

Murphy Oil Announces 1st Quarter 2000 Earnings

April 26, 2000 4:57 PM ET

EL DORADO, AR - Murphy Oil Corporation's President and Chief Executive Officer, Claiborne P. Deming, announced today that net income in the first quarter of 2000 totaled \$47.4 million, \$1.05 a share, compared to a loss before special items of \$5.7 million, \$.13 a share, in the first quarter a year ago. The net loss in the first quarter of 1999 totaled \$6.7 million, \$.15 a share, and included an after-tax charge of \$1 million, \$.02 a share, for a reduction in force. Cash flow from operating activities, excluding changes in noncash working capital items, totaled \$150 million for the current quarter, \$3.32 a share, compared to \$47.9 million, \$1.07 a share, in the same quarter last year.

In commenting on the results for the current quarter, Mr. Deming said, "Significantly higher crude oil and gas liquids sales prices in the current quarter led to earnings of \$49.3 million for the Company's exploration and production operations. These operations lost \$3.2 million in the first quarter of 1999. The Company's upstream earnings included unusually high exploration expenses of nearly \$48 million in the current period, primarily caused by three previously announced dry holes in the Gulf of Mexico that collectively reduced net income by \$21.6 million. Our downstream operations generated earnings of \$4.8 million in the first quarter of 2000, an increase of \$1.9 million from the same period in 1999. Financial results from our U.S. downstream operations were disappointing and showed a loss of \$1.6 million as margins remained under pressure throughout most of the first quarter."

The Company's crude oil and condensate prices averaged \$25.29 a barrel in the current quarter, an increase of 139% from the average of \$10.57 in the similar period in 1999. Crude oil and gas liquids production averaged 67,247 barrels a day in the first three months of 2000 and 63,555 barrels a day in the first three months of 1999. The 6% increase in oil production in the 2000 quarter was primarily due to higher production at the Hibernia field, offshore Newfoundland. The Company's average natural gas sales prices in the United States improved by 39% in the current quarter and averaged \$2.55 an MCF compared to \$1.84 an MCF in the first quarter of 1999. Lower production from maturing fields in the Gulf of Mexico accounted for the decline in natural gas sales volumes, which were 229 million cubic feet a day in the first quarter of 2000 and 251 million cubic feet in the 1999 period.

Higher U.S. refinery inputs and finished product sales in the first quarter of 2000 compared to the 1999 quarter were primarily the result of reduced volumes in the earlier period caused by a plant-wide turnaround at the Company's Meraux refinery.

Corporate functions reflected a loss of \$6.7 million in the current quarter compared to a loss of \$5.4 million in the first quarter of 1999.

The public is invited to access Murphy's conference call to discuss first quarter 2000 earnings on Thursday, April 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 1-800-633-8491. The reservation number for the call is 14852988.

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For More Information

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