

Murphy Oil To Acquire Beau Canada In Transaction Valued At US\$255 Million

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-- Transaction will augment MUR's already significant producing properties in western Canada, with conventional natural gas and liquids production expected to increase over 80% and 40%, respectively --

-- Canadian proved natural gas reserves to increase over 120%; 550,000 undeveloped acres will provide ample exploration opportunities for additional growth --

-- Accretion to earnings and cash flow per share expected immediately --

EL DORADO, AR - Murphy Oil Corporation (Murphy) (NYSE: MUR) today announced that it has agreed to buy Beau Canada Exploration Ltd. (Beau) for a total consideration of US\$255 million. The cash offer of C\$2.15 per share (US\$1.44) and assumption of approximately US\$123 million of debt obligations has been agreed by the boards of both companies, and Beau's directors have advised that they will tender their shares to the Offer. The transaction is expected to close in November and is expected to be immediately accretive to Murphy's earnings and cash flow per share.

The agreement provides that Beau will pay Murphy a termination fee of C\$10 million in certain circumstances. In addition, Beau has agreed to close its data room and not solicit further offers. The offering circular associated with the transaction is expected to be mailed to Beau's shareholders shortly and the Offer will expire 21 days thereafter. The Offer will be made through a wholly owned subsidiary of Murphy, and is conditional on, among other things, at least two-thirds of Beau's shares (fully diluted) being tendered, receipt of all regulatory approvals and on conditions customary in transactions of this nature. Beau's Board has also resolved to extend the separation time of the rights to, and to waive the application of Beau's Shareholders' Rights Plan to the Murphy Offer, immediately prior to the expiry time of the Offer.

Murphy will be conducting a conference call to discuss the transaction on Thursday, October 5, at 9:00 a.m. CDT (10:00 a.m. EDT). Interested parties may participate in the call by dialing 1-800-530-9010 and requesting reservation number 16556242. The call will also be broadcast live over the internet and can be accessed through the Investor Relations section of Murphy's website at <http://www.murphyoilcorp.com>. For those unable to participate, online replays will be available through the Murphy website, or a recording of the call will be available until 5:00 p.m. CDT on October 6 by dialing 1-800-633-8284.

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

For More Information

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