

Murphy Oil Announces Quarterly Earnings

July 24, 2002 5:09 PM ET

EL DORADO, Ark.--(BUSINESS WIRE)--July 24, 2002--Murphy Oil Corporation (NYSE:MUR) (TSX:MUR.U) announced today that net income in the second quarter of 2002 was \$14 million, \$.30 per diluted share, compared to income of \$95 million, \$2.08 per diluted share, before a special item in the second quarter a year ago. Net income for the second quarter of 2001 totaled \$162.6 million, \$3.56 per diluted share, and included a gain on sale of Canadian pipeline assets of \$67.6 million, \$1.48 per diluted share. Cash flow from operating activities, excluding changes in noncash working capital items, was \$168.4 million, \$3.65 per share, in the current quarter compared to \$184.2 million, \$4.04 per share, a year ago.

Murphy's exploration and production operations earned \$29.6 million in the second quarter of 2002 compared to \$60.6 million in the same quarter of 2001. A 30% decline in North American natural gas prices and higher exploration expense, including \$31.2 million for unsuccessful drilling in deepwater Malaysia, were the primary reasons for the decline in earnings. The Company's worldwide crude oil and condensate prices averaged \$23.88 a barrel for the current quarter and \$22.97 in the second quarter of 2001. Total crude oil and gas liquids production was a Company record and averaged 78,050 barrels per day in the second quarter of 2002, a 20% increase from the 2001 quarter. Higher oil production in the 2002 quarter was mainly due to start up of the Terra Nova field, offshore Newfoundland, in January. North American natural gas sales prices averaged \$3.03 per thousand cubic feet (MCF) in the second quarter compared to \$4.33 per MCF in the same quarter of 2001. Natural gas sales volumes increased 18% to a record 336 million cubic feet a day in the current quarter as a result of higher gas production in Western Canada.

The Company's refining and marketing operations incurred a loss of \$8 million in the most recent quarter compared to earnings of \$37.1 million in the similar quarter last year. Due to negative refining margins throughout much of the period, Murphy's U.S. operations lost \$9.8 million in the just completed quarter, compared to a profit of \$34.3 million in the same quarter a year ago.

Corporate functions reflected a loss of \$7.6 million in the current quarter compared to a loss of \$2.7 million in the second quarter of 2001. Higher net interest costs accounted for the increased loss in the current period.

For the first six months of 2002, net income amounted to \$16.5 million, \$.36 per diluted share, compared to income of \$192.8 million, \$4.24 per share, excluding the special item in 2001. Including the previously mentioned \$67.6 million gain on sale of the Company's pipeline assets in Canada, net income totaled \$260.4 million, \$5.72 per diluted share, for the six-month period ended June 30, 2001. Crude oil and gas liquids production for the first six months of 2002 averaged 76,181 barrels per day, a 14% increase over 2001. Natural gas sales were 323 million cubic feet a day, up 21% from the same period a year ago. Crude oil and condensate prices averaged \$21.90 per barrel during the 2002 period, down 4% compared to the 2001 period. North American natural gas was sold for \$2.68 per MCF in 2002, a decline of 50% from the comparable 2001 period. The Company's refining and marketing operations lost \$21.7 million during the first six months of 2002 compared to income of \$56.7 million in the 2001 period. This decline in earnings was primarily attributable to significantly weaker U.S. refining margins. The loss from corporate related activities increased from \$5.1 million in the first half of 2001 to \$12.1 million in the 2002 period as a result of lower interest income and higher net interest expense.

Claiborne P. Deming, President and Chief Executive Officer, commented, "For the third quarter of 2002, we expect worldwide production to average approximately 117,000 barrels of oil equivalent a day, with lower volumes due to downtime for routine maintenance at Hibernia, Terra Nova and North Sea fields, and expected production decline at the Ladyfern field. We are currently projecting sales volume of 111,000 barrels of oil equivalent per day. Although WTI oil prices are currently trading in the \$26 - \$28 per barrel range, natural gas prices have fallen below \$3.00 per MCF. This quarter's operating income will be contingent upon the results of three significant exploration wells - the Quatrain prospect in the deepwater Gulf of Mexico, Kikeh #1 in deepwater Malaysia, and the Annapolis well offshore Nova Scotia. Depending on the results of these wells, we are presently projecting third quarter net income to be between \$.10 and \$.75 per share."

The public is invited to access the Company's conference call to discuss second quarter 2002 results on Thursday, July 25, at 12:00 p.m. CDT either via the Internet through the Investor Relations section of Murphy's website at www.murphyoilcorp.com or via the telephone by dialing 800/366-3908. The telephone reservation number for the call is 484711.

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.

MURPHY OIL CORPORATION
CONSOLIDATED FINANCIAL DATA SUMMARY
(Unaudited)

SECOND QUARTER	2002	2001
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Revenues	\$1,134,717,000	\$1,300,379,000
Net income	\$ 13,929,000	\$ 162,568,000 (A)
Net income per Common share		
Basic	\$.30	\$ 3.60 (A)
Diluted	\$.30	\$ 3.56 (A)
Average shares outstanding		
Basic	45,784,073	45,206,604
Diluted	46,133,432	45,644,457
 FIRST SIX MONTHS		
Revenues	\$1,964,620,000	\$2,489,764,000
Net income	\$ 16,463,000	\$ 260,404,000 (A)
Net income per Common share		
Basic	\$.36	\$ 5.77
Diluted	\$.36	\$ 5.72
Average shares outstanding		
Basic	45,635,493	45,139,453
Diluted	46,029,510	45,490,094

(A) The second quarter and first six months of 2001 included a \$67,565,000 gain (\$1.48 a diluted share in the second quarter) on sale of Murphy's Canadian downstream assets.

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