)	**–**	–
Estimated defined contribution provision	**109**	108	**–**	–
Amortization of prior service cost (credit)	**1,158**	310	**(266)**	(266)
Recognized actuarial loss (gain)	**4,721**	4,815	**(1,624)**	(1,548)
Total net periodic benefit expense	**$ 9,468**	$ 9,156	**$ (56)**	$ 198

The components of net periodic benefit expense, other than the service cost, are recorded in "Other income (loss)" in the Consolidated Statements of Operations.

During the six-month period ended June 30, 2024, the Company made contributions of $18.9 million to its defined benefit pension and postretirement benefit plans. Remaining funding in 2024 for the Company's defined benefit pension and postretirement plans is anticipated to be $22.3 million.

Note I – Incentive Plans

The costs resulting from all share-based and cash-based incentive plans are recognized as an expense in the Consolidated Statements of Operations using a fair value-based measurement method over the periods that the awards vest.

The Annual Incentive Plan (AIP) authorizes the Compensation Committee (the Committee) to establish specific performance goals associated with annual cash awards that may be earned by officers, executives and certain other employees. Cash awards under the AIP are determined based on the Company's actual financial and operating results as measured against the performance goals established by the Committee.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note I – Incentive Plans (Continued)

The 2020 Long-Term Incentive Plan (2020 Long-Term Plan) authorizes the Committee to make grants of the Company's common stock to employees. These grants may be in the form of stock options (nonqualified or incentive), stock appreciation rights (SAR), restricted stock, restricted stock units (RSU), performance units, performance shares, dividend equivalents and other stock-based incentives. The 2020 Long-Term Plan expires in 2030. A total of five million shares are issuable during the term of the 2020 Long-Term Plan. Shares issued pursuant to awards granted under the 2020 Long-Term Plan may be shares that are authorized and unissued or shares that were reacquired by the Company, including shares purchased in the open market. Shares underlying awards that have been canceled, expired, forfeited or otherwise not issued under an award shall not count as shares issued under the Plan.

During the six months ended June 30, 2024, the Committee granted the following awards from the 2020 Long-Term Plan:

Type of Award	Number of Awards Granted	Grant Date		Grant Date Fair Value	Valuation Methodology
Performance-based RSUs (TSR) [1]	423,640	February 6, 2024	$	41.95	Monte Carlo
Performance-based RSUs (ROACE) [1]	105,980	February 6, 2024	$	38.08	Average Stock Price
Time-based RSUs (Stock-Settled) [2]	658,420	February 6, 2024	$	38.08	Average Stock Price
Time-based RSUs (Cash-Settled) [2]	102,900	February 6, 2024	$	38.08	Average Stock Price
Performance-based RSUs (TSR) [1]	5,830	April 1, 2024	$	50.81	Monte Carlo
Performance-based RSUs (ROACE) [1]	1,450	April 1, 2024	$	45.98	Average Stock Price
Time-based RSUs (Stock-Settled) [2]	4,840	April 1, 2024	$	45.98	Average Stock Price
Time-based RSUs (Cash-Settled) [2]	460	April 1, 2024	$	45.98	Average Stock Price

[1] Performance-based RSUs are tied to the achievement of Total Shareholder Return (TSR) and Return on Average Capital Employed (ROACE) performance goals and are scheduled to vest three years from the date of grant if performance conditions are met.

[2] Time-based RSUs generally vest on the third anniversary of the date of grant.

The Company also has a Stock Plan for Non-Employee Directors that permits the issuance of restricted stock, restricted stock units and stock options or a combination thereof to the Company's Non-Employee Directors.

The Company currently has outstanding incentive awards issued to Directors under the 2021 Stock Plan for Non-Employee Directors (2021 NED Plan) and the 2018 Stock Plan for Non-Employee Directors. All awards on or after May 12, 2021, were made under the 2021 NED Plan.

During the six months ended June 30, 2024, the Committee granted the following awards to Non-Employee Directors under the 2021 NED Plan:

Type of Award	Number of Awards Granted	Grant Date		Grant Date Fair Value	Valuation Methodology
Time-Based RSUs [1]	47,412	February 07, 2024	$	37.97	Closing Stock Price
Time-Based RSUs [2]	1,230	March 28, 2024	$	45.70	Closing Stock Price
Time-Based RSUs [2]	1,364	June 28, 2024	$	41.24	Closing Stock Price

[1] Non-employee directors time-based RSUs are scheduled to vest on the first anniversary of the date of grant. Non-employee directors may elect to defer settlement of their vested time-based RSUs until (1) termination of service from the Board or (2) a future date selected by the director at the time of their deferral election. These unvested time-based RSUs are included in the table above, will vest in one year, and become deferred RSUs.

[2] Effective January 1, 2024, non-employee directors can elect to receive their annual cash retainers in the form of deferred RSUs. Director fees which are deferred into RSUs are calculated and expensed each quarter by taking fees earned in respect of the applicable quarter and dividing by the closing price of our common stock on the last trading day of the quarter. Each deferred RSU represents the right to receive one share of common stock following (1) termination of service from the Board or (2) a future date selected by the director at the time of their deferral election.

In 2017, the Company ceased granting stock options and SARs as a part of the Company's long-term incentive compensation program. As of June 30, 2024 there were no outstanding stock options or SARs remaining.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note I – Incentive Plans (Continued)

Amounts recognized in the financial statements with respect to share-based plans are shown in the following table:

	Six Months Ended June 30,	
(Thousands of dollars)	**2024**	2023
Compensation charged against income before tax benefit	**$ 19,987**	$ 23,684
Related income tax benefit recognized in income	**2,067**	3,444

Certain incentive compensation granted to the Company's named executive officers, to the extent their total compensation exceeds $1.0 million per executive per year, is not eligible for a U.S. income tax deduction under the Tax Cuts and Jobs Act (2017 Tax Act).

Note J – Earnings Per Share

Net income attributable to Murphy was used as the numerator in computing both basic and diluted income per common share for the three-month and six-month periods ended June 30, 2024 and 2023. The following table reports the weighted-average shares outstanding used for these computations.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Weighted-average shares)	**2024**	2023	**2024**	2023
Basic method	**152,153,401**	156,126,580	**152,408,912**	155,976,326
Dilutive stock options and restricted stock units	**990,183**	1,172,382	**1,070,766**	1,331,696
Diluted method	**153,143,584**	157,298,962	**153,479,678**	157,308,022

Note K – Income Taxes

The Company's effective income tax rate is calculated as the amount of income tax expense (benefit) divided by income (loss) from continuing operations before income taxes. For the three-month and six-month periods ended June 30, 2024 and 2023, the Company's effective income tax rates were as follows:

	2024	2023
Three months ended June 30,	**17.2%**	27.4%
Six months ended June 30,	**18.7%**	22.4%

The effective tax rate for the three-month period ended June 30, 2024, was below the U.S. statutory tax rate of 21% primarily due to no tax applied to the pre-tax income of the noncontrolling interest in MP GOM, and a Canada tax credit received. These impacts are partially offset by the effects of income generated in foreign tax jurisdictions, certain of which have income tax rates higher than the U.S. Federal rate, and certain expenses, including exploration and other expenses in certain foreign jurisdictions, for which no income tax benefits are currently available.

The effective tax rate for the three-month period ended June 30, 2023, was above the U.S. statutory tax rate of 21% primarily due to several factors, including: no tax benefit applied to the pre-tax loss of the noncontrolling interest in MP GOM; U.S. state tax expense; stock-based compensation; and certain expenses, including exploration and other expenses in certain foreign jurisdictions, for which no income tax benefits are currently available.

The effective tax rate for the six-month period ended June 30, 2024 was below the U.S. statutory tax rate of 21% primarily due to no tax applied to the pre-tax income of the noncontrolling interest in MP GOM, and a Canada tax credit received. These impacts were partially offset by several factors including: the effects of income generated in foreign tax jurisdictions, certain of which have income tax rates higher than the U.S. Federal rate; U.S. state tax expense and certain expenses, including exploration and other expenses in certain foreign jurisdictions, for which no income tax benefits are currently available.

The effective tax rate for the six-month period ended June 30, 2023 was above the U.S. statutory tax rate of 21% primarily due to several factors, including: the effects of income generated in foreign tax jurisdictions, certain of which have income tax rates higher than the U.S. Federal rate; U.S. state tax expense and certain expenses, including exploration and other expenses in certain foreign jurisdictions, for which no income tax benefits are currently available. These impacts were partially offset by no tax applied to the pre-tax income of the noncontrolling interest in MP GOM.

The Company's tax returns in multiple jurisdictions are subject to audit by taxing authorities. These audits often take years to complete and settle. Although the Company believes that recorded liabilities for unsettled issues are adequate, additional gains or losses could occur in future years from resolution of outstanding unsettled matters. Additionally, the Company could be required to pay amounts into an escrow account as any matters are identified and appealed with the relevant taxing authorities. As of June 30, 2024, the earliest years remaining open for audit and/or settlement in our major taxing jurisdictions are as follows: U.S. – 2016; Canada – 2016; and Malaysia – 2017. The Company has retained certain possible liabilities and rights to income tax receivables relating to Malaysia for the years prior to 2019.

Note L – Financial Instruments and Risk Management

Murphy, at times, uses derivative instruments to manage certain risks related to commodity prices, foreign currency exchange rates and interest rates. The use of derivative instruments for risk management is covered by operating policies and is closely monitored by the Company's senior management. The Company does not hold any derivatives for speculative purposes, and it does not use derivatives with leveraged or complex features. Derivative instruments are traded with creditworthy major financial institutions or over national exchanges such as the New York Mercantile Exchange (NYMEX). The Company has a risk management control system to monitor commodity price risks and any derivatives obtained to manage a portion of such risks. For accounting purposes, the Company has not designated commodity and foreign currency derivative contracts as hedges, and therefore, it recognizes all gains and losses on these derivative contracts in its Consolidated Statements of Operations.

Commodity Price Risks

During the second quarter of 2024 and 2023, the Company did not have any crude oil derivative contracts.

Foreign Currency Exchange Risks

The Company is subject to foreign currency exchange risk associated with operations in countries outside the U.S. The Company had no foreign currency exchange derivatives outstanding at June 30, 2024 and 2023.

Fair Values – Recurring

The Company carries certain assets and liabilities at fair value in its Consolidated Balance Sheets. The fair value hierarchy is based on the quality of inputs used to measure fair value, with Level 1 being the highest quality and Level 3 being the lowest quality. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1. Level 3 inputs are unobservable inputs which reflect assumptions about pricing by market participants.

The fair value measurements for these assets and liabilities at June 30, 2024 and December 31, 2023, are shown in the following table.

	June 30, 2024				December 31, 2023			
(Thousands of dollars)	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Liabilities:								
Nonqualified employee savings plan	**$ 18,365**	**$ –**	**$ –**	**$ 18,365**	$ 17,785	$ –	$ –	$ 17,785
	$ 18,365	**$ –**	**$ –**	**$ 18,365**	$ 17,785	$ –	$ –	$ 17,785

The nonqualified employee savings plan is an unfunded savings plan through which participants seek a return via phantom investments in equity securities and/or mutual funds. The fair value of this liability was based on quoted prices for these equity securities and mutual funds. The income effect of changes in the fair value of the nonqualified employee savings plan is recorded in “Selling and general expenses” in the Consolidated Statements of Operations.

As of June 30, 2024 and December 31, 2023, there were no outstanding commodity WTI crude oil swaps and collars contracts subject to fair value measurement, nor were there any commodity swaps and collars liabilities.

In 2019, the Company acquired strategic deepwater Gulf of Mexico assets from LLOG Exploration Offshore L.L.C. and LLOG Bluewater Holdings, L.L.C. (LLOG). Under the terms of the transaction, in addition to the consideration paid, Murphy had an obligation to pay additional contingent consideration of up to $200 million in the event that certain revenue thresholds were exceeded between 2019 and 2022; and $50 million following first oil from certain development projects. The revenue threshold was not exceeded for 2019 or 2020; however, the threshold was met in 2021 and 2022.

In 2018, the Company, through a subsidiary, acquired Gulf of Mexico producing assets from Petrobras America Inc. (PAI), a subsidiary of Petróleo Brasileiro S.A. Under the terms of the transaction, in addition to the consideration paid, Murphy had an obligation to pay additional contingent consideration of up to $150 million if certain price and production thresholds were exceeded beginning in 2019 through 2025; and $50 million carry for PAI development costs in the St. Malo field if certain enhanced oil recovery projects were undertaken. The price and production thresholds were not exceeded for 2019 and 2020; however, the thresholds were met in 2021 and 2022. As of December 31, 2021, Murphy had completely funded the carried interest.

As of the end of the second quarter of 2023, the Company had no remaining liabilities relating to prior acquisitions from PAI and LLOG. During the six months ended June 30, 2023, the Company paid a total of $199.8 million in contingent consideration payments. In the Consolidated Statements of Cash Flows, $139.6 million is shown in “Operating Activities” and $60.2 million is shown in “Financing Activities”.

The Company offsets certain assets and liabilities related to derivative contracts when the legal right of offset exists. There were no offsetting positions recorded at June 30, 2024 and December 31, 2023.

The following table presents the carrying amounts and estimated fair values of financial instruments held by the Company at June 30, 2024 and December 31, 2023. 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, trade accounts payable and accrued expenses, all of which had fair values approximating carrying amounts. The fair value of current and long-term debt was estimated based on rates offered to the Company at that time for debt of the same maturities. Substantially all of the Company’s long-term debt is actively traded in open markets, and accordingly, is classified as Level 1 in the fair value hierarchy. The Company has off-balance sheet exposures relating to certain letters of credit. The fair value of these, which represents fees associated with obtaining the instruments, were minimal.

	June 30, 2024		December 31, 2023	
(Thousands of dollars)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial liabilities:				
Current and long-term debt	**$ 1,280,049**	**$ 1,236,039**	$ 1,329,075	$ 1,265,185

Note M – Accumulated Other Comprehensive Loss

The components of "Accumulated other comprehensive loss" on the Consolidated Balance Sheets at December 31, 2023 and June 30, 2024 and the changes during the six-month period ended June 30, 2024 are presented net of taxes in the following table.

(Thousands of dollars)	Foreign Currency Translation Gains (Losses)	Retirement and Postretirement Benefit Plan Adjustments	Total
Balance at December 31, 2023	$ (381,632)	$ (139,485)	$ (521,117)
Components of other comprehensive income (loss):			
Before reclassifications to income	**(52,352)**	**–**	**(52,352)**
Reclassifications to income [1]	**–**	**1,824**	**1,824**
Net other comprehensive income (loss)	**(52,352)**	**1,824**	**(50,528)**
Balance at June 30, 2024	**$ (433,984)**	**$ (137,661)**	**$ (571,645)**

[1] Reclassifications before taxes of $2.5 million are included in the computation of net periodic benefit expense for the six-month period ended June 30, 2024. See Note H for additional information. Related income taxes of $0.7 million are included in "Income tax expense" on the Consolidated Statements of Operations for the six-month period ended June 30, 2024.

Note N – Environmental and Other Contingencies

The Company's operations and earnings have been and may be affected by various forms of governmental action both in the U.S. and throughout the world. Examples of such governmental action include, but are by no means limited to: tax legislation changes, including tax rate changes, and retroactive tax claims; royalty and revenue sharing increases; 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, regulations and government action intended for the promotion of safety and the protection and/or remediation of the environment including in connection with the purported causes or potential impacts of climate change; governmental support for other forms of energy; and laws and regulations affecting the Company's relationships with employees, suppliers, customers, stockholders and others. Given the factors involved in various government actions, including political considerations, it is difficult to predict their likelihood, the form they may take, or the effect they may have on the Company.

ENVIRONMENTAL MATTERS – Murphy and other companies in the oil and gas industry are subject to numerous federal, state, local and foreign laws and regulations dealing with the environment and protection of health and safety. The principal environmental, health and safety laws and regulations to which Murphy is subject address such matters as the generation, storage, handling, use, disposal and remediation of petroleum products, wastewater and hazardous materials; the emission and discharge of such materials to the environment, including greenhouse gas (GHG) emissions; wildlife, habitat and water protection; the placement, operation and decommissioning of production equipment; and the health and safety of our employees, contractors and communities where our operations are located. These laws and regulations also generally require permits for existing operations, as well as the construction or development of new operations and the decommissioning of facilities once production has ceased.

Violation of federal or state environmental, health and safety laws, regulations and permits can result in the imposition of significant civil and criminal penalties, injunctions and construction bans or delays. A discharge of hazardous substances into the environment could, to the extent such event is not adequately insured, subject the Company to substantial expense, including both the cost to comply with applicable regulations and claims by neighboring landowners and other third parties for any personal injury and property damage that might result. In addition, Item 103 of SEC Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. Pursuant to this item, the Company will be using a threshold of $1.0 million for such proceedings and the Company is not aware of environmental legal proceedings likely to exceed this $1.0 million threshold.

There continues to be an increase in regulatory oversight of the oil and gas industry at the federal level, with a focus on climate change and GHG emissions (including methane emissions). For example, federal methane regulations are currently pending or enacted that would, among other things, require increased leak detection monitoring and repairs, stringent restrictions on venting and flaring, a new third-party monitoring program, and new fees on methane emissions from petroleum and natural gas facilities. In addition, there have been a number of executive orders issued that address climate change, including creation of climate-related task forces, directives to federal agencies to procure carbon-free electricity, and a goal of a carbon pollution-free power sector by 2035 and a net-zero emissions U.S. economy by 2050. Executive orders have also been issued related to oil and gas activities on federal lands, infrastructure and environmental justice. In addition, an international climate agreement (the Paris Agreement) was agreed to at the 2015 United Nations Framework Convention on Climate Change in Paris, France. The Paris Agreement entered into force in November 2016. Although the U.S. officially withdrew from the Paris Agreement on November 4, 2020, the U.S. has since rejoined the Paris Agreement, which became effective for the U.S. on February 19, 2021.

The Company currently owns or leases, and has in the past owned or leased, properties at which hazardous substances have been or are being handled. Hazardous substances may have been disposed of or released on or under the properties owned or leased by the Company or on or under other locations where these wastes have been taken for disposal. In addition, many of these properties have been operated by third parties whose treatment and disposal or release of hydrocarbons or other wastes were not under Murphy’s control. Under existing laws, the Company could be required to investigate, remove or remediate previously disposed wastes (including wastes disposed of or released by prior owners or operators), to investigate and clean up contaminated property (including contaminated groundwater) or to perform remedial plugging operations to prevent future contamination. Certain of these historical properties are in various stages of negotiation, investigation, and/or cleanup, and the Company is investigating the extent of any such liability and the availability of applicable defenses. The Company has retained certain liabilities related to environmental matters at formerly owned U.S. refineries that were sold in 2011. The Company also obtained insurance covering certain levels of environmental exposures related to past operations of these refineries. Murphy USA Inc. has retained any environmental exposure associated with Murphy’s former U.S. marketing operations that were spun-off in August 2013. The Company believes costs related to these sites will not have a material adverse effect on Murphy’s net income, financial condition or liquidity in a future period.

There is the possibility that environmental expenditures could be required at currently unidentified sites, and additional expenditures could be required at known sites. However, based on information currently available to the Company, the amount of future investigation and remediation costs incurred at known or currently unidentified sites is not expected to have a material adverse effect on the Company’s future net income, cash flows or liquidity.

LEGAL MATTERS – Murphy and its subsidiaries are engaged in a number of other legal proceedings (including litigation related to climate change), all of which Murphy considers routine and incidental to its business. Based on information currently available to the Company, the ultimate resolution of environmental and legal matters referred to in this note is not expected to have a material adverse effect on the Company’s net income, financial condition or liquidity in a future period.

Note O – Common Stock Issued and Outstanding

Activity in the number of shares of common stock issued and outstanding for the six-month periods ended June 30, 2024 and 2023 is shown below.

(*Number of shares outstanding*)	**June 30, 2024**	June 30, 2023
Beginning of period	**152,748,642**	155,467,319
Restricted stock awards [1]	**1,102,501**	687,687
Treasury shares purchased	**(2,634,595)**	–
End of period	**151,216,548**	156,155,006

[1] Shares issued upon exercise of stock options and award of restricted stock are less withholding for statutory income taxes owed upon issuance of shares.

On August 4, 2022, the Company's Board of Directors authorized a share repurchase program of up to $300 million of the Company's common stock. On October 30, 2023, the Company authorized an increase to the share repurchase program of an additional $300 million, bringing the total amount allowed to be repurchased under the program to $600 million. This repurchase program has no time limit and may be suspended or discontinued completely at any time without prior notice as determined by the Company at its discretion and dependent upon a variety of factors.

During the six months ended June 30, 2024, the Company repurchased 2.6 million shares of its common stock under the share repurchase program for $105.8 million ($106.5 million including excise taxes and fees). As of June 30, 2024, the Company had $344 million of its common stock remaining available to repurchase under the program.

On August 7, 2024, the Company's Board of Directors authorized an increase to the share repurchase program of an additional $500 million, bringing the total amount allowed to be repurchased under the program to $1.1 billion. Subsequent to the second quarter of 2024, the Company repurchased 1,142,867 shares of its common stock in open-market transactions for $44.1 million, excluding taxes and fees. As of August 7, 2024 the Company had $800 million of its common stock remaining available to repurchase under the program.

The share repurchase program is a component of the Company's capital allocation framework, the details of which can be found as part of the Company's Form 8-K filed on August 4, 2022 and August 8, 2024.

Note P – Business Segments

Information about business segments and geographic operations is reported in the following table. For geographic purposes, revenues are attributed to the country in which the sale occurs. Corporate, including interest income, other gains and losses, interest expense and unallocated overhead, is shown in the table to reconcile the business segments to consolidated totals. The Company has accounted for its former United Kingdom (U.K.), Malaysia, and U.S. refining and marketing operations as discontinued operations for all periods presented.

		Three Months Ended June 30, 2024		Three Months Ended June 30, 2023	
(Millions of dollars)	**Total Assets at June 30, 2024**	**External Revenues**	**Income (Loss)**	External Revenues	Income (Loss)
Exploration and production [1]					
United States [2]	**$ 7,222.6**	**$ 679.5**	**$ 185.7**	$ 696.2	$ 168.9
Canada	**2,050.5**	**119.0**	**8.9**	118.3	2.5
Other	**244.2**	**4.3**	**(10.1)**	–	(32.3)
Total exploration and production	**9,517.3**	**802.8**	**184.5**	814.5	139.1
Corporate	**375.3**	**–**	**(27.7)**	0.1	(46.6)
Continuing operations	**9,892.6**	**802.8**	**156.8**	814.6	92.5
Discontinued operations, net of tax	**1.1**	**–**	**(0.6)**	–	(0.6)
Total	**$ 9,893.7**	**$ 802.8**	**$ 156.2**	$ 814.6	$ 91.9

	Six Months Ended June 30, 2024		Six Months Ended June 30, 2023	
(Millions of dollars)	**External Revenues**	**Income (Loss)**	External Revenues	Income (Loss)
Exploration and production [1]				
United States [2]	**$ 1,339.1**	**$ 320.2**	$ 1,378.5	$ 394.9
Canada	**255.9**	**28.3**	274.1	24.4
Other	**4.2**	**(20.9)**	3.6	(37.6)
Total exploration and production	**1,599.2**	**327.6**	1,656.2	381.7
Corporate	**–**	**(55.2)**	0.1	(75.2)
Continuing operations	**1,599.2**	**272.4**	1,656.3	306.5
Discontinued operations, net of tax	**–**	**(1.5)**	–	(0.3)
Total	**$ 1,599.2**	**$ 270.9**	$ 1,656.3	$ 306.2

[1] Additional detail about the results of oil and natural gas operations is presented in the Exploration and Production Continuing Operations table on page 26.

[2] Includes revenue and income attributable to noncontrolling interest in MP GOM.

Note Q – Leases

Nature of Leases

The Company has entered into various operating leases such as a natural gas processing plant, floating production storage and off-take vessels, buildings, marine vessels, vehicles, drilling rigs, pipelines and other oil and gas field equipment.

Options to extend lease terms are at the Company's discretion. Early lease terminations are a combination of Company discretion and mutual agreement between the Company and lessor. Purchase options also exist for certain leases.

During the second quarter of 2024, the Company exercised an option to extend and expand an operating lease pertaining to a drill ship used in our offshore business. This resulted in an increase of $254.1 million (discounted) to our right-of-use assets and operating lease liabilities at June 30, 2024.

Maturity of Lease Liabilities

(Thousands of dollars)	**Operating Leases**	**Finance Leases**	**Total**
2024	$ 158,984	$ 534	$ 159,518
2025	266,213	1,069	267,282
2026	111,686	1,069	112,755
2027	61,053	1,069	62,122
2028	60,182	1,069	61,251
Remaining	484,971	267	485,238
Total future minimum lease payments	1,143,089	5,077	1,148,166
Less imputed interest	(243,266)	(1,137)	(244,403)
Present value of lease liabilities [1]	**$ 899,823**	**$ 3,940**	**$ 903,763**

[1] Includes both the current and long-term portion of the lease liabilities.

Lease Term and Discount Rate

	June 30, 2024	December 31, 2023
Weighted average remaining lease term:		
Operating leases	**8 years**	10 years
Finance leases	**5 years**	5 years
Weighted average discount rate:		
Operating leases	**5.7 %**	5.9 %
Finance leases	**4.7 %**	4.7 %

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) should be read together with the unaudited consolidated financial statements and accompanying notes for the quarter ended June 30, 2024 included under Item 1 Financial Statements of this Form 10-Q and the audited consolidated financial statements and related notes and MD&A included in Item 8 and 7, respectively, of our Annual Report on Form 10-K for the year ended December 31, 2023. This MD&A includes forward-looking statements that involve certain risks and uncertainties. See "Forward-Looking Statements" at the end of this section.

Overview

Murphy Oil Corporation is a global oil and gas exploration and production company, with both onshore and offshore operations and properties. The Company produces crude oil, natural gas and natural gas liquids primarily in the U.S. and Canada and explores for crude oil, natural gas and natural gas liquids in targeted areas worldwide. Our production in the U.S. is primarily from offshore fields in the Gulf of Mexico and onshore in the Eagle Ford Shale area of South Texas. In Canada, we produce from the onshore fields Tupper Montney and Kaybob Duvernay, in British Columbia and Alberta, and we produce from the Hibernia and Terra Nova fields, located offshore Newfoundland in the Jeanne d'Arc Basin.

Significant Company financial and operational highlights during the second quarter of 2024 were as follows:

- Produced 187,847 barrels of oil equivalent per day (including NCI) during the quarter
- Drilled a discovery at the non-operated Ocotillo #1 exploration well in Mississippi Canyon 40 in the Gulf of Mexico
- Maintained quarterly dividend of $0.30 per share or $1.20 per share annualized
- Advanced the capital allocation framework[1]:
    - Repurchased $55.9 million ($56.4 million including excise taxes and fees) of common stock, or 1,361,350 shares, at an average price of $41.03 per share
    - Completed the open market repurchase of approximately $50.0 million of long-term debt notes

[1] Details of the capital allocation framework can be found as part of the Company's Form 8-K filed on August 4, 2022 and August 8, 2024.

Subsequent to the second quarter of 2024:

- On August 7, 2024 the Company's Board of Directors authorized an increase to the share repurchase program of an additional $500 million, bringing the total amount allowed to be repurchased under the program to $1.1 billion
- As of August 7, 2024 the Company repurchased $44.1 million ($44.6 million including excise taxes and fees) of common stock, or 1,142,867 shares, and had $800 million of its common stock available to repurchase under the program

Murphy Oil Corporation's net income from continuing operations, including noncontrolling interest, for the three months ended June 30, 2024, was $156.9 million, an increase of $64.4 million compared to the same period in 2023. Higher net income from continuing operations was largely driven by lower exploration costs ($73.1 million), higher other income ($33.9 million) and lower interest expense on long-term debt ($8.9 million), partially offset by higher lease operating costs ($65.3 million). The decrease in exploration costs were driven primarily by lower dry hole costs related to the Orange #1 (Mississippi Canyon 216) exploration well that encountered non-commercial hydrocarbons in the second quarter of 2024. In the second quarter of 2023, exploration costs included dry hole costs relating to the Chinook #7 (Walker Ridge 425) exploration well in the Gulf of Mexico, and previously suspended exploration costs for the Cholula-1EXP well in Mexico. Higher other income related to foreign exchange gains and interest income on several outstanding joint interest receivables and lower interest expense on long-term debt related to debt repayments since the prior period. These were partially offset by increased workover costs in the Gulf of Mexico.

For the three months ended June 30, 2024 total hydrocarbon production was 187,847 barrels of oil equivalent per day, a decrease of 1% compared to the second quarter of 2023. The decrease was principally due to lower production in the U.S., primarily at the Eagle Ford Shale due to a lower number of new wells on production, and in the Gulf of Mexico due to downtime and timing of new wells . Decreases in the U.S. were offset by increases in Canada at both Tupper Montney, due to new wells online, and Terra Nova, which restarted production in late 2023.

Murphy Oil Corporation's net income from continuing operations, including noncontrolling interest, for the six months ended June 30, 2024 was $272.4 million, a decrease of $34.1 million compared to the same period of 2023. Lower net income from continuing operations was largely driven by higher lease operating expenses ($99.6 million), higher impairment of assets ($34.5 million), and higher DD&A expense ($15.3 million). Decreases were partially offset by higher other income ($45.6 million), lower exploration expenses ($38.9 million), lower income tax expense ($26.0 million), and lower interest expense on long-term debt ($17.7 million). Higher lease operating expenses related to workover costs at Neidermeyer and were partially offset by lower production handling costs at the King's Quay floating production facility in the Gulf of Mexico. Impairment costs related to the Calliope field were recorded in the first quarter of 2024. Higher other income related to foreign exchange gains and interest income on outstanding joint interest receivables. Exploration expense in the current period was primarily due to dry hole expenses recorded for the Orange #1 (Mississippi Canyon 216) non-operated exploratory well in the Gulf of Mexico, the previously suspended exploration costs for Hoffe Park #1 (Mississippi Canyon 166), and additional costs related to the Oso #1 (Atwater Valley 138) exploration well in the Gulf of Mexico. The Orange #1 (Mississippi Canyon 216) exploratory well encountered non-commercial hydrocarbons and was classified to dry hole expense in the second quarter of 2024. The Hoffe Park #1 (Mississippi Canyon 166) lease expired in 2024 and there are no plans for additional exploration activities. The Oso #1 (Atwater Valley 138) exploration well encountered non-commercial hydrocarbons in the fourth quarter of 2023 and operations finished in the first quarter of 2024. Lower income tax expense was driven by lower net income. Lower interest expense is driven by overall lower debt levels.

For the six months ended June 30, 2024 total hydrocarbon production was 182,259 barrels of oil equivalent per day, a decrease of 2% compared to the same period in 2023. The decrease was principally due to lower production in the U.S., primarily in the Gulf of Mexico due to downtime for workovers and timing of new wells, and in the Eagle Ford Shale due to a lower number of new wells on production in the current period. Decreases in the U.S. were substantially offset by increases in Canada at both Tupper Montney due to new wells online, and Terra Nova, which restarted production in late 2023.

Results of Operations

Murphy's Net income (loss) by type of business and geographic segment is presented below.

	Income (Loss)			
	Three Months Ended June 30,		Six Months Ended June 30,	
(Millions of dollars)	**2024**	2023	**2024**	2023
Exploration and production				
United States	**$ 185.7**	$ 168.9	**$ 320.2**	$ 394.9
Canada	**8.9**	2.5	**28.3**	24.4
Other	**(10.1)**	(32.3)	**(20.9)**	(37.6)
Total exploration and production	**184.5**	139.1	**327.6**	381.7
Corporate	**(27.7)**	(46.6)	**(55.2)**	(75.2)
Income from continuing operations	**156.8**	92.5	**272.4**	306.5
Discontinued operations [1]	**(0.6)**	(0.6)	**(1.5)**	(0.3)
Net income including noncontrolling interest	**156.2**	91.9	**270.9**	306.2
Net income (loss) attributable to noncontrolling interest	**28.5**	(6.4)	**53.2**	16.3
Net income attributable to Murphy	**$ 127.7**	$ 98.3	**$ 217.7**	$ 289.9

[1] The Company has presented its former U.K., Malaysia and U.S. refining and marketing operations as discontinued operations in its consolidated financial statements.

Exploration and Production Continuing Operations

The following section of Exploration and Production (E&P) continuing operations excludes the Corporate segment, unless otherwise noted.

The following are summarized income statements for E&P continuing operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Millions of dollars)	**2024**	2023	**2024**	2023
Revenues and other income				
Revenue from production	**$ 797.5**	$ 799.8	**$ 1,592.1**	$ 1,596.1
Sales of purchased natural gas	**3.5**	13.0	**3.7**	56.8
Other income	**1.8**	1.7	**3.4**	3.2
Total revenues and other income	**802.8**	814.5	**1,599.2**	1,656.1
Cost and Expenses				
Lease operating expenses	**259.6**	194.1	**493.9**	394.2
Severance and ad valorem taxes	**10.4**	12.8	**20.5**	24.2
Transportation, gathering and processing	**53.5**	60.0	**110.0**	113.8
Costs of purchased natural gas	**2.9**	9.7	**3.1**	41.9
Depreciation, depletion and amortization	**212.9**	213.0	**421.2**	405.8
Impairments of assets	**–**	–	**34.5**	–
Accretion of asset retirement obligations	**13.1**	11.3	**25.8**	22.5
Total exploration expenses	**42.8**	115.8	**87.2**	126.0
Selling and general expenses	**2.9**	5.4	**9.0**	14.4
Other	**(20.2)**	7.3	**(11.4)**	21.0
Results of operations before taxes	**224.9**	185.1	**405.4**	492.3
Income tax provisions	**40.4**	46.0	**77.8**	110.6
Results of operations (excluding Corporate segment) [1]	**$ 184.5**	$ 139.1	**$ 327.6**	$ 381.7

[1] Includes results attributable to a noncontrolling interest in MP GOM.

Pricing

The following table contains the weighted average sales prices for the three-month and six-month periods ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Weighted average sales prices)	**2024**	2023	**2024**	2023
Crude oil and condensate – dollars per barrel				
United States - Onshore	**$ 80.71**	$ 72.39	**$ 78.76**	$ 73.47
United States - Offshore [1]	**81.67**	73.82	**79.61**	73.54
Canada - Onshore [2]	**72.25**	68.50	**70.24**	71.46
Canada - Offshore [2]	**84.34**	80.14	**85.25**	79.26
Other [2]	**100.92**	–	**96.43**	89.05
Natural gas liquids – dollars per barrel				
United States - Onshore	**19.48**	16.60	**20.08**	19.28
United States - Offshore [1]	**22.77**	20.16	**23.56**	22.89
Canada - Onshore [2]	**35.46**	29.90	**35.16**	39.82
Natural gas – dollars per thousand cubic feet				
United States - Onshore	**1.59**	1.88	**1.77**	2.19
United States - Offshore [1]	**2.00**	2.33	**2.32**	2.81
Canada - Onshore [2]	**1.37**	1.85	**1.68**	2.17

[1] Prices include the effect of noncontrolling interest in MP GOM.
[2] U.S. dollar equivalent.

The following table contains benchmark prices relevant to the Company for the three-month and six-month periods ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Average price for the period)	**2024**	2023	**2024**	2023
Oil and NGLs				
WTI ($/BBL)	**$ 80.57**	$ 73.78	**$ 78.77**	$ 74.96
Natural gas				
NYMEX ($/MMBTU)	**2.04**	2.12	**2.23**	2.39
AECO (C$/MCF)	**1.18**	2.45	**1.84**	2.83

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

Results of Operations (Continued)

Production Volumes

The following table contains hydrocarbons produced during the three-month and six-month periods ended June 30, 2024 and 2023. For further discussion on volumes, please see "Revenues from Production" section on page 29.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Barrels per day unless otherwise noted)	**2024**	2023	**2024**	2023
Net crude oil and condensate				
United States - Onshore	**19,873**	26,880	**20,127**	23,100
United States - Offshore [1]	**66,818**	72,022	**66,448**	73,850
Canada - Onshore	**2,978**	3,097	**2,617**	3,190
Canada - Offshore	**7,506**	2,913	**6,885**	2,687
Other	**245**	212	**245**	240
Total net crude oil and condensate	**97,420**	105,124	**96,322**	103,067
Net natural gas liquids				
United States - Onshore	**4,125**	4,328	**4,145**	4,243
United States - Offshore [1]	**4,505**	6,291	**4,596**	6,316
Canada - Onshore	**494**	558	**474**	691
Total net natural gas liquids	**9,124**	11,177	**9,215**	11,250
Net natural gas – thousands of cubic feet per day				
United States - Onshore	**23,197**	24,195	**23,714**	24,178
United States - Offshore [1]	**57,762**	69,904	**55,462**	72,539
Canada - Onshore	**406,856**	352,265	**381,155**	328,878
Total net natural gas	**487,815**	446,364	**460,331**	425,595
Total net hydrocarbons - including NCI [2,3]	**187,847**	190,695	**182,259**	185,250
Noncontrolling interest				
Net crude oil and condensate – barrels per day	**(6,717)**	(5,949)	**(6,608)**	(6,279)
Net natural gas liquids – barrels per day	**(217)**	(204)	**(214)**	(218)
Net natural gas – thousands of cubic feet per day	**(2,003)**	(1,751)	**(2,039)**	(2,051)
Total noncontrolling interest [2,3]	**(7,268)**	(6,445)	**(7,162)**	(6,839)
Total net hydrocarbons - excluding NCI [2,3]	**180,579**	184,250	**175,097**	178,411

[1] Includes net volumes attributable to a noncontrolling interest in MP GOM.

[2] Natural gas converted on an energy equivalent basis of 6:1.

[3] NCI – noncontrolling interest in MP GOM.

Results of Operations (Continued)

Revenues from Production

The Company's production revenues by country and product were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Millions of dollars)	**2024**	2023	**2024**	2023
Revenues from production				
United States - Oil	**$ 647.6**	$ 657.8	**$ 1,270.6**	$ 1,288.3
United States - Natural gas liquids	**16.6**	18.1	**34.9**	41.0
United States - Natural gas	**13.9**	18.9	**31.0**	46.5
Canada - Oil	**62.9**	44.1	**131.6**	82.2
Canada - Natural gas liquids	**1.6**	1.6	**3.0**	5.0
Canada - Natural gas	**50.6**	59.2	**116.8**	129.4
Other - Oil	**4.3**	0.1	**4.2**	3.7
Total revenue from production	**$ 797.5**	$ 799.8	**$ 1,592.1**	$ 1,596.1

Revenues from production for the three months ended June 30, 2024 decreased $2.3 million compared to the same period in 2023. Lower revenue was driven by increased workovers, downtime and timing of wells in the Gulf of Mexico, fewer wells brought online in the Eagle Ford Shale and lower realized natural gas prices in Tupper Montney. These effects were partially offset by increased production due to prior period downtime and improved well performance in the Gulf of Mexico, the Terra Nova field restarting production in the fourth quarter of 2023, new wells online at Tupper Montney, and higher oil prices.

Revenues from production for the six months ended June 30, 2024 decreased $4.0 million compared to the same period in 2023. Lower revenues were primarily related to workovers and downtime in the Gulf of Mexico, fewer new wells brought online in the Eagle Ford Shale, and lower realized natural gas prices in Tupper Montney. These effects were partially offset by new wells online at Tupper Montney, restarting production at Terra Nova in late 2023, and higher oil prices.

Natural gas is purchased and subsequently sold to third parties in order to provide operational flexibility and cost mitigation for transportation commitments. Sales of purchased natural gas is included in "Total revenues and other income" and cost to purchase natural gas is included in "Costs and Expenses" in the summarized income statements for E&P continuing operations on page 26.

Lease Operating and Transportation, Gathering and Processing Expenses

The Company's total lease operating expenses and transportation, gathering and processing (TGP) expenses by geographic area were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	(Millions of dollars)		(Dollars per equivalent barrel)		(Millions of dollars)		(Dollars per equivalent barrel)	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Lease operating expenses								
United States - Onshore	**$ 37.0**	$ 36.7	**$ 14.61**	$ 11.45	**$ 72.7**	$ 74.0	**$ 14.14**	$ 13.03
United States - Offshore	**175.2**	120.0	**23.58**	14.72	**326.2**	245.2	**21.96**	14.71
Canada - Onshore	**35.3**	34.1	**5.43**	6.01	**66.2**	67.8	**5.46**	6.38
Canada - Offshore	**11.6**	3.4	**22.60**	10.96	**28.1**	6.5	**24.43**	12.60
Other	**0.5**	0.1	**12.26**	–	**0.7**	0.7	**16.10**	17.51
Total lease operating expenses	**$ 259.6**	$ 194.3	**$ 15.27**	$ 11.21	**$ 493.9**	$ 394.2	**$ 14.83**	$ 11.76
TGP expenses								
United States - Onshore	**2.4**	2.7	**0.93**	0.80	**5.0**	6.8	**0.99**	1.19
United States - Offshore	**31.8**	37.2	**4.29**	4.57	**65.8**	70.5	**4.43**	4.23
Canada - Onshore	**18.8**	19.1	**2.89**	3.37	**36.7**	34.4	**3.03**	3.24
Canada - Offshore	**0.5**	1.0	**1.01**	3.08	**2.5**	2.1	**2.13**	4.08
Total TGP expenses	**$ 53.5**	$ 60.0	**$ 3.14**	$ 3.45	**$ 110.0**	$ 113.8	**$ 3.30**	$ 3.39

For the three months ended June 30, 2024 lease operating expenses increased by $65.3 million and TGP expenses decreased by $6.5 million, compared to the same period in 2023. Higher lease operating expenses were due to workover activity at the Neidermeyer field in the Gulf of Mexico, higher production at Terra nova, and were partially offset by lower production handling fees in the Gulf of Mexico. Lower TGP expenses during the quarter were a result of lower production volumes in the Gulf of Mexico.

For the six months ended June 30, 2024, lease operating expenses increased by $99.7 million and TGP expenses decreased by $3.8 million, compared to the same period in 2023. Higher lease operating expenses were primarily due to workovers in the Gulf of Mexico and higher production at Terra Nova. Lower TGP expenses resulted primarily from lower production volumes in the Gulf of Mexico.

Depreciation, Depletion and Amortization Expense

The Company's depreciation, depletion and amortization (DD&A) expense by geographic area were as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	(Millions of dollars)		(Dollars per equivalent barrel)		(Millions of dollars)		(Dollars per equivalent barrel)	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
DD&A expense								
United States - Onshore	**$ 75.1**	$ 84.8	**$ 29.64**	$ 26.44	**$ 149.2**	$ 149.3	**$ 29.04**	$ 26.30
United States - Offshore	**99.9**	93.2	**13.44**	11.44	**199.8**	188.9	**13.45**	11.33
Canada - Onshore	**30.8**	32.1	**4.76**	5.65	**59.0**	61.8	**4.86**	5.82
Canada - Offshore	**6.2**	2.9	**12.00**	9.48	**12.3**	4.9	**10.71**	9.40
Other	**0.9**	–	**20.69**	–	**0.9**	0.9	**20.68**	21.75
Total DD&A expense	**$ 212.9**	$ 213.0	**$ 12.52**	$ 12.28	**$ 421.2**	$ 405.8	**$ 12.64**	$ 12.10

DD&A expense for the three months ended June 30, 2024 decreased by $0.1 million, compared to the same period in 2023. The decrease is primarily due to lower production volumes in U.S. Offshore and Onshore, offset by increased rates in the Gulf of Mexico, and higher production volumes in Canada Offshore and Onshore.

DD&A expense for the six months ended June 30, 2024 increased by $15.4 million, compared to the same period in 2023. Higher DD&A expense from U.S. E&P resulted from higher rates in the Gulf of Mexico, partially offset by lower production. Higher DD&A expense for Canada Offshore and Onshore was primarily the result of increased production volumes.

Impairment of Assets

For the three months ended June 30, 2024, there were no impairments. For the six months ended June 30, 2024, the Company impaired assets for $34.5 million related to Calliope field in Mississippi Canyon in the Gulf of Mexico as a result of operational issues that led to a reserve reduction.

There were no impairments in the three and six months ended June 30, 2023.

Exploration Expenses

The Company's exploration expenses were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(Millions of dollars)	**2024**	2023	**2024**	2023
Exploration expenses				
Dry holes and previously suspended exploration costs	**$ 25.9**	$ 95.6	**$ 58.3**	$ 96.5
Geological and geophysical	**8.2**	10.5	**9.6**	11.3
Other exploration	**5.7**	7.0	**13.5**	12.8
Undeveloped lease amortization	**3.0**	2.7	**5.8**	5.4
Total exploration expenses	**$ 42.8**	$ 115.8	**$ 87.2**	$ 126.0

Exploration expenses for the three months ended June 30, 2024 decreased by $73.0 million compared to the prior year, primarily the result of lower dry hole costs in the current period. Dry hole costs in the current period represented costs associated with the Orange #1 (Mississippi Canyon 216) non-operated exploration well in the U.S. Gulf of Mexico, that encountered non-commercial hydrocarbons in the second quarter of 2024. In the second quarter of 2023, we recorded expenses related to previously suspended exploration costs at the Cholula-1EXP well in Mexico, as well as dry hole costs related to Chinook #7 (Walker Ridge 425) exploration well in U.S. Gulf of Mexico.

Exploration expenses for the six months ended June 30, 2024 decreased by $38.8 million compared to the same period in 2023. In the current period, dry hole costs were recorded for the Orange #1 (Mississippi Canyon 216) non-operated exploration well, and for the previously suspended exploration well at Hoffe Park #1 (Mississippi Canyon 166) in the U.S. Gulf of Mexico. In 2023, we recorded previously suspended exploration costs for the Cholula-1EXP well in Mexico and dry hole costs for the Chinook #7 (Walker Ridge 425) exploration well in the U.S. Gulf of Mexico.

Other

Other expenses for the three and six months ended June 30, 2024 decreased by $27.5 million and $32.4 million, respectively, compared to the same periods in 2023. This decrease was due to a combination of interest income received, and a favorable tax settlement related to U.S. Onshore activities.

Results of Operations (Continued)

Income Taxes

Income taxes for the three and six months ended June 30, 2024 decreased by $5.6 million and $32.8 million, respectively, compared to the same periods in 2023. Lower income taxes for each period, respectively, were primarily the result of Canada tax credits received in the current quarter, and lower year-to-date pre-tax income.

Corporate

Corporate activities included interest expense and income, foreign exchange effects and corporate overhead not allocated to E&P.

Corporate activities reported a loss of $27.7 million for the three months ended June 30, 2024, a favorable variance of $18.9 million compared to the same period of 2023. The favorable variance was primarily due to foreign exchange gains ($13.2 million) and decreased interest expense ($8.8 million), partially offset by lower income tax benefits ($3.5 million). Lower interest expense for the current period was primarily due to lower overall debt levels. Lower income tax benefit was the result of lower pre-tax losses.

Corporate activities reported a loss of $55.2 million for the six months ended June 30, 2024, a favorable variance of $20.0 million compared to the same period of 2023. The favorable variance was primarily due to foreign exchange gains ($24.1 million) and lower interest expense ($17.8 million), partially offset by increased selling and general expense ($15.7 million) and lower income tax benefits ($6.9 million). Lower interest expense for the current period was primarily due to lower overall debt levels. Higher selling and general expenses for the six months ended June 30, 2024 were primarily the result of the timing of corporate donations. Lower income tax benefit was the result of lower pre-tax losses.

Financial Condition

The Company's primary sources of liquidity are cash on hand, net cash provided by continuing operations activities and available borrowing capacity under its senior unsecured RCF. The Company's liquidity requirements consist primarily of capital expenditures, debt maturity, retirement and interest payments, working capital requirements, dividend payments, and, as applicable, share repurchases.

Cash Flows

The following table presents the Company's cash flows for the periods presented:

	Six Months Ended June 30,	
(Thousands of dollars)	**2024**	2023
Net cash provided by (required by):		
Net cash provided by continuing operations activities	**$ 866.4**	$ 749.7
Net cash required by investing activities	**(516.9)**	(694.8)
Net cash required by financing activities	**(334.3)**	(176.6)
Effect of exchange rate changes on cash and cash equivalents	**1.3**	(0.9)
Net increase (decrease) in cash and cash equivalents	**$ 16.5**	$ (122.6)

Cash Provided by Continuing Operations Activities

Net cash provided by continuing operations activities for the six months ended June 30, 2024 was $116.7 million higher compared to the same period in 2023. The increase was primarily attributable to no contingent consideration payments related to prior Gulf of Mexico acquisitions in 2024 (2023: $139.6 million), lower spend on abandonments in 2024 ($62.0 million), and higher other income ($19.3 million).These increases were partially offset by increased lease operating expenses ($99.6 million).

Payments of contingent consideration are shown both in "Operating Activities" and "Financing Activities" in the Company's Consolidated Statements of Cash Flows; amounts considered as financing activities are those amounts paid up to the original estimated contingent consideration liability included in the purchase price allocation, at the time of acquisition. Any contingent consideration paid above the original estimated liability, included in the purchase price, are considered operating activities. During the six months ended June 30, 2023, the Company paid a total of $199.8 million in contingent consideration, of which $139.6 million is shown in "Operating Activities" and $60.2 million is shown in "Financing Activities" in the Company's Consolidated Statements of Cash Flows. As of the end of the second quarter of 2023, the Company had no further obligation payable for contingent consideration relating to prior Gulf of Mexico acquisitions.

Cash Required by Investing Activities

Net cash required by investing activities for the six months ended June 30, 2024 was $177.9 million lower compared to the same period in 2023. The decrease was due to lower property additions and dry hole costs.

A reconciliation of "Property additions and dry hole costs" in the Consolidated Statements of Cash Flows to total capital expenditures for continuing operations follows.

	Six Months Ended June 30,	
(Millions of dollars)	**2024**	2023
Property additions and dry hole costs per cash flow statements	**$ 516.9**	$ 694.8
Geophysical and other exploration expenses	**19.0**	20.0
Capital expenditure accrual changes and other	**28.8**	(16.5)
Total capital expenditures	**$ 564.7**	$ 698.3

Total accrual basis capital expenditures are shown below.

	Six Months Ended June 30,	
(Millions of dollars)	**2024**	2023
Capital Expenditures		
Exploration and production	**$ 556.3**	$ 688.4
Corporate	**8.4**	9.9
Total capital expenditures	**$ 564.7**	$ 698.3

Lower capital expenditures in the six months ended June 30, 2024 compared to the same period of 2023 was primarily attributable to lower exploration expenditures in the Gulf of Mexico, and lower development expenditures at Eagle Ford Shale, partially offset by higher development expenditures at various Gulf of Mexico fields.

Capital expenditures in 2024 primarily relate to development drilling and field development activities at Eagle Ford Shale ($164.7 million), at Tupper Montney ($71.2 million) and Kaybob Duvernay ($24.1 million) in Canada, and at the Khaleesi, Mormont, Samurai, Lucius and St. Malo fields in the Gulf of Mexico ($182.9 million). Other international field development activities were ($15.5 million), and total exploration costs were $84.1 million.

Total exploration costs in 2024 were in the Gulf of Mexico for the Orange #1 (Mississippi Canyon 216) exploration well, that encountered non-commercial hydrocarbons, the Ocotillo #1 (Mississippi Canyon 40) exploration well, and additional costs related to Oso #1 (Atwater Valley 138) exploration well, which encountered non-commercial hydrocarbons in the fourth quarter of 2023 and finished operations in the first quarter of 2024.

Financial Condition (Continued)

Cash Required by Financing Activities

Net cash required by financing activities for the six months ended June 30, 2024 increased by $157.7 million compared to the same period in 2023. In 2024, the cash used in financing activities was principally for the repurchase of common shares ($105.9 million), excluding accrued excise tax), cash dividends to shareholders of $0.60 per share ($91.5 million), withholding tax on stock-based incentive awards ($25.3 million), distributions to the noncontrolling interest in the Gulf of Mexico ($61.2 million), and debt repurchases of $50.0 million. In 2023, there were cash dividends to shareholders $85.9 million, withholding tax on stock-based incentive awards ($14.2 million), distributions to the noncontrolling interest in the Gulf of Mexico ($16.0 million), and contingent consideration related to prior Gulf of Mexico acquisitions ($60.2 million) as discussed in the "Cash Provided by Operating Activities" section.

Liquidity

At June 30, 2024 the Company had approximately $1.1 billion of liquidity consisting of $333.6 million in cash and cash equivalents and $796.3 million available on its committed senior unsecured RCF with a major banking consortium.

The Company's $800 million senior unsecured RCF expires in November 2027 and as of June 30, 2024 the Company had no outstanding borrowings under the RCF and $3.7 million of outstanding letters of credit, which reduce the borrowing capacity of the facility. At June 30, 2024 the interest rate in effect on borrowings under the facility would have been 7.69%. At June 30, 2024 the Company was in compliance with all covenants related to the RCF.

Cash and invested cash are maintained in several operating locations outside the U.S. As of June 30, 2024 cash and cash equivalents held outside the U.S. included U.S. dollar equivalents of approximately $67.8 million, the majority of which was held in Canada ($36.3 million). In certain cases, the Company could incur cash taxes or other costs should these cash balances be repatriated to the U.S. in future periods. Canada currently collects a 5% withholding tax on any earnings repatriated to the U.S.

Working Capital

(Millions of dollars)	**June 30, 2024**	December 31, 2023
Working capital		
Total current assets	**$ 757.4**	$ 752.2
Total current liabilities	**927.6**	846.5
Net working capital liability	**$ (170.2)**	$ (94.3)

As of June 30, 2024 net working capital decreased by $75.9 million compared to December 31, 2023. The decrease was primarily attributable to higher accounts payable ($60.9 million) and higher operating lease liabilities ($46.9 million). The decrease was partially offset by lower other accrued liabilities ($26.1 million) and a higher cash balance ($16.5 million).

Higher operating lease liabilities are primarily attributable to the current portion of lease extensions recorded during the period related to a drill ship in the U.S. Gulf of Mexico (See Note Q for additional detail). Higher accounts payable were primarily due to workover activity in the U.S. Gulf of Mexico, and other timing of cash payments.

Capital Employed

A summary of capital employed at June 30, 2024 and December 31, 2023 follows.

	June 30, 2024		December 31, 2023	
(Millions of dollars)	**Amount**	**%**	Amount	%
Capital employed				
Long-term debt	**$ 1,279.3**	**19.4 %**	$ 1,328.3	19.9 %
Murphy shareholders' equity	**5,323.7**	**80.6 %**	5,362.8	80.1 %
Total capital employed	**$ 6,603.0**	**100.0 %**	$ 6,691.1	100.0 %

At June 30, 2024 long-term debt of $1,279.3 million decreased by $49.0 million compared to December 31, 2023, primarily as a result of the open market repurchase of $50.0 million. The total of the fixed-rate notes had a weighted average maturity of 7.8 years and a weighted average coupon of 6.2%.

Murphy shareholders' equity decreased by $39.1 million in 2024 primarily due to shares repurchased ($106.5 million, including excise tax), cash dividends paid ($91.5 million) and unrealized foreign currency translation losses ($52.4 million), partially offset by net income earned ($217.7 million). A summary of transactions in stockholders' equity accounts is presented in the Consolidated Statements of Stockholders' Equity on page 6 of this Form 10-Q report.

Critical Accounting Estimates

As of June 30, 2024 there have been no significant changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended December 31, 2023.

Accounting Changes and Recent Accounting Pronouncements

See Note B to the Consolidated Financial Statements regarding the impact or potential impact of recent accounting pronouncements upon our financial position and results of operations.

Other Key Performance Metrics

The Company uses other operational performance and income metrics to review operational performance. Management uses adjusted net income, earnings before interest, taxes, depreciation and amortization (EBITDA) and adjusted EBITDA internally to evaluate the Company's operational performance and trends between periods and relative to its industry competitors. Adjusted net income excludes certain items that management believes affect the comparability of results between periods. Management believes this information may be useful to investors and analysts to gain a better understanding of the Company's financial results. Adjusted net income, EBITDA, and adjusted EBITDA are non-GAAP financial measures and should not be considered a substitute for net income (loss) or cash provided by operating activities as determined in accordance with GAAP.

The following table reconciles reported net income attributable to Murphy to adjusted net income from continuing operations attributable to Murphy.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Millions of dollars, except per share amounts)	**2024**	2023	**2024**	2023
Net income attributable to Murphy (GAAP) [1]	**$ 127.7**	$ 98.3	**$ 217.7**	$ 289.9
Discontinued operations loss	**0.6**	0.6	**1.5**	0.3
Net income from continuing operations attributable to Murphy	**128.3**	98.9	**219.2**	290.2
Adjustments:				
Impairment of assets	**–**	–	**34.5**	–
Write-off of previously suspended exploration well	**–**	17.1	**26.1**	17.1
Foreign exchange (gain) loss	**(5.5)**	7.9	**(16.0)**	8.3
Mark-to-market loss on contingent consideration	**–**	3.2	**–**	7.1
Total adjustments, before taxes	**(5.5)**	28.2	**44.6**	32.5
Income tax benefit related to adjustments	**1.4**	(2.7)	**(8.8)**	(3.6)
Total adjustments after taxes	**(4.1)**	25.5	**35.8**	28.9
Adjusted net income from continuing operations attributable to Murphy (Non-GAAP)	**$ 124.2**	$ 124.4	**$ 255.0**	$ 319.1
Net income from continuing operations per average diluted share (GAAP)	**$ 0.83**	0.62	**$ 1.43**	1.84
Adjusted net income from continuing operations per average diluted share (Non-GAAP)	**$ 0.81**	0.79	**$ 1.66**	2.03

[1] Excludes amounts attributable to a noncontrolling interest in MP GOM.

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

Other Key Performance Metrics (Continued)

The following table reconciles reported net income attributable to Murphy to EBITDA attributable to Murphy and adjusted EBITDA attributable to Murphy.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Millions of dollars)	**2024**	2023	**2024**	2023
Net income attributable to Murphy (GAAP) [1]	**$ 127.7**	$ 98.3	**$ 217.7**	$ 289.9
Income tax expense	**32.6**	34.9	**62.7**	88.7
Interest expense, net	**21.0**	29.9	**41.0**	58.7
Depreciation, depletion and amortization expense [1]	**207.4**	210.1	**410.1**	399.3
EBITDA attributable to Murphy (Non-GAAP)	**388.7**	373.2	**731.5**	836.6
Impairment of asset	**–**	–	**34.5**	–
Write-off of previously suspended exploration well	**–**	17.1	**26.1**	17.1
Accretion of asset retirement obligations [1]	**11.7**	10.1	**23.1**	20.0
Foreign exchange (gain) loss	**(5.4)**	7.9	**(15.9)**	8.3
Mark-to-market loss on contingent consideration	**–**	3.2	**–**	7.1
Discontinued operations loss	**0.6**	0.6	**1.5**	0.3
Adjusted EBITDA attributable to Murphy (Non-GAAP)	**$ 395.6**	$ 412.1	**$ 800.8**	$ 889.4

[1] Excludes amounts attributable to a noncontrolling interest in MP GOM.

Outlook

The oil and gas industry is impacted by global commodity pricing and as a result the prices for the Company's primary products are often volatile and are affected by the levels of supply and demand for energy. As discussed in the "Results of Operations" section discussing revenues, on page 29, higher average crude oil price during the second quarter of 2024, and lower average natural gas pricing compared to same period in 2023 directly impacted the Company's product sales revenue.

As of close on August 6, 2024, forward price curves for existing forward contracts for the remainder of 2024 and 2025 are shown in the table below:

	2024	2025
WTI ($/BBL)	72.10	69.17
NYMEX ($/MMBTU)	2.45	3.16
AECO (US$ Equivalent/MCF)	1.19	1.90

Similar to the overall inflation and higher interest rates in the wider economy, the oil and gas industry and the Company are observing higher costs for goods and services used in E&P operations. Murphy continues to manage input costs through its dedicated procurement department focused on managing supply chain and other costs to deliver cash flow from operations.

We cannot predict what impact economic factors (including, but not limited to, inflation, global conflicts and possible economic recession) may have on future commodity pricing. Lower prices, should they occur, will result in lower profits and operating cash flows. For the third quarter of 2024, production is expected to average between 181.5 and 189.5 thousand barrels of oil equivalents per day (MBOEPD), excluding noncontrolling interest.

The Company's capital expenditure spend for 2024 is expected to be between $920 million and $1,020 million, excluding noncontrolling interest. Capital and other expenditures are routinely reviewed and planned capital expenditures may be adjusted to reflect differences between budgeted and forecast cash flow during the year. Capital expenditures may also be affected by asset purchases or sales, which often are not anticipated at the time a budget is prepared. The Company will primarily fund its capital program in 2024 using operating cash flow and available cash. If oil and/or natural gas prices weaken, actual cash flow generated from operations could be reduced such that capital spending reductions are required and/or borrowings under available credit facilities might be required during the year to maintain funding of the Company's ongoing development projects.

The Company plans to utilize surplus cash (not planned to be used by operations, investing activities, dividends or payment to noncontrolling interests), in accordance with the Company's capital allocation framework designed to allow for additional shareholder returns and debt reduction. Details of the framework can be found in the "Capital Allocation Framework" section of the Company's Form 8-K filed on August 4, 2022 and August 8, 2024. In October 2023 and August 2024, the Company's Board of Directors authorized an aggregate of $800 million increase to the original share repurchase program announced in the Capital Allocation Framework, bringing the total amount allowed to be repurchased under the program to $1.1 billion. On August 7, 2024 the Company's Board of Directors approved a revision to the Capital Allocation Framework to enable the Company to move to the next phase ("Murphy 3.0"). Beginning in the third quarter of 2024, Murphy will allocate a minimum of 50 percent of adjusted free cash flow to shareholder returns, primarily through share buybacks. The remainder of adjusted free cash flow will be allocated to the balance sheet. Murphy continues to be committed to maintaining a $1.0 billion total long-term debt goal.

Subsequent to the second quarter of 2024, the Company repurchased 1,142,867 shares of its common stock in open-market transactions for $44.1 million, excluding taxes and fees. As of August 7, 2024, the Company had $800 million of its common stock remaining available to repurchase under the program.

The Company continues to monitor the impact of commodity prices on its financial position and is currently in compliance with the covenants related to the RCF (see Note E).

As of August 6, 2024, the Company has entered into forward fixed-price delivery contracts to manage risk associated with certain future oil and natural gas sales prices as follows:

Area	Commodity	Type	Volumes (MMcf/d)	Price/MCF	Remaining Period	
					Start Date	End Date
Canada	Natural Gas	Fixed price forward sales	162	C$2.39	7/1/2024	12/31/2024
Canada	Natural Gas	Fixed price forward sales	28	C$2.76	1/1/2025	12/31/2025
Canada	Natural Gas	Fixed price forward sales	50	C$3.03	1/1/2026	12/31/2026
Canada	Natural Gas	Fixed price forward sales	25	US$1.98	7/1/2024	10/31/2024
Canada	Natural Gas	Fixed price forward sales	15	US$1.98	11/1/2024	12/31/2024

Forward-Looking Statements

This Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim", "anticipate", "believe", "drive", "estimate", "expect", "expressed confidence", "forecast", "future", "goal", "guidance", "intend", "may", "objective", "outlook", "plan", "position", "potential", "project", "seek", "should", "strategy", "target", "will" or variations of such words and other similar expressions. These statements, which express management's current views concerning future events, results and plans, are subject to inherent risks, uncertainties and assumptions (many of which are beyond our control) and are not guarantees of performance. In particular, statements, express or implied, concerning the Company's future operating results or activities and returns or the Company's ability and decisions to replace or increase reserves, increase production, generate returns and rates of return, replace or increase drilling locations, reduce or otherwise control operating costs and expenditures, generate cash flows, pay down or refinance indebtedness, achieve, reach or otherwise meet initiatives, plans, goals, ambitions or targets with respect to emissions, safety matters or other ESG (environmental/social/governance) matters, make capital expenditures or pay and/or increase dividends or make share repurchases and other capital allocation decisions are forward-looking statements. Factors that could cause one or more of these future events, results or plans not to occur as implied by any forward-looking statement, which consequently could cause actual results or activities to differ materially from the expectations expressed or implied by such forward-looking statements, include, but are not limited to: macro conditions in the oil and gas industry, including supply/demand levels, actions taken by major oil exporters and the resulting impacts on commodity prices; geopolitical concerns; increased volatility or deterioration in the success rate of our exploration programs or in our ability to maintain production rates and replace reserves; reduced customer demand for our products due to environmental, regulatory, technological or other reasons; adverse foreign exchange movements; political and regulatory instability in the markets where we do business; the impact on our operations or market of health pandemics such as COVID-19 and related government responses; other natural hazards impacting our operations or markets; any other deterioration in our business, markets or prospects; any failure to obtain necessary regulatory approvals; any inability to service or refinance our outstanding debt or to access debt markets at acceptable prices; or adverse developments in the U.S. or global capital markets, credit markets, banking system or economies in general, including inflation. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see "Risk Factors" in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") and on page 41 of this Form 10-Q report, and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC's website and from Murphy Oil Corporation's website at http://ir.murphyoilcorp.com. Investors and others should note that we may announce material information using SEC filings, press releases, public conference calls, webcasts and the investors page of our website. We may use these channels to distribute material information about the Company; therefore, we encourage investors, the media, business partners and others interested in the Company to review the information we post on our website. The information on our website is not part of, and is not incorporated into, this report. Murphy Oil Corporation undertakes no duty to publicly update or revise any forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

There were no derivative commodity contracts in place at June 30, 2024.

There were no derivative foreign exchange contracts in place at June 30, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Under the direction of its principal executive officer and principal financial officer, controls and procedures have been established by the Company to ensure that material information relating to the Company and its consolidated subsidiaries is made known to the officers who certify the Company's financial reports and to other members of senior management and the Board of Directors.

Based on the Company's evaluation as of the end of the period covered by the filing of this Quarterly Report on Form 10-Q, the principal executive officer and principal financial officer of Murphy Oil Corporation have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to ensure that the information required to be disclosed by Murphy Oil Corporation in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

During the quarter ended June 30, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Murphy and its subsidiaries are engaged in a number of legal proceedings (including litigation related to climate change), all of which Murphy considers routine and incidental to its business. Based on information currently available to the Company, the ultimate resolution of matters referred to in this item is not expected to have a material adverse effect on the Company's net income, financial condition or liquidity in a future period.

ITEM 1A. RISK FACTORS

The Company's operations in the oil and gas business naturally lead to various risks and uncertainties. These risk factors are discussed in Item 1A Risk Factors in the Company's 2023 Form 10-K filed on February 23, 2024. In March 2024, the SEC finalized its climate disclosure rule, SEC Release No. 34-99678, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*, which requires registrants to provide certain climate-related information in their annual reports. In April 2024, the SEC stayed the climate disclosure rule pending judicial review. The Company has not identified any additional risk factors not previously disclosed in its 2023 Form 10-K report or noted above.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchase of Equity Securities:

The following table summarizes repurchases of our common stock occurring in the second quarter 2024.

Period	Total Number of Shares Purchased	Average Price Paid Per Share[1]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[4]	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under Plans or Programs[2,3,4] (in thousands)
April 1 through April 30, 2024	–	$ –	–	$ 400,000
May 1 through May 31, 2024	590,034	$ 42.37	590,034	$ 375,000
June 1 through June, 30, 2024	771,316	$ 40.01	771,316	$ 344,000

[1] Amounts exclude 1% excise tax and fees on share repurchases.

[2] In August 2022 and October 2023, the Board authorized an initial share repurchase program of up to $600 million of the Company's common stock. Pursuant to the share repurchase program, the Company may repurchase shares through open market purchases, privately negotiated transactions and other means in accordance with federal securities laws. This repurchase program has no time limit and may be suspended or discontinued completely at any time without prior notice as determined by the Company at its discretion. On August 7, 2024, the Company's Board of Directors authorized an increase to the share repurchase program of an additional $500 million, bringing the total amount allowed to be repurchased under the program to $1.1 billion. In addition, the Company's Board of Directors approved a revision to the Capital Allocation Framework to enable the Company to move to the next phase ("Murphy 3.0"). Beginning in the third quarter of 2024, Murphy will allocate a minimum of 50 percent of adjusted free cash flow to shareholder returns, primarily through share buybacks. The remainder of adjusted free cash flow will be allocated to the balance sheet.

[3] Maximum approximate dollar values reported represent amounts at end of the month. Since the inception of the share repurchase program through to the end of the second quarter of 2024, the Company has repurchased 6,045,753 shares of its common stock in open-market transactions for $255.8 million, excluding taxes and fees.

[4] Subsequent to the second quarter of 2024, the Company repurchased 1,142,867 shares of its common stock in open-market transactions for $44.1 million, excluding taxes and fees. As of August 7, 2024 the Company had $800 million of its common stock remaining available to repurchase under the program.

ITEM 5. OTHER INFORMATION

(a) On August 6, 2024, in connection with his recent promotion to President and Chief Operating Officer, the Company entered into an amendment to the Severance Protection Agreement between the Company and Eric M. Hambly (the “Severance Protection Agreement Amendment”). Pursuant to the Severance Protection Agreement Amendment (i) Mr. Hambly’s severance multiplier has increased from 2 times to 3 times and (ii) the length of Mr. Hambly’s continued life, accident and health insurance coverage has increased from 30-months to 36-months. The terms of Mr. Hambly’s agreement, which were described in the section titled “2023 Potential Payments Upon Termination or Change in Control Table” of the Company’s definitive proxy statement filed with the Securities and Exchange Commission on March 21, 2024, otherwise remained unchanged.

The foregoing description of the Severance Protection Agreement, as amended, does not purport to be complete and is qualified in its entirety by reference to the form of Severance Protection Agreement, a copy of which is filed as an exhibit to this Quarterly Report.

(b) Not used.

(c) During the three months ended June 30, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

The Exhibit Index on page 44 of this Form 10-Q report lists the exhibits that are hereby filed or incorporated by reference.

SIGNATURE

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

MURPHY OIL CORPORATION
(Registrant)

By /s/ PAUL D. VAUGHAN
Paul D. Vaughan
Vice President and Controller
(Chief Accounting Officer and Duly Authorized Officer)

August 8, 2024
(Date)

EXHIBIT INDEX

The following is an index of exhibits that are hereby filed as indicated by asterisk (*), that are considered furnished rather than filed, or that are incorporated by reference. Exhibits other than those listed have been omitted since they are either not required or not applicable.

Exhibit No.	
10.36	Severance Protection Agreement dated as of August 7, 2013 between Murphy Oil Corporation and Roger W. Jenkins (incorporated by reference to Exhibit 10.1 to Form 8-K of Registrant filed on August 9, 2013)
10.37	Amendment to Severance Protection Agreement dated as of August 7, 2013, between Murphy Oil Corporation and Roger W. Jenkins (incorporated by reference to Exhibit 10.1 to Form 10-Q of Registrant filed on May 2, 2019)
*10.38	Form of Severance Protection Agreement
*31.1	Certification required by Rule 13a-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification required by Rule 13a-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certifications pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101. INS	Inline XBRL Instance Document
101. SCH	Inline XBRL Taxonomy Extension Schema Document
101. CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101. DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101. LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document
101. PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SEVERANCE PROTECTION AGREEMENT

THIS AGREEMENT (the "**Agreement**") made as of the [•] day of [•], [•] (the "Effective Date"), by and between Murphy Oil Corporation, a Delaware corporation, and its Successors and Assigns (collectively, the "**Company**") and [•] ("**Executive**"). Unless otherwise indicated, capitalized terms used in this Agreement shall have the meanings as set forth in Section 15.

WHEREAS, the Board of Directors of the Company, acting through its Executive Compensation Committee (the "**Committee**"), recognizes that the possibility of a Change in Control exists and that the threat or the occurrence of a Change in Control and its inherent uncertainties can result in significant distractions of its key management personnel;

WHEREAS, the Committee has determined that it is essential and in the best interest of the Company and its stockholders to retain the services of Executive in the event of a threat or occurrence of a Change in Control and to ensure Executive's continued dedication and efforts in such event; and

WHEREAS, in order to induce Executive to remain in the employ of the Company, particularly in the event of a threat or occurrence of a Change in Control, the Company desires to enter into this Agreement with Executive to provide Executive with certain benefits in the event Executive's employment is terminated as a result of, or in connection with, a Change in Control.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. Term of Agreement; Consent. The term of this Agreement (the "**Term**") shall commence as of the Effective Date and shall continue in effect until the third anniversary of the Effective Date; provided, however, that the Term shall automatically be extended for additional successive one year periods unless either the Company or Executive provides written notice to the other at least 90 days prior to the end of the Term as then in effect that the Term shall not be so extended. Notwithstanding the foregoing, (i) if a Change in Control occurs during the Term, the Term shall remain in effect until the date that is 24 months after the occurrence of a Change in Control and (ii) this Agreement shall expire and be of no further force and effect in the event of any termination of Executive's employment that occurs prior to a Change in Control.

2. Termination of Employment.

2.1 Amount of Compensation and Benefits. If, during the Term, Executive's employment with the Company is terminated within 24 months following a Change in Control, Executive shall be entitled to the following compensation and benefits:

(a) If such termination of Executive's employment is (1) by the Company for Cause or Disability, (2) by reason of Executive's death, or (3) by Executive for other than Good Reason, the Company shall pay Executive the Accrued Compensation.

(b) If such termination of Executive's employment is for any reason other than as specified in Section 2.1(a), Executive shall be entitled to the following payments and benefits:

(i) the Company shall pay Executive the Accrued Compensation;

(ii) the Company shall pay Executive as severance pay an amount in cash equal to [three (3)][two (2)][1] times the sum of (A) the Base Salary and (B) the Bonus Amount, paid in a single lump sum cash payment on the 60th day after the date of the termination of the Executive's employment; and

(iii) Any stock options or other equity-based awards including, without limitation, restricted stock unit awards and stock appreciation rights held by Executive that are outstanding on the Termination Date (collectively, "**Company Equity Awards**") and any stock options or other equity-based awards into which the Company Equity Awards are converted, or stock options or other equity-based awards granted in substitution for the Company Equity Awards, shall on the Termination Date become fully vested, exercisable and payable, as applicable; *provided*, *however*, that all performance based restricted stock unit or similar awards shall be paid out at target or 100% performance, as the case may be. Notwithstanding the foregoing, no stock option or other equity-based award shall be exercisable after the specified maximum term of the stock option or other equity-based award, as set forth in the applicable Company equity- based compensation plan or award agreement.

(iv) For the [36][30][2]-month period immediately following the Termination Date, the Company shall arrange to provide Executive and Executive's dependents life, accident, and health insurance benefits substantially similar to those provided to Executive and Executive's dependents immediately prior to the Termination Date or, if more favorable to Executive, those provided to Executive and Executive's dependents immediately prior to the first occurrence of an event or circumstance constitut

[1] Insert as applicable.

[2] Insert as applicable.

ing Good Reason, at no greater cost to Executive than the cost to Executive immediately prior to such date or occurrence; *provided*, *however*, if providing such benefits could subject the Company, Executive or any applicable Company plan to any excise tax for failure to comply with any law applicable to group health plans which becomes effective after the Effective Date, the Company and Executive shall in good faith renegotiate this Section 2.1(b)(iv) to achieve a result that preserves as closely as possible the parties' intended after-tax economic positions under this Section 2.1(b)(iv).

(c) If at the time of Executive's Separation from Service, Executive is a Specified Employee, any and all amounts payable under this Section 2 in connection with such Separation from Service that constitute deferred compensation subject to Section 409A of the Code ("**Section 409A**"), as determined by the Company in its sole discretion, and that would (but for this sentence) be payable within six (6) months following such Separation from Service, shall instead be paid on the date that follows the date of such Separation from Service by six months. For purposes of the preceding sentence, "**Separation from Service**" shall be determined in a manner consistent with subsection (a)(2)(A)(i) of Section 409A and the term "**Specified Employee**" shall mean an individual determined by the Company to be a Specified Employee as defined in subsection (a)(2)(B)(i) of Section 409A. In the event of any delay in payments under this Section 2.1(c), the deferred amount shall bear interest at the 10-year Treasury rate in effect on the Termination Date until paid.

(d) The amounts provided for in Sections (b)(ii), (b)(iii) and 2.1(b)(iv) (the "**Severance Amounts**") shall be subject to Executive's execution and delivery of a timely (but in no event later than 55 days after the date of the termination of Executive's employment with the Company) and effective release of claims, in a mutually agreeable form (the "**Release of Claims**"), provided that if the aforementioned 55-day period begins in one taxable year and ends in the following taxable year, payment of the Severance Amounts shall not commence or occur until the following taxable year. Any such Release of Claims shall preserve all of Executive's (i) vested rights, if any and to the extent applicable, under (x) the Company's equity-based compensation plans or award agreements and (y) the Company's other employee benefit plans and (ii) rights, to the extent applicable, under the Company's director and officer indemnification arrangements. If Executive refuses to execute and deliver the Release of Claims, or if Executive revokes the Release of Claims as provided therein, Executive shall not receive the Severance Amounts or any other payment or benefit to which Executive is not otherwise entitled.

(e) Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to Executive in any subsequent employment.

(f) (i) In order to ensure that, following a Change in Control, sufficient assets are available to satisfy the Company's obligations to Executive and Executive's beneficiaries under the SERP, the Company may establish a grantor or "Rabbi" trust with an independent reputable financial institution as trustee, to which the Company may, in its discretion, contribute cash or other property to provide for the payment of benefits to Executive and Executive's beneficiaries under the SERP (the "**Trust**"). The Trust shall comply in all material respects with the model grantor trust set forth in Rev. Proc. 92-64, 1992-2C.B422.

(ii) Notwithstanding the foregoing, no later than 60 days prior to a Change in Control, the Company shall (x) establish a Trust if one has not been previously established and (y) transfer to the Trust such assets as the Company determines in good faith are at least equal to, on a present value basis, the Company's liabilities to Executive and Executive's beneficiaries under the SERP (the "**SERP Liabilities**") determined as of the date 24 months after the date of the Change in Control. The Company shall, from time to time therefore make additional contributions to the Trust such that the assets therein are at all times at least equal to the then SERP Liabilities.

(iii) The provisions of the SERP shall determine the rights of Executive and Executive's beneficiaries to receive distributions from the Trust in respect of benefits otherwise payable to Executive or Executive's beneficiaries under the SERP, and any such distribution shall reduce the Company's obligations under the SERP. The provisions of the Trust shall govern the rights of the Company, Executive and the creditors of the Company to the assets transferred to the Trust. On and after a Change in Control, the Trust may not be (x) amended in any way adverse to Executive or Executive's beneficiaries, and (y) terminated or revoked unless and until all SERP Liabilities have been paid or otherwise distributed to Executive and Executive's beneficiaries, as applicable.

(g) Notwithstanding the foregoing, the payments otherwise due hereunder may be limited to the extent provided in Section 4 hereof.

2.2 <u>Coordination with other Compensation and Benefits</u>.

(a) The severance pay and benefits provided for in this Section 2 following a Change in Control shall be in lieu of any other severance or termination pay to which Executive may be entitled following a Change in Control under any other Company plan, program, practice, arrangement or agreement providing severance benefits.

(b) Executive's entitlement to any other compensation or benefits following a Change of Control shall be determined in accordance with the Company's employee benefit plans and other applicable plans, programs, practices, arrangements or agreements then in effect. In particular, if Executive is eligible to retire on his Termination Date, any termination of Executive's employment pursuant to this Agreement shall not prevent his termination from being classified as a "retirement" for purposes of the Company's retirement plan, the SERP or any of its equity compensation plans.

2.3 Relocation Benefits. In the event of termination of Executive's employment other than as specified in Section 2.1(a), if Executive provides written notice to the Company within 90 days after the date of termination that Executive intends to relocate Executive's principal residence to another city and such relocation is completed within one year after the date of termination, the Company shall reimburse Executive for reasonable documented home finding and moving expenses in accordance with the Company's relocation policy as in effect from time to time. Executive shall present appropriate documentation to the Company in support of any reimbursement request hereunder.

3. Notice of Termination. Following a Change in Control, any purported termination of Executive's employment by the Company shall be communicated by Notice of Termination to Executive. For purposes of this Agreement, no such purported termination shall be effective without such Notice of Termination.

4. Contingent Cutback.

(a) Notwithstanding anything contained in this Agreement to the contrary, to the extent that the payments and benefits provided under this Agreement and benefits provided to, or for the benefit of, Executive under any other Company plan or agreement (such payments or benefits are collectively referred to as the "**Payments**") would be subject to the excise tax (the "**Excise Tax**") imposed under Section 4999 of the Code, the Payments shall be reduced (but not below zero) so that the value of all Payments equals 2.99 times Executive's "base amount," within the meaning of Section 280G(b)(3) of the Code and the applicable Treasury Regulations thereunder (the "**Safe Harbor Amount**") minus $1,000.00, but only if, by reason of such reduction (the "**Required Reduction**"), the Net After-Tax Benefit if such Required Reduction were made exceeds the Net After-Tax Benefit if such Required Reduction were not made. The "**Net After-Tax Benefit**" is defined as the value of the Payments net of all taxes imposed under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under applicable state and local laws which applies to Executive's taxable income for the immediately preceding taxable year, or such rate(s) as Executive certifies as likely to apply in the relevant tax year(s).

(b) If a reduction is required pursuant to Section 4(a), unless Executive shall have given prior written notice specifying a different order to the

Company to effectuate the Required Reduction, the Company shall reduce or eliminate the Payments by first reducing or eliminating those payments or benefits which are not payable in cash and then by reducing or eliminating cash payments, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time from the date of the Determination. Any notice given by Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, program, practice, arrangement or agreement governing Executive's rights and entitlements to any benefits or compensation.

(c) An initial determination as to whether the Required Reduction shall take place pursuant to this Agreement and the calculation of such Required Reduction shall be made at the Company's expense by an accounting firm selected by the Company which is designated as one of the five largest accounting firms in the United States (the "**Accounting Firm**"). The Accounting Firm shall provide its determination (the "**Determination**") together with detailed supporting calculations and documentation to the Company and Executive within 10 days of the Termination Date, or such other time as requested by the Company and, if the Accounting Firm determines that no Excise Tax is payable by Executive with respect to a Payment or Payments, it shall furnish to the Executive an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to any such Payment or Payments. Within ten days of the delivery of the Determination to Executive, Executive shall have the right to dispute the Determination (the "**Dispute**"). If there is no Dispute, the Determination shall be binding, final and conclusive upon the Company and Executive subject to the application of Section 4(d) below.

(d) As a result of the uncertainty in the application of Sections 4999 and 280G of the Code, it is possible that the Payments to be made to, or provided for the benefit of, Executive either have been made or will not be made by the Company which, in either case, will be inconsistent with the limitations provided in Section 4(a) (hereinafter referred to as an "**Excess Payment**" or "**Underpayment**", respectively). If it is established, pursuant to a final determination of a court or an Internal Revenue Service (the "**IRS**") proceeding which has been finally and conclusively resolved, that an Excess Payment has been made, such Excess Payment shall be deemed for all purposes to be a loan to Executive made on the date Executive received the Excess Payment and Executive shall repay the Excess Payment to the Company on demand (but not less than ten days after written notice is received by Executive) together with interest on the Excess Payment at the applicable "federal short term rate" prescribed pursuant to Code Section 1274(d)(1)(C)(i) of the Code (hereinafter the "**Applicable Federal Rate**") from the date of Executive's receipt of such Excess Payment until the date of such repayment. In the event that it is determined (i) by the Accounting Firm or the Company (which shall include the position taken by the Company, or together with its consolidated group, on its federal income tax return), (ii) pursuant to a determination by a court or the IRS, or (iii) upon the resolution to Executive's satisfaction of the Dispute, that an Underpayment has occurred, the Company shall pay an amount equal to the Underpayment to Executive within ten days of such determination or resolution together with interest on such amount at the Applicable Federal Rate from the date such amount would have been paid to Executive until the date of payment.

5. Successors; Nonalienation.

5.1 Successors.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company and its Successors and Assigns.

(b) This Agreement shall inure to the benefit of and be enforceable by Executive's legal personal representative.

5.2 Nonalienation. Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by Executive, Executive's beneficiaries or legal representatives, except by will or by the laws of descent and distribution.

6. Applicable Law; Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Delaware, without regard to conflicts of laws principles thereof. Any legal actions concerning the Agreement may be brought only in the United States district court for the Southern District of Texas, Houston Division.

7. Costs of Proceedings. Each Party shall pay its own costs and expenses in connection with any legal proceeding (including arbitration), relating to the interpretation of enforcement of any provision of this Agreement, except that the Company shall pay such costs and expenses, including attorneys' fees and disbursements, of Executive if Executive prevails in such proceeding.

8. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to the other, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

9. Non-exclusivity of Rights. Subject to Section 2.2(a), nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company and for which Executive may qualify, nor shall anything herein limit or reduce such rights as Executive may have under any other agreements with the Company. Amounts which are vested benefits or which Executive is otherwise entitled to receive under any Company plan, program, practice or arrangement shall be payable in accordance with such plan, program, practice or arrangement except as explicitly modified by this Agreement.

10. Restrictive Covenants.

(a) In consideration of the provision to the Executive of the Severance Benefits, Executive agrees that, subject to Section 10(d) below, Executive will not at any time, except with the prior written consent of the Company, directly or indirectly, reveal to any person, entity or other organization (other than the Company or its employees, officers, directors or agents) or use for Executive's own benefit any Confidential Information. Notwithstanding anything in this Agreement to the contrary and subject to Section 10(d) below, (x) in the event that Executive becomes legally compelled to disclose any Confidential Information, Executive will provide the Company with prompt written notice so that the Company may seek a protective order or other appropriate remedy and (y) in the event that such protective order or other remedy is not obtained, Executive will furnish only that portion of such Confidential Information or take only such action as is legally required by binding order and Executive will exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded for any such Confidential Information.

(b) During the period beginning on any Termination Date which occurs after a Change in Control and ending on the first anniversary of such Termination Date (the "**Restricted Period**"),Executive will not, without the Company's express written consent, directly or indirectly, solicit, induce or attempt to induce any employees, agents or consultants of the Company or its subsidiaries or affiliates to do anything from which Executive is restricted by reason of this Agreement nor will Executive, directly or indirectly, solicit, induce or aid others to solicit or induce any employees, agents or consultants of the Company or any of its subsidiaries or affiliates to terminate their employment or engagement with the Company or any of its subsidiaries or affiliates and/or to enter into an employment, agency or consultancy relationship with Executive or any other person or entity with whom Executive is affiliated.

(c) During the Restricted Period, Executive will not, without the Company's express written consent, directly or indirectly, own, manage, operate, control, render service to, or participate in the ownership, management, operation or control of any Competitor (as defined below) anywhere in the United States or in any non U.S. jurisdiction in which the Company is engaged or plans to engage in business as of the Termination Date; provided, however, that Executive will be entitled to own shares of stock of any corporation having a class of equity securities actively traded on a national securities exchange or the Nasdaq Stock Market which represent, in the aggregate, not more than 1% of such corporation's fully-diluted shares. For purposes of this Agreement, "**Competitor**" means any company, other entity or association or individual that directly or indirectly is engaged in (i) the business of oil or gas exploration or production or (ii) any other business in which the Company or any of its subsidiaries is engaged as of the Termination Date.

(d) Nothing in this Agreement or otherwise limits Executive's ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege to the Securities and Exchange Commission ("**SEC**") or any other federal, state or local governmental agency or commission ("**Government Agencies**") regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against Executive for any of these activities, and nothing in this Agreement or otherwise requires Executive to waive any monetary award or other payment that Executive might become entitled to from the SEC or any other Government Agency. Nothing in this Agreement or otherwise requires Executive to disclose any communications Executive may have had or information Executive may have provided to the SEC or any other Government Agencies regarding possible legal violations. In addition, notwithstanding anything to the contrary in this Agreement or otherwise, as provided for in the Defend Trade Secrets Act of 2016 (18 U.S.C. § 1833(b)), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Without limiting the foregoing, if Executive files a lawsuit for retaliation by Company for reporting a suspected violation of law, Executive may disclose the trade secret to her attorney and use the trade secret information in the court proceeding, if Executive (x) files any document containing the trade secret under seal, and (y) does not disclose the trade secret, except pursuant to court order.

11. Modification and Waiver. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

12. Withholding. Notwithstanding any other provision of this Agreement, the Company may, to the extent required by law, withhold federal, state and local income and other taxes from any payments due Executive hereunder.

13. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

14. Section 409A of the Code. Notwithstanding any provision to the contrary, all provisions of this Agreement shall be construed and interpreted to comply with Section 409A and the applicable Treasury Regulations thereunder and if necessary, any provision shall be held null and void to the extent such provision (or part thereof) fails to

comply with Section 409A or the Treasury Regulations thereunder. For purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation for purposes of applying the deferral election rules and the exclusion for certain short-term deferral amounts under Section 409A. Any reimbursements or in-kind benefits provided under this Agreement that are subject to Section 409A shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in the Agreement, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

15. Definitions.

"**Accounting Firm**" shall have the meaning set forth in Section 4(c).

"**Accrued Compensation**" means all amounts earned or accrued through the Termination Date in accordance with Company policies but not paid as of the Termination Date, including (i) base salary, (ii) reimbursement for reasonable and necessary expenses incurred by the Executive on behalf of the Company during the period ending on the Termination Date, (iii) accrued and unused vacation pay, and (iv) earned but unpaid bonus amounts.

"**Applicable Federal Rate**" shall have the meaning set forth in Section 4(d).

"**Base Salary**" means the greater of Executive's annual base salary (i) at the rate in effect immediately prior to the Termination Date or (ii) at the highest rate in effect at any time during the 90-day period before the Change in Control.

"**Bonus Amount**" means the average of the annual cash bonuses paid or payable during the three full fiscal years ended before the Termination Date or, if greater, the three full fiscal years ended before the Change in Control (or, in each case, such lesser period for which annual cash bonuses were paid or payable to Executive); provided that, in the event Executive has not been employed by the Company for a full fiscal year, the Bonus Amount shall equal Executive's target annual cash bonus during the year in which the Termination Date occurs.

"**Cause**" means (i) Executive's willful failure or refusal to satisfactorily perform his duties or obligations in connection with his employment, (ii) Executive's having engaged in willful misconduct, gross negligence or a breach of fiduciary duty, or Executive's material breach of this Agreement or of any Company policy, (iii)

Executive’s conviction of, or a plea of nolo contendere to, (x) a felony or (y) any other criminal offense involving moral turpitude, fraud or dishonesty, (iv) Executive’s unlawful use or possession of illegal drugs on the Company’s premises or while performing his duties and responsibilities hereunder or (v) Executive’s commission of an act of fraud, embezzlement or misappropriation, in each case, against the Company or any of its subsidiaries or affiliates, provided that, in each case (except for circumstances described in clauses (iii), (iv) or (v) above), the Company shall provide Executive with written notice specifying the circumstances alleged to constitute Cause, and, if such circumstances are susceptible to cure, Executive shall have 30 days following receipt of such notice to cure such circumstances.

A “**Change in Control**” shall be deemed to have occurred if (i) any “person”, including a “group” (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act, but excluding the Company, any of its subsidiaries or any employee benefit plan of the Company or any of its subsidiaries or the Murphy Family) is or becomes the “beneficial owner” (as defined in Rule 13(d)(3) under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company’s then outstanding securities; (ii) a merger or other business combination, which has been approved by the stockholders of the Company, is consummated with or into another corporation a majority of the directors of which were not directors of the Company immediately prior to the merger and in which the stockholders of the Company immediately prior to the effective date of such merger own less than 50% of the voting power in such corporation; or (iii) a sale or other disposition of all or substantially all of the assets of the Company is consummated other than to an entity more than 50% of the voting power of which is owned, directly or indirectly, by the stockholders of the Company immediately after such sale or other disposition.

Notwithstanding anything contained in this Agreement to the contrary, if Executive’s employment is terminated before a Change in Control and Executive reasonably demonstrates that such termination (i) was at the request of a third-party who has indicated an intention to take or has taken steps reasonably calculated to effect a Change in Control and who effectuates a Change in Control (a “**Third-Party**”) or (ii) otherwise occurred in connection with, or in anticipation of, a Change in Control which actually occurs, then for all purposes of this Agreement, the date of a Change in Control with respect to Executive shall mean the date immediately before the date of such termination of Executive’s employment.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Company Equity Awards**” shall have the meaning set forth in Section 2.1(b)(iii).

“**Competitor**” shall have the meaning set forth in Section 10(c).

“**Confidential Information**” means, without limitation and regardless of whether such information or materials are expressly identified as confidential or proprietary, (i) any and all non-public, confidential or proprietary information of the Company or any of its subsidiaries or affiliates, (ii) any information of the Company or any of its subsidiaries or affiliates that gives the Company or any of its subsidiaries or affiliates a competitive business advantage or the opportunity of obtaining such advantage, (iii) any information of the Company or any of its subsidiaries or affiliates the disclosure or improper use of which would reasonably be expected to be detrimental to the interests of the Company or any of its subsidiaries or affiliates and (iv) any trade secrets of the Company or any of its subsidiaries or affiliates. Confidential Information also includes any non-public, confidential or proprietary information about, or belonging to, any third- party that has been entrusted to the Company or any of its subsidiaries or affiliates. The term “Confidential Information” shall not include information that is or becomes generally available to the public other than as a result of an impermissible disclosure by Executive, or at Executive’s direction or is provided to Executive by an independent third-party that is under no obligation of confidentiality to the Company with respect to such information.

“**Determination**” shall have the meaning set forth in Section 4(c).

“**Dispute**” shall have the meaning set forth in Section 4(c).

“**Disability**” means, as determined by the Company in good faith, any medically determinable physical or mental impairment resulting in Executive’s inability to engage in any substantial gainful activity, where such impairment can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Excess Payment**” shall have the meaning set forth in Section 4(d).

“**Excise Tax**” shall have the meaning set forth in Section 4(a).

“**Good Reason**” means the occurrence of any of the following events without Executive’s consent: (i) a material reduction in Executive’s base salary, annual bonus opportunity or long-term incentive award opportunity, (ii) relocation of the geographic location of Executive’s principal place of employment by more than 50 miles from Executive’s principal place of employment, (iii) a material breach by the Company of this Agreement or (iv) a material reduction in Executive’s authority, duties or responsibilities, provided that, in each case, (A) Executive shall provide the Company with written notice specifying the circumstances alleged to constitute Good Reason within 90 days following the first occurrence of such circumstances, (B) the Company shall have 30 days following receipt of such notice to cure such circumstances, and (C) if the Company has not cured such circumstances within such 30-day period Executive shall terminate his employment not later than 60 days after the end of such 30-day period.

Any event or condition described in clauses (i) to (iv) above which occurs before a Change in Control but which Executive reasonably demonstrates (A) was at the request of a Third-Party, or (B) otherwise occurred in connection with, or in anticipation of, a Change in Control which actually occurs, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred before the Change in Control and without regard to the notice and cure provisions hereof which shall not apply with respect to such event or condition.

"**Immediate Family**" of a person means such person's spouse, children, siblings, mother-in-law and father-in-law, sons-in-law, daughters-in-law, brothers-in-law and sisters-in-law.

"**IRS**" shall have the meaning set forth in Section 4(d).

"**Murphy Family**" means (a) the C.H. Murphy Family Investments Limited Partnership, (b) the estate of C.H. Murphy, Jr., and (c) siblings of the late C.H. Murphy, Jr. and his and their respective Immediate Family.

"**Net-After-Tax Benefit**" shall have the meaning set forth in Section 4(a).

"**Notice of Termination**" means, following a Change in Control, a written notice of termination from the Company to Executive which indicates the specific termination of termination provision in this Agreement relied upon and which sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated.

"**Payments**" shall have the meaning set forth in Section 4(a).

"**Release of Claims**" shall have the meaning set forth in Section 2(d).

"**Required Reduction**" shall have the meaning set forth in Section 4(a).

"**Restricted Period**" shall have the meaning set forth in Section 10(b).

"**Safe Harbor Amount**" shall have the meaning set forth Section 4(a).

"**Section 409A**" shall have the meaning set forth in Section 2.1(c).

"**Separation from Service**" shall have the meaning set forth in Section 2.1(c).

"**SERP**" means the Company's Supplemental Executive Retirement Plan, as restated effective as of January 1, 2008.

“**SERP Liabilities**” shall have the meaning set forth in Section 2.2(f).

“**Severance Amounts**” shall have the meaning set forth in Section 2.1(d).

“**Severance Benefits**” means the amounts and benefits paid or provided pursuant to Section 2.1(b).

“**Specified Employee**” shall have the meaning set forth in Section 2.1(c).

“**Successors and Assigns**” means a corporation or other entity which has acquired or succeeded to all or substantially all or the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

“**Termination Date**” shall mean in the case of Executive’s death, Executive’s date of death, in the case of a resignation by Executive from Executive’s employment with the Company, the last day of Executive’s employment and in all other cases involving a termination of Executive’s employment with the Company, the date specified in the Notice of Termination; provided, however, that if Executive’s employment is terminated by the Company due to Disability, the date specified in the Notice of Termination shall be at least 30 days from the date the Notice of Termination is given to Executive, provided that Executive shall not have returned to the full-time performance of Executive’s duties during such period of at least 30 days.

“**Third-Party**” shall have the meaning set forth in the definition of Change in Control.

“**Trust**” shall have the meaning set forth in Section 2.1(f).

“**Underpayment**” shall have the meaning set forth in Section 4(d).

16. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

MURPHY OIL CORPORATION

By: ________________________________

Name: [•]

Title: [•]

EXECUTIVE

By: ________________________________

Name: [•]

Title: [•]

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roger W. Jenkins, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Murphy Oil Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 8, 2024

/s/ Roger W. Jenkins
Roger W. Jenkins
Principal Executive Officer

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas J. Mireles, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Murphy Oil Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 8, 2024

/s/ Thomas J. Mireles
Thomas J. Mireles
Principal Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Murphy Oil Corporation (the “Company”) on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Roger W. Jenkins and Thomas J. Mireles, Principal Executive Officer and Principal Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

/s/ Roger W. Jenkins
Roger W. Jenkins
Principal Executive Officer

/s/ Thomas J. Mireles
Thomas J. Mireles
Principal Financial Officer