

MURPHY OIL CORP /DE  
Form 424B5  
November 27, 2012  
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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-184287

**The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities is filed with the Securities and Exchange Commission and is effective. This preliminary prospectus supplement and the accompanying prospectus are not offers to sell these securities or to solicit offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**Subject to completion, dated November 27, 2012**

**Preliminary Prospectus Supplement**

**(To Prospectus dated October 4, 2012)**

**\$            % Notes Due 20**

**\$            % Notes Due 20**

**\$            % Notes Due 20**

We are offering \$            aggregate principal amount of            % notes due 20            (the 20            notes            ), \$            aggregate principal amount of            % notes due 20            (the 20            notes            ) and \$            aggregate principal amount of            % notes due 20            (the 20            notes            and together with the 20            notes and the 20            notes, the            notes            ). The 20            notes will bear interest at the rate of            % per year, the 20            notes will bear interest at the rate of            % per year and the 20            notes will bear interest at the rate of            % per year. The interest rate payable on the notes of each series will be subject to adjustments from time to time if either Moody's or S&P (or a substitute ratings agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes of such series as described in this prospectus supplement. Interest on the notes of each series is payable semiannually in arrears on            and            of each year, commencing            , 2013. The 20            notes will mature on            , 20            , the 20            notes will mature on            , 20            and the 20            notes will mature on            , 20            . We may redeem any series of the notes at any time, in whole or in part, at the redemption prices described in this prospectus supplement. The offering and sale of each series of notes is not conditioned on the sale of any other series of notes. If a change of control triggering event occurs as described in this prospectus supplement, unless we have exercised our right of redemption, we will be required to offer to repurchase each series of notes at a repurchase price equal to 101% of the principal amount of each series of notes plus accrued and unpaid interest, if any, to the repurchase date.

The notes will be senior unsecured obligations of Murphy Oil Corporation and will rank equally with all of Murphy Oil Corporation's other unsecured senior indebtedness from time to time outstanding.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**See Risk factors beginning on page S-18 for a discussion of certain risks that you should consider in connection with making an investment in the notes.**

The notes will be new issues of securities and currently there is no established trading market for the notes. We do not intend to list the notes on any securities exchange or any automated dealer quotation system.

	Price to public(1)	Underwriting discount	Proceeds to us, before expenses
Per 20 note	%	%	%
Per 20 note	%	%	%
Per 20 note	%	%	%
Total	\$	\$	\$

(1) Plus accrued interest from \_\_\_\_\_, 2012, if settlement occurs after that date.

The notes will be issued only in registered book-entry form, in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The underwriters expect to deliver the notes to purchasers through the facilities of The Depository Trust Company for the benefit of its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, on or about \_\_\_\_\_, 2012.

*Joint Book-Running Managers*

**J.P. Morgan**  
\_\_\_\_\_, 2012

**BofA Merrill Lynch**

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We have not, and the underwriters have not, authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We do not, and the underwriters do not, take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you.

We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information provided by this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this prospectus supplement or, with respect to information incorporated by reference, as of the date of that information. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

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## **About this prospectus**

This document has two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the notes offered. The second part is the accompanying prospectus, dated October 4, 2012, which provides more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

In this prospectus supplement, we refer to Murphy Oil Corporation and its wholly owned subsidiaries as *we*, *our*, *us*, *the Company*, *Murphy Oil* or *Murphy* unless the context clearly indicates otherwise.

Before purchasing any notes, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information in the documents we have listed under the heading *Where you can find more information*.

## **Where you can find more information**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our SEC filings are also available to the public at the SEC's web site at <http://www.sec.gov>.

The SEC allows us to incorporate by reference into this prospectus supplement the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference or deemed incorporated by reference is considered to be a part of this prospectus supplement. Information that we file with the SEC after the date of this prospectus supplement will update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, until our offering is completed:

Our Annual Report on Form 10-K for the year ended December 31, 2011, filed on February 28, 2012 (as amended by our Annual Report on Form 10-K/A filed on March 16, 2012);

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, filed on May 7, 2012; June 30, 2012, filed on August 6, 2012; and September 30, 2012, filed on November 6, 2012;

Our Definitive Proxy Statement on Schedule 14A filed on March 29, 2012 (solely to the extent incorporated by reference into Part III of our Annual Report on Form 10-K); and

Our Current Reports on Form 8-K or 8-K/A filed on February 3, 2012, March 20, 2012, April 5, 2012, May 4, 2012, May 9, 2012, May 10, 2012, May 18, 2012, June 21, 2012, August 1, 2012 (Items 5.02 and 8.01 (and the related Item 9.01) only) and October 16, 2012. You may request a free copy of these filings by writing to, or telephoning, us at the following address and phone number:

Corporate Secretary

Murphy Oil Corporation

P.O. Box 7000

El Dorado, Arkansas 71731-7000



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## **Forward-looking statements**

This prospectus supplement and the accompanying prospectus, including the documents we incorporate by reference, contain statements of Murphy Oil's expectations, intentions, plans and beliefs that are forward-looking, including but not limited to statements regarding our plans (i) to spin off Murphy USA, our U.S. downstream business, (ii) to divest our U.K. downstream operations, (iii) to sell our U.K. exploration and production operations and (iv) to repurchase up to \$1 billion of our common stock pursuant to our share repurchase program, and are in each case dependent on certain events, risks and uncertainties that may be outside of Murphy Oil's control. These forward-looking statements are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Murphy Oil's actual results could differ materially from those expressed or implied by these statements due to a number of factors, including, but not limited to, the volatility and level of crude oil and natural gas prices, the level and success rate of our exploration programs, our ability to maintain production rates and replace reserves, customer demand for our products, political and regulatory instability, and uncontrollable natural hazards, as well as those contained under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011, as updated by our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.

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## Summary

*This summary description of our business and the offering may not contain all of the information that may be important to you. For a more complete understanding of our business and this offering, we encourage you to read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. In particular, you should read the following summary together with the more detailed information and consolidated financial statements and the notes to those statements included elsewhere in or incorporated by reference into this prospectus supplement and the accompanying prospectus.*

### **Company overview**

We are a worldwide oil and gas exploration and production company. We also have retail and wholesale gasoline marketing operations in the United States and refining and marketing operations in the United Kingdom. Our operations currently are classified into two business activities: (1) Exploration and Production and (2) Refining and Marketing. As described under Recent developments, we are in the process of selling our refining and marketing, or downstream, operations in the United Kingdom as well as our U.K. exploration and production operations, and we are implementing a plan to spin off our United States downstream operations to shareholders.

Murphy's exploration and production business explores for and produces crude oil, natural gas and natural gas liquids worldwide. Murphy's activities are currently subdivided into five geographic segments, including the United States, Canada, Malaysia, Republic of the Congo and all other countries. Total worldwide 2011 production on a barrel of oil equivalent basis (six thousand cubic feet of natural gas equals one barrel of oil) was 179,388 barrels per day. Total hydrocarbon production in 2012 is currently expected to average about 193,000 barrels of oil equivalent per day. The projected production increase of approximately 7.6% in 2012 is primarily related to higher oil and gas volumes produced in the Eagle Ford Shale area of South Texas as the Company continues its drilling program in the area, higher natural gas production at the Tupper West area in Western Canada where first production occurred in February 2011, and higher oil production at Kikeh where new wells have been brought on production. These volume increases are expected to more than offset production declines in 2012 at other producing fields. Income from the worldwide Exploration and Production segment represented nearly 83% of consolidated net income from continuing operations in 2011.

Murphy's refining and marketing, or downstream, activities are subdivided into segments for the United States and the United Kingdom. Our U.S. business primarily consists of retail marketing of petroleum products through a large chain of motor refueling stations. Most of these stations are located on or near Walmart store sites, with the remaining stations located at other high traffic sites that are near major thoroughfares. Sales from our U.S. retail marketing stations represented 47.4% of our consolidated revenues in 2011, 53.1% in 2010 and 51.4% in 2009. Our market share of U.S. retail gasoline sales was approximately 2.6% in 2011.

The U.S. downstream business entered the renewable fuels business by acquiring an ethanol production facility in North Dakota during 2009, and also purchased an unfinished ethanol production facility in Texas in 2010 that was completed and began operations in 2011.



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Additionally, the U.S. operations include refined product terminals with wholesale marketing activities. We sold our U.S. petroleum refineries in Meraux, Louisiana and Superior, Wisconsin and certain associated marketing assets in 2011.

Our U.K. downstream business primarily consists of operations that refine crude oil and other feedstocks into petroleum products such as gasoline and distillates, buy and sell crude oil and refined products, and transport and market petroleum products. In 2011, we owned approximately 7.5% of the refining capacity in the United Kingdom, and our U.K. fuel sales represented 2.0% of the total U.K. market share.

## **Recent developments**

On October 16, 2012, Murphy announced that its board of directors (1) approved a plan to spin off to its stockholders its U.S. downstream subsidiary, Murphy Oil USA, Inc. ( Murphy USA ), with Murphy USA becoming an independent and separately traded company, (2) authorized a special dividend of \$2.50 per share for a total dividend of approximately \$500 million and (3) authorized a share buyback program of up to \$1 billion of the Company's shares of common stock. Murphy also reaffirmed the plan to divest its U.K. downstream operations and stated that it is continuing to review possible options with respect to selected assets.

Murphy believes that creating two publicly traded companies would offer a number of advantages:

each business would focus on its strategic priorities with financial targets that best fit its own market and opportunities;

each business would be able to allocate resources and deploy capital in a manner consistent with its priorities; and

investors, both current and prospective, would be able to value the two businesses based on their respective financial characteristics and make investment decisions based on those characteristics.

In addition, on October 31, 2012, Murphy announced that during the third quarter of 2012 its board of directors had authorized the sale of its exploration and production operations in the United Kingdom. Murphy has since agreed to sell certain of these assets and to buy certain oil properties in the Seal Lake region of northern Alberta, Canada.

Beginning in the third quarter of 2012, the U.K. exploration and production segment has been reclassified to discontinued operations.

## ***Murphy Oil Corporation***

After the announced separation, Murphy Oil Corporation will become an independent exploration and production company with principal activities focused in the United States, Canada and Malaysia. Murphy will continue its exploration program and offshore development projects complemented by predictable growth in its North America onshore businesses primarily in the Eagle Ford Shale and Seal areas. The U.K. downstream operations will remain with Murphy until such time as these assets are fully divested. At September 30, 2012, and after giving effect

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to the spin-off of Murphy USA and the sale of Murphy's U.K. exploration and production operations, Murphy would have had \$14.9 billion in assets (including pro forma adjustments but excluding any consideration received for the divestiture of Murphy's U.K. exploration and production operations), and for the nine months ended September 30, 2012, Murphy would have generated \$8.0 billion in revenues and earned \$721.1 million in income from continuing operations. For the year ended December 31, 2011, and after giving effect to the spin-off of Murphy USA and the divestiture of Murphy's U.K. exploration and production operations, Murphy would have generated \$10.2 billion in revenues and earned \$506.9 million in income from continuing operations.

### ***Murphy USA***

Murphy USA will continue to be a flexible, low-price, high volume fuel seller with key strategic relationships and experienced management. Murphy USA's business will consist of retail marketing of petroleum products and convenience merchandise through a large chain of retail gasoline stations. Additionally, Murphy USA's assets will include seven product distribution terminals and two ethanol production facilities in North Dakota and Texas. At September 30, 2012, Murphy USA had \$1.98 billion in assets. For the nine months ended September 30, 2012, Murphy USA generated \$13.2 billion in revenues and earned \$82.1 million in income from continuing operations, and for the year ended December 31, 2011, it generated \$17.4 billion in revenues and earned \$222.6 million in income from continuing operations.

The spin-off of Murphy USA will be subject to customary conditions, including confirmation of the tax-free nature of the transaction and receipt of customary regulatory approvals. The spin-off will be effected through a distribution of the shares of Murphy USA pro rata to all Murphy stockholders as of a record date to be established by Murphy's board of directors. The spin-off of Murphy USA is expected to be finalized in 2013.

### ***Special dividend and share buyback***

The board of directors of Murphy also approved a special dividend of \$2.50 per share for a total dividend of approximately \$500 million. The dividend is payable on December 3, 2012 to holders of record as of November 16, 2012. This is in addition to the dividend of \$0.3125 per share previously announced and also payable on December 3, 2012 to holders of record on November 16, 2012.

Furthermore, Murphy's board of directors has authorized a share repurchase program of up to \$1 billion of the Company's shares of common stock. Murphy may utilize a number of different methods to effect the repurchases, including but not limited to, open market purchases, accelerated share repurchases and negotiated block purchases, and some of the repurchases may be effected through Rule 10b5-1 plans. The timing and amount of repurchases will depend upon several factors, including market, financing and business conditions, and the repurchases may be discontinued at any time.

After the spin-off of Murphy USA, the divestiture of Murphy's U.K. downstream operations and the sale of Murphy's U.K. exploration and production operations (collectively with the special dividend and share buyback described above, the Corporate Transactions), Murphy Oil

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Corporation will remain the obligor under the notes offered hereby.

Our principal executive offices are located at 200 Peach Street, P.O. Box 7000, El Dorado, Arkansas 71731-7000, and our telephone number is (870) 862-6411. Our capital stock is listed on the New York Stock Exchange under the symbol MUR. We maintain a website at <http://www.murphyoilcorp.com> where general information about us is available. We are not incorporating the contents of the website into this prospectus supplement or the accompanying prospectus.

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**Optional redemption**

The 20 notes will be redeemable at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes we redeem, plus a make-whole premium.

At any time prior to , 20 (the date that is months prior to the maturity date of the 20 notes) or , 20 (the date that is months prior to the maturity date of the 20 notes), we may redeem the 20 notes or the 20 notes, respectively, in whole or in part, at a price equal to 100% of the principal amount of the notes we redeem, plus a make-whole premium. At any time on or

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after \_\_\_\_\_, 20\_\_\_\_ (the date that is \_\_\_\_\_ months prior to the maturity date of the 20\_\_\_\_ notes) or \_\_\_\_\_, 20\_\_\_\_ (the date that is \_\_\_\_\_ months prior to the maturity date of the 20\_\_\_\_ notes), the 20\_\_\_\_ notes or the 20\_\_\_\_ notes, respectively, will be redeemable, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes we redeem. We also will pay any accrued and unpaid interest to, but excluding, the redemption date.

See Description of the notes Optional redemption.

**Repurchase upon a change of control triggering event**

If a change of control triggering event (as defined herein) occurs, unless we have exercised our right of redemption, the holders of the notes of each series will have the right to require us to offer to repurchase the notes of such series at a repurchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the repurchase date. See Description of the notes Repurchase upon a change of control triggering event.

**Interest rate adjustment**

The interest rate payable on the notes of each series will be subject to adjustment from time to time if Moody's or S&P (or a substitute ratings agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to such series of notes. See Description of the notes Interest rate adjustment.

**Ranking**

The notes:

will be unsecured;

will rank equally with all of our existing and future unsecured senior debt;

will be senior to any future subordinated debt; and

will be effectively junior to our secured debt to the extent of the assets securing such debt and to all existing and future debt and other liabilities of our subsidiaries, including trade payables.

**Covenants**

We will issue the notes under an indenture containing covenants for your benefit. These covenants restrict our ability, with certain exceptions, to:

incur debt secured by liens; and

engage in sale/leaseback transactions.

**Use of proceeds**

We expect the net proceeds from this offering of notes to be approximately \$ \_\_\_\_\_ million, after deducting underwriting discounts



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and other estimated expenses of the offering. We intend to use the net proceeds to fund our previously announced special dividend of \$2.50 per share (for a total dividend of approximately \$500 million) and to fund repurchases pursuant to our share buyback program in an aggregate amount not to exceed \$1 billion, and the remainder, if any, for general corporate purposes. Prior to repurchases under our share buyback program, we may use a portion of the net proceeds of this offering to repay borrowings under our revolving credit facility and redraw on our revolver from time to time to fund repurchases under such program. See Use of proceeds.

**Book-entry form**

The notes will be issued in book-entry form and will be represented by global certificates deposited with, or on behalf of, The Depository Trust Company ( DTC ) and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.

**Absence of a public market for the notes**

The notes will be new issues of securities and there is currently no established trading market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes without notice.

**U.S. federal income tax consequences**

For the U.S. federal income tax consequences to Non-U.S. Holders (as defined herein) of the holding, disposition and conversion of the notes, see Material U.S. federal income tax considerations in this prospectus supplement.

**Listing**

We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.

**Trustee**

U.S. Bank National Association



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We have provided in the tables below summary consolidated historical financial data. We have derived the statement of income data and other financial data for the nine months ended September 30, 2012 and 2011 and for each of the years in the three-year period ended December 31, 2011, and the balance sheet data as of September 30, 2012 and 2011 and as of December 31 for each of the three years in the three-year period ended December 31, 2011, from our unaudited and audited consolidated financial statements. You should read the following financial information in conjunction with our consolidated financial statements and related notes that we have incorporated by reference in this prospectus supplement and the accompanying prospectus. In the opinion of our management, the unaudited consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for a fair presentation of the information set forth therein. The interim results set forth below are not necessarily indicative of results for the year ending December 31, 2012 or for any other period.

In the tables below, the U.K. exploration and production operations are presented as discontinued operations for the nine months ended September 30, 2012 and 2011. However, the summary consolidated historical financial data for the years ended December 31, 2011, 2010 and 2009 presented below does not give effect to the discontinued operations presentation of these U.K. exploration and production operations. Further, none of the summary consolidated historical financial data presented below gives effect to any of the other Corporate Transactions, which may affect the comparability of results across the periods presented. See Unaudited pro forma condensed consolidated financial statements for information regarding the pro forma impact of the Corporate Transactions, other than the divestiture of Murphy's U.K. downstream operations.

(in thousands, except ratios)	Nine months ended September 30,		2011	Year ended December 31,	
	2012	2011		2010	2009
<b>Statement of Income Data:</b>					
Total revenues	\$ 21,236,818	\$ 20,844,088	\$ 27,745,549	\$ 20,169,718	\$ 16,895,206
<b>Costs and Expenses:</b>					
Crude oil and product purchases	16,813,044	16,633,221	21,875,297	15,351,318	12,821,305
Operating expenses	1,547,828	1,448,063	1,993,346	1,678,515	1,350,658
Exploration expenses, including undeveloped lease amortization	243,714	303,827	489,862	292,264	265,172
Selling and general expenses	261,287	218,337	301,005	259,215	212,376
Depreciation, depletion and amortization	972,663	783,531	1,093,406	1,114,529	870,999
Impairment of properties			368,600		5,240
Accretion of asset retirement obligations	29,052	26,162	37,701	31,857	26,154
Redetermination of Terra Nova working interest		(5,351)	(5,351)	18,582	83,498
Interest expense	36,278	41,648	55,831	53,172	53,005
Interest capitalized	(27,360)	(11,547)	(15,131)	(18,444)	(28,614)
Total costs and expenses	19,876,506	19,437,891	26,194,566	18,781,008	15,659,793
Income from continuing operations before income taxes	1,360,312	1,406,197	1,550,983	1,388,710	1,235,413
Income tax expense	558,657	558,773	810,051	609,151	521,559
Income from continuing operations	801,655	847,424	740,932	779,559	713,854
Income from discontinued operations, net of income taxes	10,534	139,206	131,770	18,522	123,767
Net income	\$ 812,189	\$ 986,630	\$ 872,702	\$ 798,081	\$ 837,621



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(in thousands, except ratios)	Nine Months Ended September 30,		2011	Year Ended December 31,	
	2012	2011		2010	2009
<b>Other Financial Data:</b>					
Net cash provided by operating activities	\$ 2,101,227	\$ 1,876,747	\$ 2,145,385	\$ 3,128,558	\$ 1,864,633
Capital expenditures(1)	2,847,227	2,021,994	2,943,812	2,448,140	2,207,269
EBITDA(2)	2,341,893	2,219,829	3,053,689	2,537,967	2,136,043
Ratio of EBITDA to interest expense(2)	64.6x	53.3x	54.7x	47.7x	40.3x
Ratio of earnings to fixed charges(3)	19.4x	23.0x	15.6x	14.6x	14.5x

(in thousands)	As of September 30,		2011	As of December 31,	
	2012	2011		2010	2009
<b>Balance Sheet Data:</b>					
Working capital	\$ 877,351	\$ 996,760	\$ 622,743	\$ 619,783	\$ 1,194,087
Net property, plant and equipment	12,111,918	10,338,783	10,475,149	10,367,847	9,065,088
Total assets	16,589,837	15,491,082	14,138,138	14,233,243	12,756,359
Long-term debt	1,184,580	974,541	249,553	939,350	1,353,183
Total debt including current maturities	1,184,625	1,324,516	599,558	939,391	1,353,221
Stockholders' equity	9,616,758	8,888,352	8,778,397	8,199,550	7,346,026

(1) Capital expenditures presented here include accruals for incurred but unpaid capital activities, while property additions and dry holes in the Statements of Cash Flows are cash-based capital expenditures and do not include capital accruals and geological, geophysical and certain other exploration expenses that are not eligible for capitalization under oil and gas accounting rules. For the nine months ended September 30, 2012 and 2011, the capital expenditures do not include \$36,459 thousand and \$13,827 thousand, respectively, of capital expenditures for discontinued operations of the U.K. exploration and production operations.

(2) EBITDA means earnings from continuing operations before interest expense, income taxes, depreciation, depletion and amortization and impairment of properties. Management has included a presentation of EBITDA in this prospectus supplement because some debt investors use this data as an indicator of a company's ability to service debt. However, EBITDA is not a United States generally accepted accounting principles ( U.S. GAAP ) measure and may not be comparable to similarly titled items of other companies. You should not consider EBITDA as an alternative to net income or any other generally accepted accounting principles measure of performance, as an indicator of our operating performance, or as a measure of liquidity. EBITDA does not represent funds available for management's discretionary use because certain future cash expenditures are not reflected in the EBITDA presentation.

The following table is a reconciliation of EBITDA to net income, the most directly comparable financial measure under U.S. GAAP (in thousands, except ratios):

	Nine Months Ended September 30,		2011	Year Ended December 31,	
	2012	2011		2010	2009
Net income	\$ 812,189	\$ 986,630	\$ 872,702	\$ 798,081	\$ 837,621
Discontinued operations	(10,534)	(139,206)	(131,770)	(18,522)	(123,767)
Interest expense	36,278	41,648	55,831	53,172	53,005
Interest capitalized	(27,360)	(11,547)	(15,131)	(18,444)	(28,614)
Income tax expense	558,657	558,773	810,051	609,151	521,559
Depreciation, depletion and amortization	972,663	783,531	1,093,406	1,114,529	870,999
Impairment of properties			368,600		5,240
<b>EBITDA</b>	<b>\$ 2,341,893</b>	<b>\$ 2,219,829</b>	<b>\$ 3,053,689</b>	<b>\$ 2,537,967</b>	<b>\$ 2,136,043</b>

## Edgar Filing: MURPHY OIL CORP /DE - Form 424B5

Ratio of EBITDA to interest expense(A)(B)	64.6x	53.3x	54.7x	47.7x	40.3x
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(A) The ratio of EBITDA to interest expense is calculated by dividing EBITDA by the gross interest expense for the period before reduction for interest capitalized to development projects.

(B) For the years ended December 31, 2011, 2010 and 2009, the ratio of EBITDA to interest expense was 53.4x, 46.1x and 39.6x, respectively, when adjusted for discontinued operations of the U.K. exploration and production operations.

(3) We have computed the ratio of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations before income taxes adjusted for (1) fixed charges, (2) undistributed earnings of companies accounted for by the equity method, (3) capitalized interest, (4) amortization of capitalized interest and (5) interest portion of rentals. Fixed charges consist of interest and amortization of debt discount and expense, whether capitalized or expensed, and that portion of rental expense determined to be representative of the interest factor. For the years ended December 31, 2011, 2010 and 2009, the ratio of earnings to fixed charges was 15.1x, 14.0x and 14.3x, respectively, when adjusted for the discontinued operations of the U.K. exploration and production operations.

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## Unaudited pro forma condensed consolidated financial statements

The unaudited pro forma condensed consolidated financial statements of Murphy Oil Corporation have been derived from our historical consolidated financial statements and are being presented to give effect to certain of the Corporate Transactions. The unaudited pro forma condensed consolidated balance sheet has been prepared as though the spin-off of Murphy USA, the special dividend of \$2.50 per share payable on December 3, 2012 (for a total dividend of approximately \$500 million) and the \$1 billion of stock buybacks each occurred on September 30, 2012. The unaudited pro forma condensed consolidated income statements have been prepared as though the separation of Murphy USA occurred on January 1, 2011. The following unaudited pro forma condensed consolidated financial statements should be read in conjunction with our historical financial statements and accompanying notes.

The pro forma adjustments are based on available information and assumptions management believes are factually supportable and for income statement purposes recurring in nature. The pro forma adjustments to reflect the separation of Murphy USA include:

a special distribution currently estimated at \$250 million from Murphy USA to Murphy Oil Corporation in connection with the separation;

reclassification of any accounts receivable from and payable to Murphy USA previously eliminated in consolidation as third party accounts receivable and payable;

costs incurred with the separation of Murphy USA; and

reclassification of interest income and expense that was previously eliminated in consolidation.

In addition to the above listed pro forma adjustments, the unaudited condensed consolidated income statement for the year ended December 31, 2011 includes a column to remove the exploration and production operations in the United Kingdom that became discontinued operations in the third quarter of 2012. These U.K. exploration and production operations are already reflected as discontinued operations in the unaudited pro forma condensed consolidated income statement for the nine months ended September 30, 2012 and the unaudited pro forma condensed consolidated balance sheet at September 30, 2012.

No adjustments have been made for (1) the costs of operating after the separation of Murphy USA, (2) the potentially dilutive impact of changes to stock-based compensation resulting from any future separation or settlement agreements between Murphy Oil Corporation and Murphy USA, (3) the use of proceeds from the special cash distribution currently estimated at \$250 million from Murphy USA to Murphy Oil Corporation and (4) any working capital adjustments to be determined after the separation of Murphy USA, because in each case the impact of such item is not factually supportable at this time.

The unaudited pro forma condensed consolidated financial statements are for illustrative purposes only, and do not reflect what our financial position and results of operations would have been had the separation of Murphy USA, the payment of the special dividend and the completion of the maximum \$1 billion of stock buybacks occurred on the dates indicated and are not necessarily indicative of our future financial position and future results of operations.

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**MURPHY OIL CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**

**SEPTEMBER 30, 2012**

(Thousands of dollars)

	Historical	Special Dividend and Share Buybacks(1)	Spin Off of Murphy USA(2)	Pro Forma Adjustments	Pro Forma
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 816,694	\$	\$ (12,604)	\$ 250,000(3)	\$ 1,054,090
Canadian government securities with maturities greater than 90 days at the date of acquisition	491,604				491,604
Accounts receivable, less allowance for doubtful accounts	1,639,428		(540,042)		1,099,386
Inventories, at lower of cost or market					
Crude oil	249,853		(31,377)		218,476
Finished products	302,308		(152,558)		149,750
Materials and supplies	277,037		(5,756)		271,281
Prepaid expenses	239,444		(18,870)		220,574
Deferred income taxes	63,547				63,547
Assets held for sale	22,057				22,057
Total current assets	4,101,972		(761,207)	250,000	3,590,765
Property, plant and equipment, at cost less accumulated depreciation, depletion and amortization	12,111,918		(1,216,026)		10,895,892
Goodwill	43,470				43,470
Deferred charges and other assets	145,994		(557)		145,437
Assets held for sale	186,483				186,483
Total assets	\$ 16,589,837	\$	\$ (1,977,790)	\$ 250,000	\$ 14,862,047
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>					
Current liabilities					
Current maturities of long-term debt	\$ 45	\$	\$ (45)	\$	\$
Accounts payable and accrued liabilities	2,918,657		(678,424)		2,240,233
Intercompany accounts payable			(18,436)	18,436(3)	
Income taxes payable	255,970		(16,917)		239,053
Liabilities associated with assets held for sale	49,949				49,949
Total current liabilities	3,224,621		(713,822)	18,436	2,529,235
Long-term debt	1,184,580	1,500,000	(1,136)		2,683,444
Deferred income taxes	1,379,526		(121,176)		1,258,350
Asset retirement obligations	613,240		(15,156)		598,084
Deferred credits and other liabilities	444,025		(9,190)		434,835
Liabilities associated with assets held for sale	127,087				127,087
Stockholders equity					
Cumulative Preferred Stock, par \$100, authorized 400,000 shares, none issued					
Common Stock, par \$1.00, authorized 450,000,000 shares, issued 194,452,935 shares	194,453		(1)	1(4)	194,453

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Capital in excess of par value	860,314		(273,928)	273,928(4)	860,314
Retained earnings	8,105,611	(500,000)	(843,381)	(273,929)(4)	6,719,865
				231,564(3)	
Accumulated other comprehensive income	459,374				459,374
Treasury stock	(2,994)	(1,000,000)			(1,002,994)
Total stockholders equity	9,616,758	(1,500,000)	(1,117,310)	231,564	7,231,012
Total liabilities and stockholders equity	\$ 16,589,837	\$	\$ (1,977,790)	\$ 250,000	\$ 14,862,047

See Notes to Unaudited Pro Forma Consolidated Financial Statements.

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**MURPHY OIL CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2012**

(Thousands of dollars, except per share amounts)

	Historical	Spin Off of Murphy USA(2)	Pro Forma Adjustments	Pro Forma
<b>Revenues</b>				
Total revenues	\$ 21,236,818	\$ (13,227,050)	\$ 52(5)	\$ 8,009,820
<b>Costs and Expenses</b>				
Crude oil and product purchases	16,813,044	(12,454,149)		4,358,895
Operating expenses	1,547,828	(515,198)		1,032,630
Exploration expenses, including undeveloped lease amortization	243,714			243,714
Selling and general expenses	261,287	(64,279)	(2,414)(6)	194,594
Depreciation, depletion and amortization	972,663	(55,726)		916,937
Accretion of asset retirement obligations	29,052	(736)		28,316
Interest expense	36,278	(351)	52(5)	35,979
Interest capitalized	(27,360)			(27,360)
Total costs and expenses	19,876,506	(13,090,439)	(2,362)	6,783,705
Income from continuing operations before income taxes	1,360,312	(136,611)	2,414	1,226,115
Income tax expense	558,657	(54,493)	845(6)	505,009
Income from continuing operations	801,655	(82,118)	1,569	721,106
Income from discontinued operations, net of taxes	10,534			10,534
<b>Net Income</b>	<b>\$ 812,189</b>	<b>\$ (82,118)</b>	<b>\$ 1,569</b>	<b>\$ 731,640</b>
<b>Income Per Common Share Basic</b>				
Income from continuing operations	\$ 4.13			\$ 3.72
Income from discontinued operations	0.05			0.05
Net income	\$ 4.18			\$ 3.77
<b>Income Per Common Share Diluted</b>				
Income from continuing operations	\$ 4.12			\$ 3.70
Income from discontinued operations	0.05			0.05
Net income	\$ 4.17			\$ 3.75
<b>Average common shares outstanding</b>				



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Basic	194,126,104	194,126,104
Diluted	194,874,572	194,874,572

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

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**MURPHY OIL CORPORATION**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**YEAR ENDED DECEMBER 31, 2011**

(Thousands of dollars, except per share amounts)

	Historical	U.K. Upstream Discontinued Operations	Spin Off of Murphy USA(2)	Pro Forma Adjustments	Pro Forma
<b>Revenues</b>					
Total revenues	\$ 27,745,549	\$ (107,428)	\$ (17,442,200)	\$ 149(5)	\$ 10,196,070
<b>Costs and Expenses</b>					
Crude oil and product purchases	21,875,297		(16,273,701)		5,601,596
Operating expenses	1,993,346	(28,455)	(664,184)		1,300,707
Exploration expenses, including undeveloped lease amortization	489,862	(516)			489,346
Selling and general expenses	301,005	(3,485)	(66,401)		231,119
Depreciation, depletion and amortization	1,093,406	(13,656)	(68,289)		1,011,461
Impairment of properties	368,600				368,600
Accretion of asset retirement obligations	37,701	(2,977)	(877)		33,847
Redetermination of Terra Nova working interest	(5,351)				(5,351)
Interest expense	55,831		(548)	149(5)	55,432
Interest capitalized	(15,131)				(15,131)
Total costs and expenses	26,194,566	(49,089)	(17,074,000)	149	9,071,626
Income from continuing operations before income taxes	1,550,983	(58,339)	(368,200)		1,124,444
Income tax expense	810,051	(46,878)	(145,590)		617,583
Income from continuing operations	740,932	(11,461)	(222,610)		506,861
Income from discontinued operations, net of taxes	131,770	11,461	(131,770)		11,461
<b>Net Income</b>	<b>\$ 872,702</b>	<b>\$</b>	<b>\$ (354,380)</b>	<b>\$</b>	<b>\$ 518,322</b>
<b>Income Per Common Share Basic</b>					
Income from continuing operations	\$ 3.83				\$ 2.62
Income from discontinued operations	0.68				0.06
Net income	\$ 4.51				\$ 2.68
<b>Income Per Common Share Diluted</b>					
Income from continuing operations	\$ 3.81				\$ 2.60
Income from discontinued operations	0.68				0.06
Net income	\$ 4.49				\$ 2.66
<b>Average common shares outstanding</b>					
Basic	193,409,621				193,409,621

Diluted

194,512,402

194,512,402

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

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**MURPHY OIL CORPORATION**  
**NOTES TO UNAUDITED PRO FORMA CONDENSED**  
**CONSOLIDATED FINANCIAL STATEMENTS**

- (1) Reflects the payment of an announced special dividend of \$2.50 per share (for a total dividend of approximately \$500 million) and the completion of the maximum \$1 billion of stock buybacks under the share repurchase program, including the assumed long-term debt financing thereof.
- (2) Contains historical balance sheet and historical income statement amounts for Murphy USA, a wholly owned subsidiary of Murphy Oil Corporation, that are contained within the historical consolidated results of Murphy Oil Corporation. These amounts are shown as an adjustment to reflect the announced plan to spin off Murphy USA as an independent and separately traded company to the stockholders of Murphy Oil Corporation.
- (3) Represents an adjustment to reflect Murphy USA's special distribution to Murphy Oil Corporation of \$250 million prior to the completion of the spin-off and settlement of intercompany balances per the anticipated terms of the separation agreement between Murphy USA and Murphy Oil Corporation.
- (4) Eliminates the effect of the removal of Murphy USA's Common Stock and Capital in Excess of Par Value from the consolidated Retained Earnings of Murphy Oil Corporation.
- (5) Represents the reclassification of interest income and expense of Murphy USA that was previously eliminated in consolidation as an intercompany transaction of \$52 thousand for the nine months ended September 30, 2012 and \$149 thousand for the year ended December 31, 2011.
- (6) Represents the reduction of costs incurred by Murphy Oil Corporation related to the separation of Murphy USA. Expenses incurred of \$2.4 million for the nine months ended September 30, 2012 primarily consisted of legal, accounting, and consulting fees. This entry also includes the related tax effects for this adjustment. There were no expense adjustments for the year ended December 31, 2011.

**Table of Contents****Summary historical operating data**

We have provided in the table below our summary operating data for the nine months ended September 30, 2012 and 2011 and each of the years in the three-year period ended December 31, 2011. The crude oil production and natural gas sales volumes provided below reflect U.K. volumes as discontinued operations for all periods presented.

	Nine months ended		Year ended December 31,		
	September 30, 2012	2011	2011	2010	2009
<b>Exploration and Production:</b>					
Net crude oil, condensate and natural gas liquids production barrels per day:					
United States	22,088	16,750	17,148	20,114	17,053
Canada conventional	14,504	16,233	16,551	17,528	19,188
Canada synthetic oil	13,297	13,878	13,498	13,273	12,855
Malaysia	50,175	46,684	48,551	66,897	76,322
Republic of Congo	2,290	5,411	4,989	5,820	1,743
Continuing operations	102,354	98,956	100,737	123,632	127,161
Discontinued operations	3,412	2,313	2,423	3,295	4,678
<b>Total</b>	<b>105,766</b>	<b>101,269</b>	<b>103,160</b>	<b>126,927</b>	<b>131,839</b>
Net natural gas sold thousands of cubic feet per day:					
United States	50,611	47,789	47,212	53,037	54,255
Canada	227,144	174,635	188,787	85,563	54,857
Malaysia Sarawak	175,412	176,067	176,943	154,535	28,070
Kikeh	39,374	44,147	40,497	58,157	46,583
Continuing operations	492,541	442,638	453,439	351,292	183,765
Discontinued operations	3,170	4,406	3,926	5,509	3,501
<b>Total</b>	<b>495,711</b>	<b>447,044</b>	<b>457,365</b>	<b>356,801</b>	<b>187,266</b>
Net hydrocarbon production equivalent barrels per day(1)	188,385	175,776	179,388	186,394	163,050
Estimated net hydrocarbon reserves million equivalent barrels(1, 2, 3)	N/A	N/A	534.1	455.2	439.2
Reserve life years(3, 4)	N/A	N/A	8.2	6.7	7.4
<b>Refining and Marketing:</b>					
Crude capacity of refineries barrels per stream day(2)	135,000	260,000	135,000	295,000	268,000
Crude oil throughputs barrels per day:					
Meraux, Louisiana Discontinued operation	N/A	133,918	100,163	106,482	101,864
Superior, Wisconsin Discontinued operation	N/A	35,407	26,483	34,541	32,158
Milford Haven, Wales	129,006	130,986	131,959	78,841	96,625
<b>Total</b>	<b>129,006</b>	<b>300,311</b>	<b>258,605</b>	<b>219,864</b>	<b>230,647</b>
Refinery utilization(5)	95.6%	101.8%	101.5%	77.6%	86.1%
Total refinery inputs crude oil and other feedstocks barrels per day	132,282	134,346	265,061	231,382	244,964
Refined products sold barrels per day:					

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United States	332,778	451,644	420,737	450,100	432,700
United Kingdom	135,638	135,284	135,697	86,657	103,774
<b>Total</b>	<b>468,416</b>	<b>586,928</b>	<b>556,434</b>	<b>536,757</b>	<b>536,474</b>
Branded retail outlets(2):					
United States	1,151	1,120	1,128	1,215	1,169
United Kingdom	452	455	459	451	453
<b>Total</b>	<b>1,603</b>	<b>1,575</b>	<b>1,587</b>	<b>1,666</b>	<b>1,622</b>

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- (1) 6,000 cubic feet of natural gas equals one equivalent barrel.
  
- (2) At September 30 or December 31, as applicable.
  
- (3) Not reported on a quarterly basis.
  
- (4) Total net proved hydrocarbon reserves at the end of the respective period divided by net hydrocarbon production for the year.
  
- (5) Average crude oil processed divided by average total crude capacity for the respective period. On September 30, 2011, we sold the Superior, Wisconsin refinery (35,000 barrels per stream day) and on October 1, 2011, we sold the Meraux, Louisiana refinery (125,000 barrels per stream day). Also, effective June 1, 2010, we expanded the Milford Haven, Wales refinery from 108,000 barrels per stream day to 135,000 barrels per stream day.

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Table of Contents**Summary reserve data**

We have provided in the table below summary data with respect to our estimated proved developed and undeveloped reserves of oil and natural gas as of December 31, 2011 and 2010. Except as noted below, all information in this table relating to oil and natural gas reserves has been based upon our estimates and reflects our net interest after royalties.

Estimates of the proved reserves attributable to our leasehold properties located in the North Sea offshore of the United Kingdom and in the Eagle Ford Shale trend in south Texas in the United States as of December 31, 2011 were based upon a third-party study prepared by Ryder Scott Company, L.P., independent petroleum engineers.

	<b>As of December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>Proved Developed and Undeveloped Reserves:</b>		
<b>Proved developed and undeveloped oil reserves millions of barrels:</b>		
<b>Crude oil, condensate and natural gas liquids:</b>		
United States	55.3	26.6
Canada conventional	36.6	32.8
Canada synthetic oil	129.5	129.2
Malaysia	104.4	98.4
United Kingdom(1)	21.6	10.9
Republic of the Congo	2.3	10.1
<b>Total proved developed and undeveloped oil reserves</b>	<b>349.7</b>	<b>308.0</b>
<b>Proved developed and undeveloped natural gas reserves billions of cubic feet:</b>		
United States	98.4	90.8
Canada	638.9	326.9
Malaysia	347.8	434.0
United Kingdom(1)	21.0	31.4
<b>Total proved developed and undeveloped natural gas reserves</b>	<b>1,106.1</b>	<b>883.1</b>
<b>Total estimated net proved developed and undeveloped hydrocarbon reserves millions of equivalent barrels(2)</b>	<b>534.1</b>	<b>455.2</b>

(1) The reserve quantities for the United Kingdom crude oil, condensate and natural gas liquids and the natural gas volumes are related to discontinued operations beginning in the third quarter of 2012. These amounts are expected to be removed from proved reserve quantities at time of completion of the sale of these properties.

(2) 6,000 cubic feet of natural gas equals one equivalent barrel.



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## **Risk factors**

*Investing in the notes involves risks. You should carefully consider all the information set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before deciding to invest in the notes. In particular, we urge you to carefully consider the risk factors set forth below as well as those under the heading *Risk Factors* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011, as updated by our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012.*

### **Risks relating to the Corporate Transactions**

*After the Corporate Transactions, Murphy Oil Corporation will have fewer income-generating assets to service its debt, including debt under the notes.*

After the Corporate Transactions, Murphy Oil Corporation will have fewer income-generating assets to service its debt, including debt under the notes. At September 30, 2012, Murphy USA had \$1.98 billion in assets, or approximately 11.9% of our total assets. For the nine months ended September 30, 2012, Murphy USA generated \$13.2 billion in revenues, or approximately 62.3% of our total revenues, and earned \$82.1 million in income from continuing operations, or approximately 10.2% of our income from continuing operations. For the year ended December 31, 2011, Murphy USA generated \$17.4 billion in revenues, or approximately 62.9% of our total revenues, and earned \$222.6 million in income from continuing operations, or approximately 30.0% of our income from continuing operations. Upon completion of the spin-off, Murphy will no longer have the income generated from Murphy USA assets to make interest payments on the notes. Similarly, the proposed divestiture of our U.K. downstream operations and sale of our U.K. exploration and production operations will reduce our income-generating assets. If our remaining business is not successful as a stand-alone company, we may not have sufficient income to make interest payments on the notes, repay the notes at maturity or refinance the notes on acceptable terms, if at all.

*We cannot predict whether or when credit ratings agencies will downgrade the ratings assigned to Murphy Oil Corporation's debt, including the notes, as a result of the Corporate Transactions.*

We cannot predict whether or when credit ratings agencies will downgrade the ratings assigned to Murphy Oil Corporation's debt, including the notes, as a result of the Corporate Transactions. Moody's, S&P and Fitch may review our ratings for possible change or downgrade in connection with any of the Corporate Transactions. As a result, there can be no assurance that our current ratings, including those assigned to the notes, will be maintained in the future. Actual or anticipated changes or downgrades in our ratings, including any announcement that our ratings are under review for a downgrade, could adversely affect our business, cash flows, financial condition and operating results.

### **Risks relating to the notes**

*The notes are structurally subordinated to all liabilities of our subsidiaries.*

The notes are structurally subordinated to all liabilities of our subsidiaries, including, without limitation, their debt and trade payables. As of September 30, 2012, we had approximately \$4.8 billion in liabilities to third parties, including trade payables but excluding intercompany liabilities, issued by our subsidiaries, all of which would rank structurally senior to the notes in

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case of liquidation or otherwise. None of our subsidiaries has guaranteed or otherwise become obligated with respect to the notes. Our right to receive assets from any of our subsidiaries upon its liquidation or reorganization, and the right of the holders of the notes to participate in those assets, is structurally subordinated to claims of that subsidiary's creditors. Even if we were a creditor of any of our subsidiaries, our rights as a creditor would be subordinate to any security interest in the assets of that subsidiary and any debt of that subsidiary senior to that held by us, and our rights could otherwise be subordinated to the rights of other creditors of that subsidiary. Furthermore, none of our subsidiaries is under any obligation to make payments to us, and any payments to us would depend on the earnings or financial condition of our subsidiaries and various business considerations. Contractual or other legal restrictions may also limit our subsidiaries' ability to pay dividends or make distributions, loans or advances to us. For these reasons, we may not have access to any assets or cash flows of our subsidiaries to make interest and principal payments on the notes.

### ***We may not be able to repurchase the notes upon a change of control triggering event.***

Upon the occurrence of a change of control triggering event with respect to the notes of a series, unless we have exercised our right to redeem all of the notes of such series, each holder of notes of such series will have the right to require us to purchase all or a portion of such holder's notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. See Description of the notes Repurchase upon a change of control triggering event.

It is possible that we will not have sufficient funds at the time of any change of control triggering event to repurchase the notes of the relevant series. In order to obtain sufficient funds to pay the purchase price of the outstanding notes of the relevant series, we may need to refinance the notes of such series. We cannot assure you that we would be able to refinance the notes of such series on reasonable terms, or at all. Our failure to offer to purchase all outstanding notes of the relevant series or to purchase all validly tendered notes of such series would be an event of default with respect to the notes of such series under the indenture for such notes. Such an event of default may cause the acceleration of our other indebtedness.

### ***The change of control provision of the notes will not necessarily protect you in the event of certain highly leveraged transactions, and they do not apply to the Corporate Transactions.***

The change of control triggering event provision will not afford you protection in the event of certain highly leveraged transactions that may adversely affect you, and they do not apply to the Corporate Transactions. For example, any leveraged recapitalization, refinancing, restructuring or acquisition initiated by us generally will not, and none of the Corporate Transactions will, constitute a change of control that would potentially lead to a change of control triggering event. As a result, we could enter into any such transaction even though the transaction could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit rating or otherwise adversely affect the holders of the notes. These transactions may not involve a change in voting power or beneficial ownership or result in a downgrade in the ratings of the notes of either series and/or cause either series of notes to cease to be rated investment grade, or, even if they do, may not necessarily constitute a change of control triggering event that affords you the protections described in this prospectus supplement. If any such transactions were to occur, the market value of the notes could decline.

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***Changes in our credit ratings may adversely affect your investment in the notes.***

The credit ratings of our indebtedness are an assessment by ratings agencies of our ability to pay our debts when due. These ratings are not recommendations to purchase, hold or sell the notes, inasmuch as the ratings do not comment as to market price or suitability for a particular investor, are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each ratings agency at the time the rating is issued. The ratings are based on current information furnished to the ratings agencies by us and information obtained by the ratings agencies from other sources. An explanation of the significance of such rating may be obtained from such ratings agency. There can be no assurance that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the ratings agencies, if, in each ratings agency's judgment, circumstances so warrant. Actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under review for a downgrade, could affect the market value and liquidity of the notes and increase our borrowing costs.

***Your ability to transfer the notes may be limited by the absence of an active trading market, and there is no assurance that any active trading market will develop for the notes.***

The notes are new issues of securities for which there is no established trading market. The underwriters have advised us that they intend to make a market in the notes, as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in the notes and they may discontinue their market-making activities at any time without notice. Therefore, an active market for the notes may not develop or, if developed, may not continue. The liquidity of any market for the notes will depend upon, among other things, the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. If a market develops, the notes could trade at prices that may be lower than the initial offering prices of the notes.

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## **Use of proceeds**

We expect the net proceeds from this offering of notes to be approximately \$       million, after deducting underwriting discounts and other estimated expenses of the offering. We intend to use the net proceeds to fund our previously announced special dividend of \$2.50 per share (for a total dividend of approximately \$500 million) and to fund repurchases pursuant to our share buyback program in an aggregate amount not to exceed \$1 billion, and the remainder, if any, for general corporate purposes. Prior to repurchases under our share buyback program, we may use a portion of the net proceeds of this offering to repay borrowings under our revolving credit facility and redraw on our revolver from time to time to fund repurchases under such program. At October 31, 2012, we had approximately \$450 million in borrowings under our revolving credit facility. Borrowings under our revolving credit facility bear interest at 1.5% above LIBOR based on our credit rating as of September 30, 2012 and mature in June 2016.

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We have provided in the table below our unaudited consolidated capitalization as of September 30, 2012, and as adjusted to give effect to:

the issuance of the notes offered hereby;

the expected use of proceeds of this offering to fund our previously announced special dividend of \$2.50 per share (for a total dividend of approximately \$500 million), and to fund our share buyback program of up to \$1 billion of our shares of common stock (assuming all such share repurchases occurred on September 30, 2012); and

the spin-off of Murphy USA (including the relevant pro forma adjustments as described in Summary Unaudited pro forma condensed consolidated financial statements ).

Except as described above, the adjustments do not give effect to the other Corporate Transactions. The notes offered hereby will be issued by Murphy Oil Corporation and will remain the obligations of Murphy following completion of the Corporate Transactions.

	<b>As of September 30, 2012</b>	
<b>(unaudited)</b>		
<b>(in thousands)</b>	<b>Actual</b>	<b>As adjusted</b>
Cash and cash equivalents	\$ 816,694	\$
<b>Current liabilities:</b>		
Other, 6%, due through 2028(1)	45	
	45	
<b>Long-term debt:</b>		
% Notes, due 20 , net of unamortized discount of \$		
% Notes, due 20 , net of unamortized discount of \$		
% Notes, due 20 , net of unamortized discount of \$		
4.00% Notes, due 2022, net of unamortized discount of \$1,009(2)	498,991	498,991
7.05% Notes, due 2029, net of unamortized discount of \$1,547(2)	248,453	248,453
Other, 6%, due through 2028(1)	1,136	
Revolving Credit Facility(3)	400,000	400,000
Other Credit Facility	36,000	36,000
<b>Total long-term debt (excluding current maturities)</b>	<b>1,184,580</b>	
<b>Stockholders' equity:</b>		
Cumulative Preferred Stock, par \$100, authorized 400,000 shares, none issued		
Common Stock, par \$1.00, authorized 450,000,000 shares, issued 194,452,935 shares	194,453	
Capital in excess of par value	860,314	
Retained earnings	8,105,611	
Accumulated other comprehensive income	459,374	
Treasury stock	(2,994)	

Total stockholders' equity	9,616,758
Total capitalization (long-term debt and stockholders' equity)	\$ 10,801,338

(1) Includes debt associated with electrical facilities at the Hankinson, North Dakota ethanol production facility. The debt matures in September 2028.

(2) At September 30, 2012.

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- (3) At October 31, 2012, we had approximately \$450 million in borrowings under our revolving credit facility. Prior to repurchases under our share buyback program, we may use a portion of the net proceeds of this offering to repay borrowings under our revolving credit facility and redraw on our revolver from time to time to fund repurchases under such program. See "Use of proceeds" in this prospectus supplement.

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**Description of the notes**

We have summarized selected provisions of the notes below. This summary supplements and replaces, where inconsistent, the description of the general terms and provisions of debt securities under the caption Description of Debt Securities in the accompanying prospectus. As used in the description below, the terms Murphy Oil Corporation, we, our, us, the Company, Murphy Oil and Murphy refer to Murphy Oil Corporation and not to any of its subsidiaries.

**General**

Each series of notes will be issued as a separate series of notes under the senior indenture dated as of May 18, 2012 and a supplement to the indenture, to be dated as of \_\_\_\_\_, 2012 and hereafter collectively referred to as the indenture, between Murphy Oil and U.S. Bank National Association, as trustee. Each series of notes will vote separately as a class, except as otherwise provided in the indenture.

The 20\_\_\_\_\_ notes will initially be limited to an aggregate principal amount of \$\_\_\_\_\_. The 20\_\_\_\_\_ notes will initially be limited to an aggregate principal amount of \$\_\_\_\_\_. The 20\_\_\_\_\_ notes will initially be limited to an aggregate principal amount of \$\_\_\_\_\_. The offering and sale of each series of notes is not conditioned on the sale of any other series of notes.

The 20\_\_\_\_\_ notes will mature on \_\_\_\_\_, 20\_\_\_\_\_ and will bear interest at \_\_\_\_\_ % per year. The 20\_\_\_\_\_ notes will mature on \_\_\_\_\_, 20\_\_\_\_\_ and will bear interest at \_\_\_\_\_ % per year. The 20\_\_\_\_\_ notes will mature on \_\_\_\_\_, 20\_\_\_\_\_ and will bear interest at \_\_\_\_\_ % per year. Interest on the notes of each series will accrue from \_\_\_\_\_, 2012. The interest rate payable on the notes of each series will be subject to adjustments from time to time if either Moody's or S&P (or a substitute ratings agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes of such series as described in Interest rate adjustment below.

We:

will pay interest on the notes semiannually on \_\_\_\_\_ and \_\_\_\_\_ of each year, commencing \_\_\_\_\_, 2013;

will pay interest on the notes to the person in whose name a note is registered at the close of business on the \_\_\_\_\_ or \_\_\_\_\_ preceding the interest payment date;

will compute interest on the notes on the basis of a 360-day year consisting of twelve 30-day months;

will make payments on the notes at the offices of the trustee; and

may make payments by wire transfer for notes held in book-entry form or by check for notes held in certificated form mailed to the address of the person entitled to the payment as it appears in the note register.

We will issue the notes only in fully registered form, without coupons, in denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof. The notes will not be subject to any sinking fund, and will be subject to redemption at our option, as described below.



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**Further issuances**

We may from time to time, without the consent of the existing holders, create and issue additional notes having the same terms and conditions as the notes of any series offered by this prospectus supplement in all respects, except for the issue date, issue price and, under some circumstances, the date of the first payment of interest on the notes, provided that if the additional notes of a series are not fungible with the notes of such series for U.S. federal income tax purposes, such additional notes will have a different CUSIP. Additional notes issued in this manner will be consolidated with and form a single series with the previously outstanding notes of such series.

**Optional redemption**

Each series of notes may be redeemed in whole at any time or in part from time to time, at our option, as set forth below.

The 20        notes may be redeemed at any time by us at a redemption price equal to the greater of:

100% of the principal amount of notes to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued and unpaid to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus        basis points, plus accrued and unpaid interest on the principal amount of the notes being redeemed to, but not including, the redemption date.

If the 20        notes are redeemed at any time prior to       , 20        (the date that is        months prior to the maturity date of the 20        notes) or the 20        notes are redeemed at any time prior to       , 20        (the date that is        months prior to the maturity date of the 20        notes), the 20        notes or the 20        notes, respectively, may be redeemed by us at a redemption price equal to the greater of:

100% of the principal amount of notes to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (not including any portion of such payments of interest accrued and unpaid to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the treasury rate plus        basis points, in the case of the 20        notes, or        basis points, in the case of the 20        notes, plus accrued and unpaid interest on the principal amount of the notes being redeemed to, but not including, the redemption date.

If the 20        notes are redeemed at any time on or after       , 20        (the date that is        months prior to the maturity date of the 20        notes) or the 20        notes are redeemed at any time on or after       , 20        (the date that is        months prior to the maturity date of the 20        notes) the 20        notes or the 20        notes, respectively, may be redeemed by us at

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a redemption price equal to 100% of the principal amount of the notes then outstanding to be redeemed plus accrued and unpaid interest on the principal amount of the notes being redeemed to, but not including, the redemption date.

Treasury rate means, with respect to any redemption date:

the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the comparable treasury issue (if no maturity is within three months before or after the remaining life (as defined below), yields for the two published maturities most closely corresponding to the comparable treasury issue will be determined and the treasury rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the comparable treasury issue, calculated using a price for the comparable treasury issue (expressed as a percentage of its principal amount) equal to the comparable treasury price for such redemption date.

The treasury rate will be calculated on the third business day next preceding the date fixed for redemption (the calculation date).

Comparable treasury issue means the U.S. Treasury security selected by an independent investment banker as having a maturity comparable to the remaining term (remaining life) of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable treasury price means, with respect to any redemption date, (1) the average of four reference treasury dealer quotations for such redemption date, after excluding the highest and lowest reference treasury dealer quotations, or (2) if the independent investment banker obtains fewer than four such reference treasury dealer quotations, the average of all such quotations.

Independent investment banker means one of J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, or their respective successors, as specified by us, or, if those firms are unwilling or unable to select the comparable treasury issue, an independent investment banking institution of national standing appointed by us.

Reference treasury dealer means each of (1) J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, or their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the United States (a primary treasury dealer), we will substitute therefor another primary treasury dealer and (2) any two other primary treasury dealers selected by us after consultation with an independent investment banker.

Reference treasury dealer quotations means, with respect to each reference treasury dealer and any redemption date, the average, as determined by the independent investment banker, of the bid and asked prices for the comparable treasury issue (expressed in each case as a

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percentage of its principal amount) quoted in writing to the independent investment banker at 5:00 p.m., New York City time, on the calculation date.

We will mail a notice of redemption to each holder of notes to be redeemed by first-class mail at least 30 and not more than 60 days prior to the date fixed for redemption. Unless we default on payment of the redemption price, interest will cease to accrue on the notes or portions thereof called for redemption on and after the redemption date. If fewer than all of the notes of a series are to be redeemed, the trustee will select, not more than 60 days prior to the redemption date, the particular notes of such series or portions thereof for redemption from the outstanding notes of such series not previously called by such method as the trustee deems fair and appropriate. The redemption price will be calculated by the independent investment banker and we, the trustee and any paying agent for the notes of such series will be entitled to rely on such calculation.

Except as described above, the notes will not be redeemable by us prior to maturity and will not be entitled to the benefit of any sinking fund.

**Repurchase upon a change of control triggering event**

Upon the occurrence of a change of control triggering event with respect to the notes of a series, unless the Company has exercised its right to redeem all of the notes of such series as described under Optional redemption, each holder of notes of such series will have the right to require the Company to purchase all or a portion of such holder's notes pursuant to the offer described below (the change of control offer), at a purchase price in cash (the change of control payment) equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase, provided that any payment of interest becoming due on or prior to the change of control payment date (as defined below) shall be payable to the holders of such notes registered as such on the relevant record date.

Within 30 days following the date upon which the change of control triggering event occurs, or at the Company's option, prior to any change of control but after the public announcement of the pending change of control, the Company will be required to send, by first class mail, a notice to each holder of notes of the relevant series, with a copy to the trustee, which notice will govern the terms of the change of control offer and describe the change of control triggering event. Such notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the change of control payment date). The notice, if mailed prior to the date of consummation of the change of control, will state that the change of control offer is conditioned on the change of control being consummated on or prior to the change of control payment date.

Upon the change of control payment date, the Company will, to the extent lawful:

accept for payment all notes or portions of notes properly tendered and not withdrawn pursuant to the change of control offer;

deposit with the paying agent an amount equal to the change of control payment in respect of all notes or portions of notes properly tendered; and

deliver, or cause to be delivered, to the trustee the notes properly accepted together with a certificate, executed by the Company's officers, stating the aggregate principal amount of notes or portions thereof being purchased.

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The Company will not be required to make a change of control offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Company and such third party purchases all notes of the relevant series properly tendered and not withdrawn under its offer.

If holders of not less than 95% in aggregate principal amount of the outstanding notes of the relevant series validly tender and do not withdraw such notes in a change of control offer and we, or any third party making a change of control offer in lieu of us, as described above, purchase all of the notes of such series validly tendered and not withdrawn by such holders, we will have the right, upon not less than 30 nor more than 60 days' prior notice, with such notice given not more than 30 days following the change of control payment date, to redeem all notes of such series that remain outstanding following such purchase at a redemption price equal to the change of control payment plus, to the extent not included in the change of control payment, accrued and unpaid interest, if any, on the notes that remain outstanding to the date of redemption *provided* that any payment of interest becoming due on or prior to the redemption date shall be payable to the holders of such notes registered as such on the relevant record date.

*Change of control* means the occurrence of any of the following:

(1) the consummation of any transaction or series of related transactions (including, without limitation, any merger or consolidation) the result of which is that any person (for purposes of this definition, as that term is used in Section 13(d)(3) of the Exchange Act), other than the Company, any of its subsidiaries, any of the Murphy family or any employee benefit plan of the Company or any of its subsidiaries (each such person, an excluded party), becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the combined voting power of the Company's voting stock or other voting stock into which the Company's voting stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; *provided* that the consummation of any such transaction will not be considered to be a change of control if (a) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (b) immediately following such transaction, (x) the direct or indirect holders of the voting stock of the holding company are substantially the same as the holders of our voting stock immediately prior to such transaction or (y) no person (other than the excluded parties) is the beneficial owner, directly or indirectly, of more than 50% of the voting stock of such holding company;

(2) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the Company's outstanding voting stock or the voting stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Company's voting stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the voting stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or

(3) the adoption by the board of directors of the Company of a plan relating to the Company's liquidation or dissolution.

*Change of control triggering event* means (1) the ratings of the notes of the relevant series is downgraded by each of the ratings agencies during the 60-day period (the trigger period)

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commencing on the earlier of (i) the occurrence of a change of control or (ii) the first public announcement of the occurrence of a change of control or the Company's intention to effect a change of control (which trigger period will be extended so long as the ratings of the notes of the relevant series is under publicly announced consideration for possible downgrade by any of the ratings agencies) and (2) the notes of the relevant series are rated below an investment grade rating by each of the ratings agencies on any date during the trigger period; *provided* that a change of control triggering event will not be deemed to have occurred in respect of a particular change of control if each ratings agency does not publicly announce or confirm or inform the trustee in writing at our request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the change of control (whether or not the applicable change of control has occurred at the time of the change of control triggering event). Notwithstanding the foregoing, no change of control triggering event will be deemed to have occurred in connection with any particular change of control unless and until such change of control has actually been consummated.

*Fitch* means Fitch Ratings Ltd. and its successors.

*Immediate family* of a person means such person's spouse, children, siblings, parents, mother-in-law and father-in-law, sons-in-law, daughters-in-law, brothers-in-law and sisters-in-law.

*Investment grade* means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's), a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P), a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch) or an equivalent investment grade rating from any replacement ratings agency appointed by the Company.

*Moody's* means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

*Murphy family* means (1) (i) the C.H. Murphy Family Investments Limited Partnership; (ii) the estate and descendants of C.H. Murphy, Jr.; (iii) the siblings of the late C.H. Murphy, Jr. and their respective estates and descendants; (iv) the respective immediate family of, immediate family of descendants of and descendants of immediate family of, any individual included in clause (ii) or (iii); (v) any trust established for the benefit of any of the foregoing or any charitable trust or foundation established by any of the foregoing, and the respective trustees, fiduciaries and beneficiaries of any such trust or foundation; and (vi) any corporation, limited partnership, limited liability company or other entity owned by any of the foregoing, or organized to achieve estate planning objectives of any of the foregoing; and (2) any affiliate (as defined in Rule 12b-2 under the Exchange Act) or successor of any of the foregoing.

*Ratings agency* means each of Fitch, Moody's and S&P; *provided*, that if any of Fitch, Moody's and S&P ceases to rate the notes of a series or fails to make a rating of the notes of a series publicly available for reasons outside of the Company's control, the Company may appoint a replacement for such ratings agency that is a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act with respect to the notes of such series.

*S&P* means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

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*Voting stock* of any specified person as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The Company will comply with the applicable requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a change of control triggering event. To the extent that the provisions of any securities laws or regulations conflict with the change of control offer provisions of the notes, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the change of control offer provisions of the notes by virtue of any such conflict.

Unless the Company defaults in the change of control payment, on and after the change of control payment date, interest will cease to accrue on the notes of the relevant series or portions of the notes of such series tendered for repurchase pursuant to the change of control offer.

**Interest rate adjustment**

The interest rate payable on the notes of each series will be subject to adjustments from time to time if either Moody's or S&P or, if either Moody's or S&P ceases to rate the notes of such series or fails to make a rating of the notes of such series publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act with respect to the notes of such series (a substitute ratings agency), downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes of such series, in the manner described below.

If the rating from Moody's (or any substitute ratings agency therefor) of the notes of a series is decreased to a rating set forth in the immediately following table, the interest rate on the notes of such series will increase such that it will equal the interest rate payable on the notes of such series on the date of their initial issuance plus the percentage set forth opposite the ratings from the table below:

**Moody's Rating\* Percentage**

Ba1	0.25%
Ba2	0.50%
Ba3	0.75%
B1 or below	1.00%

\* Including the equivalent ratings of any substitute ratings agency.

If the rating from S&P (or any substitute ratings agency therefor) of the notes of a series is decreased to a rating set forth in the immediately following table, the interest rate on the notes of that series will increase such that it will equal the interest rate payable on the notes of such series on the date of their initial issuance plus the percentage set forth opposite the ratings from the table below:

**S&P Rating\* Percentage**

BB+	0.25%
BB	0.50%
BB-	0.75%
B+ or below	1.00%

\* Including the equivalent ratings of any substitute ratings agency.

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If at any time the interest rate on the notes of a series has been increased and either Moody's or S&P (or, in either case, a substitute ratings agency therefor), as the case may be, subsequently upgrades its rating of the notes of such series to any of the threshold ratings set forth above, the interest rate on the notes of such series will be decreased such that the interest rate for the notes of such series equals the interest rate payable on the notes of such series on the date of their initial issuance plus the percentages set forth opposite the ratings from the tables above in effect immediately following the upgrade in rating. If Moody's (or any substitute ratings agency therefor) subsequently upgrades its rating of the notes of a series to Baa3 (or its equivalent, in the case of a substitute ratings agency) or higher, and S&P (or any substitute ratings agency therefor) upgrades its rating to BBB- (or its equivalent, in the case of a substitute ratings agency) or higher, the interest rate on the notes of such series will be decreased to the interest rate payable on the notes of such series on the date of their initial issuance (and if one such upgrade occurs and the other does not, the interest rate on the notes of such series will be decreased so that it does not reflect any increase attributable to the upgrading ratings agency). In addition, the interest rates on the notes of each series will permanently cease to be subject to any adjustment described above (notwithstanding any subsequent downgrade in the ratings by either or both ratings agencies) if the notes of such series become rated Baa1 and BBB+ (or the equivalent of either such rating, in the case of a substitute ratings agency) or higher by Moody's and S&P (or, in either case, a substitute ratings agency therefor), respectively (or one of these ratings if the notes are only rated by one ratings agency).

Each adjustment required by any downgrade or upgrade in a rating set forth above, whether occasioned by the action of Moody's or S&P (or, in either case, a substitute ratings agency therefor), shall be made independent of any and all other adjustments. In no event shall (1) the interest rate for the notes of a series be reduced to below the interest rate payable on the notes of such series on the date of their initial issuance or (2) the total increase in the interest rate on the notes of a series exceed 2.00% above the interest rate payable on the notes of such series on the date of their initial issuance.

No adjustments in the interest rate of the notes of a series shall be made solely as a result of a ratings agency ceasing to provide a rating of such series of notes. If at any time Moody's or S&P ceases to provide a rating of the notes of a series, we will use our commercially reasonable efforts to obtain a rating of such series of notes from a substitute ratings agency, to the extent one exists, and if a substitute ratings agency exists, for purposes of determining any increase or decrease in the interest rate on the notes of a series pursuant to the tables above (a) such substitute ratings agency will be substituted for the last ratings agency to provide a rating of such series of notes but which has since ceased to provide such rating, (b) the relative rating scale used by such substitute ratings agency to assign ratings to senior unsecured debt will be determined in good faith by an independent investment banking institution of national standing appointed by us and, for purposes of determining the applicable ratings included in the applicable table above with respect to such substitute ratings agency, such ratings will be deemed to be the equivalent ratings used by Moody's or S&P, as applicable, in such table and (c) the interest rate on the notes of such series will increase or decrease, as the case may be, such that the interest rate equals the interest rate payable on the notes of such series on the date of their initial issuance plus the appropriate percentage, if any, set forth opposite the rating from such substitute ratings agency in the applicable table above (taking into account the provisions of clause (b) above) (plus any applicable percentage resulting from a decreased rating by the other ratings agency).

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For so long as only one ratings agency provides a rating of the notes of a series, any subsequent increase or decrease in the interest rate of such series of notes necessitated by a reduction or increase in the rating by the ratings agency providing the rating shall be twice the percentage set forth in the applicable table above. For so long as none of Moody's or S&P (or, in either case, a substitute ratings agency therefor) provides a rating of the notes of a series, the interest rate on the notes of such series will increase to, or remain at, as the case may be, 2.00% above the interest rate payable on the notes of such series on the date of their initial issuance.

Any interest rate increase or decrease described above will take effect from the first interest payment date following the date on which a rating change occurs that requires an adjustment in the interest rate. If Moody's or S&P (or, in either case, a substitute ratings agency therefor) changes its rating of the notes of a series more than once prior to any particular interest payment date, the last change by such agency prior to such interest payment date will control for purposes of any interest rate increase or decrease with respect to the notes of such series described above relating to such ratings agency's action. If the interest rate payable on the notes is increased as described above, the term "interest," as used with respect to the notes, will be deemed to include any such additional interest unless the context otherwise requires.

## **Ranking**

The notes will be our senior unsecured obligations and will rank equally in right of payment with all of our other senior unsecured and unsubordinated indebtedness from time to time outstanding.

We currently conduct substantially all of our operations through our subsidiaries, and our subsidiaries generate substantially all of our operating income and cash flow. As a result, distributions or advances from our subsidiaries are the principal source of the funds we use to meet our debt service obligations. Laws or contractual provisions, as well as our subsidiaries' financial condition and operating requirements, may limit our ability to obtain cash from our subsidiaries that we require to pay our debt service obligations, including payments on the notes. The notes will not be guaranteed by any of our subsidiaries and therefore will be structurally subordinated to all obligations of our subsidiaries, including trade payables. This means that holders of the notes will have a junior position to the claims of creditors of our subsidiaries on their assets and earnings. The notes will also be effectively subordinated to any secured debt we may incur, to the extent of the value of the assets securing that debt. The indenture does not limit the amount of debt our subsidiaries can incur, although it restricts our ability to incur secured debt, subject to the limitations described under "Covenants - Limitations on Liens" below.

## **Covenants**

*Limitations on Liens.* Neither we nor any restricted subsidiary will issue, assume or guarantee any debt secured by a mortgage, lien, pledge or other encumbrance, which are collectively called "mortgages" in the indenture, on any principal property or on any debt or capital stock of any restricted subsidiary which owns any principal property without providing that the debt securities of each series under the indenture will be secured equally and ratably or prior to the debt. A "restricted subsidiary" is a 50% or more owned subsidiary owning principal property and having stockholder's equity greater than 2% of our consolidated net assets.



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Principal property means all property and equipment directly engaged in our exploration, production, refining, marketing and transportation activities, except any such property and equipment which our board of directors declares is not material to our business and our subsidiaries business taken as a whole.

Consolidated net assets means the total of all assets (less depreciation and amortization reserves and other valuation reserves and loss reserves) which, under generally accepted accounting principles, would appear on the asset side of our consolidated balance sheet, less the aggregate of all liabilities, deferred credits, minority shareholders' interests in subsidiaries, reserves and other items which, under such principles, would appear on the liability side of such consolidated balance sheet, except debt for borrowed money and stockholders' equity; *provided, however*, that in determining consolidated net assets, there shall not be included as assets, (a) all assets (other than goodwill, which shall be included) which would be classified as intangible assets under generally accepted accounting principles, including, without limitation, patents, trademarks, copyrights and unamortized debt discount and expense, (b) any treasury stock carried as an asset, or (c) any write-ups of capital assets (other than write-ups resulting from the acquisition of stock or assets of another corporation or business).

However, the limitation on liens shall not apply to the following:

mortgages existing on the date of the indenture;

mortgages existing at the time an entity becomes a restricted subsidiary of ours;

mortgages securing debt of a restricted subsidiary in favor of Murphy Oil or any subsidiary of ours;

mortgages on property, shares of stock or indebtedness (a) existing at the time of the acquisition of the property, shares of stock or indebtedness, (b) incurred to secure payment of all or part of the purchase price of the property, shares of stock or indebtedness, or (c) incurred to secure debt incurred prior to, at the time of or within 120 days after the acquisition of the property, shares of stock or indebtedness or after the completion of construction of the property, for the purpose of financing all or part of the purchase price of the property, shares of stock or indebtedness or the cost of construction (provided that such mortgages are limited to such property and improvements thereon or the shares of stock or indebtedness so acquired);

mortgages in favor of the United States of America, any state, any other country or any political subdivision to secure partial, progress, advance or other payments pursuant to any contract or statute;

mortgages on property of Murphy Oil or any restricted subsidiary securing debt incurred in connection with financing all or part of the cost of operating, constructing or acquiring projects, as long as recourse is only to the property;

specific marine mortgages or foreign equivalents on property or assets of Murphy Oil or any restricted subsidiary;

mortgages or easements on property of Murphy Oil or any restricted subsidiary incurred to finance the property on a tax-exempt basis that do not materially detract from the value of or materially impair the use of the property or assets; or

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any extension, renewal or replacement of any mortgage referred to in the preceding items or of any debt secured by those mortgages as long as the extension, renewal or replacement secures the same or a lesser amount of debt and is limited to substantially the same property (plus improvements) which secured the mortgage.

Notwithstanding anything mentioned above, we and any of our restricted subsidiaries may issue, assume or guarantee debt secured by mortgages on principal property or on any indebtedness or capital stock of any restricted subsidiary (other than the debt secured by mortgages permitted above) which does not exceed 10% of our consolidated net assets.

*Limitations on Sale and Lease-Back Transactions.* Neither we nor any restricted subsidiary will lease any principal property for more than three years from the purchaser or transferee of such principal property. However, the limitation on this type of arrangement shall not apply if:

we or our restricted subsidiary could incur debt secured by a mortgage on the property to be leased, as permitted above, without equally and ratably securing the debt securities of each series under the indenture; or

we apply the greater of the proceeds from the sale or transfer and the fair value of the leased property to the defeasance or retirement of any senior debt for borrowed money within 120 days of the sale and lease-back transaction, in both cases reduced by the lesser of any amounts spent to purchase unencumbered principal property and the fair value of unencumbered principal property so acquired, in each case during the one year prior to or 120 days after any sale and lease-back transaction.

**Consolidation, merger or sale of assets**

We will not merge or consolidate with any other corporation or sell or convey all or substantially all of our assets to any person, unless (i) either we are the continuing corporation, or the successor corporation or the person which acquires by sale or conveyance substantially all our assets (if other than us) will be a corporation organized under the laws of the United States of America or any state thereof and will expressly assume the due and punctual payment of the principal of and interest on all debt securities under the indenture, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the indenture to be performed or observed by us, by supplemental indenture in form reasonably satisfactory to the trustee, executed and delivered to the trustee by such corporation, and (ii) we or our successor corporation, as the case may be, are not, immediately after such merger or consolidation, or such sale or conveyance, in default in the performance of any such covenant or condition of the indenture.

In case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor corporation, such successor corporation will succeed to and be substituted for us, with the same effect as if it had been named in the indenture. Such successor corporation may cause to be signed, and may issue either in its own name or in our name prior to such succession any or all of the debt securities issuable under the indenture which theretofore had not been signed by us and delivered to the trustee; and, upon the order of such successor corporation instead of us and subject to all the terms, conditions and limitations prescribed in the indenture, the trustee will authenticate and will deliver any debt securities which previously were signed and delivered by our officers to the trustee for authentication, and any debt securities which such successor corporation thereafter causes to be signed and delivered to the trustee for that

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purpose. All of the debt securities so issued will in all respects have the same legal rank and benefit under the indenture as the debt securities theretofore or thereafter issued in accordance with the terms of the indenture as though all of such debt securities had been issued at the date of the execution of the indenture.

In the event of any such sale or conveyance (other than a conveyance by way of lease) we or any successor corporation which has become such in the manner described above will be discharged from all obligations and covenants under the indenture and the debt securities issued thereunder and may be liquidated and dissolved.

As noted under Summary, we have announced (i) the spin-off of Murphy USA, our U.S. downstream business, into a separate publicly traded company, (ii) the divestiture of our U.K. downstream operations and (iii) the sale of our U.K. exploration and production operations. None of Murphy USA, our U.K. downstream operations or our U.K. exploration and production operations, individually or taken together in the aggregate, constitutes substantially all of our assets, and for the avoidance of doubt, the indenture will provide that (i) the covenant described above will not apply in the event of the completion of any or all of the Corporate Transactions and (ii) such provision will not create any presumption that the application of this covenant is triggered by further sales or conveyances in addition to any or all of the Corporate Transactions, whether considered individually or taken together in the aggregate with any or all of the Corporate Transactions.

## **Events of default, notice and waiver**

Event of default means any of the following in relation to the notes of a series:

failure to pay interest on the notes of such series for 30 days after the interest becomes due;

failure to pay the principal on the notes of such series when due;

failure to perform or breach of any other covenant or warranty in the indenture that continues for 90 days after our being given notice from the trustee or the holders of at least 25% in aggregate principal amount of the outstanding notes of all series under the indenture affected thereby;

default in the payment when due of (a) other indebtedness (other than Project Financing) in an aggregate principal amount in excess of \$75,000,000 and such default is not cured within 30 days after written notice to us and the trustee by the holders of at least 25% in principal amount of the outstanding notes of such series or (b) interest, principal, premium or a sinking fund or redemption payment under any such other indebtedness, causing the indebtedness to become due prior to its stated maturity, which acceleration is not stayed, rescinded or annulled within 10 days after written notice to us and the trustee by the holders of at least 25% in principal amount of the outstanding notes of such series; *provided, however*, that if such event of default under such indenture or instrument is remedied or cured by us or waived by the holders of such debt before any judgment or decree for the payment of the moneys due is obtained or entered, then this event of default will also be deemed to have been remedied, cured or waived without further action upon the part of either the trustee or any of the holders of the notes of such series;

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a creditor commences involuntary bankruptcy, insolvency or similar proceedings against us and we are unable to obtain a stay or dismissal of that proceeding within 60 days; or

we voluntarily seek relief under bankruptcy, insolvency or similar laws or we consent to a court entering an order for relief against us under those laws.

If any event of default relating to outstanding notes of a series occurs and is continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding notes of such series may declare the principal and accrued interest of all of the outstanding notes of such series to be due and immediately payable; *provided, however*, that if an event of default occurs pertaining to events of bankruptcy, insolvency or similar proceedings, the principal amount and accrued interest shall be immediately due and payable without any declaration or other act by the trustee or any holder.

The indenture provides that the holders of at least a majority in principal amount of the outstanding notes of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or of exercising any trust or power conferred on the trustee, with respect to the notes of such series. The trustee may act in any way that is consistent with those directions and may decline to act if any of the directions is contrary to law or to the indenture or would involve the trustee in personal liability.

The indenture provides that the holders of at least a majority in principal amount of the notes of a series may on behalf of the holders of all of the outstanding notes of such series waive any past default (and its consequences) under the indenture, except a default (a) in the payment of the principal of or interest on any of the notes of such series, (b) with respect to voluntary or involuntary bankruptcy, insolvency or similar proceedings, or (c) with respect to a covenant or provision of such indenture which, under the terms of such indenture, cannot be modified or amended without the consent of the holders of all of the outstanding notes of such series. In the case of clause (b) above, the holders of at least a majority of all outstanding debt securities under the indenture (voting as one class) may on behalf of all such holders waive a default.

The indenture contains provisions entitling the trustee, subject to the duty of the trustee during an event of default to act with the required standard of care, to be indemnified by the holders of the notes of a series before proceeding to exercise any right or power under the indenture at the request of those holders.

The indenture requires the trustee to, within 90 days after the occurrence of a default known to it with respect to the notes of a series, give the holders of the notes of such series notice of the default if uncured and unwaived. However, the trustee may withhold this notice if it in good faith determines that the withholding of this notice is in the interest of those holders. However, the trustee may not withhold this notice in the case of a default in payment of principal of or interest on the notes of a series. The term "default" for the purpose of this provision means any event that is, or after notice or lapse of time, or both, would become, an event of default with respect to the notes of a series.

The indenture requires us to file annually with the trustee a certificate, executed by our officers, indicating whether any of the officers has knowledge of any default under the indenture.

**Project Financing** means any indebtedness that is incurred to finance or refinance the acquisition, improvement, installation, design, engineering, construction, development, completion, maintenance, operation, securitization or monetization, in respect of all or any

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portion of any project, any group of projects, or any asset related thereto, and any guaranty with respect thereto, other than such portion of such indebtedness or guaranty that expressly provides for direct recourse to us or any of our subsidiaries (other than a Project Financing Subsidiary) or any of their respective property other than recourse to the equity in, indebtedness or other obligations of, or properties of, one or more Project Financing Subsidiaries; *provided, however*, that support such as limited guaranties or obligations to provide or guaranty equity contributions or to make subordinated loans shall not be considered direct recourse for the purpose of this definition.

Project Financing Subsidiary means any of our subsidiaries whose principal purpose is to incur Project Financing or to become a direct or indirect partner, member or other equity participant or owner in a person so created, and substantially all the assets of such subsidiary are limited to (i) those assets for which the acquisition, improvement, installation, design, engineering, construction, development, completion, maintenance, operation, securitization or monetization is being financed in whole or in part by one or more Project Financings, or (ii) the equity in, indebtedness or other obligations of, one or more other such subsidiaries or persons.

## **Notices**

We will mail notices and communications to the holder's address shown on the register of the notes for the relevant series.

## **Paying agents and transfer agents**

The trustee will be the paying agent and transfer agent for the notes.

## **The trustee**

U.S. Bank National Association is the trustee under the indenture. The trustee and an affiliate of the trustee are lenders under the Company's revolving credit facility.

## **Book-entry delivery and settlement**

The Depository Trust Company (DTC), New York, New York, will act as securities depository for the notes. The notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered certificates will be issued for each series of notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC has advised us as follows:

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended;

DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants (direct participants) deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through

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electronic computerized book-entry transfers and pledges between direct participants' accounts, thereby eliminating the need for physical movement of securities certificates;

direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, including the Euroclear System ( Euroclear ) and Clearstream Banking, S.A. ( Clearstream );

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ( DTCC ), and DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies; DTCC is owned by the users of its regulated subsidiaries;

access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations, including Euroclear and Clearstream, that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly; and

the rules applicable to DTC and its participants are on file with the SEC.

We have provided the following descriptions of the operations and procedures of DTC solely as a matter of convenience. These operations and procedures are solely within the control of DTC and are subject to change by them from time to time.

We expect that under the procedures established by DTC:

upon deposit of the global notes with DTC or its custodian, DTC will credit on its internal system the accounts of direct participants designated by the underwriters with portions of the principal amounts of the global notes; and

ownership of the notes will be shown on, and the transfer of ownership of the notes will be effected only through, records maintained by DTC or its nominee, with respect to interests of direct participants, and the records of direct and indirect participants, with respect to interests of persons other than participants.

The foregoing information concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but none of Murphy Oil, the underwriters or the trustee takes any responsibility for the accuracy of the foregoing information, and you are urged to contact DTC or its participants directly to discuss these matters.

Euroclear and Clearstream will hold interests in the notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank, S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream.

The laws of some jurisdictions require that purchasers of securities take physical delivery of those securities in definitive form. Accordingly, the ability to transfer interests in the notes represented by a global note to those persons may be limited. In addition, because DTC can act only on behalf of its participants, who in turn act on behalf of persons who hold interests through participants, the ability of a person having an interest in notes represented by a global note to pledge or transfer those interests to persons or entities that do not participate in DTC's system, or otherwise to take actions in respect of such interest, may be affected by the lack of a physical definitive security in respect of such interest.

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So long as DTC or its nominee is the registered owner of a global note, DTC or that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indenture and under the notes. Except as provided below, owners of beneficial interests in a global note will not be entitled to have notes represented by that global note registered in their names, will not receive or be entitled to receive physical delivery of certificated notes and will not be considered the owners or holders thereof under the indenture or under the notes for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee. Accordingly, each holder owning a beneficial interest in a global note must rely on the procedures of DTC and, if that holder is not a direct or indirect participant, on the procedures of the participant through which that holder owns its interest, to exercise any rights of a holder of notes under the indenture or the global note.

Neither we nor the trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of notes by DTC, or for maintaining, supervising or reviewing any records of DTC relating to the notes.

Payments on the notes represented by the global notes will be made to DTC or its nominee, as the case may be, as the registered owner of the notes. We expect that DTC or its nominee, upon receipt of any payment on the notes represented by a global note, will credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the global note as shown in the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global note held through such participants will be governed by standing instructions and customary practice as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. The participants will be responsible for those payments.

Payments on the notes represented by the global notes will be made in immediately available funds. Transfers between participants in DTC will be effected in accordance with DTC rules and will be settled in immediately available funds.

Cross-market transfers between participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their depositaries. Cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a global note from a participant in DTC will be credited and reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a global note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be

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available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

**Certificated notes**

We will issue certificated notes for each series to each person that DTC identifies as the beneficial owner of the notes of such series represented by global notes upon surrender by DTC of such global notes if:

DTC notifies us that it is no longer willing or able to act as a depository for such global notes, and we have not appointed a successor depository within 90 days of that notice;

an event of default has occurred with respect to such series of notes and is continuing, and DTC requests the issuance of certificated notes with respect to such series of notes; or

we determine not to have such series of notes represented by a global note.

Neither we nor the trustee will be liable for any delay by DTC, its nominee or any direct or indirect participant in identifying the beneficial owners of the related notes. We and the trustee may conclusively rely on, and will be protected in relying on, instructions from DTC or its nominee for all purposes, including with respect to the registration and delivery, and the respective principal amounts, of the notes to be issued.

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## **Material U.S. federal income tax considerations**

The following are the material U.S. federal income tax considerations relevant to owning and disposing of notes purchased in this offering at the issue price, which is the first price at which a substantial amount of the notes is sold to the public, and held as capital assets for U.S. federal income tax purposes.

This discussion does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances, including alternative minimum tax and Medicare contribution tax consequences and differing tax consequences applicable to you if you are, for instance:

a financial institution;

a regulated investment company;

a dealer or trader in securities;

holding notes as part of a straddle or integrated transaction;

a partnership for U.S. federal income tax purposes; or

a tax-exempt entity.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities. If you are such a partnership and are considering the purchase of notes, or if you are a partner in such a partnership, you are urged to consult your tax advisers about the U.S. federal income tax consequences of purchasing, owning and disposing of the notes.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein. If you are considering the purchase of notes, you should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

### **Certain contingent payments**

Under certain circumstances, we may be required to make additional payments on a note, for example, as described under Description of the notes Interest rate adjustment ; and Description of the notes Repurchase upon a change of control triggering event. The applicable Treasury regulations provide that the possibility that certain contingent payments will be made will not cause a debt instrument to be treated as a contingent payment debt instrument if, as of the issue date, it is significantly more likely than not that the contingent payments will not be made. Although the matter is not free from doubt, we intend to take the position that the possibility of such payments does not result in the notes being treated as contingent payment debt instruments. Our position is not binding on the Internal Revenue Service (the IRS). If the IRS takes a contrary position, you may be required to accrue interest income based upon a comparable yield (as defined in the Treasury Regulations) determined at the time of issuance of the notes (which yield would be higher than the stated interest on the notes), with adjustments to such accruals when any contingent payments are made that differ from the

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payments based on the comparable yield. In addition, any income on the sale or other taxable disposition of the notes would be treated as ordinary income rather than as capital gain. You should consult your tax adviser regarding the tax consequences if the notes were treated as contingent payment debt instruments. The remainder of this discussion assumes that the notes are not treated as contingent payment debt instruments.

**Tax consequences to Non-U.S. Holders**

As used herein, the term **Non-U.S. Holder** means a beneficial owner of a note that is, for U.S. federal income tax purposes:

a non-resident alien individual;

a foreign corporation; or

a foreign estate or trust.

You are not a Non-U.S. Holder if you are a non-resident alien individual present in the United States for 183 days or more in the taxable year of disposition, or if you are a former citizen or former resident of the United States, in which case you should consult your tax adviser regarding the U.S. federal income tax consequences of owning or disposing of a note.

***Payments on the notes***

Payments of principal and interest on the notes by the Company or any paying agent to you will not be subject to U.S. federal income or withholding tax, provided that, in the case of interest,

you do not own, actually or constructively, ten percent or more of the total combined voting power of all classes of stock of the Company entitled to vote;

you are not a controlled foreign corporation related, directly or indirectly, to the Company through stock ownership;

you certify on a properly executed IRS Form W-8BEN, under penalties of perjury, that you are not a United States person; and

it is not effectively connected with your conduct of a trade or business in the United States as described below.

If you cannot satisfy one of the first three requirements described above and interest on the notes is not effectively connected with your conduct of a trade or business in the United States as described below, payments of interest on the notes generally will be subject to withholding tax at a rate of 30%, subject to an applicable income tax treaty providing for a reduced rate.

***Sale or other taxable disposition of the notes***

You generally will not be subject to U.S. federal income or withholding tax on gain realized on a sale, redemption or other taxable disposition of notes, unless the gain is effectively connected with your conduct of a trade or business in the United States as described below, provided however that any amounts attributable to accrued interest will be treated as described above under **Payments on the Notes**.

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***Effectively connected income***

If interest or gain on a note is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or fixed base maintained by you), you will generally be taxed in the same manner as a United States person. In this case, you will be exempt from the withholding tax on interest discussed above, although you will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding. You are urged to consult your tax adviser with respect to other U.S. tax consequences of the ownership and disposition of notes, including the possible imposition of a branch profits tax at a rate of 30% (or a lower treaty rate) if you are a corporation.

***Backup withholding and information reporting***

Information returns are required to be filed with the IRS in connection with payments of interest on the notes. Unless you comply with certification procedures to establish that you are not a United States person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a note. You may be subject to backup withholding on payments on the notes or on the proceeds from a sale or other disposition of the notes unless you comply with certification procedures to establish that you are not a United States person or otherwise establish an exemption. The certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid backup withholding as well. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided that the required information is timely furnished to the IRS.

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## Underwriting

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for whom J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as representatives, have severally agreed to purchase, and we have agreed to sell to such underwriters, the principal amount of the notes set forth opposite the names of such underwriters.

Underwriter	Principal Amount of 20 Notes	Principal Amount of 20 Notes	Principal Amount of 20 Notes
J.P. Morgan Securities LLC	\$	\$	\$
Merrill Lynch, Pierce, Fenner & Smith Incorporated			
<b>Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

The underwriting agreement provides that the obligations of the several underwriters to purchase the notes included in this offering are subject to approval of certain legal matters by counsel and to certain other conditions. The underwriters are obligated to purchase all the notes if they purchase any of the notes.

The underwriters propose to offer some of the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement and some of the notes to certain dealers at the public offering price less a concession not in excess of % of the principal amount of the 20 notes, % of the principal amount of the 20 notes and % of the principal amount of the 20 notes. The underwriters may allow, and such dealers may reallow, a concession not in excess of % of the principal amount of the 20 notes, % of the principal amount of the 20 notes and % of the principal amount of the 20 notes on sales to certain other dealers. After the initial offering of the notes to the public, the public offering price and such concessions may be changed.

The following table shows the underwriting discount to be paid to the underwriters by us in connection with this offering.

	Per Note	Total
% Notes due 20	%	\$
% Notes due 20	%	\$
% Notes due 20	%	\$

The notes are a new issue of securities with no established trading market. We do not currently intend to apply for the listing of the notes on any securities exchange or for quotation of the notes in any dealer quotation system. We have been advised by the underwriters that one or more of them intends to make a market in the notes, but the underwriters are not obligated to do so and may discontinue any market-making activities at any time without notice. We can give no assurance as to the liquidity of the trading market for the notes.

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We estimate that our total expenses for this offering, excluding the underwriting discount, will be approximately \$2.7 million. The underwriters have agreed to reimburse us for a portion of our offering expenses.

In connection with the offering, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of the underwriters, may purchase and sell notes in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of notes in excess of the principal amount of notes to be purchased by the underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of notes made for the purpose of preventing or retarding a decline in the market price of the notes while the offering is in progress.

The underwriters may also impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, in covering syndicate short positions or making stabilizing purchases, repurchase notes originally sold by that syndicate member.

Any of these activities may cause the price of the notes to be higher than the price that otherwise would exist in the open market in the absence of such transactions. These transactions may be effected in the over-the-counter market or otherwise and, if commenced, may be discontinued at any time.

We have agreed to indemnify the underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make in respect of any of those liabilities.

In the ordinary course of their respective businesses, certain of the underwriters and the trustee and some of their affiliates have performed and may in the future perform various financial advisory, commercial banking and investment banking services for us from time to time, for which they have received or will receive customary fees. Affiliates of some of the underwriters, including the representatives, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, the trustee and an affiliate of the trustee are lenders under our revolving credit facility. To the extent we use the proceeds of the offering to repay our revolving credit facility, these parties will receive their share.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and instruments of ours or our affiliates. If any of the underwriters or their affiliates has a lending relationship with us, certain of those underwriters and their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The underwriters and their respective affiliates may also make investment recommendations or

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publish or express independent research views in respect of such securities or financial instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

### **Notice to prospective investors in the European Economic Area**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State ), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date ) it has not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus supplement to the public in that Relevant Member State other than:

(A) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(B) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant underwriter or underwriters nominated by us for any such offer; or

(C) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of notes shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or of a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For purpose of this provision, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer of the notes to be offered so as to enable an investor to decide to purchase for the notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State; and the expression Prospectus Directive means Directive 2003/71/EC (including amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

### **Notice to prospective investors in the United Kingdom**

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are qualified investors (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order ) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons ). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

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## **Legal matters**

The validity of the notes will be passed on for us by Davis Polk & Wardwell LLP, New York, New York. Certain other legal matters in connection with this offering will be passed upon for the underwriters by Cravath, Swaine & Moore LLP, New York, New York.

## **Experts**

The consolidated financial statements and schedule of Murphy Oil Corporation and subsidiaries as of December 31, 2011 and 2010, and for each of the years in the three-year period ended December 31, 2011, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2011, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

Estimates of the proved reserves, future production and income attributable to leasehold properties of Murphy Oil Corporation located in the North Sea offshore of the United Kingdom and in the Eagle Ford Shale in south Texas in the United States as of December 31, 2011 included and incorporated by reference in this prospectus supplement were based upon a third-party study prepared by Ryder Scott Company, L.P., independent petroleum engineers. We have included and incorporated by reference these estimates in reliance on the authority of such firm as an expert in such matters.

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PROSPECTUS

**Murphy Oil Corporation**

**COMMON STOCK**

**PREFERRED STOCK**

**DEPOSITARY SHARES**

**SENIOR DEBT SECURITIES**

**SUBORDINATED DEBT SECURITIES**

**WARRANTS**

We may offer from time to time common stock, preferred stock, depositary shares representing preferred stock, senior debt securities, subordinated debt securities and warrants. Specific terms of these securities will be provided in supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest.

Our common stock is listed on the New York Stock Exchange and trades under the ticker symbol MUR.

We may sell the securities offered under this prospectus through agents; through underwriters or dealers; directly to one or more purchasers; or through a combination of any of these methods of sale. For each offering of securities under this prospectus, we will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers, and their compensation, in the related prospectus supplement.

**Investing in these securities involves certain risks. See Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011 and in our most recent Quarterly Report on Form 10-Q subsequent to such Annual Report, each of which is incorporated by reference herein.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

**The date of this prospectus is October 4, 2012**



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You should rely only on the information contained in or incorporated by reference in this prospectus, the accompanying prospectus supplement, and any free writing prospectus that we file with the Securities and Exchange Commission (the "SEC") in connection with the offering described in such prospectus supplement. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus is accurate as of any date other than the date on the front of this prospectus.

The terms "we," "our," "us," "its," "the Company," "Murphy Oil" and "Murphy Oil Corporation" refer to Murphy Oil Corporation and its consolidated subsidiaries unless the context indicates otherwise, and except as provided in the next sentence. In the descriptions of securities contained herein, the terms "we," "our," "us," "its," "the Company," "Murphy Oil" and "Murphy Oil Corporation" refer to Murphy Oil Corporation only.

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the SEC utilizing a shelf registration process. Under this shelf process, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading **Where You Can Find More Information**.

**MURPHY OIL CORPORATION**

We are a worldwide oil and gas exploration and production company with retail and wholesale gasoline marketing operations in the United States and refining and marketing operations in the United Kingdom.

Our principal executive offices are located at 200 Peach Street, P.O. Box 7000, El Dorado, Arkansas 71731-7000, and our telephone number is (870) 862-6411. Our capital stock is listed on the New York Stock Exchange under the symbol MUR. We maintain a website at <http://www.murphyoilcorp.com> where general information about us is available. We are not incorporating the contents of the website into this prospectus.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at <http://www.sec.gov>, from which interested persons can electronically access our SEC filings, including the registration statement and the exhibits and schedules thereto.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference each document listed below and all documents subsequently filed with the SEC pursuant to Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), prior to the termination of the offering under this prospectus:

Our Annual Report on Form 10-K for the year ended December 31, 2011, filed on February 28, 2012 (as amended by our Annual Report on Form 10-K/A filed on March 16, 2012);

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012, filed on May 7, 2012 and August 6, 2012, respectively;

Our Definitive Proxy Statement on Schedule 14A filed on March 29, 2012 (solely to the extent incorporated by reference into Part III of our Annual Report on Form 10-K); and

Our Current Reports on Form 8-K or 8-K/A filed on February 3, 2012, March 20, 2012, April 5, 2012, May 4, 2012, May 9, 2012, May 10, 2012, May 18, 2012, June 21, 2012 and August 1, 2012.

We are not incorporating by reference any Current Report on Form 8-K that is furnished to the SEC pursuant to Items 2.02, 7.01 or 9.01 of Form 8-K.

You may request a copy of these filings at no cost, by writing or telephoning the office of the Corporate Secretary, Murphy Oil Corporation, P.O. Box 7000, El Dorado, Arkansas 71731-7000, (870) 862-6411.

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**SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS**

This prospectus, including the documents we incorporate by reference, contain statements of Murphy Oil's expectations, intentions, plans and beliefs that are forward-looking, including statements regarding the possible separation of our U.S. downstream business, and are dependent on certain events, risks and uncertainties that may be outside of Murphy Oil's control. These forward-looking statements are made in reliance upon the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Murphy Oil's actual results could differ materially from those expressed or implied by these statements due to a number of factors, including, but not limited to, the volatility and level of crude oil and natural gas prices, the level and success rate of our exploration programs, our ability to maintain production rates and replace reserves, customer demand for our products, political and regulatory instability, and uncontrollable natural hazards, as well as those contained under the caption

Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011 and in our most recent Quarterly Report on Form 10-Q subsequent to such Annual Report.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for the periods indicated. We have computed the ratio of earnings to fixed charges by dividing earnings by fixed charges. For this purpose, earnings consist of income from continuing operations before income taxes adjusted for (1) distributions (less than) greater than equity in earnings of affiliates, (2) previously capitalized interest charged to earnings during the period, (3) interest and expense on indebtedness, excluding capitalized interest and (4) the interest portion of rentals (calculated as one-third of rentals). Fixed charges consist of (1) interest and expense on indebtedness, excluding capitalized interest, (2) capitalized interest and (3) the interest portion of rentals (calculated as one-third of rentals).

Six Months Ended June 30, 2012	2011	2010	Years Ended December 31,		
			2009	2008	2007
22.4	15.6	14.6	14.5	28.2	10.8

**USE OF PROCEEDS**

Unless otherwise stated in the prospectus supplement accompanying this prospectus, we will use the net proceeds we receive from the sale of the securities offered by this prospectus and any accompanying prospectus supplement for general corporate purposes. General corporate purposes may include additions to working capital, capital expenditures, repayment of debt or the financing of possible acquisitions.

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### **DESCRIPTION OF COMMON STOCK**

The following description of our capital stock is based upon our certificate of incorporation ( Certificate of Incorporation ), our bylaws ( Bylaws ) and applicable provisions of law. We have summarized certain portions of the Certificate of Incorporation and Bylaws below. The summary is not complete. The Certificate of Incorporation and Bylaws are incorporated by reference in the registration statement for these securities that we have filed with the SEC and have been filed as exhibits to our Annual Report on Form 10-K for the year ended December 31, 2011. You should read the Certificate of Incorporation and Bylaws for the provisions that are important to you.

Certain provisions of the Delaware General Corporation Law ( DGCL ), the Certificate of Incorporation and the Bylaws summarized in the following paragraphs may have an anti-takeover effect. This may delay, defer or prevent a tender offer or takeover attempt that a shareholder might consider in its best interests, including those attempts that might result in a premium over the market price for its shares.

#### **Authorized Capital Stock**

Our Certificate of Incorporation authorizes us to issue 450,400,000 shares of stock of all classes, of which 450,000,000 shares shall be common stock, par value \$1.00 per share, and 400,000 shares shall be cumulative preferred stock, par value \$100 per share. No shares of stock of any class have any preemptive or preferential right to purchase or subscribe to any shares of stock of any class or any notes, debentures, bonds, or other securities convertible into or carrying options or warrants to purchase shares of any class, other than such rights as the Board of Directors may grant and at such prices as the Board of Directors may fix. The Board of Directors may issues shares of stock of any class, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of stock of any class, without offering any such shares of stock of any class, either in whole or in part, to the existing stockholders of any class.

#### **Common Stock**

As of June 30, 2012, there were 194,256,715 shares of common stock outstanding. Except as provided by our Certificate of Incorporation or by law, each holder of common stock shall have the right, to the exclusion of all other classes of stock, to one vote for each share of stock standing in the name of such holder on the books of the Company. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Board of Directors out of funds legally available therefor. In the event of liquidation, dissolution or winding up of Murphy Oil, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of common stock are fully paid and non-assessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and non-assessable. The common stock is listed on the New York Stock Exchange. The transfer agent and registrar for the common stock is Computershare Investor Services, LLC.

#### **Preferred Stock**

The Board of Directors has the authority to issue the preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, dividend rates, conversion or exchange rights, voting rights, terms of redemption, redemption prices, liquidation preferences, use of purchase, retirement or sinking funds and the number of shares constituting any series of the designation of such series, without further vote or action by the shareholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of Murphy Oil without further action by the shareholders and may adversely affect the voting and other rights of the holders of common stock. We may further amend from time to time our Certificate of Incorporation to increase the number of authorized shares of preferred stock. An amendment would require the approval of the holders of a majority of the outstanding shares of our preferred stock. As of the date of this prospectus, we have not issued any preferred stock.

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**Certain Anti-Takeover Effects of Delaware Law**

We are subject to Section 203 of the DGCL ( Section 203 ). In general, Section 203 prohibits a publicly held Delaware corporation from engaging in various business combination transactions with any interested stockholder for a period of three years following the date of the transactions in which the person became an interested stockholder, unless:

the transaction is approved by the board of directors prior to the date the interested stockholder obtained such status;

upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

on or subsequent to such date the business combination is approved by the board and authorized at an annual or special meeting of stockholders by the affirmative vote of at least  $66\frac{2}{3}\%$  of the outstanding voting stock which is not owned by the interested stockholder.

A business combination is defined to include mergers, asset sales, and other transactions resulting in financial benefit to a stockholder. In general, an interested stockholder is a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of a corporation's voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to Murphy Oil and, accordingly, may discourage attempts to acquire Murphy Oil even though such a transaction may offer Murphy Oil's stockholders the opportunity to sell their stock at a price above the prevailing market price.

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**DESCRIPTION OF PREFERRED STOCK**

When we offer to sell a particular series of preferred stock, if the terms of any series of preferred stock being offered differ from the terms set forth in this prospectus, we will describe the specific terms of the securities in a supplement to this prospectus. The preferred stock will be issued under a certificate of designations relating to each series of preferred stock and is also subject to our Certificate of Incorporation.

Our Board of Directors may issue authorized shares of preferred stock, as well as authorized but unissued shares of common stock, without further shareholder action, unless shareholder action is required by applicable law or by the rules of a stock exchange or quotation system on which any series of our stock may be listed or quoted. All shares of preferred stock offered will be fully paid and non-assessable.

The transfer agent for each series of preferred stock will be described in the prospectus supplement.

**Dividend Rights**

The preferred stock will be preferred over our common stock as to payment of dividends. Before we declare and set apart for payment or pay any dividends or distributions (other than dividends or distributions payable in common stock) on our common stock, the holders of shares of each series of preferred stock will be entitled to receive dividends when, as and if declared by our board of directors. We will pay those dividends either in cash, shares of common stock or preferred stock or otherwise, at the rate and on the date or dates set forth in the prospectus supplement. With respect to each series of preferred stock, the dividends on each share of the series will be cumulative from the date of issue of the share unless some other date is set forth in the prospectus supplement relating to the series. Accruals of dividends will not bear interest.

**Rights upon Liquidation**

The preferred stock will be preferred over the common stock as to asset distributions so that the holders of each series of preferred stock will be entitled to be paid, upon our voluntary or involuntary liquidation, dissolution or winding up and before any distribution is made to the holders of common stock, the liquidation preference per share plus the amount of accumulated dividends and, in the event of a voluntary liquidation, any premium, as set forth in the applicable prospectus supplement. However, in this case the holders of preferred stock will not be entitled to any other or further payment. If upon any liquidation, dissolution or winding up our net assets are insufficient to permit the payment in full of the respective amounts to which the holders of all outstanding preferred stock are entitled, our entire remaining net assets will be distributed among the holders of each series of preferred stock in amounts proportional to the full amounts to which the holders of each series are entitled.

**Redemption**

All shares of any series of preferred stock will be redeemable to the extent set forth in the prospectus supplement relating to the series. All shares of any series of preferred stock will be convertible into shares of common stock or into shares of any other series of preferred stock to the extent set forth in the applicable prospectus supplement.

**Other Provisions of our Certificate of Incorporation**

In the event of a proposed merger or tender offer, proxy contest or other attempt to gain control of Murphy Oil which is not approved by the board of directors of Murphy Oil, the board of directors of Murphy Oil may authorize the issuance of one or more series of preferred stock with voting rights or other rights and preferences which could impede the success of the proposed merger, tender offer, proxy contest or other attempt to gain control of Murphy Oil. While the ability of the board of directors of Murphy Oil to do this may be limited by applicable law, our restated certificate of incorporation and the applicable rules of the stock exchanges upon which our common stock is listed, the consent of the holders of common stock would not be required for any issuance of preferred stock in such a situation.



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### **DESCRIPTION OF DEPOSITARY SHARES**

We may, at our option, elect to offer fractional shares of preferred stock, rather than full shares of preferred stock. If we exercise this option, we will issue to the public receipts for depositary shares, and each of these depositary shares will represent a fraction, as set forth in the applicable prospectus supplement, of a share of a particular series of preferred stock. The shares of any series of preferred stock underlying the depositary shares will be deposited under a deposit agreement between us and a bank or trust company selected by us. The depositary will have its principal office in the United States and a combined capital and surplus of at least \$50,000,000.

Subject to the terms of the deposit agreement, each owner of a depositary share will be entitled, in proportion to the applicable fraction of a share of preferred stock underlying that depositary share, to all the rights and preferences of the preferred stock underlying that depositary share. Those rights include dividend, voting, redemption and liquidation rights. The depositary shares will be evidenced by depositary receipts issued pursuant to the deposit agreement. Depositary receipts will be distributed to those persons purchasing the fractional shares of preferred stock underlying the depositary shares, in accordance with the terms of the offering. Copies of the deposit agreement and depositary receipt will be filed with the SEC in connection with the offering of specific depositary shares.

#### **Dividends and Other Distributions**

The depositary will distribute all cash dividends or other cash distributions received with respect to the preferred stock to the record holders of depositary shares relating to the preferred stock in proportion to the number of depositary shares owned by those holders.

If there is a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary shares that are entitled to receive the distribution, unless the depositary determines that it is not feasible to make the distribution. If this occurs, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the applicable holders.

#### **Redemption of Depositary Shares**

If a series of preferred stock represented by depositary shares is subject to redemption, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of that series of preferred stock held by the depositary. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share payable with respect to that series of the preferred stock.

Whenever we redeem shares of preferred stock that are held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the shares of preferred stock so redeemed. If fewer than all the depositary shares are to be redeemed, the depositary will select the depositary shares to be redeemed by lot or pro rata, as the depositary may determine.

#### **Voting the Preferred Stock**

Upon receipt of notice of any meeting at which the holders of the preferred stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares underlying the preferred stock. Each record holder of the depositary shares on the record date (which will be the same date as the record date for the preferred stock) will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the amount of the preferred stock represented by the holder's depositary shares. The depositary will then try, as far as practicable, to vote the number of shares of preferred stock underlying those depositary shares in accordance with these instructions, and we agree to take all actions deemed necessary by the depositary to enable the depositary to do so. The depositary will not vote the shares of preferred stock to the extent it does not receive specific instructions from the holders of depositary shares underlying the preferred stock.

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### **Amendment and Termination of the Depositary Agreement**

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may at any time be amended by agreement between us and the depositary. However, any amendment which materially and adversely alters the rights of the holders of depositary shares will not be effective unless the holders of at least a majority of the depositary shares then outstanding approve the amendment. We or the depositary may terminate the deposit agreement only if (a) all outstanding depositary shares have been redeemed or (b) there has been a final distribution of the underlying preferred stock in connection with our liquidation, dissolution or winding up and the preferred stock has been distributed to the holders of depositary receipts.

### **Charges of Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will also pay charges of the depositary in connection with the initial deposit of the preferred stock and any redemption of the preferred stock. Holders of depositary receipts will pay other transfer and other taxes and governmental charges and those other charges, including a fee for the withdrawal of shares of preferred stock upon surrender of depositary receipts, as are expressly provided in the deposit agreement to be for their accounts.

### **Miscellaneous**

The depositary will forward to holders of depositary receipts all reports and communications from us that we deliver to the depositary and that we are required to furnish to the holders of the preferred stock.

Neither we nor the depositary will be liable if either of us is prevented or delayed by law or any circumstance beyond our control in performing our respective obligations under the deposit agreement. Our obligations and those of the depositary will be limited to performance in good faith of our respective duties under the deposit agreement. Neither we nor they will be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. We and the depositary may rely upon written advice of counsel or accountants, or upon information provided by persons presenting preferred stock for deposit, holders of depositary receipts or other persons believed to be competent and on documents believed to be genuine.

### **Resignation and Removal of Depositary**

The depositary may resign at any time by delivering notice to us of its election to resign. We may remove the depositary at any time. Any resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of the appointment. We must appoint the successor depositary within 60 days after delivery of the notice of resignation or removal and it must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

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**DESCRIPTION OF DEBT SECURITIES**

This prospectus describes certain general terms and provisions that could apply to the debt securities. The debt securities will constitute either senior or subordinated debt of Murphy Oil. Each prospectus supplement will state the particular terms that actually will apply to the debt securities included in the supplement.

In addition to the following summary, you should refer to the applicable provisions of the following documents for more detailed information:

the senior indenture dated as of May 18, 2012 between Murphy Oil and U.S. Bank National Association, as trustee, which has been filed as an exhibit to the registration statement of which this prospectus is a part, and

the subordinated indenture, a form of which has been filed as an exhibit to the registration statement of which this prospectus is a part.

Neither indenture limits the aggregate principal amount of debt securities that we may issue under that indenture. We may authorize the issuance of the debt securities in one or more series at various times. All debt securities will be unsecured. The senior securities will have the same rank as all of our other unsecured and unsubordinated debt. The subordinated securities will be subordinated to senior indebtedness as described under Subordinated Securities in this prospectus. The prospectus supplement relating to the particular series of debt securities being offered will specify the amounts, prices and terms of those debt securities. These terms may include:

whether the debt securities are senior securities or subordinated securities;

the title and the limit on the aggregate principal amount of the debt securities;

the maturity date or dates;

the interest rate (which may be fixed or variable), or the method of determining any interest rates, at which the debt securities may bear interest;

the dates from which interest shall accrue and the dates on which interest will be payable;

the currencies in which the debt securities are denominated and principal and interest may be payable;

any redemption or sinking fund terms;

any event of default or covenant with respect to the debt securities of a particular series, if not set forth in this prospectus;

whether the debt securities are to be issued, in whole or in part, in the form of one or more global securities and the depositary for the global securities;

whether the debt securities would be convertible into our common stock; and

any other terms of the series, which will not conflict with the terms of the applicable indenture.

We may issue debt securities of any series at various times and we may reopen any series for further issuances from time to time without notice to existing holders.

We will issue the debt securities in fully registered form without coupons. Unless we specify otherwise in the applicable prospectus supplement, we will issue debt securities denominated in U.S. dollars in denominations of \$1,000 or multiples of \$1,000.

We will describe special Federal income tax and other considerations relating to debt securities denominated in foreign currencies and original issue discount debt securities (debt securities issued at a substantial discount below their principal amount because they pay no interest or pay interest that is below market rates at the time of issuance) in the applicable prospectus supplement.

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Unless we specify otherwise in the applicable prospectus supplement, the covenants contained in the indentures and the debt securities will not provide special protection to holders of debt securities if we enter into a highly leveraged transaction, recapitalization or restructuring.

### **Exchange, Registration and Transfer**

You may exchange debt securities of any series that are not global securities for other debt securities of the same series and of like aggregate principal amount and tenor in different authorized denominations. In addition, you may present debt securities for registration of transfer, together with a duly executed form of transfer, at the office of the security registrar or at the office of any transfer agent designated by us for that purpose with respect to any series of debt securities and referred to in the applicable prospectus supplement. No service charge is required for any transfer or exchange of debt securities but we may require payment of any taxes and other governmental charges. The security registrar or the transfer agent will effect the transfer or exchange upon being satisfied with the documents of title and identity of the person making the request. We have appointed the applicable trustee as security registrar for the applicable indenture. We may at any time designate additional transfer agents with respect to any series of debt securities.

In the event of any redemption in part, we will not be required to:

issue, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before the mailing of notice of redemption of debt securities of that series to be redeemed and ending at the close of business on the mailing date;

register the transfer of or exchange any debt security, or portion thereof, called for redemption, except the unredeemed portion of any registered security being redeemed in part.

For a discussion of restriction on the exchange, registration and transfer of global securities, see Global Securities.

### **Payment and Paying Agents**

Unless we specify otherwise in the applicable prospectus supplement, payment of principal, any premium and any interest on debt securities will be made at the offices of the paying agents that we designate at various times.

However, at our option, we may make interest payments by check mailed to the address, as it appears in the security register, of the person entitled to the payments. Unless we specify otherwise in the applicable prospectus supplement, we will make payment of any installment of interest on debt securities to the person in whose name that registered security is registered at the close of business on the regular record date for such interest.

We will specify in the applicable prospectus supplement, the agency which will be designated as our paying agent for payments with respect to debt securities.

### **Modification of the Indentures**

Under each indenture our rights and obligations and the rights of the holders may be modified with our consent and the consents of the trustee under that indenture and the holders of at least a majority in principal amount of the then outstanding debt securities of each series affected by the modification.

However, the consent of each affected holder is needed to:

extend the maturity, reduce the interest rate or extend the payment schedule of any of the debt securities;

reduce the principal amount or any amount payable on redemption of any debt security;



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reduce the amount of principal of an original issue discount security payable upon acceleration of maturity or in bankruptcy;

change the conversion provisions of either indenture in a manner adverse to the holders;

change the subordination provisions of the subordinated indenture in a manner adverse to the holders of subordinated debt;

reduce the percentage required for modifications or waivers of compliance with the indentures; or

impair the right of repayment at the holder's option or the right of a holder to institute suit for repayment on or with respect to any debt security.

In addition, the subordinated provisions of the subordinated indenture cannot be modified to the detriment of any of our senior indebtedness without the consent of the holders of the senior indebtedness.

Any actions we or the trustee may take toward adding to our covenants, adding events of default or establishing the structure or terms of the debt securities as permitted by the indentures will not require the approval of any holder of debt securities. In addition, we or the trustee may cure ambiguities or inconsistencies in the indentures or make other provisions without the approval of any holder as long as no holder's interests are materially and adversely affected.

**Consolidation, Merger or Sale of Assets**

We will not merge or consolidate with any other corporation or sell or convey all or substantially all of our assets to any Person, unless (i) either we are the continuing corporation, or the successor corporation or the Person which acquires by sale or conveyance substantially all our assets (if other than us) will be a corporation organized under the laws of the United States of America or any State thereof and will expressly assume the due and punctual payment of the principal of and interest on all the debt securities, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the indenture to be performed or observed by us, by supplemental indenture in form reasonably satisfactory to the trustee, executed and delivered to the trustee by such corporation, and (ii) we or our successor corporation, as the case may be, are not, immediately after such merger or consolidation, or such sale or conveyance, in default in the performance of any such covenant or condition of the indenture.

In case of any such consolidation, merger, sale or conveyance, and following such an assumption by the successor corporation, such successor corporation will succeed to and be substituted for us, with the same effect as if it had been named in the indenture. Such successor corporation may cause to be signed, and may issue either in its own name or in our name prior to such succession any or all of the debt securities issuable under the indenture which theretofore had not been signed by us and delivered to the trustee; and, upon the order of such successor corporation instead of us and subject to all the terms, conditions and limitations prescribed in the indenture, the trustee will authenticate and will deliver any debt securities which previously were signed and delivered by our officers to the trustee for authentication, and any debt securities which such successor corporation thereafter causes to be signed and delivered to the trustee for that purpose. All of the debt securities so issued will in all respects have the same legal rank and benefit under the indenture as the debt securities theretofore or thereafter issued in accordance with the terms of the indenture as though all of such debt securities had been issued at the date of the execution of the indenture.

In the event of any such sale or conveyance (other than a conveyance by way of lease) we or any successor corporation which has become such in the manner described above will be discharged from all obligations and covenants under the indenture and the debt securities and may be liquidated and dissolved.

Our U.S. downstream business does not constitute substantially all of our assets, and for the avoidance of doubt the senior indenture provides that the covenant described above will not apply in the event we determine to dispose of our U.S. downstream business.

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**Events of Default, Notice and Waiver**

Event of Default, when used in an indenture, will mean any of the following in relation to a series of debt securities:

failure to pay interest on any debt security for 30 days after the interest becomes due;

failure to pay the principal on any debt security when due;

failure to deposit any sinking fund payment after such payment becomes due;

failure to perform or breach of any other covenant or warranty in the indenture or any debt security that continues for 90 days after our being given notice from the trustee or the holders of at least 25% in aggregate principal amount of the outstanding debt securities of the affected series;

default in the payment when due of (a) other indebtedness in an aggregate principal amount in excess of \$75,000,000 and such default is not cured within 30 days after written notice to us and the trustee by the holders of at least 25% in principal amount of the outstanding debt securities of the series and (b) interest, principal, premium or a sinking fund or redemption payment under any such other indebtedness, causing the indebtedness to become due prior to its stated maturity, which acceleration is not stayed, rescinded or annulled within 10 days after written notice to us and the trustee by the holders of at least 25% in principal amount of the outstanding debt securities of the series;

a creditor commences involuntary bankruptcy, insolvency or similar proceedings against us and we are unable to obtain a stay or dismissal of that proceeding within 60 days;

we voluntarily seek relief under bankruptcy, insolvency or similar laws or we consent to a court entering an order for relief against us under those laws; or

any other event of default provided for debt securities of that series.

If any event of default relating to outstanding debt securities of any series occurs and is continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding debt securities of that series may declare the principal and accrued interest of all of the outstanding debt securities of such series to be due and immediately payable.

The indentures provide that the holders of at least a majority in principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or of exercising any trust or power conferred on the trustee, with respect to the debt securities of that series. The trustee may act in any way that is consistent with those directions and may decline to act if any of the directions is contrary to law or to the indentures or would involve the trustee in personal liability.

The indentures provide that the holders of at least a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all of the outstanding debt securities of the series waive any past default (and its consequences) under the indentures relating to the series, except a default (a) in the payment of the principal of, interest on or sinking fund installment of any of the debt securities of the series, (b) with respect to voluntary or involuntary bankruptcy, insolvency or similar proceedings, or (c) with respect to a covenant or provision of such indentures which, under the terms of such indentures, cannot be modified or amended without the consent of the holders of all of the outstanding debt securities of the series affected. In the case of clause (b) above, the holders of at least a majority of all outstanding debt securities (voting as one class) may on behalf of all holders waive a default.



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The indentures contain provisions entitling the trustee, subject to the duty of the trustee during an event of default to act with the required standard of care, to be indemnified by the holders of the debt securities of the relevant series before proceeding to exercise any right or power under the indentures at the request of those holders.

The indentures require the trustee to, within 90 days after the occurrence of a default known to it with respect to any series of outstanding debt securities, give the holders of that series notice of the default if uncured

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and unwaived. However, the trustee may withhold this notice if it in good faith determines that the withholding of this notice is in the interest of those holders. However, the trustee may not withhold this notice in the case of a default in payment of principal of, interest on or sinking fund installment with respect to any debt securities of the series. The term *default* for the purpose of this provision means any event that is, or after notice or lapse of time, or both, would become, an event of default with respect to the debt securities of that series.

Each indenture requires us to file annually with the trustee a certificate, executed by our officers, indicating whether any of the officers has knowledge of any default under the indenture.

## **Replacement of Securities**

We will replace any mutilated debt security at the expense of the holder, if we so choose, upon surrender of the mutilated debt security to the appropriate trustee. We will replace debt securities that are destroyed, stolen or lost at the expense of the holder upon delivery to the appropriate trustee of evidence of the destruction, loss or theft of the debt securities satisfactory to us and to the trustee. In the case of a destroyed, lost or stolen debt security, an indemnity satisfactory to the appropriate trustee and us may be required at the expense of the holder of the debt security before a replacement debt security will be issued.

## **Defeasance**

The indentures contain a provision that permits us to elect to defease and be discharged from all of our obligations (subject to limited exceptions) with respect to any series of debt securities then outstanding provided the following conditions, among others, have been satisfied:

we have deposited in trust with the trustee (a) money, (b) U.S. government obligations, or (c) a combination thereof, in each case, in an amount sufficient to pay and discharge the principal of and interest on the outstanding debt securities of any series;

no event of default has occurred or is continuing with respect to the securities of any series being defeased;

defeasance will not result in a breach or violation of, or constitute a default under any agreement to which we are a party or by which we are bound; and

we have delivered to the trustee (a) an officers' certificate and an opinion of counsel that all conditions precedent relating to the defeasance have been complied with and (b) an opinion of counsel that the holders will not recognize income, gain or loss for Federal income tax purposes.

## **Governing Law**

The indentures and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

## **The Trustee**

U.S. Bank National Association is trustee under the senior indenture dated as of May 18, 2012. We will specify the trustee for each issue of debt securities in the applicable prospectus supplement, as well as any material relationship we may have with such trustee.

## **Senior Securities**

*Limitations on Liens.* Neither we nor any restricted subsidiary will issue, assume or guarantee any debt secured by a mortgage, lien, pledge or other encumbrance, which are collectively called *mortgages* in the indenture, on any principal property or on any debt or capital stock of any restricted subsidiary which owns any principal property without providing that the senior securities will be secured equally and ratably or prior to the debt. A *restricted subsidiary* is a 50% or more owned subsidiary owning principal property and having stockholder's equity greater than 2% of our consolidated net assets.



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Principal property is all property and equipment directly engaged in our exploration, production, refining, marketing and transportation activities.

Consolidated net assets means the total of all assets of Murphy Oil, excluding intangible assets (other than goodwill), treasury stock carried as an asset or write-ups of non-acquisition-related capital assets, less depreciation, amortization and other similar reserves, less the total of all liabilities, deferred credits, minority shareholders' interests in subsidiaries, reserves and other similar items of Murphy Oil, excluding certain acquisition-related debt or stockholders' equity, as calculated on our consolidated balance sheet.

However, the limitation on liens shall not apply to the following:

mortgages existing on the date of the senior indenture;

mortgages existing at the time an entity becomes a restricted subsidiary of ours;

mortgages securing debt of a restricted subsidiary in favor of Murphy Oil or any subsidiary of ours;

mortgages on property, shares of stock or indebtedness (a) existing at the time of the acquisition of the property, shares of stock or indebtedness, (b) to secure payment of all or part of the purchase price of the property, shares of stock or indebtedness, or (c) to secure debt incurred prior to, at the time of or within 120 days after the acquisition of the property, shares of stock or indebtedness or after the completion of construction of the property, for the purpose of financing all or part of the purchase price of the property, shares of stock or indebtedness or the cost of construction;

mortgages in favor of the United States of America, any state, any other country or any political subdivision required by contract or statute;

mortgages on property of Murphy Oil or any restricted subsidiary securing all or part of the cost of operating, constructing or acquiring projects, as long as recourse is only to the property;

specific marine mortgages or foreign equivalents on property or assets of Murphy Oil or any restricted subsidiary;

mortgages or easements on property of Murphy Oil or any restricted subsidiary incurred to finance the property on a tax-exempt basis that do not materially detract from the value of or materially impair the use of the property or assets; or

any extension, renewal or replacement of any mortgage referred to in the preceding items or of any debt secured by those mortgages as long as the extension, renewal or replacement secures the same or a lesser amount of debt and is limited to substantially the same property (plus improvements) which secured the mortgage.

Notwithstanding anything mentioned above, we and any of our restricted subsidiaries may issue, assume or guarantee debt secured by mortgages on principal property or on any indebtedness or capital stock of any restricted subsidiary (other than the debt secured by mortgages permitted above) which does not exceed 10% of our consolidated net assets.

*Limitations on Sale and Lease-Back Transactions.* Neither we nor any restricted subsidiary will lease any principal property for more than three years from the purchaser or transferee of such principal property. However, the limitation on this type of arrangement shall not apply if:

we or our restricted subsidiary could incur debt secured by a mortgage on the property to be leased, as permitted above, without equally and ratably securing the senior securities of any series; or

we apply the greater of the proceeds from the sale or transfer and the fair value of the leased property to any senior acquisition-related debt within 120 days of the sale and lease-back transaction, in both cases less any amounts spent to purchase unencumbered principal property during the one year prior to or 120 days after any sale and lease-back transaction.

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### **Subordinated Securities**

Under the subordinated indenture, payment of the principal of, interest on and any premium on the subordinated securities will generally be subordinated in right of payment to the prior payment in full of all of our senior indebtedness.

Senior indebtedness is defined as the principal of, any premium and accrued and unpaid interest on the following items, whether outstanding on or created, incurred or assumed after the date of execution of the subordinated indenture:

our indebtedness for money borrowed (other than the subordinated securities);

our guarantees of indebtedness for money borrowed of any other person; and

indebtedness evidenced by notes, debentures, bonds or other instruments of indebtedness for the payment of which we are responsible or liable, by guarantees or otherwise.

Senior indebtedness also includes modifications, renewals, extensions and refundings of any of the types of indebtedness, liabilities, obligations or guarantees listed above, unless the relevant instrument states that the indebtedness, liability, obligation or guarantee, or modification, renewal, extension or refunding, is not senior in right of payment to the subordinated securities.

We may not make any payment of principal of, interest on or any premium on the subordinated securities except for sinking fund payments as described below if:

any default or event of default with respect to any senior indebtedness occurs and is continuing, or

any judicial proceeding is pending with respect to any default in payment of senior indebtedness.

We may make sinking fund payments during a suspension of principal or interest payments on subordinated debt if we make these sinking fund payments by redeeming or acquiring securities prior to the default or by converting the securities.

If any subordinated security is declared due and payable before its specified date, or if we pay or distribute any assets to creditors upon our dissolution, winding up, liquidation or reorganization, we must pay all principal of, any premium and interest due or to become due on all senior indebtedness in full before the holders of subordinated securities are entitled to receive or take any payment. Subject to the payment in full of all senior indebtedness, the holders of the subordinated securities are to be subrogated to the rights of the holders of senior indebtedness to receive payments or distribution of our assets applicable to senior indebtedness until the subordinated securities are paid in full.

By reason of this subordination, in the event of insolvency, our creditors who are holders of senior indebtedness, as well as some of our general creditors, may recover more, ratably, than the holders of the subordinated securities.

The subordinated indenture will not limit the amount of senior indebtedness or debt securities which we may issue.

### **Conversion Rights**

The prospectus supplement will provide if a series of securities is convertible into our common stock and the initial conversion price per share at which the securities may be converted.

If we have not redeemed a convertible security, the holder of the convertible security may convert the security, or any portion of the principal amount in integral multiples of \$1,000, at the conversion price in effect at the time of conversion, into shares of Murphy Oil common stock. Conversion rights expire at the close of



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business on the date specified in the prospectus supplement for a series of convertible securities. Conversion rights expire at the close of business on the redemption date in the case of any convertible securities that we call for redemption.

In order to exercise the conversion privilege, the holder of the convertible security must surrender to us, at any office or agency maintained for that purpose, the security with a written notice of the election to convert the security, and, if the holder is converting less than the entire principal amount of the security, the amount of security to be converted. In addition, if the convertible security is converted during the period between a record date for the payment of interest and the related interest payment date, the person entitled to convert the security must pay us an amount equal to the interest payable on the principal amount being converted.

We will not pay any interest on converted securities on any interest payment date after the date of conversion except for those securities surrendered during the period between a record date for the payment of interest and the related interest payment date.

Convertible securities shall be deemed to have been converted immediately prior to the close of business on the day of surrender of the security. We will not issue any fractional shares of stock upon conversion, but we will make an adjustment in cash based on the market price at the close of business on the date of conversion.

The conversion price will be subject to adjustment in the event of:

payment of stock dividends or other distributions on our common stock;

issuance of rights or warrants to all our stockholders entitling them to subscribe for or purchase our stock at a price less than the market price of our common stock;

the subdivision of our common stock into a greater or lesser number of shares of stock;

the distribution to all stockholders of evidences of our indebtedness or assets, excluding stock dividends or other distributions and rights or warrants; or

the reclassification of our common stock into other securities.

We may also decrease the conversion price as we consider necessary so that any event treated for Federal income tax purposes as a dividend of stock or stock rights will not be taxable to the holders of our common stock.

We will pay any and all transfer taxes that may be payable in respect of the issue or delivery of shares of common stock on conversion of the securities.

We are not required to pay any tax which may be payable in respect of any transfer involved in the issue and delivery of shares in a name other than that of the holder of the security to be converted and no issue and delivery shall be made unless and until the person requesting the issue has paid the amount of any such tax or established to our satisfaction that such tax has been paid.

After the occurrence of:

consolidation with or merger of Murphy Oil into any other corporation,

any merger of another corporation into Murphy Oil, or



any sale or transfer of substantially all of the assets of Murphy Oil, which results in any reclassification, change or conversion of our common stock, the holders of any convertible securities will be entitled to receive on conversion the kind and amount of shares of common stock or other securities, cash or other property receivable upon such event by a holder of our common stock immediately prior to the occurrence of the event.

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**DESCRIPTION OF WARRANTS**

We may issue securities warrants for the purchase of debt securities, preferred stock or common stock. Securities warrants may be issued independently or together with debt securities, preferred stock or common stock and may be attached to or separate from any offered securities. We will issue each series of securities warrants under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The securities warrant agent will act solely as our agent in connection with the securities warrants and will not assume any obligation or relationship of agency or trust for or with any registered holders of securities warrants or beneficial owners of securities warrants. In addition to this summary, you should refer to the securities warrant agreement, including the form of securities warrant certificate, relating to the specific securities warrants being offered for the complete terms of the securities warrant agreement and the securities warrants. The securities warrant agreement, together with the terms of securities warrant certificate and securities warrants, will be filed with the SEC in connection with the offering of the specific securities warrants.

We will describe the particular terms of any issue of securities warrants in the prospectus supplement relating to the issue. Those terms may include:

the designation, aggregate principal amount, currencies, denominations and terms of the series of debt securities purchasable upon exercise of securities warrants to purchase debt securities and the price at which the debt securities may be purchased upon exercise;

the designation, number of shares, stated value and terms (including, without limitation, liquidation, dividend, conversion and voting rights) of the series of preferred stock purchasable upon exercise of securities warrants to purchase shares of preferred stock and the price at which such number of shares of preferred stock of such series may be purchased upon such exercise;

the number of shares of common stock purchasable upon the exercise of securities warrants to purchase shares of common stock and the price at which such number of shares of common stock may be purchased upon such exercise;

the date on which the right to exercise the securities warrants will commence and the date on which the right will expire;

the Federal income tax consequences applicable to the securities warrants; and

any other terms of the securities warrant.

Securities warrants for the purchase of preferred stock and common stock will be offered and exercisable for U.S. dollars only. Securities warrants will be issued in registered form only. The exercise price for securities warrants will be subject to adjustment in accordance with the applicable prospectus supplement.

Each securities warrant will entitle its holder to purchase the principal amount of debt securities or the number of shares of preferred stock or common stock at the exercise price set forth in, or calculable as set forth in, the applicable prospectus supplement. The exercise price may be adjusted upon the occurrence of events as set forth in the prospectus supplement. After the close of business on the expiration date, unexercised securities warrants will become void. We will specify the place or places where, and the manner in which, securities warrants may be exercised in the applicable prospectus supplement.

Prior to the exercise of any securities warrants to purchase debt securities, preferred stock or common stock, holders of the securities warrants will not have any of the rights of holders of the debt securities, preferred stock or common stock purchasable upon exercise, including:

in the case of securities warrants for the purchase of debt securities, the right to receive payments of principal of, any premium or interest on the debt securities purchasable upon exercise or to enforce covenants in the applicable indenture; or

in the case of securities warrants for the purchase of preferred stock or common stock, the right to vote or to receive any payments of dividends on the preferred stock or common stock purchasable upon exercise.

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### **FORMS OF SECURITIES**

Each debt security and warrant will be represented either by a certificate issued in definitive form to a particular investor or by one or more global securities representing the entire issuance of securities. Certificated securities in definitive form and global securities will be issued in registered form. Definitive securities name you or your nominee as the owner of the security, and in order to transfer or exchange these securities or to receive payments other than interest or other interim payments, you or your nominee must physically deliver the securities to the trustee, registrar, paying agent or other agent, as applicable. Global securities name a depositary or its nominee as the owner of the debt securities or warrants represented by these global securities. The depositary maintains a computerized system that will reflect each investor's beneficial ownership of the securities through an account maintained by the investor with its broker/dealer, bank, trust company or other representative, as we explain more fully below.

#### **Global Securities**

We may issue the debt securities and warrants in the form of one or more fully registered global securities that will be deposited with a depositary or its nominee identified in the applicable prospectus supplement and registered in the name of that depositary or nominee. In those cases, one or more registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal or face amount of the securities to be represented by registered global securities. Unless and until it is exchanged in whole for securities in definitive registered form, a registered global security may not be transferred except as a whole by and among the depositary for the registered global security, the nominees of the depositary or any successors of the depositary or those nominees.

If not described below, any specific terms of the depositary arrangement with respect to any securities to be represented by a registered global security will be described in the prospectus supplement relating to those securities. We anticipate that the following provisions will apply to all depositary arrangements.

Ownership of beneficial interests in a registered global security will be limited to persons, called participants, that have accounts with the depositary or persons that may hold interests through participants. Upon the issuance of a registered global security, the depositary will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal or face amounts of the securities beneficially owned by the participants. Any dealers, underwriters or agents participating in the distribution of the securities will designate the accounts to be credited. Ownership of beneficial interests in a registered global security will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depositary, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants. The laws of some states may require that some purchasers of securities take physical delivery of these securities in definitive form. These laws may impair your ability to own, transfer or pledge beneficial interests in registered global securities.

So long as the depositary, or its nominee, is the registered owner of a registered global security, that depositary or its nominee, as the case may be, will be considered the sole owner or holder of the securities represented by the registered global security for all purposes under the applicable indenture or warrant agreement. Except as described below, owners of beneficial interests in a registered global security will not be entitled to have the securities represented by the registered global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and will not be considered the owners or holders of the securities under the applicable indenture or warrant agreement. Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depositary for that registered global security and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the applicable indenture or warrant agreement. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is

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entitled to give or take under the applicable indenture or warrant agreement, the depositary for the registered global security would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Principal, premium, if any, and interest payments on debt securities, and any payments to holders with respect to warrants, represented by a registered global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global security. None of Murphy Oil, the trustees, the warrant agents, or any other agent of Murphy Oil, agent of the trustees or agent of the warrant agents will have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depositary for any of the securities represented by a registered global security, upon receipt of any payment of principal, premium, interest or other distribution of underlying securities or other property to holders on that registered global security, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a registered global security held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

If the depositary for any of these securities represented by a registered global security is at any time unwilling or unable to continue as depositary or ceases to be a clearing agency registered under the Exchange Act, and a successor depositary registered as a clearing agency under the Exchange Act is not appointed by us within 90 days, we will issue securities in definitive form in exchange for the registered global security that had been held by the depositary. Any securities issued in definitive form in exchange for a registered global security will be registered in the name or names that the depositary gives to the relevant trustee, warrant agent or other relevant agent of ours or theirs. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global security that had been held by the depositary.

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**PLAN OF DISTRIBUTION**

We may sell the securities offered under this prospectus through agents; through underwriters or dealers; directly to one or more purchasers; or through a combination of any of these methods of sale. For each offering of securities under this prospectus, we will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers, and their compensation, in the related prospectus supplement.

**VALIDITY OF SECURITIES**

The validity of the securities will be passed on for us by Davis Polk & Wardwell LLP, New York, New York, and for any underwriters by the law firm named in the applicable prospectus supplement.

**EXPERTS**

The consolidated financial statements and schedule of Murphy Oil Corporation and subsidiaries as of December 31, 2011 and 2010, and for each of the years in the three-year period ended December 31, 2011, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2011, have been incorporated by reference herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

Estimates of the proved reserves, future production and income attributable to leasehold properties of Murphy Oil Corporation located in the North Sea offshore of the United Kingdom and in the Eagle Ford Shale trend in south Texas in the United States as of December 31, 2011 incorporated by reference in this prospectus were based upon a third-party study prepared by Ryder Scott Company, L.P., independent petroleum engineers. We have incorporated by reference these estimates in reliance on the authority of such firm as an expert in such matters.

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**Prospectus Supplement**

, 2012

*Joint Book-Running Managers*

**J.P. Morgan**

**BofA Merrill Lynch**