EDGAR® pro
by EDGAR® Online

MURPHY OIL CORP

FORM 8-K
(Current report filing)

Filed 03/21/19 for the Period Ending 03/21/19

Address	9805 KATY FWY SUITE G-200 HOUSTON, TX, 77024
Telephone	2816759000
CIK	0000717423
Symbol	MUR
SIC Code	1311 - Crude Petroleum and Natural Gas
Industry	Oil & Gas Exploration and Production
Sector	Energy
Fiscal Year	12/31

Powered By EDGAR® Online
https://www.edgar-online.com
© Copyright 2026, EDGAR Online LLC, a subsidiary of OTC Markets Group. All Rights Reserved.
Distribution and use of this document restricted under EDGAR Online LLC, a subsidiary of OTC Markets Group, Terms of Use.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **March 21, 2019**

MURPHY OIL CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**1-8590**	**71-0361522**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

300 Peach Street **P.O. Box 7000** **El Dorado, Arkansas**	**71730-7000**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **870-862-6411**

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On March 21, 2019, Murphy Oil Corporation (the “Company”) announced that a subsidiary has signed a sale and purchase agreement to divest the fully issued share capital of the Company’s two primary Malaysian subsidiaries, Murphy Sabah Oil Co., Ltd. and Murphy Sarawak Oil Co., Ltd., to a subsidiary of PTT Exploration and Production Public Company Limited (“PTTEP”). PTTEP will pay the Company US$2.127 billion in an all-cash transaction, payable upon closing and subject to customary closing adjustments, plus up to a US$100 million bonus payment contingent upon certain future exploratory drilling results prior to October 2020.

The transaction has an effective economic valuation date of January 1, 2019, with the closing expected to occur by the end of the second quarter 2019. Closing of the transaction is subject to customary conditions precedent including, among other things, necessary regulatory approvals. Under the terms of the transaction, the Company will exit the country of Malaysia.

This Current Report on Form 8-K, including the information furnished pursuant to Item 7.01 and the related Item 9.01 hereof, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as “aim”, “anticipate”, “believe”, “drive”, “estimate”, “expect”, “expressed confidence”, “forecast”, “future”, “goal”, “guidance”, “intend”, “may”, “objective”, “outlook”, “plan”, “position”, “potential”, “project”, “seek”, “should”, “strategy”, “target”, “will” or variations of such words and other similar expressions. These statements, which express management’s current views concerning future events or results, are subject to inherent risks and uncertainties. Factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement include, but are not limited to: the Company’s inability to complete the Malaysia divestiture transaction described above due to the failure to obtain regulatory approvals, the failure of the Company’s counterparty to perform its obligations under the sale and purchase agreement referred to above, the failure to satisfy all closing conditions, or otherwise; increased volatility or deterioration in the level of crude oil and natural gas prices; deterioration in the success rate of the Company’s exploration programs or in the Company’s ability to maintain production rates and replace reserves; reduced customer demand for the Company’s products due to environmental, regulatory, technological or other reasons; adverse foreign exchange movements; political and regulatory instability in the markets where the Company does business; natural hazards impacting the Company’s operations; any other deterioration in the Company’s business, markets or prospects; any failure to obtain necessary regulatory approvals; any inability to service or refinance the Company’s outstanding debt or to access debt markets at acceptable prices; and adverse developments in the U.S. or global capital markets, credit markets or economies in general. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see “Risk Factors” in the Company’s most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that the Company files, available from the SEC’s website and from the Company’s website at http://ir.murphyoilcorp.com. The Company undertakes no duty to publicly update or revise any forward-looking statements.

Item 7.01. Regulation FD Disclosure.

Attached hereto as Exhibit 99.1 is a copy of the news release issued by the Company announcing the Malaysia divestiture transaction described in Item 1.01 hereof, and attached hereto as Exhibit 99.2 is a copy of the investor presentation prepared by the Company in connection therewith.

The information in this Item 7.01, including Exhibits 99.1 and 99.2 attached hereto, is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise expressly stated in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 News release of the Company dated March 21, 2019.

99.2 Investor presentation of the Company dated March 21, 2019.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 21, 2019

MURPHY OIL CORPORATION

By: /s/ Christopher D. Hulse
Christopher D. Hulse
Vice President and Controller

NEWS RELEASE

MURPHY OIL CORPORATION ANNOUNCES STRATEGIC SALE OF MALAYSIAN PORTFOLIO IN ALL-CASH TRANSACTION VALUED AT US$2.127 BILLION

Strategic Exit from Malaysia Simplifies the Company and Enables Enhanced Focus on Western Hemisphere Assets

Cash Proceeds Will be Allocated to Share Repurchases, Debt Reduction and Support Sustained Oil-Weighted Growth

Board Authorizes $500 Million Share Repurchase Program

EL DORADO, Arkansas, March 21, 2019 – Murphy Oil Corporation (NYSE: MUR) ("Murphy") announced today that a subsidiary has signed a sale and purchase agreement to divest the fully issued share capital of its two primary Malaysian subsidiaries, Murphy Sabah Oil Co., Ltd. and Murphy Sarawak Oil Co., Ltd., to a subsidiary of PTT Exploration and Production Public Company Limited ("PTTEP"). PTTEP will pay Murphy US$2.127 billion in an all-cash transaction, payable upon closing and subject to customary closing adjustments, plus up to a US$100 million bonus payment contingent upon certain future exploratory drilling results prior to October 2020.

The transaction has an effective economic valuation date of January 1, 2019, with the closing expected to occur by the end of the second quarter 2019. Closing of the transaction is subject to customary conditions precedent including, among other things, necessary regulatory approvals. Under the terms of the transaction, Murphy will exit the country of Malaysia.

The year-end 2018 proved reserves (1P) net to Murphy were 816 million barrels of oil equivalent (Mmboe) of which 16 percent or 129 Mmboe were attributable to Malaysia. Of the 129 Mmboe of proved reserves, 70 Mmboe are characterized as proved undeveloped. The proved reserves are comprised of 468 billion cubic feet (Bcf) of natural gas and 51 million barrels (Mmbbl) of liquids. Total production net to Murphy in 2018 for the properties to be divested was over 48,000 barrel of oil equivalent per day (Boepd), comprised of 62 percent liquids.

PROCEEDS FROM THE TRANSACTION

Murphy intends to allocate the proceeds from the transaction to advance its strategic priorities. This includes returning cash to shareholders through share repurchases and strengthening the company's balance sheet by reducing debt.

Murphy's Board of Directors has approved a new $500 million share repurchase program, expiring on December 31, 2020, of which approximately $300 million is planned to be executed in the first tranche, with the remaining $200 million expected in the second tranche. In addition, the company intends to use a portion of the proceeds to pay down approximately $750 million of outstanding debt, with $325 million allocated to pay off Murphy's senior credit facility to a zero balance and $425 million targeted to the repurchase or redemption of outstanding senior notes.

The company plans to continue its current oil-weighted strategy in both the Eagle Ford Shale and the Gulf of Mexico, while maintaining its focused exploration plan. To this end, $750 million of the remaining proceeds will remain on the balance sheet earmarked for U.S. oil-weighted opportunities through potential acquisitions and/or the funding of both deep water projects and U.S. onshore opportunities. The company will continue to employ a measured, disciplined approach to capital allocation that is aimed at generating the greatest value for Murphy's shareholders.

Murphy expects to record a book gain on the sale between $0.9 billion to $1.0 billion, and plans to repatriate essentially all of the cash proceeds to the United States.

"After 20 years of successful operations in Malaysia, I am pleased to announce this all-cash transaction benefiting our shareholders by fully monetizing our proved and probable reserves. The tactical repositioning of Murphy allows us to simplify our business and focus on our core assets in the Western Hemisphere. The transaction will provide us with greater financial flexibility and allow us to continue returning cash to our shareholders through share repurchases," commented Roger W. Jenkins, President and Chief Executive Officer. "We would like to congratulate PTTEP on their purchase and we will support them in a smooth business transition over the coming months. I would like to thank our long-term partners in Malaysia, PETRONAS, PETRONAS Carigali and Pertamina. Most importantly, I would like to thank our committed Malaysian staff for their hard work and endless dedication to our company and we look forward to their successful transition to PTTEP,” Jenkins added.

NEW 2019 PLAN

The new 2019 annual plan reflects the company’s ongoing commitment to the goal of aligning spending within cash flows, while simultaneously returning cash to shareholders. The company’s previously announced annual production guidance was 202 to 210 Mboepd, of which 46 to 48 Mboepd was attributable to Malaysia. Murphy’s previously announced capital plan for 2019 was expected to be in the range of $1.25 to $1.45 billion, of which $106 million was attributable to Malaysia.

Beginning with the first quarter 2019 earnings release, the Malaysian operations will be reported as a “discontinued operation” and classified as “held for sale” for financial reporting purposes.

MULTI-YEAR PLAN

The company is well-positioned for long-term value creation. Following the Malaysia divestiture, $500 million share repurchase authorization and $750 million debt reduction, the company believes it can generate over $1.2 billion of free cash flow, before dividend payments between 2019 to 2023, when applying a $55 per barrel WTI flat price. Over the same time frame, it plans to generate approximately an 8 percent compound annual growth rate from its three core producing assets in U.S. onshore, Canada onshore, and North America offshore.

“Our strategy of delivering moderate production growth over the next few years while generating free cash flow above our planned dividend levels continues when applying conservative oil prices even following the risk-free monetization of our Malaysia assets. We will continue with our plans of investing in our high margin, oil-weighted Western Hemisphere opportunities, especially the Eagle Ford Shale and the Gulf of Mexico while maintaining our focused low-cost exploration program,” Jenkins added.

Bank of America Merrill Lynch served as advisor to Murphy on the transaction and Tudor, Pickering, Holt & Co. served as financial advisor to Murphy. Gibson, Dunn & Crutcher LLP acted as legal counsel to Murphy.

CONFERENCE CALL AND WEBCAST SCHEDULED FOR MARCH 21, 2019

Murphy will host a conference call and webcast to discuss the transaction on March 21, 2019, at 8:30 a.m. (EDT). The call can be accessed either via the Internet through the Investor Relations section of Murphy's website at http://ir.murphyoilcorp.com or via the telephone by dialing 1-888-886-7786 (North America toll-free) or 1-800-81-7426 (Malaysia toll-free), reservation number 01850616.

ABOUT MURPHY OIL CORPORATION

Murphy Oil Corporation is a global independent oil and natural gas exploration and production company. The company's diverse resource base includes production from North America onshore plays in the Eagle Ford Shale, Kaybob Duvernay and Montney, as well as offshore Gulf of Mexico, Canada and Southeast Asia. Additional information can be found on the company's website at http://www.murphyoilcorp.com.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim", "anticipate", "believe", "drive", "estimate", "expect", "expressed confidence", "forecast", "future", "goal", "guidance", "intend", "may", "objective", "outlook", "plan", "position", "potential", "project", "seek", "should", "strategy", "target", "will" or variations of such words and other similar expressions. These statements, which express management's current views concerning future events or results, are subject to inherent risks and uncertainties. Factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement include, but are not limited to: our inability to complete the Malaysia divestiture due to the failure to obtain regulatory approvals, the failure of our counterparty to perform its obligations under the transaction agreement, the failure to satisfy all closing conditions, or otherwise; increased volatility or deterioration in the level of crude oil and natural gas prices; deterioration in the success rate of our exploration programs or in our ability to maintain production rates and replace reserves; reduced customer demand for our products due to environmental, regulatory, technological or other reasons; adverse foreign exchange movements; political and regulatory instability in the markets where we do business; natural hazards impacting our operations; any other deterioration in our business, markets or prospects; any failure to obtain necessary regulatory approvals; any inability to service or refinance our outstanding debt or to access debt markets at acceptable prices; and adverse developments in the U.S. or global capital markets, credit markets or economies in general. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see "Risk

Factors" in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC's website and from Murphy Oil Corporation's website at http://ir.murphyoilcorp.com. Murphy Oil Corporation undertakes no duty to publicly update or revise any forward-looking statements.

NON-GAAP FINANCIAL MEASURES

This news release contains the term "free cash flow", a non-GAAP financial measure. Free cash flow is defined as net cash provided from continuing operations less property additions and dry hole costs. The company cannot, without unreasonable effort, forecast certain items required to develop a meaningful comparable GAAP financial measure. These items include commodity prices, foreign exchange rates, interest and tax rates, as well as other non-cash and unusual items and adjustments that occur with a company of our size and geographic diversity. This inhibits our ability to make reliable GAAP estimates for our cash flow measures, which ultimately could result in a range of projected values so broad as be meaningless to investors.

Investor Contacts:

Kelly Whitley, kelly_whitley@murphyoilcorp.com, 281-675-9107
Bryan Arciero, bryan_arciero@murphyoilcorp.com, 832-319-5374
Emily McElroy, emily_mcelroy@murphyoilcorp.com, 870-864-6324

P.O. Box 7000, El Dorado, Arkansas 71731-7000

Exhibit 99.2


MURPHY ANNOUNCES
STRATEGIC SALE OF
MALAYSIAN PORTFOLIO
MARCH 21, 2019
ROGER W. JENKINS
PRESIDENT & CHIEF EXECUTIVE OFFICER
MURPHY
OIL CORPORATION

Cautionary Statement & Investor Relations Contacts

Cautionary Note to U.S. Investors – The United States Securities and Exchange Commission (SEC) requires oil and natural gas companies, in their filings with the SEC, to disclose proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We may use certain terms in this presentation, such as "resource", "gross resource", "recoverable resource", "net risked P_{MEAN} resource", "recoverable oil", "resource base", "EUR" or "estimated ultimate recovery" and similar terms that the SEC's rules prohibit us from including in filings with the SEC. The SEC permits the optional disclosure of probable and possible reserves in our filings with the SEC. Investors are urged to consider closely the disclosures and risk factors in our most recent Annual Report on Form 10-K filed with the SEC and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC's website.

Forward-Looking Statements – This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are generally identified through the inclusion of words such as "aim", "anticipate", "believe", "drive", "estimate", "expect", "expressed confidence", "forecast", "future", "goal", "guidance", "intend", "may", "objective", "outlook", "plan", "position", "potential", "project", "seek", "should", "strategy", "target", "will" or variations of such words and other similar expressions. These statements, which express management's current views concerning future events or results, are subject to inherent risks and uncertainties. Factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement include, but are not limited to: our inability to complete the Malaysia divestiture due to the failure to obtain regulatory approvals, failure of our counterparty to perform its obligations under the transaction agreement, the failure to satisfy all closing conditions otherwise; increased volatility or deterioration in the level of crude oil and natural gas prices; deterioration in the success rate of our exploration programs or in our ability to maintain production rates and replace reserves; reduced customer demand for our products due to environmental, regulatory, technological or other reasons; adverse foreign exchange movements; political and regulatory instability in the markets where we do business; natural hazards impacting our operations; any other deterioration in our business, markets or prospects; any failure to obtain necessary regulatory approvals; any inability to service or refinance our outstanding debt or to access debt markets at acceptable price, and adverse developments in the U.S. or global capital markets, credit markets or economies in general. The company cannot, without unreasonable effort, forecast certain items required to develop meaningful comparable GAAP financial measures. These items include commodity prices, foreign exchange rates, interest and tax rates, as well as other non-cash and unusual items and adjustments that occur with a company of our size and geographic diversity. This inhibits our ability to make reliable GAAP estimates for numerous of our income statement and cash flow measures, which ultimately could result in a range of projected values so broad as be meaningless to investors. For further discussion of factors that could cause one or more of these future events or results not to occur as implied by any forward-looking statement, see "Risk Factors" in our most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (SEC) and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K that we file, available from the SEC's website and from Murphy Oil Corporation's website at http://ir.murphyoilcorp.com. Murphy Oil Corporation undertakes no duty to publicly update or revise any forward-looking statements.

Non-GAAP Financial Measures – This presentation refers to certain non-GAAP measures such as "Free Cash Flow" and "Adjusted Cash Flow from Operations". Definitions of these measures presented herein and reconciliations between U.S. GAAP and non-GAAP financial measures are included in the appendix.

Investor Relations Contacts

Kelly Whitley
VP, Investor Relations & Communications
281-675-9107
Email: kelly_whitley@murphyoilcorp.com

Bryan Arciero
Sr. Investor Relations Advisor
832-319-5374
Email: bryan_arciero@murphyoilcorp.com

Emily McElroy
Sr. Investor Relations Analyst
870-864-6324
Email: emily_mcelroy@murphyoilcorp.com

Sale of Murphy's Malaysian Business for $2.127 BN All-Cash

Murphy's Malaysia Assets – Sought by Strategic Purchasers

- Oil-Weighted Production Decreasing from Near 60% to Below 40% by 2023
- Cash Flow Margins Expected to Decline
- Assets Primarily in Harvest Mode
- Lower Priority Capital Allocation

Negotiated Transaction

- Full Monetization of 2P Resources
- Divesting 16% of Proved Reserves
- Divesting 22% of 2019 Production

Positive Outcomes for Murphy

- Further Benefit Shareholders with Share Repurchase & Debt Reduction
- Simplifying Portfolio with Strategic Exit from Malaysia
- Enhancing Focus on Oil-Weighted Western Hemisphere Assets with Increasing Cash Flow Margins
- Maintaining a Liquid-Oriented Production Profile
- Repatriating Essentially All Cash Proceeds to the US
- Benefitting Malaysia-Based Employees as PTTEP to Retain

Subject to Normal Closing Adjustments and Approval by PETRONAS

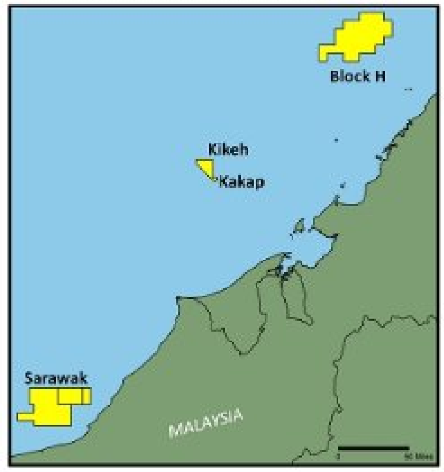
Transaction Summary Details

Transaction Summary	
Buyer	PTTEP
Purchase Price	$2.127 BN
Additional Contingent Payment[1]	Up to $100 MM
Effective Date	Jan 1, 2019
Expected Close	2Q 2019

Properties Summary	
2018 Production	48 MBOEPD
2019E Production	46 – 48 MBOEPD
2019E EBITDA[2]	~$475 MM
Oil / NGL / Gas	60% / 2% / 38%
2018 Net 1P Reserves	129 MMBOE
Liquids / Gas	51 MMBO / 468 BCF
Proved Developed	46%
Proved Undeveloped	54%
2019 CAPEX	$106 MM

[1]Contingent on Future Drilling Results Prior to Oct 2020
[2] $55/BBL WTI / $2.79/MCF HH

Offshore Malaysia Acreage & Fields



Expected Use of Proceeds

Returning Immediate Value

$500 MM
Share Repurchase Authorization

$750 MM
Debt Reduction Plan
- Targeting Debt/EBITDAX < 2.0

$750 MM
Cash on Balance Sheet
- Potential Oil-Weighted Acquisition
- Accretive Deep Water / US Onshore Opportunities

Creating Long-Term Value 2019 - 2023

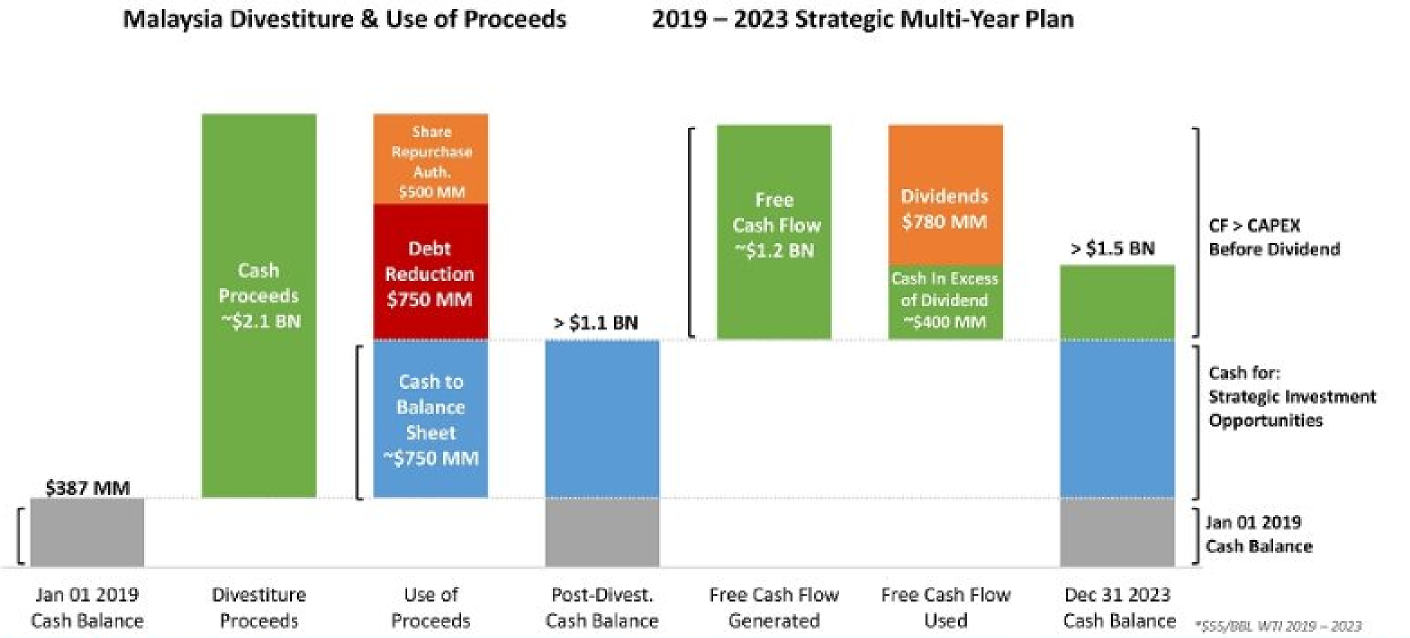
OIL-WEIGHTED GROWTH
Increasing Oil Production
> 8% CAGR

RETURN TO SHAREHOLDERS
Delivering Dividends & Share Repurchases
> $1.2 BN

FREE CASH FLOW AFTER DIVIDEND
Generating
> $400 MM

*$55/BBL WTI 2019 – 2023

Cash Balance With Use of Proceeds



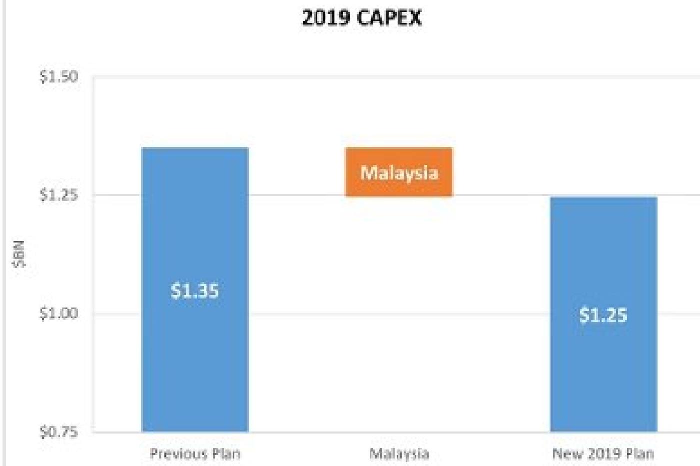
Changes to 2019 Plan Post Asset Sale

Previous 2019 Annual CAPEX $1.25 – $1.45 BN

- $106 MM Allocated to Malaysia

Previous 2019 Production 202 – 210 MBOEPD

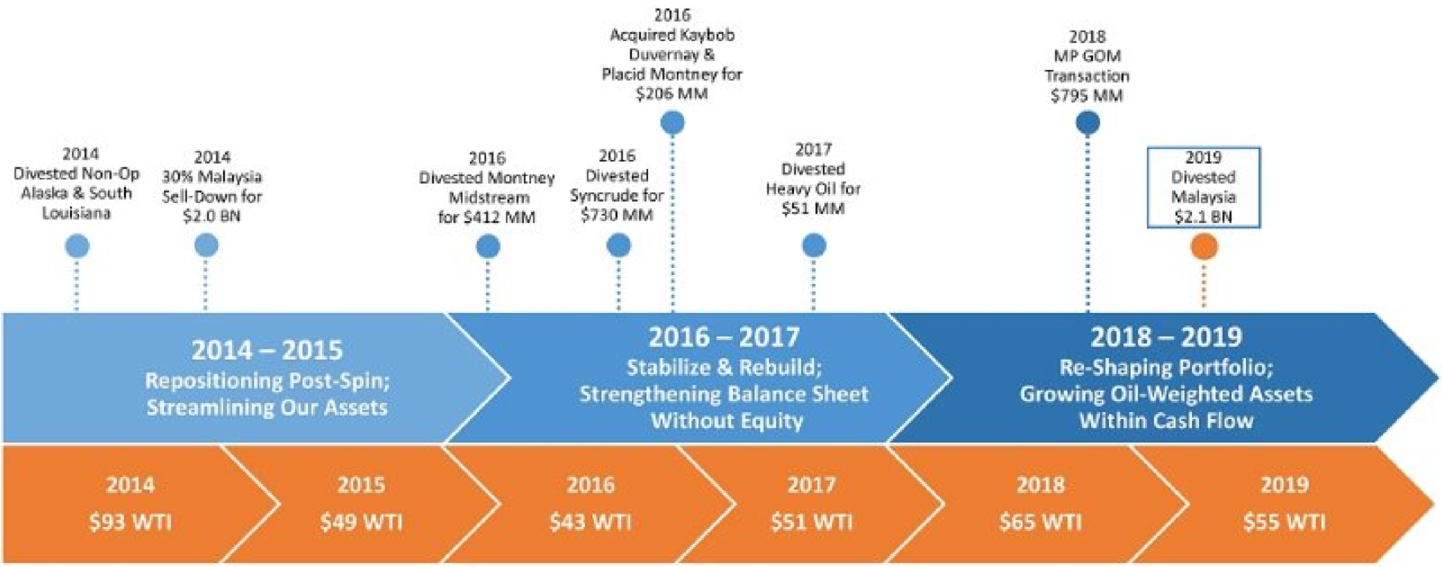
- 46,000 – 48,000 BOEPD Allocated to Malaysia



NOTE: Production Volumes, Sales Volumes, Reserves & Financial Amounts Exclude Noncontrolling Interest, Unless Otherwise Stated

Murphy Transformation Over Time

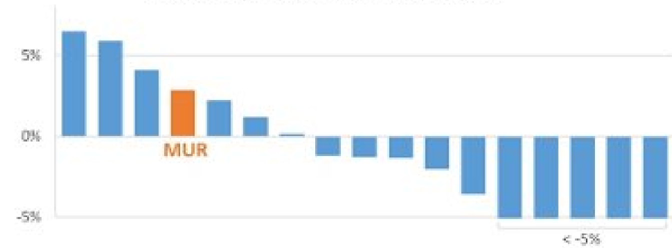
- Total Proceeds on Sale of Assets: ~$5 BN
- Total Gains on Sale of Assets: ~$2 BN



History of Benefitting Shareholders

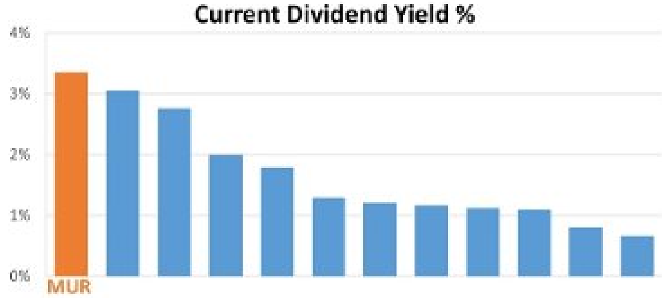
- Returned $4.3 BN to Shareholders, Since 1961
- Returned > $3.5 BN to Shareholders in Last 10 Years
- $1.125 BN in Share Repurchases, 2013 – 2018
  - Representing > 10% of Total Shares
- Sustained High Dividend Yield

Peer Free Cash Flow Yield 2018



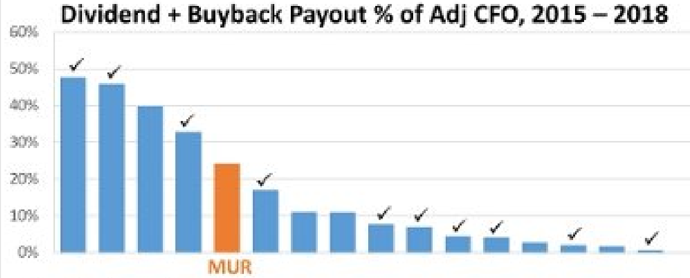
Source: Bloomberg, Close Price as of Dec 31, 2018
Peer Group: APA, APC, CHK, COG, CNX, DVN, ECA, HES, MRO, MTDR, NBL, NFX, RRC, SM, SWN, WLL, XEC
FCF Yield = Cashflow from Operations Less Property Additions & Dry Hole Costs Divided by Market Cap.

Current Dividend Yield %



Source: Bloomberg, Close Price as of March 12, 2019
Peer Group: APA, APC, CHK, COG, CNX, DVN, ECA, HES, MRO, MTDR, NBL, NFX, RRC, SM, SWN, WLL, XEC

Dividend + Buyback Payout % of Adj CFO, 2015 – 2018



✓ Denotes Equity Issued in 2016
Source: Bloomberg, as of Dec 31, 2018
Note: Adjusted CFO = Cash Flow from Operations Before Changes in Non-Cash Working Capital

Long-Term Plan Post-Malaysia Asset Sale

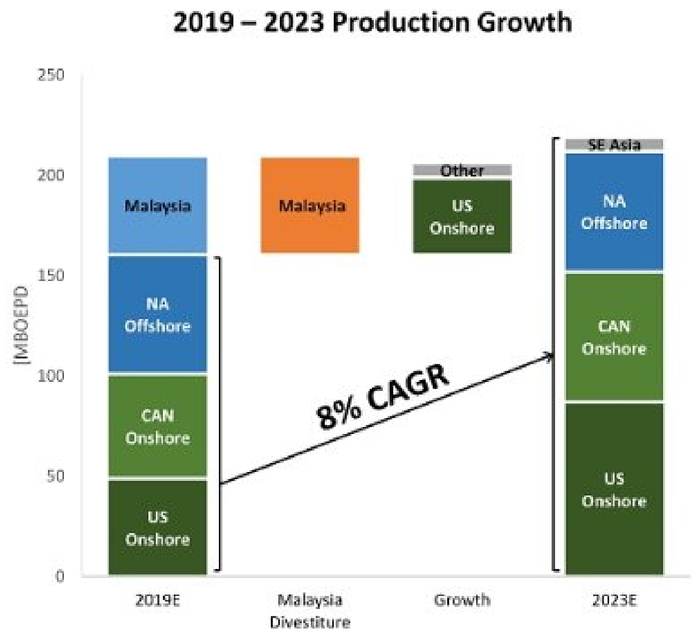
Maintain > 65% Liquids Production Weighting
- Production CAGR ~8% – Oil Production CAGR ~8%

US Onshore – Focused on Oil-Weighted Growth
- CAPEX ~$700 MM Average per Year – Approaching $1 BN by 2023
- > 10 Year R/P & > 1,000 Remaining Locations – 2023 Onwards
- Production CAGR ~15%

Canada Onshore – Scalable Based on Market Conditions
- Defocus of Montney – Limited Spend of ~$50 MM Average
- Kaybob Duvernay – Lease Retention Strategy Until 2021
  - CAPEX $50 – $100 MM per Year After 2019
- Production CAGR ~4%

NA Offshore – Maintaining Current Production
- Development Projects at Existing Facilities
- Notional Samurai Development Included
- GOM – CAPEX ~$200 MM/Year

Exploration – Targeted Strategy
- Wells: 3 – 5 per Year
- CAPEX ~$100 MM per Year



*$55/BBL WTI 2019 – 2023

Positioning Company for Long-Term Value Creation

- Continuing the Legacy of Rewarding Shareholders
- Monetizing 2P Reserves at Full Value
- Enhancing Financial Flexibility & Strengthening Balance Sheet
- Simplifying Portfolio with Strategic Exit From Malaysia
- Focusing on Oil-Weighted, High Margin Western Hemisphere Assets


APPENDIX

Non-GAAP Financial Measure Definitions & Reconciliations

The following list of Non-GAAP financial measure definitions and related reconciliations is intended to satisfy the requirements of Regulation G of the Securities Exchange Act of 1934, as amended. This information is historical in nature. Murphy undertakes no obligation to publicly update or revise any Non-GAAP financial measure definitions and related reconciliations.

Non-GAAP Reconciliation

FREE CASH FLOW

Murphy defines Free Cash Flow as net cash provided from continuing operations activities (as stated in the Consolidated Statements of Cash Flows) reduced by capital expenditures and investments.

Free Cash Flow is used by management to evaluate the company's ability to internally fund acquisitions, exploration and development and evaluate trends between periods and relative to its industry competitors.

Free Cash Flow, as reported by Murphy, may not be comparable to similarly titled measures used by other companies and it should be considered in conjunction with net income, cash flow from operations and other performance measures prepared in accordance with generally accepted accounting principles (GAAP). Free Cash Flow should not be considered in isolation or as a substitute for an analysis of Murphy's GAAP results as reported.

$ Millions	Twelve Months Ended – December 31, 2018
Net cash provided from continuing operations activities (GAAP)	$1,219.4
Property additions and dry hole costs	(1,102.8)
Free cash flow (Non-GAAP)	**116.6**
Common shares outstanding	173,059
Free cash flow per share	$0.67
Market price per share	$23.39 [1]
Free cash flow yield	**3%**

[1] *MUR Close Price as of December 31, 2018*

Non-GAAP Reconciliation

ADJUSTED CASH FLOW FROM OPERATIONS

Murphy defines Adjusted Cash Flow from Operations (CFFO) as net cash provided from continuing operations activities (as stated in the Consolidated Statements of Cash Flows) before net increase/decrease in noncash operating working capital.

Adjusted Cash Flow from Operations is used by management to evaluate the company's ability to generate cash that could be returned to shareholders or to fund acquisitions, exploration and development.

Adjusted Cash Flow from Operations, as reported by Murphy, may not be comparable to similarly titled measures used by other companies and it should be considered in conjunction with net income, cash flow from operations and other performance measures prepared in accordance with generally accepted accounting principles (GAAP). Adjusted Cash Flow from Operations should not be considered in isolation or as a substitute for an analysis of Murphy's GAAP results as reported.

$ Millions	2015	2016	2017	2018	2015 - 2018
Cash dividends paid (GAAP)	$245.0	206.6	172.6	173.0	797.2
Purchase of treasury stock (GAAP)	250.0	-	-	-	250.0
	495.0	**206.6**	**172.6**	**173.0**	**1,047.2**
Net cash provided from continuing operations activities (GAAP)	1,183.4	600.8	1,128.1	1,219.4	4,131.7
Net increase (decrease) in noncash operating working capital (GAAP)	(35.1)	38.7	(136.4)	169.8	37.0
Adjusted CFFO (Non-GAAP)	**$1,148.3**	**639.5**	**991.7**	**1,389.2**	**4,168.7**
Dividend and Buyback as % of Adjusted CFFO	**43%**	**32%**	**17%**	**12%**	**25%**


MURPHY ANNOUNCES STRATEGIC SALE OF MALAYSIAN PORTFOLIO
MARCH 21, 2019
ROGER W. JENKINS
PRESIDENT & CHIEF EXECUTIVE OFFICER
16
MURPHY
OIL CORPORATION