

Murphy Oil Announces Drilling Results

March 17, 2000 10:37 AM ET

Murphy Oil Corporation (Murphy) (NYSE: MUR) announced today that exploratory drilling wells at Mississippi Canyon Blocks 815/816 (Anvil, 30%), Mississippi Canyon Blocks 378/379 (Chin Music, 53.6%) and Ship Shoal Block 320 (85%) were unsuccessful. The wells were drilled to total depths of 17,998, 18,720 and 15,093 feet, respectively. After-tax dry hole charges related to these wells of approximately \$21 million will be reflected in first quarter 2000 results. Vastar Resources, Inc. (NYSE: VRI) holds a 60% interest in Anvil; Spinnaker Exploration Company (Nasdaq: SPNX) holds a 25% interest in Chin Music; and Callon Petroleum Company (NYSE: CPE) holds interests of 10% in Anvil, 21.4% in Chin Music and 15% in Ship Shoal Block 320.

Claiborne P. Deming, President and Chief Executive Officer, commented, "While we are clearly disappointed, we remain committed to our deepwater Gulf of Mexico drilling program. Murphy's portfolio of drillable prospects provides a number of significant growth opportunities, several of which will be tested later this year. Furthermore, in regard to our discovery in Mississippi Canyon Blocks 538/582 (Medusa, 60%), a third delineation well is drilling. Current reserve estimates of 80 million barrels of oil equivalent could grow should this well extend the pay sands encountered in the initial wellbore. A development team has been formed and first production is anticipated in 2002."

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

For More Information

Barry Jeffery

Investor/ Media Relations

P.O. Box 7000

El Dorado, AR 71731-7000

(870) 864-6501