

Murphy Oil Announces Earnings

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EL DORADO, Ark., Jan 30, 2002 (BUSINESS WIRE) -- Murphy Oil Corporation (NYSE: MUR) announced that net income in the fourth quarter of 2001 totaled \$28.8 million, \$.63 per share, compared to earnings of \$93.2 million, \$2.06 per share, in the fourth quarter of 2000. The previous year's fourth quarter included three special items that reduced net income by \$1.9 million, \$.04 per share. Cash flow from operating activities in the fourth quarter of 2001, excluding changes in noncash working capital items, totaled \$117.1 million, \$2.56 per share, compared to \$197.7 million, \$4.37 per share in the same quarter last year.

For the fourth quarter 2001, earnings before special items from the Company's exploration and production operations were \$20.2 million compared to \$89.2 million in the 2000 quarter. The Company's worldwide crude oil and condensate production was sold at an average of \$16.90 per barrel in the current quarter, a 34% decrease from the same quarter of 2000. Murphy's North American natural gas sales prices declined by 56% to \$2.36 per thousand cubic feet (MCF) in the just completed quarter. Total crude oil, condensate and gas liquids production increased by 7% in the fourth quarter of 2001 and averaged 70,687 barrels per day. Quarterly natural gas sales volume rose by 20% to a company-record 297 million cubic feet per day.

Murphy's refining, marketing and transportation operations earned \$12.7 million in the fourth quarter of 2001 compared to earnings of \$14.3 million in the comparable quarter of 2000. The Company's operating results were slightly improved in the U.S. in the current quarter, and the U.K. included a \$2.8 million gain from sale of a former petroleum products terminal. The fourth quarter of 2000 included income of \$2.3 million from the Company's former Canadian crude oil trading and transportation operation, which was sold in May 2001.

For the full year 2001, income before special items was \$263.3 million, \$5.78 per share, compared to \$304 million, \$6.72 per share, in 2000. Net income for the full year of 2001 was a record \$330.9 million, \$7.26 per share, and included a \$71 million gain from sale of the Company's Canadian pipeline assets. In 2000, net income was \$296.8 million, \$6.56 per share. Excluding changes in noncash working capital items and a change in accounting in 2000, cash flow from operating activities totaled \$657.9 million, \$14.43 per share, in 2001 compared to \$692.9 million, \$15.32 per share, in 2000.

Exploration and production operations earned \$188.1 million, excluding special items, during the year just ended, down \$90 million from 2000. The lower earnings were attributable to an 18% decline in realized oil prices during 2001 and higher exploration expenses. The Company's North American natural gas sales realized \$3.87 per MCF during 2001, down 1% from 2000. Production of oil and natural gas were at record levels during 2001, increasing by 3% and 23%, respectively, compared to the previous year.

The Company's refining and marketing operations produced record earnings during 2001 as income before special items increased by 63% to \$89 million. U.S. operating results were particularly strong during the first half of the year.

Claiborne P. Deming, President and Chief Executive Officer, commented, "We are currently expecting earnings before special items for the first quarter 2002 to be around breakeven due to continued weakness in natural gas prices and downstream margins and an active exploration program. This estimate assumes that current commodity prices and downstream margins remain weak for the balance of the quarter. Earnings may vary based on prices, volumes, margins and the timing for sales of our U.K. and Canadian crudes. Our worldwide production, on a barrel of oil equivalent basis (BOE), is expected to average approximately 120,000 BOE a day for the quarter."

The public is invited to access the Company's conference call to discuss fourth quarter 2001 results on Thursday, January 31, at 12:00 p.m. CST either via the Internet through the Investor Relations section of Murphy's website at <http://www.murphyoilcorp.com> or via the telephone by dialing 1-800-219-6110. The telephone reservation number for the call is 434882.

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
(2001 unaudited)

FOURTH QUARTER	2001	2000
Revenues	\$ 849,409,000	\$ 1,274,586,000
Net income	\$ 28,770,000 (A)	\$ 93,263,000 (B)
Net income per Common share		
Basic	\$.63	\$ 2.07
Diluted	\$.63	\$ 2.06
Average shares outstanding		
Basic	45,321,590	45,052,965
Diluted	45,714,497	45,247,663
YEAR		
Revenues	\$ 4,478,509,000	\$ 4,639,165,000
Net income	\$ 330,903,000 (A)	\$ 296,828,000 (B)
Net income per Common share		
Basic	\$ 7.32	\$ 6.59
Diluted	\$ 7.26	\$ 6.56
Average shares outstanding		
Basic	45,221,472	45,031,665
Diluted	45,590,999	45,239,706

(A) The fourth quarter 2001 included a gain on sale of assets of \$3,489,000 (\$.08 a share), a gain from settlement of income tax matters of \$3,361,000 (\$.07 a share), and an impairment for properties of \$6,811,000 (\$.15 a share). The year 2001 included a gain on sale of assets of \$71,054,000 (\$1.56 a share), a benefit of \$8,901,000 (\$.19 a share) from income tax settlements and a tax rate change, impairment for properties of \$6,811,000 (\$.15 a share), and a provision for environmental matters of \$5,500,000 (\$.12 a share).

(B) The fourth quarter 2000 included an impairment for properties of \$4,169,000 (\$.09 a share), a loss of \$7,740,000 (\$.17 a share) for transportation and other disputed contractual items under our concessions in Ecuador, and a gain from settlement of income tax matters of \$10,086,000 (\$.22 a share). The year 2000 included a charge of \$8,733,000 (\$.19 a share) for the cumulative effect of an accounting change, a gain from settlement of income tax matters of \$25,618,000 (\$.56 a share), a gain on sale of assets of \$1,467,000 (\$.03 a share), impairments of properties of \$17,817,000 (\$.39 a share), and a loss of \$7,740,000 (\$.17 a share) for transportation and other disputed contractual items under our concessions in Ecuador.

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