

Murphy Oil Announces Record Quarterly Profits

July 26, 2000 12:38 PM ET

EL DORADO, AR - Murphy Oil Corporation's President and Chief Executive Officer, Claiborne P. Deming, announced today that income before a special item in the second quarter of 2000 totaled a Company record \$82.7 million, \$1.83 a diluted share, compared to earnings of \$15.7 million, \$.35 a diluted share, in the second quarter a year ago. Net income for the second quarter of 2000 totaled \$84.2 million, \$1.86 a diluted share, and included a gain on sale of assets of \$1.5 million, \$.03 a diluted share. Cash flow from operating activities, excluding changes in noncash working capital items, totaled \$183.4 million, \$4.05 a diluted share, in the current quarter compared to \$76.8 million, \$1.71 a share, a year ago.

In commenting on the operating results, Mr. Deming said, "A combination of strong worldwide oil prices, improved North American natural gas prices and healthier U.S. downstream margins propelled the Company to record quarterly net income. The Company's average worldwide crude oil price improved 78% in the most recent quarter, while the average sales price for natural gas increased by almost 60% in North America. Downstream operations made a significant contribution to our results as U.S. finished product margins rebounded nicely in the second quarter. The Company's natural gas sales in Canada set a record due to start-up of production from recent discoveries. Exploration efforts in the second quarter were primarily focused on wells to be drilled later this year in the deepwater Gulf of Mexico and offshore Malaysia and Nova Scotia."

Murphy's exploration and production operations earned a record \$67.2 million in the second quarter of 2000 compared to \$20.1 million in the same quarter of 1999. The Company's worldwide crude oil and condensate prices averaged \$25.83 a barrel for the current quarter and \$14.50 in the second quarter of 1999. Total crude oil and gas liquids production averaged 66,131 barrels a day in the second quarter of 2000 compared to 65,547 in the earlier quarter. Natural gas sales prices in the U.S. averaged \$3.43 an MCF in the second quarter, up 61% from the same quarter of 1999. Natural gas sales volumes declined 6% to 230 million cubic feet a day in the current quarter as a result of a decrease in production from mature fields in the Gulf of Mexico.

The Company's refining, marketing and transportation operations earned \$22.5 million in the most recent quarter compared to \$3.2 million in the similar quarter last year. Improved unit margins in the U.S., coupled with record domestic finished product sales, led to the higher results. Higher refinery inputs in the 2000 quarter were caused by record throughputs at the Company's Meraux, Louisiana refinery. The increase in finished product sales was due to expanding retail operations at Wal-Mart sites in the U.S.

Corporate functions reflected a loss of \$7 million in the current quarter compared to a loss of \$7.6 million in the second quarter of 1999.

For the first six months of 2000, net income totaled \$131.6 million, \$2.91 a diluted share, compared to \$9 million, \$.20 a share, a year ago. The current six-month period included an after-tax benefit of \$1.5 million, \$.03 a diluted share, from a special item, while the same period a year ago included a special after-tax charge of \$1 million, \$.02 a share. Crude oil and gas liquids production for the first six months of 2000 increased 3% to 66,690 barrels a day. Natural gas sales averaged 230 million cubic feet a day, down 8% from the same period a year ago. Crude oil and condensate prices averaged \$25.46 a barrel during the 2000 period, double the \$12.56 price during the 1999 period.

The public is invited to access the Company's conference call to discuss second quarter 2000 results on Thursday, July 27, at 12:00 p.m. CDT either via the Internet through the Investor Relations section of Murphy's website at http://www.murphyoilcorp.com/inv_40.asp or via the telephone by dialing 1-800-847-8130. The telephone reservation number for the call is 15657604.

Summary financial data and operating statistics for the second quarter and first six months of 2000 with comparisons to 1999 are contained in the attached tables.

Statistical Summary

[Excel Format](#)



Summarized Consolidated Statements of Income

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Oil and Gas Operating Results

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Functional Results of Operations

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Other Financial Data

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For More Information

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