



Bank of America Merrill Lynch 2011 Global Energy Conference

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MURPHY OIL CORPORATION



Cautionary Note

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- **Financial Strength**
 - ◆ Strong Balance Sheet
 - ◆ Investment Grade Rating

- **Strong Production Growth**
 - ◆ Premium N. Am Resource Position

- **Impactful Exploration Program**

- **Advantaged US Retail**

- **Strategic Repositioning**
 - ◆ Exit Refining



Financial Strength

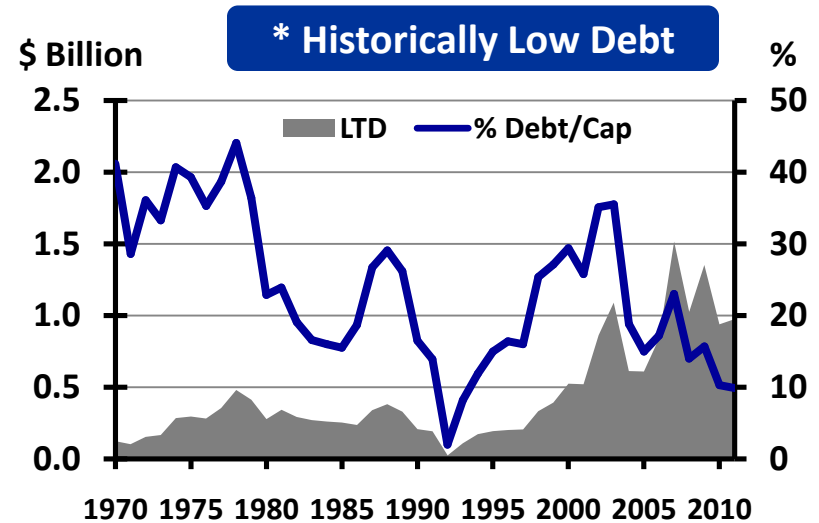
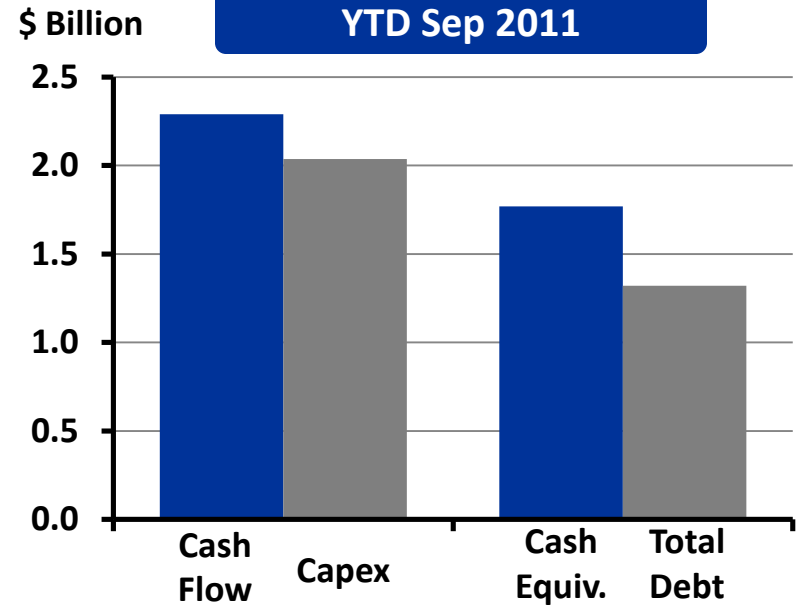
Liquidity sources

- ◆ Cash flow – YTD 2011
 - \$2.3 billion (Sep 30/11)
- ◆ Revolver
 - New 5 year \$1.5 billion committed facility June 2012
- ◆ Long term bond market
 - Very accessible & reasonably priced

Strong balance sheet (Sep 30/11)

- ◆ \$1.8 billion cash & short term investments
- ◆ Total Debt \$1.3 billion
- ◆ LTD \$0.97 billion
- ◆ 9.9% LTD Debt/Cap

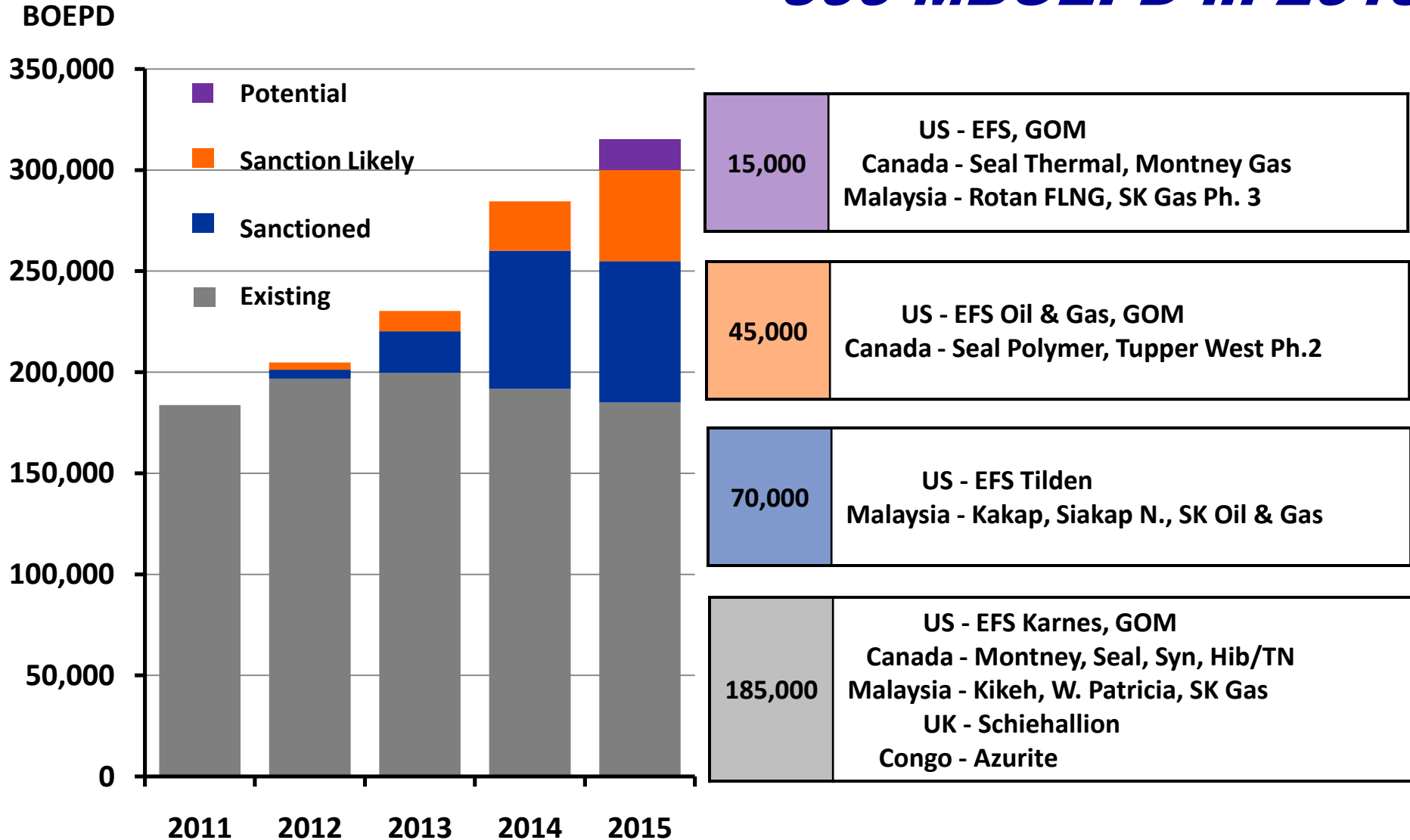
(* Excludes refinery sale proceeds)





Production Growth

300 MBOEPD in 2015





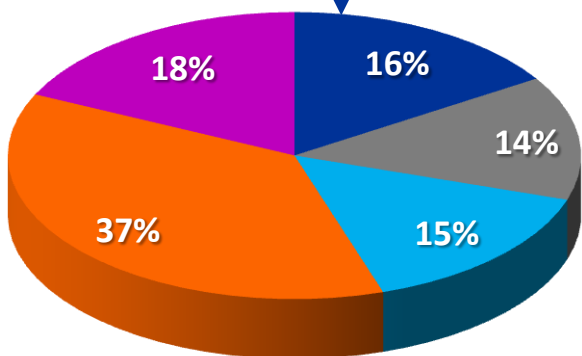
Total Hydrocarbon Base

2009
2,814 MMBOE

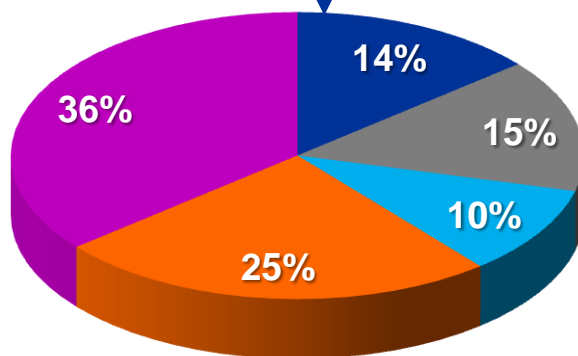
2010
3,291 MMBOE

2011
3,400 MMBOE

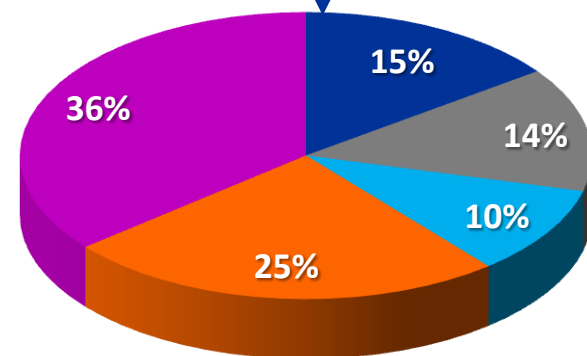
439 MMBOE



455 MMBOE



500 MMBOE



■ Proved

■ Probable

■ Possible

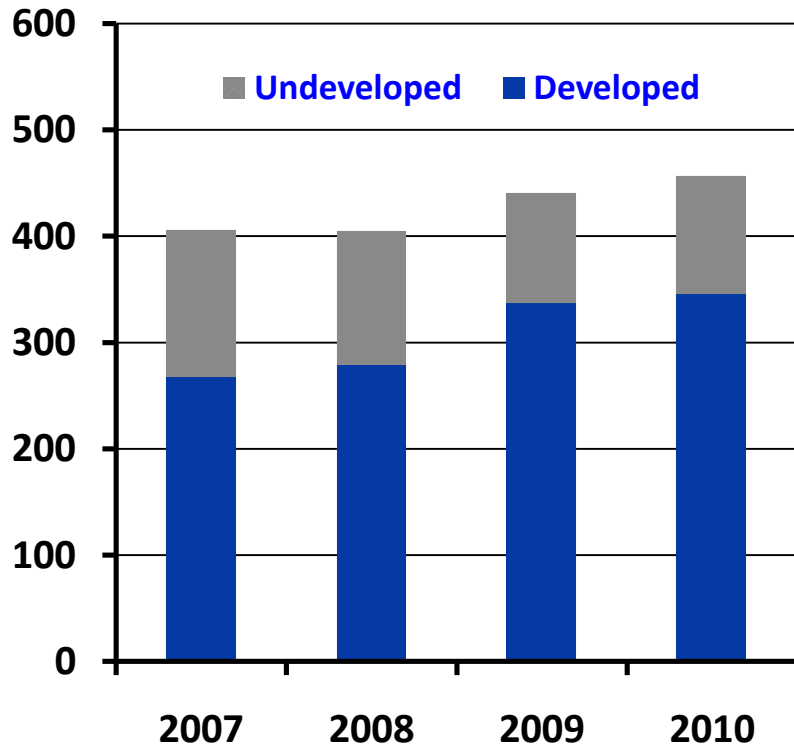
■ Contingent (Conventional)

■ Contingent (Resource Plays)



Reserves & Production Replacement

Proved Reserves (MMBOE)



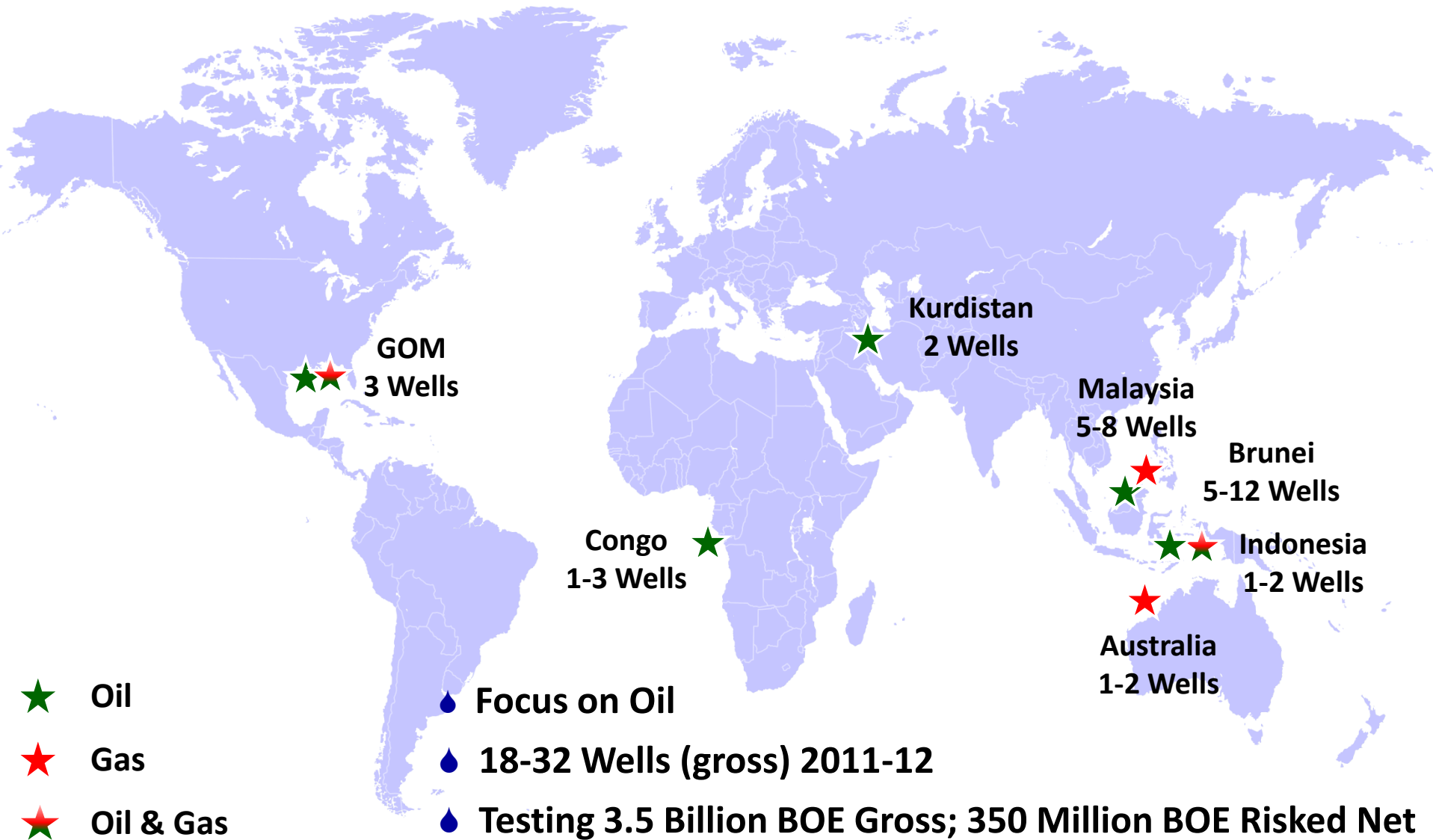
- Reserve Replacement
 - ◆ 131% Annual Avg. Last 4 Years
 - ◆ 124% in 2010
 - ◆ Estimate 150+% in 2011
- Growing Production Profile
- Increasing R/P



EXPLORATION



2011 - 12 Exploration Program





2011 - 2012 Exploration Program

		Q3 - '11	Q4 - '11	Q1 - '12	Q2 - '12	Q3 - '12	Q4 - '12
INDONESIA	Semai II						
	South Barito						
BRUNEI	CA-1						
	CA-2						
GOM	Multiple						
MALAYSIA	Block H						
KURDISTAN	Baranan						
	Central Dohuk						
CONGO	MPN/MPS						
AUSTRALIA	WA-423-P						

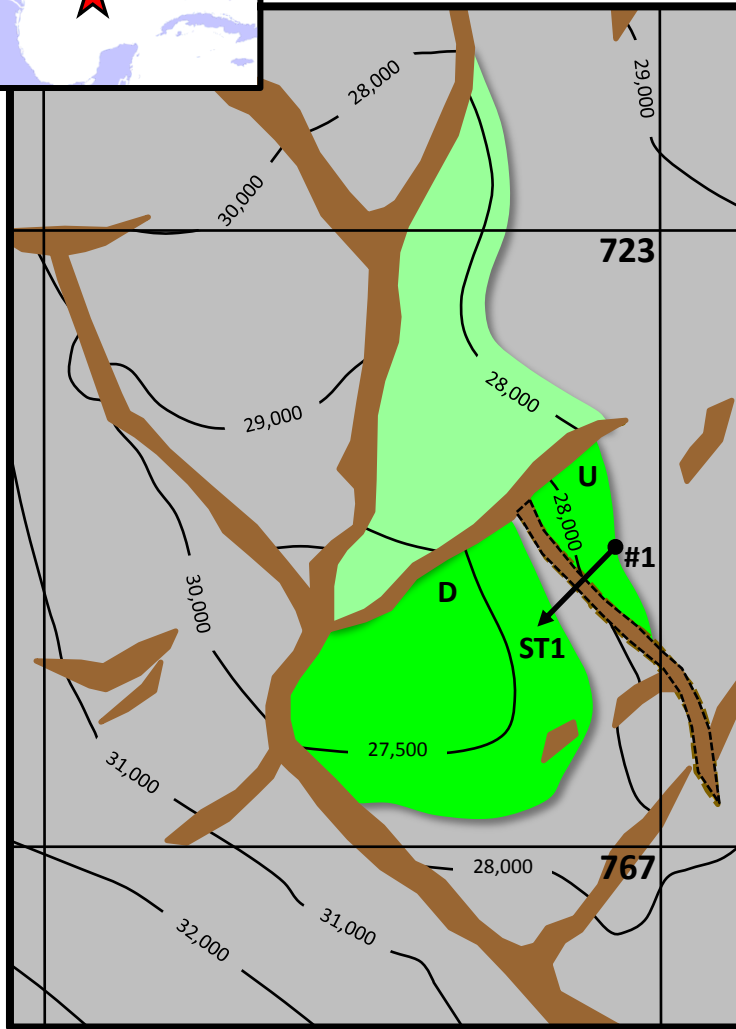
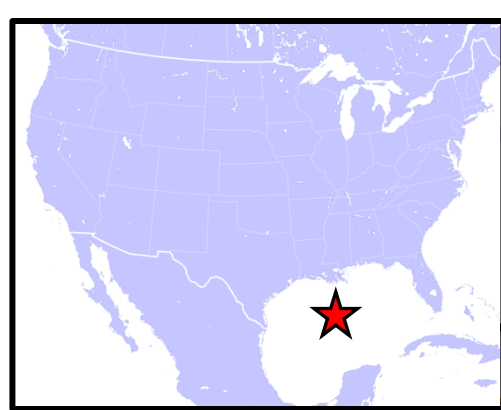
Oil Prospect

Oil/Gas Prospect

Gas Prospect

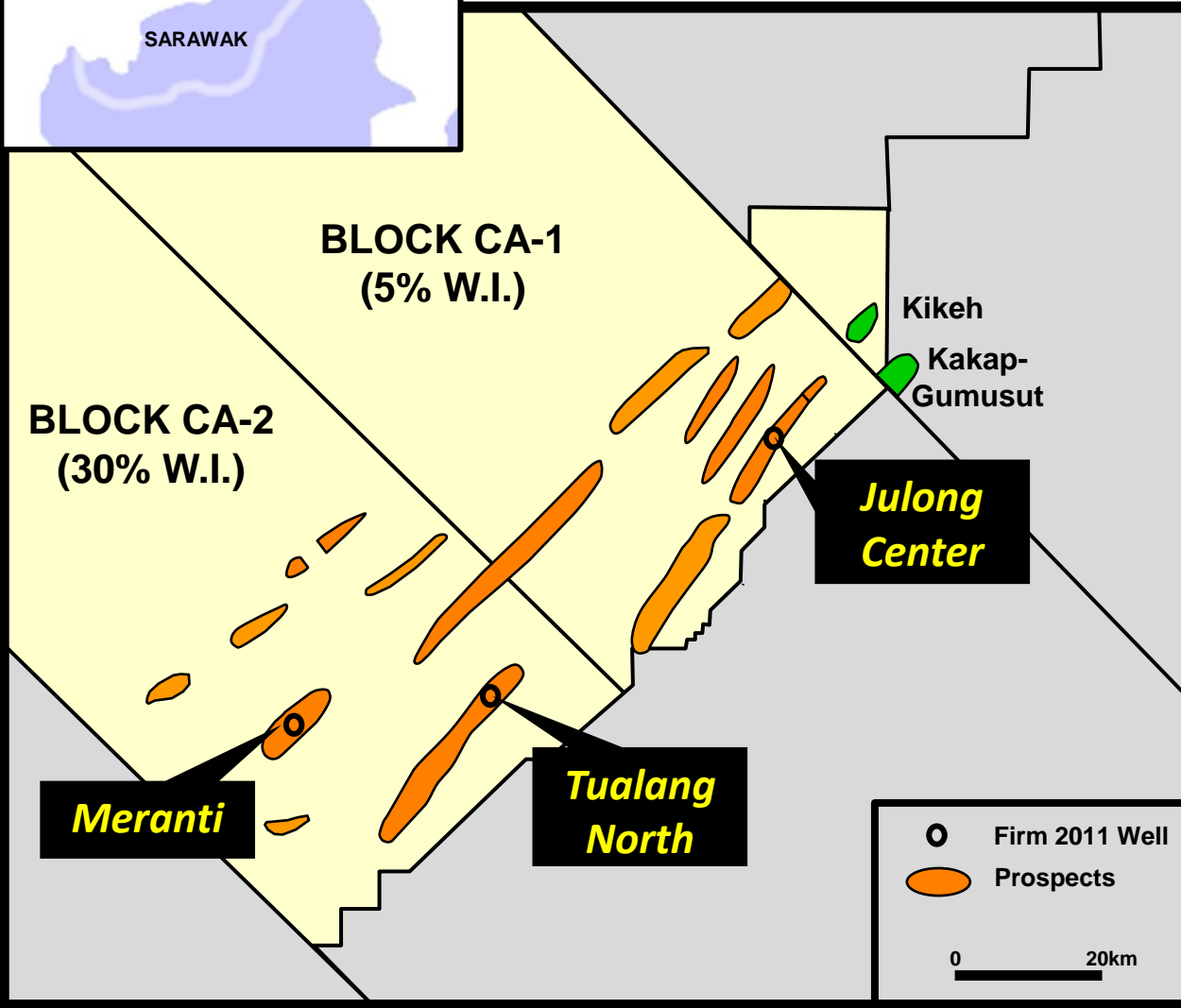
US – Gulf of Mexico

Deep Blue GC 723



- 💧 **Murphy W.I. = 9.375%**
- 💧 **Main Hole Encountered
32' Oil Pay**
- 💧 **Drilling Side Track**
- 💧 **Resource Potential
115 – 200 MMBOE**

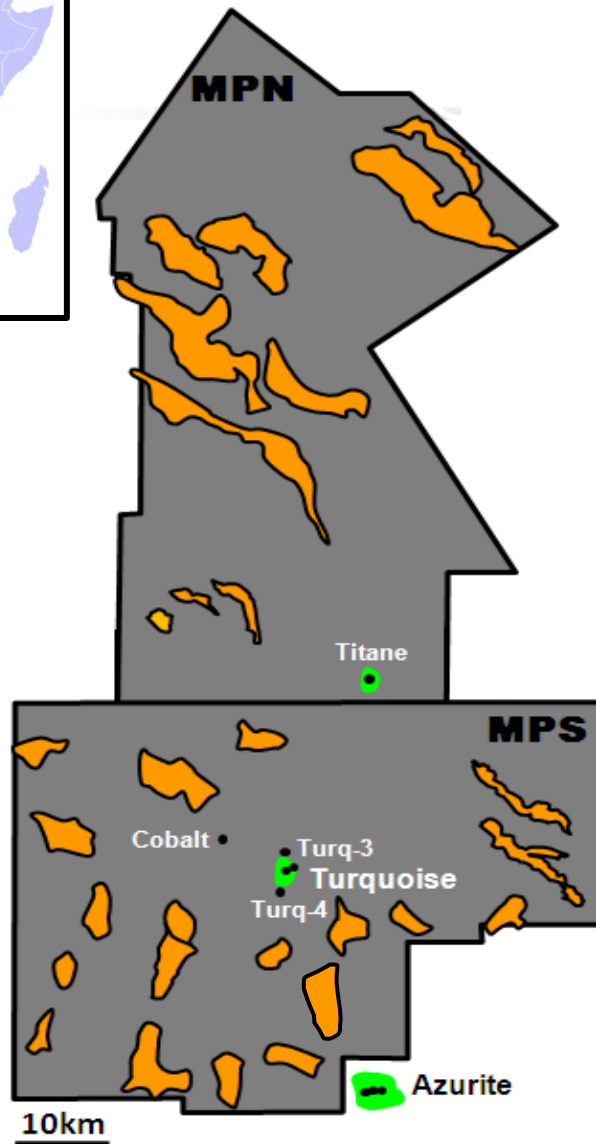
CA-1 & CA-2



Multiple Mega-Structures

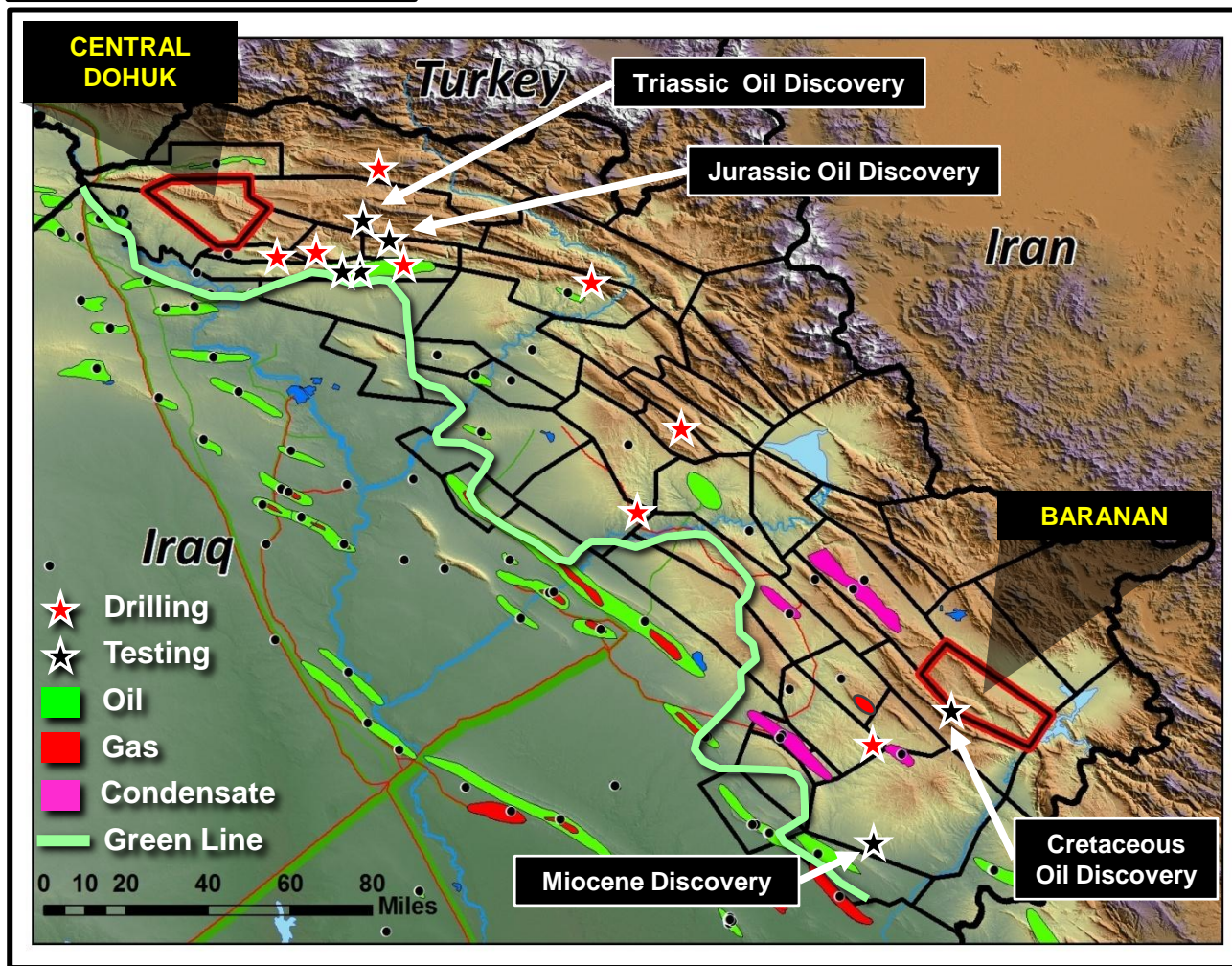
2011
◆ 4 Firm Wells
◆ 2 Rigs

2012
◆ At Least One Well



- Significant Potential
- Multiple Play Types; Large Prospect Inventory
 - ◆ Post-Salt Carbonates
 - ◆ Pre-Salt
- New 3D in MPN Confirms Pre-Salt Structures
- TRQM & Titane Tie Backs Being Worked
- 1-3 Wells in 2012

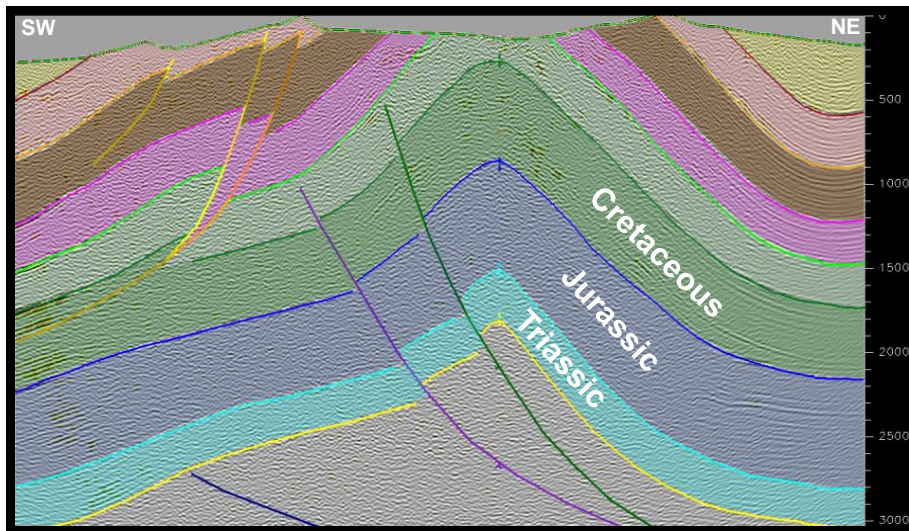
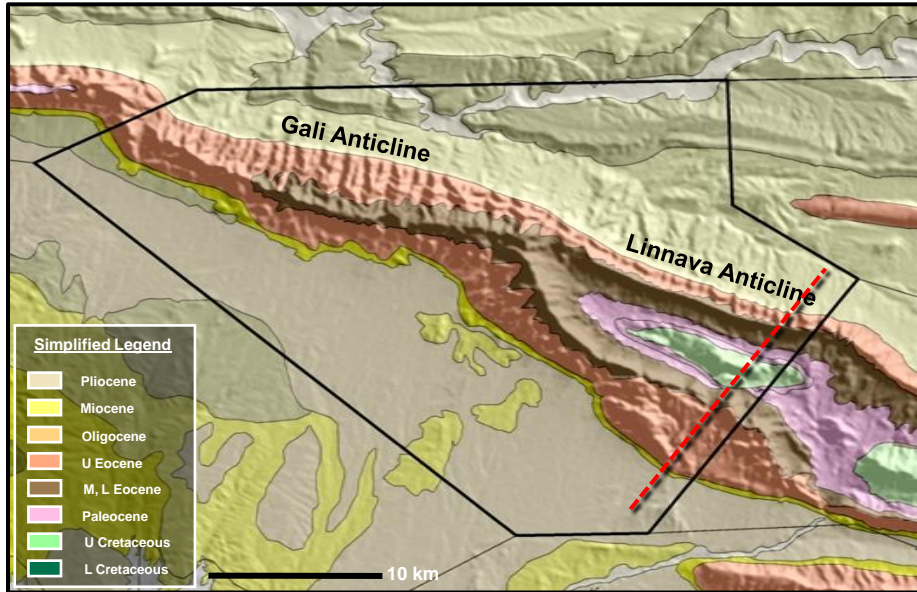
Kurdistan Region



- ◆ **Central Dohuk**
 - ◆ 50% W.I. Operator
 - ◆ Seismic Ongoing
 - ◆ Spud Mid-2012
- ◆ **Baranan Block**
 - ◆ 20% W.I.
 - ◆ Spud Early 2012
- ◆ **Billion Barrel Potential**



Iraq - Central Dohuk



- 2 Giant Structures
 - ◆ Billion Barrel Potential
- Mid-2012 First Well
- Potential in Cretaceous, Jurassic & Triassic
 - ◆ Proven Reservoirs in Nearby Blocks

Malaysia - Block H

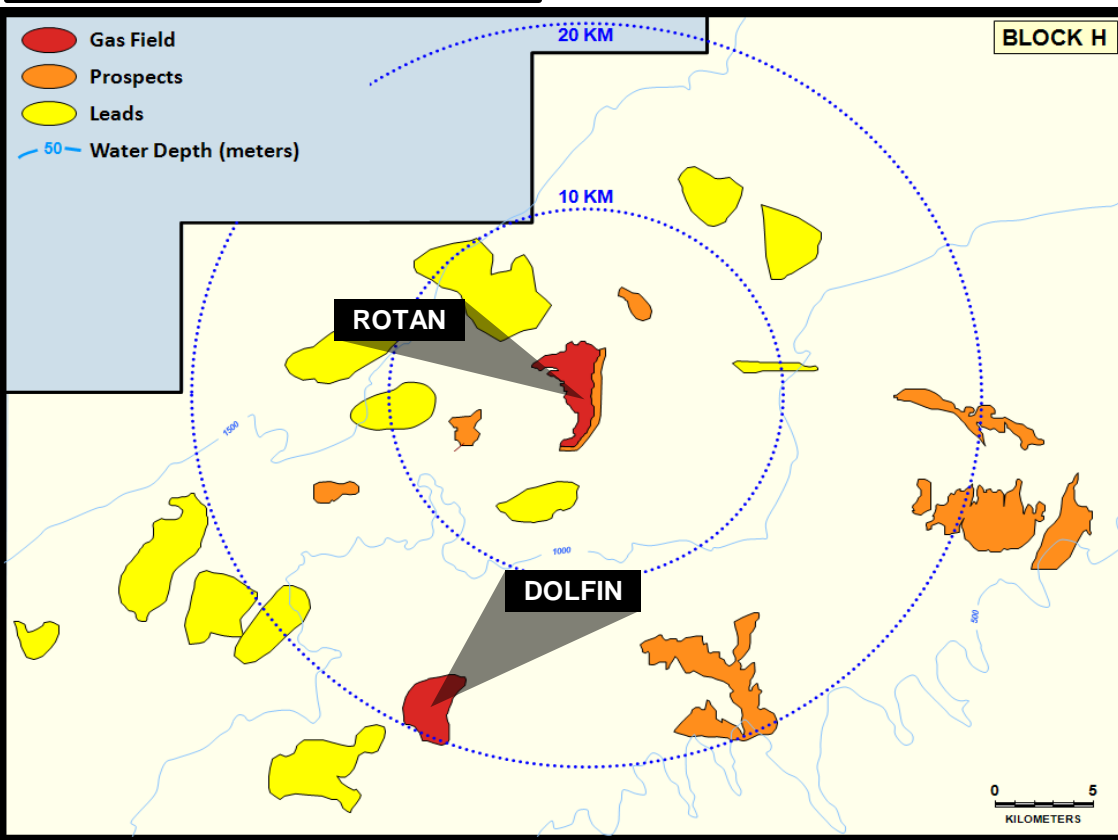


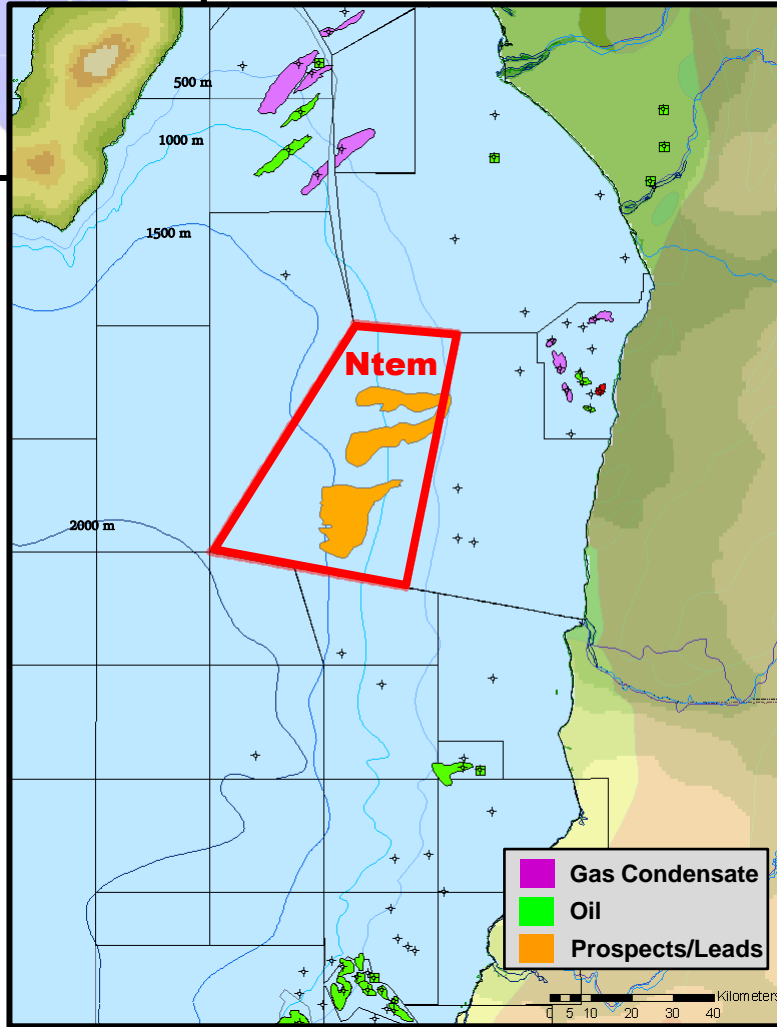
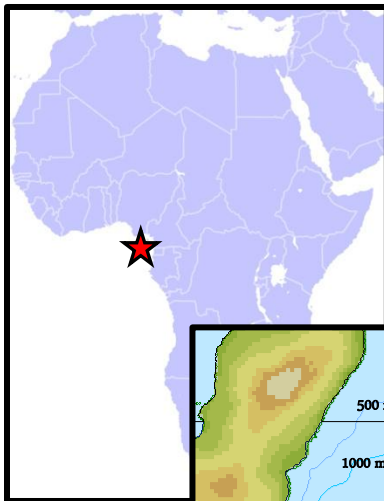
Rotan Floating LNG

Phase I Gas Sales

- ◆ 600 BCF
- ◆ 180 MMCFPD for 7 - 9 Years
- ◆ Production Targeted 2015

Large Prospect Inventory





💧 **New Country Entry**

💧 **Ntem Block**

- ◆ Operatorship & 50% Equity
- ◆ 3 Prospects Mapped on 3D
- ◆ Multi Hundred Million Barrel Potential

💧 **Proven HC Province**

💧 **Under-Explored Deepwater**



Impactful Global Exploration

- **2011 - 12 Program**
 - ◆ Oil Weighted Portfolio
 - ◆ Global Exploration Reach
 - ◆ 18-32 Gross Wells; 7 Countries

- **Capital Emphasis 2011**
 - ◆ \$390 Million Global Exploration Spend
 - ◆ \$1.45 Billion North American Resource Spend

- **Multiple Prospects for Near Term Impactful Discoveries**
 - ◆ GOM, Brunei, Congo, Kurdistan
 - ◆ Testing 3.5 Billion BOE Gross; 350 Million BOE Risked Net

- **Growing Exploration Acreage Positions Globally**



North American Resource Portfolio



N. American Resource Exposure



2011 Program

Eagle Ford Shale

- 5-7 Rigs; 46 Wells
 - ◆ 20 Expl. / 26 Dev.

Montney

- 3-6 Rigs; 55 Wells

Seal Lake

- 2 Rigs; 60 Wells

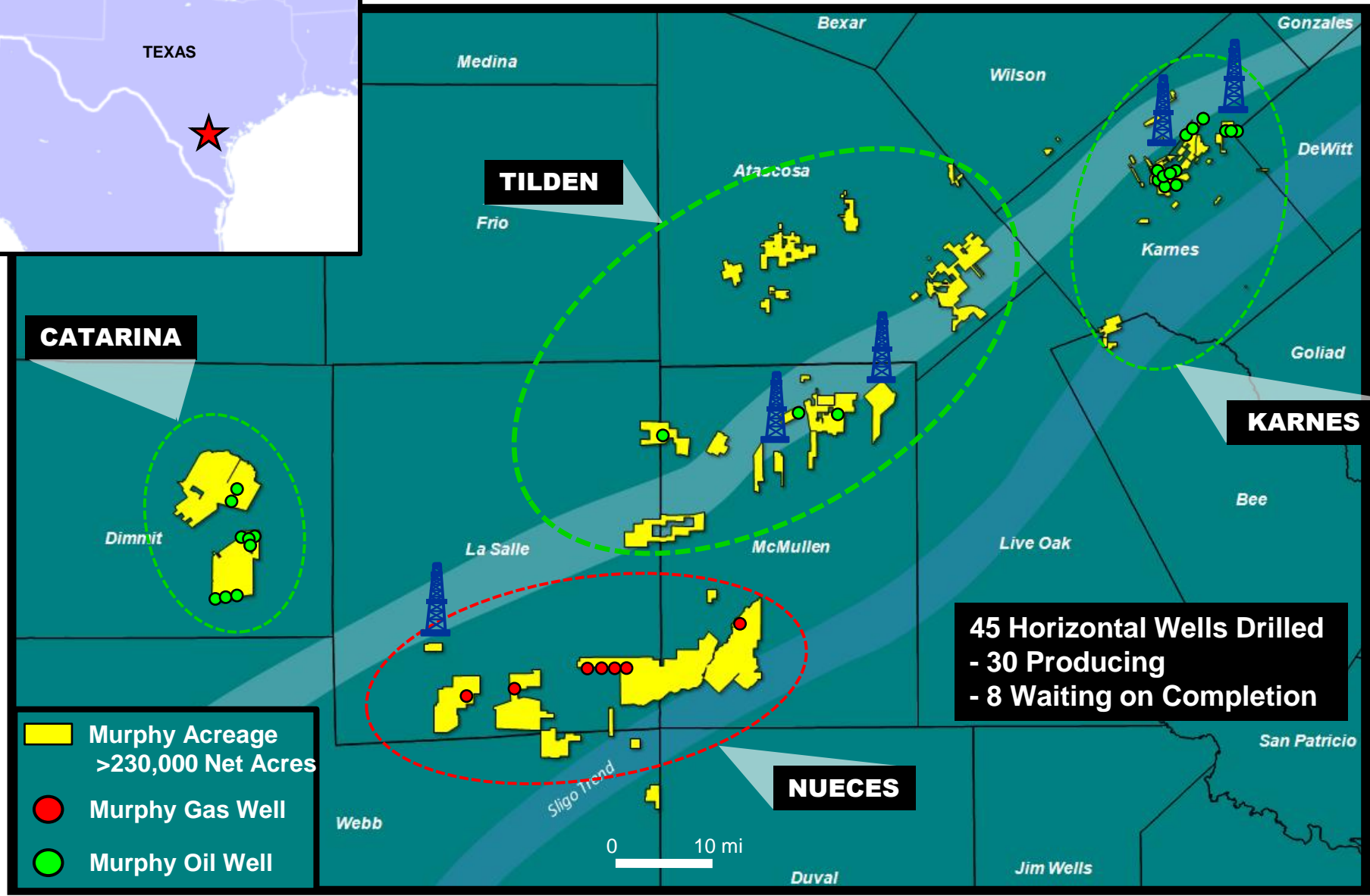
Exshaw/Bakken

- 1 Rig; 6 Expl. Wells

700,000 Net Acres

(Gross wells)

Eagle Ford Shale Activity



45 Horizontal Wells Drilled
- 30 Producing
- 8 Waiting on Completion

- Murphy Acreage >230,000 Net Acres
- Murphy Gas Well
- Murphy Oil Well

Eagle Ford Shale



◆ Well Activity To Date:

- ◆ 45 Drilled
- ◆ 30 Producing; 8 Awaiting Completion
- ◆ Producing 9,000 BOPD & 9 MMCFPD (gross)

◆ 5 Rigs Working; 7 Rigs by Year-end

- ◆ 2 – Karnes; 2 – Tilden; 1 – Nueces

◆ Dedicated Frac Crew

- ◆ Complete 3-5 Wells per month

◆ Improving Operational Performance

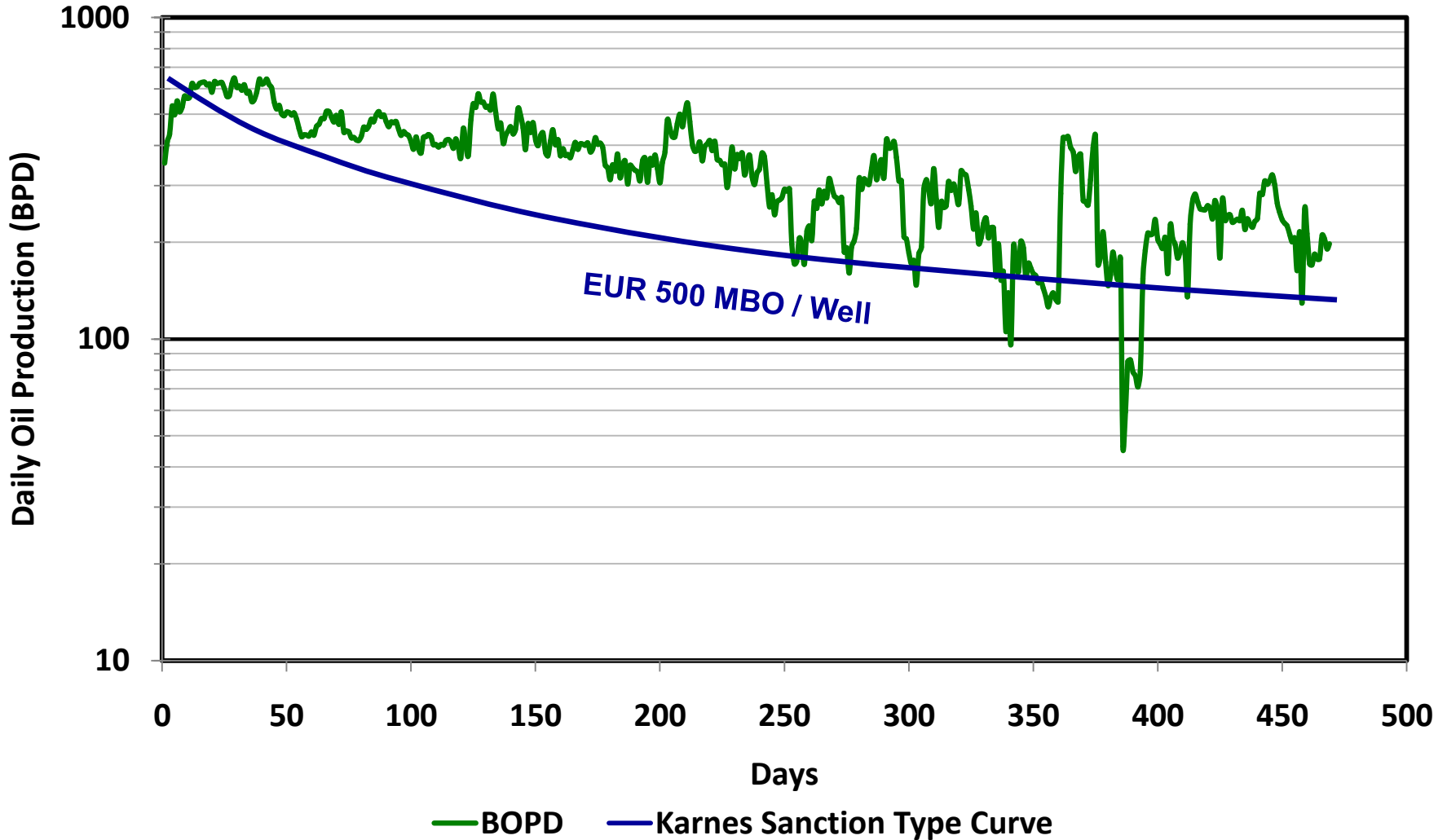
- ◆ Take-Away Capacity Moving Forward



(Gross wells)



Karnes Field Exceeding Expectations



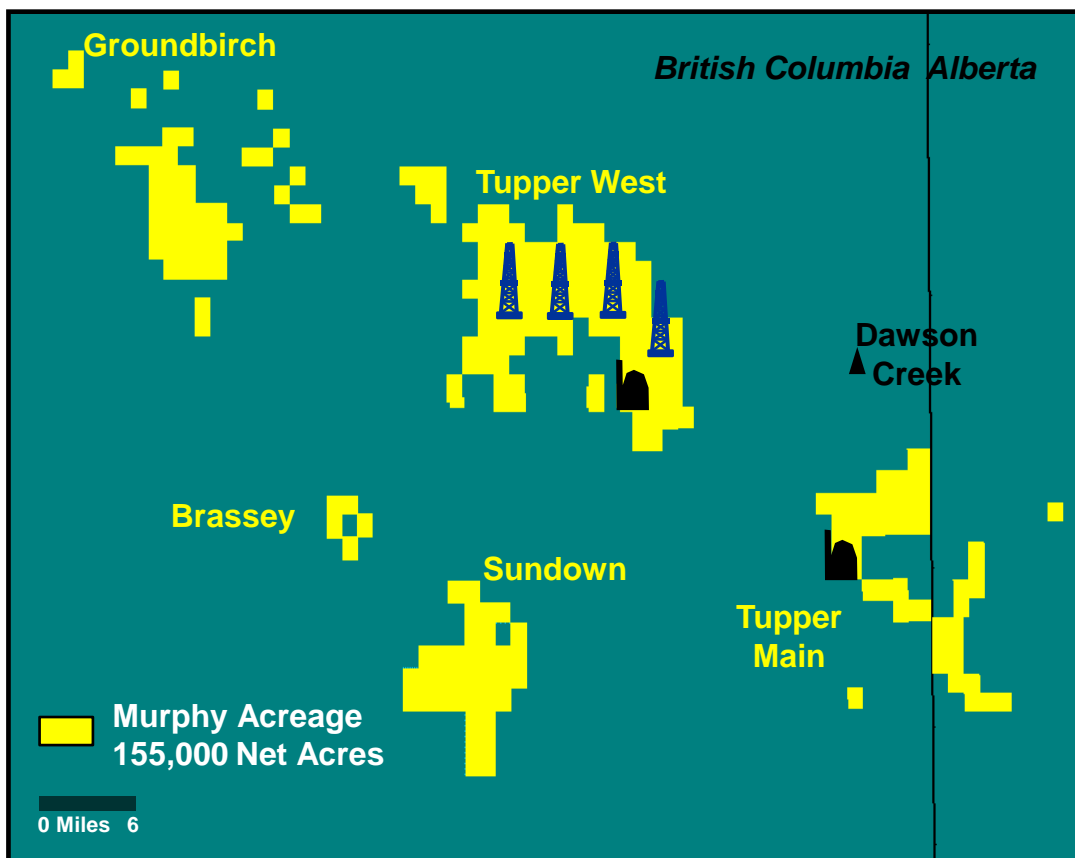


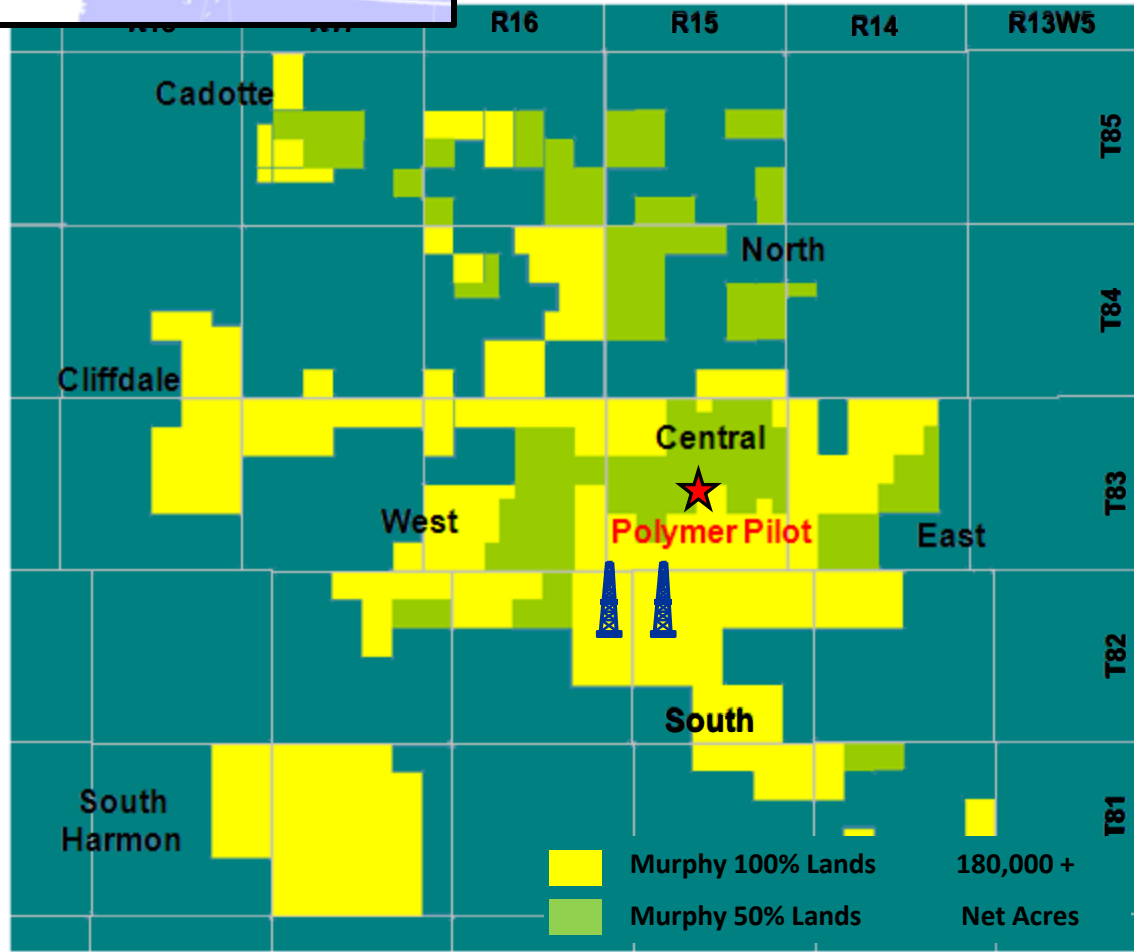
Tupper Main

- 100 MMCFPD
- All-in Costs Below \$3.75/MCF
- 81 Wells on Production
- Sanction Recovery
305 BCF; 3.5 BCF/Well (gross)

Tupper West (Phase I)

- 120+ MMCFPD
- 52 Wells on Production
- Sanction Recovery
900 BCF; 3.3 BCF/Well (Gross)





- **Large Resource**
 - ◆ 5+ Billion Bbls Oil in Place

- **Current Net Production**
8,000 BOPD

- **New Development Plan**

- **EOR Pilots**
 - ◆ Polymer Flood –
EUR 60+ MMBBL Prize
Positive Response
 - ◆ Thermal EOR –
EUR 250+ MMBBL Prize

Southern Alberta



Primary Objective

- ◆ Exshaw/Bakken

Evaluation Phase

- ◆ 6 Appraisal Wells in 2011
- ◆ 3 Producers; 2 Evaluating;
1 Awaiting Completion





N. A. Resource Plays

- **Four Play Exposure**
 - ◆ **Three For Oil**

- **Predictable Growth**

- **Attractive Entry Costs**

- **Lease; Drill and Produce all the Time**
 - ◆ **Drives Performance**

- **Entry in a Fifth Play Ongoing**
 - ◆ **> 100,000 Net Acres Acquired**

Complements Global Exploration



FIELD DEVELOPMENT

Malaysia - Kikeh



Field Development Ongoing

Production

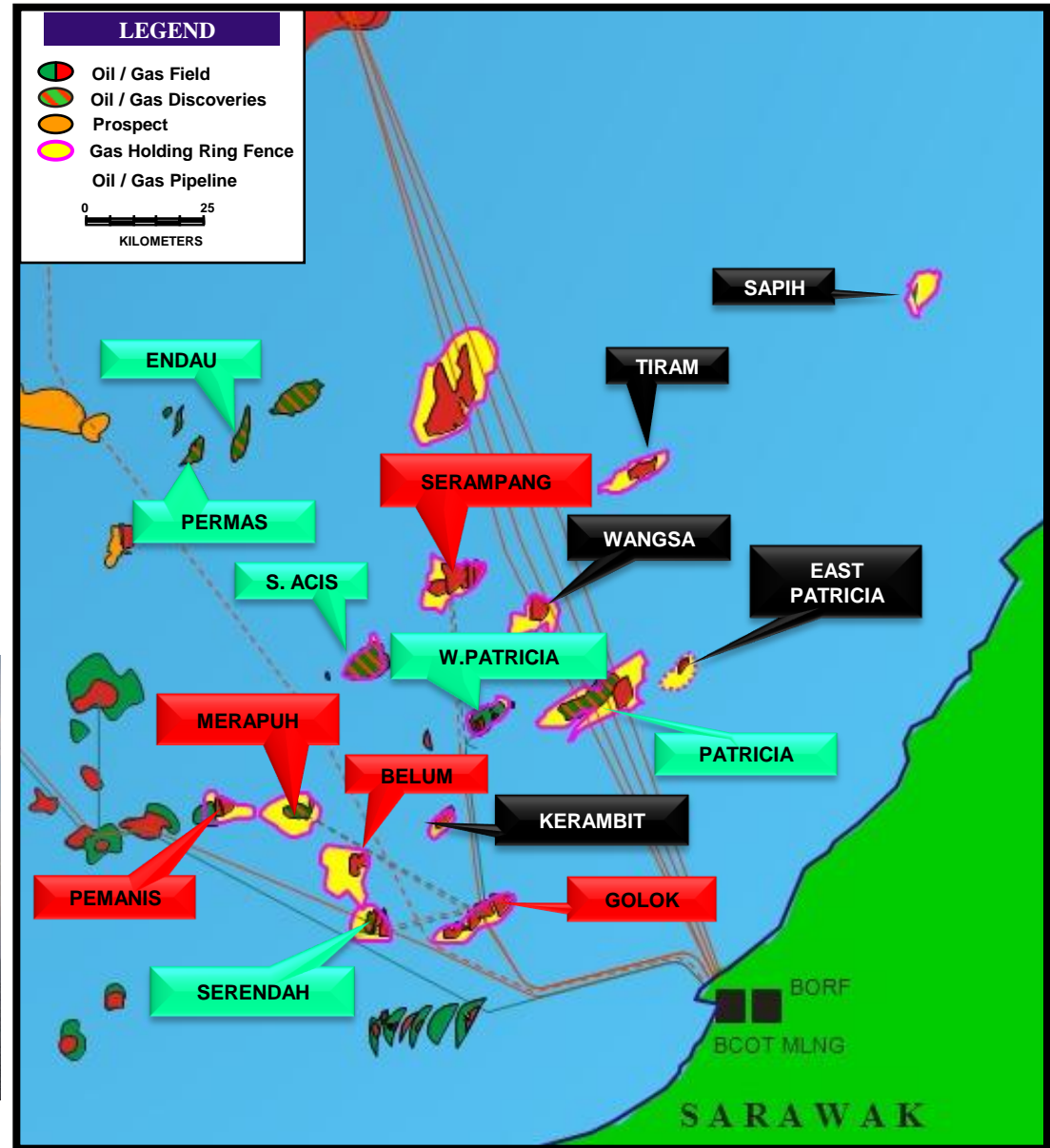
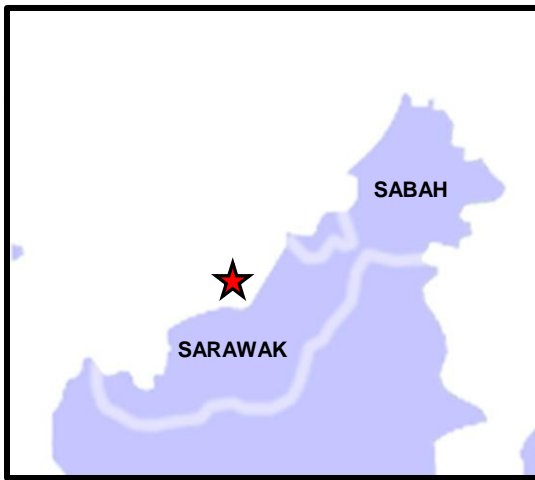
- ◆ Oil = 60,000 BOPD
- ◆ Gas = 80 MMCFPD

Workover Program On Track

- ◆ Gravel & Frac Pack
Recompletions Successful
- ◆ 2 Wells Back On Production



Malaysia - Sarawak Gas



- Production (gross)
 - Gas = 260 MMCFPD
 - Condensate = 3,000 BOPD





Malaysia – Fields Sanctioned in 2011

Field	Block	1st Production
* Patricia	SK 309	2012
* Serendah	SK 309	2013
* South Acis, Permas, Endau	SK 311	2013
* Siakap North	K	2013

(* Sanctioned)



◆ Front Runner

- ◆ A-8ST on Production**
- ◆ Drilling A-7ST**



◆ Thunder Hawk

- ◆ Received Permit for TH#4ST**
- ◆ Expected Spud Date:
Late 2011 or Early 2012 Subject
to Rig Availability**



DOWNSTREAM

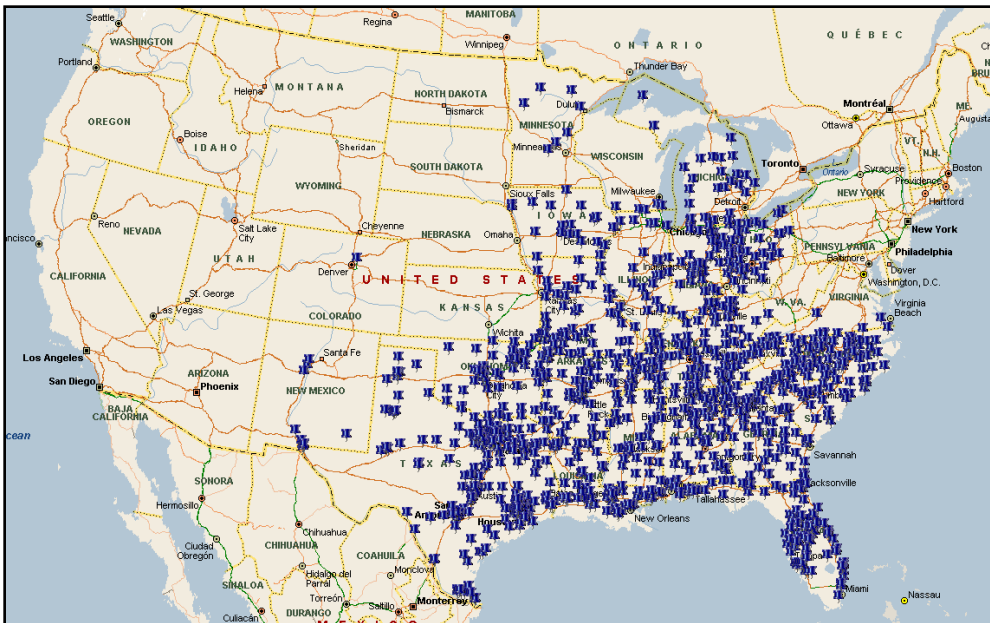


- **Completed Sale of US Refineries**

- **Superior, WI - \$214 Million plus Inventory**
 - ◆ **Closed Sep 30th**

- **Meraux, LA - \$325 Million plus Inventory**
 - ◆ **Closed Oct 1st**

- **UK Assets to be Split; Process Ongoing**



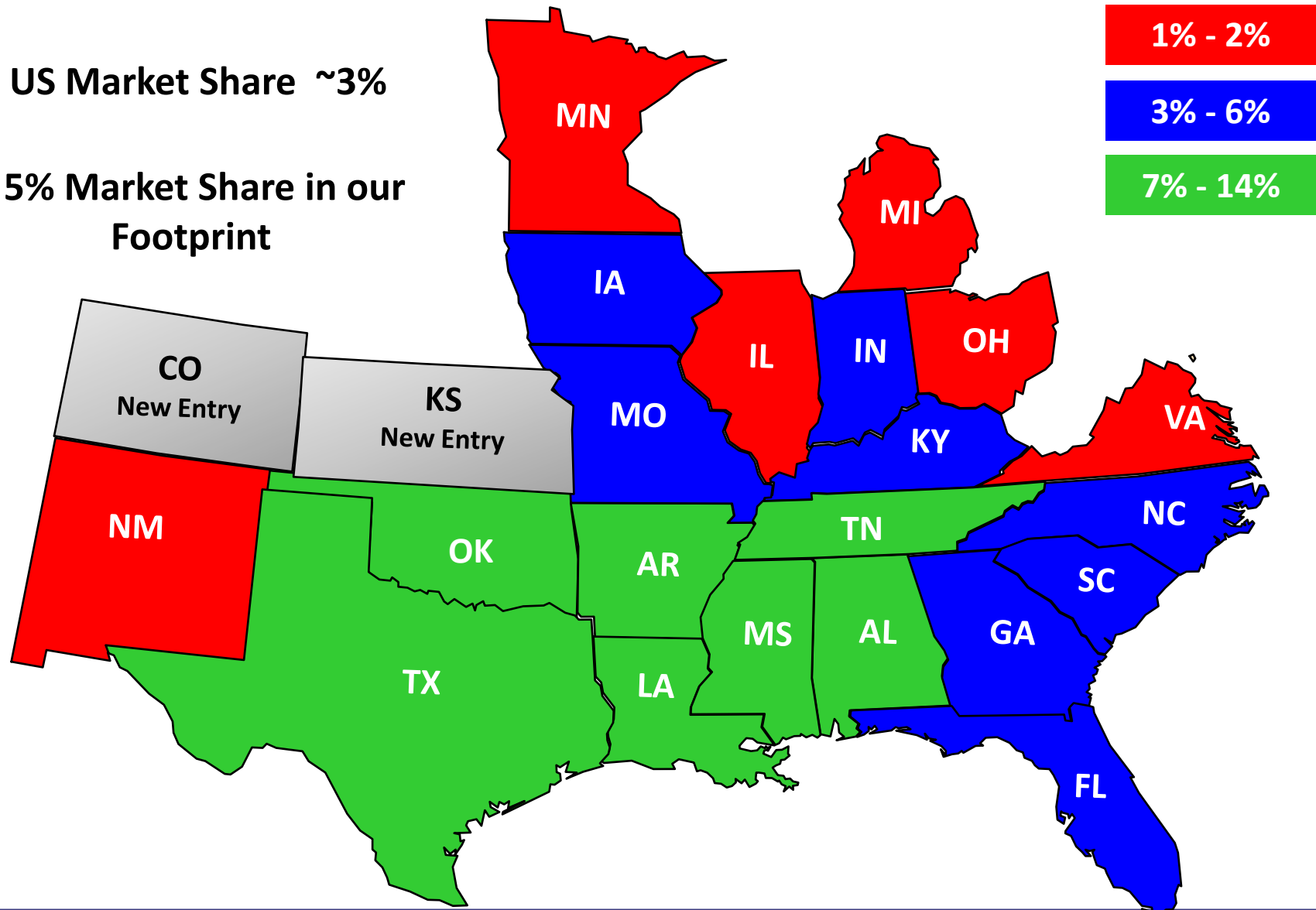
- 💧 **1,119 Stations in 23 States**
- 💧 **Small Kiosk Format (1,002)**
- ◆ **Located in Wal-Mart Parking Lots**



Murphy USA 2010 Market Share

US Market Share ~3%

5% Market Share in our Footprint





- **Low Price, High Volume Fuel Seller**
- **Low Cost Fuel Supplier**
- **Low Cost Operator**
- **Low Price Niche Merchandising**
- **Partnered with #1 US Retailer Wal-Mart**

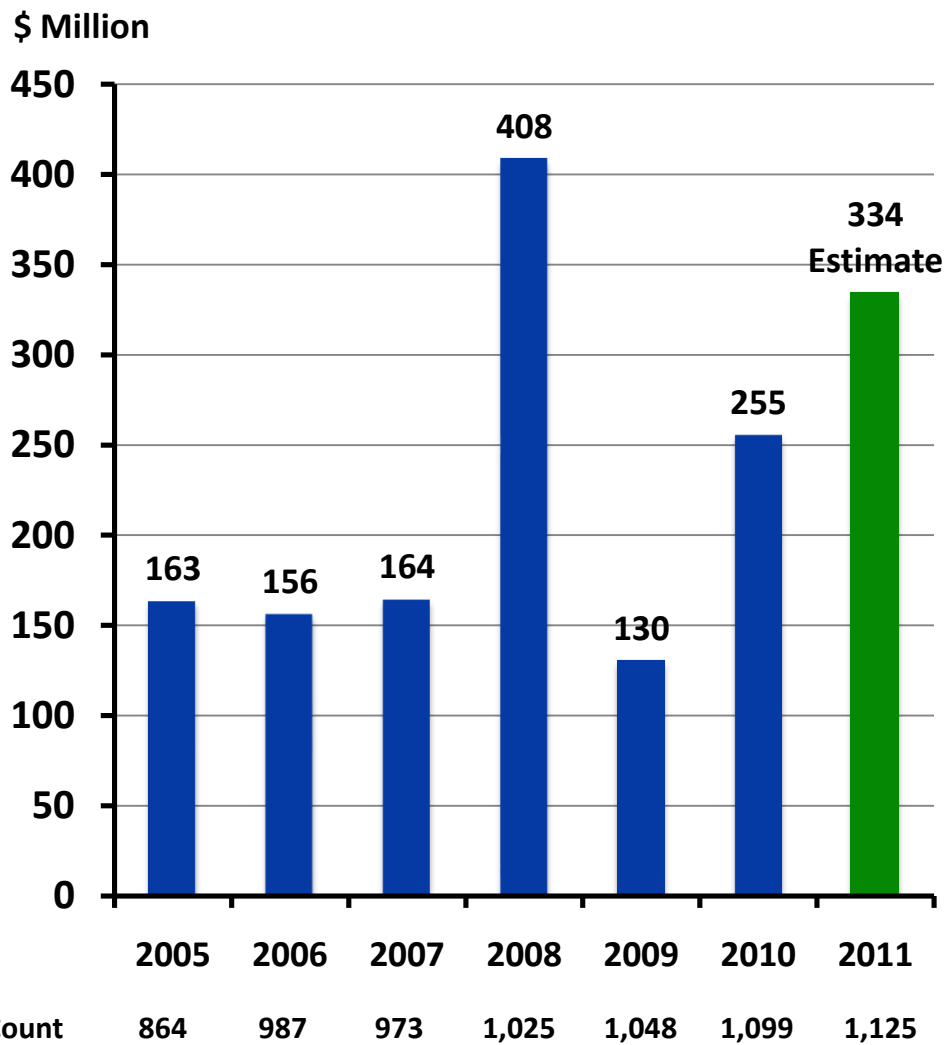
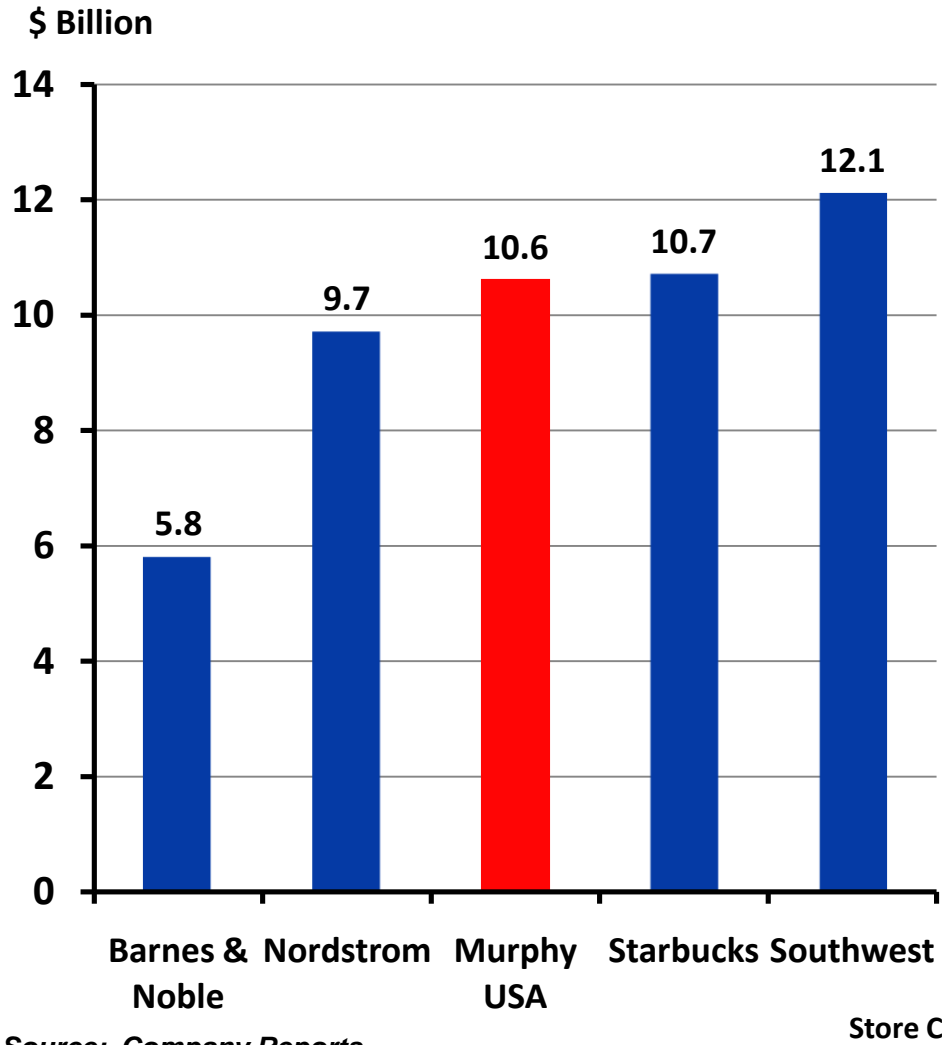




Financial Performance

High Revenue Business - 2010

US Retail EBITDA



Source: Company Reports



◆ Hankinson Renewable Energy

- ◆ 120 MMGY
- ◆ DDGS Railed to Market
- ◆ Local Corn Supply

◆ Hereford Renewable Energy

- ◆ Nameplate Capacity 105 MMGY
- ◆ WDGS Sold to Nearby Feed Lots
- ◆ High Storage Capacity





- **Providing Quality Low Cost Fuel where the Customers want it**
 - ◆ **Wal-Mart**

- **High Operating Cost Efficiencies**

- **High Fuel Volume per Site**

- **Tailor Future Sites to Market**
 - ◆ **High Traffic Count**



Murphy – Premium Business

- **Global Footprint**
 - ◆ Oil Weighted

- **Upstream – Production Growth**
 - ◆ North American Resource Predictability

- **US Retail – Top Quartile Business**
 - ◆ Low Cost When Price Matters; Room for Growth

- **Financial Strength**
 - ◆ Strong Balance Sheet
 - ◆ Investment Grade Rating

Capture and Execute Growth Opportunities



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