

## Murphy Oil Announces Fourth Quarter Earnings Guidance

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EL DORADO, Ark.--(BUSINESS WIRE)--Dec. 12, 2002--Murphy Oil Corporation (NYSE:MUR) expects income before special items for the fourth quarter of 2002 to be between \$.85 and \$1.05 per share on a pre-split basis. This range includes the expensing of its share of a well drilled in the Boomslang field (27.5%) in the deepwater Gulf of Mexico and all prior costs related to the field. The second Boomslang well encountered less than expected quantities of hydrocarbons compromising the development of the field and the Company will take a total net of tax charge of approximately \$7 million in the quarter to cover all Boomslang costs.

Production during the quarter is estimated to average 123,000 barrels of oil equivalent (BOE) per day. Expected average crude oil sales volumes for the quarter should be 125,000 BOE per day including five liftings offshore eastern Canada. However, a lifting at the Hibernia field, scheduled for the end of the month, could potentially slip into January, which would reduce total quarterly sales volumes to 119,000 BOE per day and is reflected in the lower end of the stated earnings range. Exploration expense should be in the range of \$35 to \$40 million fueled by the charges at Boomslang as well as the commencement of a winter drilling program in Western Canada and drilling under way at the Company's Seventeen Hands South prospect (37.5%) in the deepwater Gulf of Mexico.

In the worldwide downstream business, the Company expects the contribution to earnings to be near break even levels. Refining margins have deteriorated from October levels and the Company's Meraux, Louisiana refinery has experienced operational problems, which has cut expected average crude runs for the quarter by approximately 15,000 barrels a day. Currently this refinery is operating at capacity. Margins on the retail marketing side of the business have been healthy throughout much of the quarter.

Earnings may vary based on prices, volumes and the timing of actual liftings of some of the Company's crude oil production.

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 U.S. Securities and Exchange Commission.

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