MURPHY OIL CORP /DE
Form 10-K/A
March 16, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2011

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________to__________

Commission file number 1-8590

MURPHY OIL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**71-0361522**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
200 Peach Street, P.O. Box 7000, El Dorado, Arkansas	**71731-7000**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: (870) 862-6411

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, $1.00 Par Value	**New York Stock Exchange**
Series A Participating Cumulative Preferred Stock Purchase Rights	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ¨ No x

Aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter (as of June 30, 2011) $12,706,062,000.

Number of shares of Common Stock, $1.00 Par Value, outstanding at January 31, 2012 was 193,877,158.

Documents incorporated by reference:

Portions of the Registrant s definitive Proxy Statement relating to the Annual Meeting of Stockholders on May 9, 2012 have been incorporated by reference in Part III of the Registrant s Form 10-K filed on February 28, 2012.

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MURPHY OIL CORPORATION

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Explanatory Note

Murphy Oil Corporation (Murphy or the Company) is filing this Amendment No. 1 (Amendment) on Form 10-K/A to its Annual Report on Form 10-K (Original Filing) for the fiscal year ended December 31, 2011, filed with the U.S. Securities and Exchange Commission (SEC) on February 28, 2012, to reflect a correction to Item 1. Business for the Company s anticipated 2012 natural gas production in the Eagle Ford Shale area of South Texas. The Original Filing, in the last paragraph of page 2, described the anticipated 2012 Eagle Ford natural gas production to be 20 billion cubic feet per day, but rather should have read 20 million cubic feet per day. This referenced paragraph (now included on page 3 of this Amendment) has been revised to reflect this correction.

Other than the referenced item in the preceding paragraph, this Amendment does not revise, restate or update other disclosures presented in the Original Filing, including the consolidated financial statements. Accordingly, this Amendment should be read in conjunction with Murphy s Original Filing.

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PART I

Item 1. BUSINESS

Summary

Murphy Oil Corporation is 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. As used in this report, the terms Murphy, Murphy Oil, we, our, its and Company may refer to Murphy Oil Corporation or any one or more of its consolidated subsidiaries.

The Company was originally incorporated in Louisiana in 1950 as Murphy Corporation. It was reincorporated in Delaware in 1964, at which time it adopted the name Murphy Oil Corporation, and was reorganized in 1983 to operate primarily as a holding company of its various businesses. Its operations are classified into two business activities: (1) Exploration and Production and (2) Refining and Marketing. For reporting purposes, Murphy s exploration and production activities are subdivided into six geographic segments, including the United States, Canada, Malaysia, the United Kingdom, Republic of the Congo and all other countries. Murphy s refining and marketing activities are subdivided into segments for the United States and the United Kingdom. Additionally, Corporate activities include interest income, interest expense, foreign exchange effects and administrative costs not allocated to the segments.

The information appearing in the 2011 Annual Report to Security Holders (2011 Annual Report) was incorporated in the Company s Form 10-K report, filed on February 28, 2012, as Exhibit 13 and was deemed to be filed as part of the Form 10-K report as indicated under Items 1, 2 and 7 thereof.

In addition to the following information about each business activity, data about Murphy s operations, properties and business segments, including revenues by class of products and financial information by geographic area, were provided on pages 24 through 46, F-17 and F-18, F-46 through F-52 and F-54 of the Company s Form 10-K report filed on February 28, 2012, and on pages 5 and 6 of the 2011 Annual Report.

At December 31, 2011, Murphy had 8,610 employees, including 3,176 full-time and 5,434 part-time.

Interested parties may obtain the Company s public disclosures filed with the Securities and Exchange Commission (SEC), including Form 10-K, Form 10-Q, Form 8-K and other documents, by accessing the Investor Relations section of Murphy Oil Corporation s Web site at www.murphyoilcorp.com.

Exploration and Production

The Company s exploration and production business explores for and produces crude oil, natural gas and natural gas liquids worldwide. The Company s exploration and production management team in Houston, Texas, directs the Company s worldwide exploration and production activities.

During 2011, Murphy s principal exploration and production activities were conducted in the United States by wholly owned Murphy Exploration & Production Company USA (Murphy Expro USA), in Malaysia, Republic of the Congo, Indonesia, Suriname, Australia, Brunei and the Kurdistan region of Iraq by wholly owned Murphy Exploration & Production Company International (Murphy Expro International) and its subsidiaries, in Western Canada and offshore Eastern Canada by wholly owned Murphy Oil Company Ltd. (MOCL) and its subsidiaries, and in the U.K. North Sea and the Atlantic Margin by wholly owned Murphy Petroleum Limited. Murphy s crude oil and natural gas liquids production in 2011 was in the United States, Canada, Malaysia, the United Kingdom and Republic of the Congo; its natural gas was produced and sold in the United States, Canada, Malaysia and the United Kingdom. MOCL owns a 5% undivided interest in Syncrude Canada Ltd. in northern Alberta, one of the world s largest producers of synthetic crude oil.

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Unless otherwise indicated, all references to the Company s oil and gas production volumes and proved oil and gas reserves are net to the Company s working interest excluding applicable royalties.

Murphy s worldwide crude oil, condensate and natural gas liquids production in 2011 averaged 103,160 barrels per day, a decrease of 19% compared to 2010. The decrease was primarily due to lower 2011 oil production at the Kikeh field, offshore Sabah Malaysia, where several wells were shut-in for a portion of the year for well work due to sand production issues. The Company s worldwide sales volume of natural gas averaged 457 million cubic feet (MMCF) per day in 2011, up 28% from 2010 levels. The higher natural gas sales volume in 2011 was primarily attributable to increased natural gas production in the Montney area of Western Canada, where the Company s Tupper West area commenced gas production in early 2011 and where further development operations led to higher gas production at Tupper, and at fields offshore Sarawak Malaysia. 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, a decrease of 4% compared to 2010.

Total production in 2012 is currently expected to average about 200,000 barrels of oil equivalent per day. The projected production increase of approximately 11% in 2012 is primarily related to higher natural gas production at the Tupper West area in Western Canada due to continued drilling, higher oil production at Kikeh following the well work program and additional field development operations, and higher oil and gas volumes produced in the Eagle Ford Shale area of South Texas as the Company continues to ramp-up its drilling program in the area. These volumes are expected to more than offset production declines in 2012 at other producing fields.

United States

In the United States, Murphy primarily has production of oil and/or natural gas from fields in the deepwater Gulf of Mexico, in the Eagle Ford Shale area of South Texas and onshore in South Louisiana. The Company produced approximately 17,100 barrels of oil per day and 47 million cubic feet of natural gas per day in the U.S. in 2011. These amounts represented 17% of the Company s total worldwide oil and 10% of worldwide natural gas production volumes. During 2011, approximately 45% of total U.S. hydrocarbon production was produced at two operated Gulf of Mexico fields Thunder Hawk and Medusa. The Company holds a 60% interest at Medusa in Mississippi Canyon Blocks 538/582, which produced total daily oil and natural gas of about 6,000 barrels and 6 MMCF, respectively, in 2011. Production from Medusa is expected to continue to decline in 2012 and should average 4,300 barrels of oil and about 4 MMCF of natural gas on a daily basis. At December 31, 2011, the Medusa field had total proved oil and natural gas reserves of approximately 5.8 million barrels and 5.9 billion cubic feet, respectively. Murphy has a 37.5% working interest in the Thunder Hawk field in Mississippi Canyon Block 734. Oil and natural gas production at Thunder Hawk averaged about 3,800 barrels of oil per day and 4 MMCF per day in 2011. Production in 2012 at Thunder Hawk is expected to average approximately 3,200 barrels of oil per day and 3 MMCF per day. The lower 2012 production at Thunder Hawk is due to well decline and a delay in performing drilling operations caused by permitting issues following the Macondo incident in 2010. Proved oil and natural gas reserves at Thunder Hawk at year-end 2011 were 3.3 million barrels and 4.0 billion cubic feet, respectively.

The Company has acquired rights to significant acreage in South Texas in the Eagle Ford Shale unconventional oil and gas play. The Company has eight active drilling rigs in the Eagle Ford in early 2012, with plans to exit 2012 with ten to twelve rigs in operation. Current plans are to drill approximately 130 wells in the play in 2012. The Company is primarily concentrating drilling efforts in the areas of the Eagle Ford where oil is the primary hydrocarbon produced. Lower natural gas price realization has caused the Company s drilling in the gas-prone areas to be limited to acreage where drilling is necessary to retain leases. Totals for 2011 oil and natural gas production in the Eagle Ford area were approximately 3,200 barrels per day and 3.3 MMCF per day, respectively. Due to ongoing drilling and infrastructure development activities, 2012 production is expected to be approximately 12,000 barrels of oil per day and 20 million cubic feet of natural gas per day. At December 31, 2011, the Company s proved reserves in the Eagle Ford Shale area totaled 35.7 million barrels of oil and 38.2 billion cubic feet of natural gas. Total proved U.S. oil and natural gas reserves at December 31, 2011 were 55.3 million barrels and 98.4 billion cubic feet, respectively.

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Subsequent to the Macondo incident in April 2010, the process for obtaining drilling and other operational permits in the Gulf of Mexico has been extended significantly. The changes to the permitting process, as well as operational procedures, are expected to continue to cause delays and add more expense associated with drilling operations in the Gulf of Mexico. Therefore, the Company anticipates that its production, and likely many other companies production, will be adversely affected in the Gulf of Mexico during 2012 and possibly beyond because of permitting delays. The Company is unable to predict to what extent these delays and additional processes will ultimately impact its operations in the Gulf of Mexico.

Canada

In Canada, the Company owns an interest in three significant non-operated assets the Hibernia and Terra Nova fields offshore Newfoundland in the Jeanne d Arc Basin and Syncrude Canada Ltd. in northern Alberta. In addition, the Company owns interests in one heavy oil area, two significant natural gas areas and light oil prospective acreage in the Western Canadian Sedimentary Basin (WCSB).

Murphy has a 6.5% working interest in Hibernia, while at Terra Nova the Company s working interest is 10.475%. The joint agreement between owners of Terra Nova required a one-time redetermination of working interests based on an analysis of reservoir quality among fault separated areas where varying ownership interests exist. The redetermination process was essentially completed in 2010 and the Company s working interest was reduced from 12.0% to 10.475% effective January 1, 2011. The Company had recorded cumulative expense of $102.1 million through 2010 based on the anticipated settlement of the working interest reduction. The Company made a settlement payment to certain Terra Nova partners in January 2011 to equalize the value of oil sold and costs incurred since about March 2005 related to the difference between the Company s 10.475% ultimate working interest and its original 12.0% interest. The final settlement paid was less than the Company s original estimate and, therefore, a credit of $5.4 million was recorded to income in 2011. Oil production in 2011 was about 6,100 barrels of oil per day at Hibernia and 3,100 barrels per day at Terra Nova. Hibernia production decreased slightly in 2011 due to lower gross production and a higher royalty rate, while Terra Nova experienced well downtime and the Company s working interest was reduced from 12.0% in 2010 to 10.475% in 2011. Oil production for 2012 at Hibernia and Terra Nova is anticipated to be approximately 5,700 barrels per day and 2,800 barrels per day, respectively. Production declines at both fields in 2012 due to anticipated downtime for extended maintenance. Total proved oil reserves at December 31, 2011 at Hibernia and Terra Nova were approximately 10.8 million barrels and 6.6 million barrels, respectively.

Murphy owns a 5% undivided interest in Syncrude Canada Ltd., a joint venture located about 25 miles north of Fort McMurray, Alberta. Syncrude utilizes its assets, which include three coking units, to extract bitumen from oil sand deposits and to upgrade this bitumen into a high-value synthetic crude oil. Production in 2011 was about 13,500 barrels of synthetic crude oil per day and is expected to average about 14,200 barrels per day in 2012. Total proved reserves for Syncrude at year-end 2011 were 129.5 million barrels.

Daily production in 2011 in the WCSB averaged about 7,300 barrels of mostly heavy oil and about 189 MMCF of natural gas. Through 2011, the Company has acquired approximately 156,000 net acres of mineral rights in the northeastern British Columbia Montney area, including Tupper and Tupper West. Natural gas production commenced at Tupper in December 2008, while Tupper West production started up in February 2011. Oil and natural gas daily production for 2012 in Western Canada, excluding Syncrude, is expected to be about 10,200 barrels and 243 MMCF, respectively. The increase in oil production in 2012 is primarily due to an ongoing drilling program in the Seal heavy oil area. The increase in natural gas volumes in 2012 is primarily due to ramp-up of production at Tupper West associated with wells added from an ongoing drilling program. The initial production rates for Tupper West wells have been significantly better than anticipated at project sanction. However, natural gas prices in North America have weakened significantly in early 2012. Should natural gas prices in Canada continue to remain weak during 2012, the Company may elect to delay its development drilling program in the Tupper and Tupper West areas. This would lead to lower natural gas production volumes in the WCSB in 2012 and possibly beyond. Total Western Canada proved oil and natural gas reserves at December 31, 2011, excluding Syncrude, were 19.2 million barrels and 633.6 billion cubic feet, respectively.

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Through 2011, the Company has acquired approximately 146,000 net acres of land in Southern Alberta that is prospective for light oil. The Company began drilling operations on this acreage in early 2011. Several wells were expensed as dry holes during 2011. One well was on production test in early 2012. Additional wells are planned throughout 2012 to test various formations.

Malaysia

In Malaysia, the Company has majority interests in six separate production sharing contracts (PSCs). The Company serves as the operator of all these areas other than the Kakap development. The production sharing contracts cover approximately 3.74 million gross acres. Murphy has an 85% interest in discoveries made in two shallow-water blocks, SK 309 and SK 311, offshore Sarawak. In January 2010, Murphy relinquished all other acreage in Blocks SK 309 and SK 311, while retaining the acreage surrounding its producing oil and gas fields as well as areas surrounding its other discoveries, where development projects are ongoing or planned in the future. About 7,100 barrels of oil per day were produced in 2011 at Block SK 309/311, with 60% at the West Patricia field and the remainder mostly associated with gas liquids produced at other Sarawak fields. Oil production in 2012 at fields in Blocks SK 309/311 is anticipated to total about 6,000 barrels of oil per day. The Company has a gas sales contract for the Sarawak area with PETRONAS, the Malaysian state-owned oil company, and has an ongoing multi-phase development plan for several natural gas discoveries on these blocks. The gas sales contract allows for gross sales volumes of up to 250 MMCF per day through 2014, with an option to extend for seven years at 250 MMCF per day or for ten years at 350 MMCF per day. Total net natural gas sales volume offshore Sarawak was about 177 MMCF per day during 2011 (gross 242 MMCF per day). Sarawak net natural gas sales volumes are anticipated to be approximately 168 MMCF per day in 2012. Total proved reserves of oil and natural gas at December 31, 2011 for Blocks SK 309/311 were 4.7 million barrels and 253.9 billion cubic feet, respectively.

The Company made a major discovery at the Kikeh field in deepwater Block K, offshore Sabah, in 2002 and added another important discovery at Kakap in 2004. Several additional discoveries have been made in Block K at other areas. In 2006, the Company relinquished a portion of Block K and was granted a 60% interest in an extension of a portion of Block K. In 2011, the Company relinquished the remainder of Block K except for the discovered fields, including Kikeh and Kakap. Total gross acreage held by the Company in Block K as of December 31, 2011 was 1.02 million acres. Production volumes at Kikeh averaged 41,500 barrels of oil per day during 2011. Kikeh oil production declined significantly in 2011 compared to the prior year due to several wells being shut down for a portion of the year due to sand and fines produced with the oil. An extensive work program was undertaken and initial results have been successful and as expected. Oil production at Kikeh is anticipated to average approximately 49,400 barrels per day for 2012 as the development program there continues. In February 2007, the Company signed a Kikeh field natural gas sales contract with PETRONAS that calls for gross sales volumes of up to 120 MMCF per day through June 2012. Gas production at Kikeh is slated to continue thereafter until the earlier of lack of available commercial quantities of Kikeh associated gas reserves or expiry of the Block K production sharing contract. Natural gas production at Kikeh began in late 2008, and 2011 production totaled approximately 40 MMCF per day in 2011. Daily gas production in 2012 at Kikeh is expected to average about 49 MMCF per day. The Kakap field in Block K is operated by another company. This field is being jointly developed with the Gumusut field owned by others. Kakap development activities continued during 2011 and first production is anticipated in late 2012 or early 2013. The Siakap North oil discovery was made in 2009; the field will be a unitized development operated by Murphy. The field is presently under development as a tie-back to the Kikeh field and first oil production is currently anticipated in 2013. Total proved reserves booked in Block K as of year-end 2011 were 99.7 million barrels of oil and 93.9 billion cubic feet of natural gas.

The Company also has an interest in deepwater Block H offshore Sabah. In early 2007, the Company announced a significant natural gas discovery at the Rotan well in Block H. In early 2008, the Company followed up Rotan with a discovery at Biris. In March 2008, the Company renewed the contract for Block H at a 60% interest while retaining 80% interest in the Rotan and Biris discoveries. In 2010 another natural gas discovery was made in

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Block H at Dolfin, and in early 2012, an additional gas discovery was made at Buluh. In 2011, the Company relinquished 30% of Block H, but retained all discovered fields. Total gross acreage held by the Company at year-end 2011 in Block H was 1.40 million acres. In early 2006, the Company added a 60% interest in a PSC covering Block P, which includes 1.05 million gross acres of the previously relinquished Block K area, offshore Sabah.

Murphy has a 75% interest in gas holding agreements for Kenarong and Pertang discoveries made in Block PM 311, located offshore peninsular Malaysia. Development options are being studied for these discoveries. Murphy relinquished its remaining interests in Block PM 311 and all of adjacent Block PM 312 in 2007.

United Kingdom

Murphy produces oil and natural gas in the United Kingdom sector of the North Sea. Total 2011 production in the U.K. amounted to about 2,400 barrels of oil per day and 4 MMCF of natural gas per day. Total 2012 daily production levels in the U.K. are anticipated to average about 3,000 barrels of oil and 5 MMCF of natural gas. In 2011, the Schiehallion partners approved a redevelopment plan comprising a subsea equipment upgrade with additional flowlines and new risers as well as a new floating production, storage and offloading vessel. The old vessel will be removed in 2013 and production is scheduled to resume through the new vessel in early 2016. Total proved reserves in the U.K. at December 31, 2011 were 21.6 million barrels of oil and 21.0 billion cubic feet of natural gas.

Republic of the Congo

The Company has interests in Production Sharing Agreements (PSA) covering two offshore blocks in Republic of the Congo Mer Profonde Sud (MPS) and Mer Profonde Nord (MPN). The Company s interests cover approximately 1.33 million gross acres with water depths ranging from 490 to 6,900 feet, and the Company serves as operator of both blocks. In 2005, Murphy made an oil discovery at Azurite Marine #1 in the southern block, MPS. The Company successfully followed up the Azurite discovery with other appraisal wells. First oil production occurred at the Azurite field in August 2009. Total oil production in 2011 averaged 5,000 barrels per day at Azurite for the Company s 50% interest. Anticipated production in 2012 is 3,700 barrels per day, with the decrease caused by natural decline at producing wells. Total proved oil reserves at the Azurite field as of December 31, 2011 were 2.3 million barrels. A significant revision was made in 2011 to reduce proved oil reserves at the Azurite field. The reserve revision was necessary based on the significantly lower oil recovery from producing wells. The reserve reduction led to an impairment charge of $368.6 million during 2011. In late 2010, the Company successfully negotiated an amendment to the PSA covering the MPS block. The new terms were officially approved in February 2011 and were effective retroactive to October 1, 2010. Essentially, the amendment revised terms of the PSA that allocates additional levels of crude oil production to the accounts of the Company and its non-government partners in future periods. The Company paid a bonus to Republic of the Congo in connection with the PSA amendment. A wildcat well drilled at Titane Marine in 2010 in the MPN block found accumulations of crude oil for which appraisal plans are pending. Development options are currently being studied. Other prospects in the MPN block are being evaluated and exploration wells are being planned for 2012.

Australia

The Company holds three exploration permits in Australia and serves as operator of each. A number of exploration wells will be drilled on the permits between 2012 and 2015. A 40% interest in Block AC/P36 in the Browse Basin offshore northwestern Australia covering 1.00 million gross acres was acquired in 2007 and one unsuccessful well has been drilled. The Company expects to increase its working interest in this block to 100% in 2012. Block WA-423P, also in the Browse Basin, was acquired in November 2008. The permit covers approximately 1.43 million gross acres with the Company holding a 40% working interest. Three-dimensional seismic has been acquired and a one year extension of the permit has been granted. Block NT/P80 in the Bonaparte Basin, offshore northwestern Australia, was acquired in June 2009 and covers approximately 1.21 million gross acres. Two-dimensional seismic was acquired and processed in 2011 on this block on which the Company s working interest is 40%.

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Indonesia

In May 2008, the Company entered into a production sharing contract in Indonesia, at a 100% interest, in the South Barito block in south Kalimantan on the island of Borneo. The block covers approximately 1.24 million gross acres. The agreement calls for relinquishment of 25% of acreage during 2012. The contract permits a six-year exploration term with an optional four-year extension. The work commitment calls for geophysical work, 2D seismic acquisition and processing, and two exploration wells. In November 2008, Murphy entered into a production sharing contract in the Semai II block offshore West Papua. The Company has a 28.3% interest in the block which covers about 835 thousand gross acres. The permit calls for a 3D seismic program and three exploration wells. The 3D seismic was acquired in 2010, while the first exploration well in the Semai II block was drilled in early 2011 and was unsuccessful. Multiple additional drilling prospects are currently being evaluated. In December 2010, Murphy entered into a production sharing contract in the Wokam II block offshore West Papua, Moluccas and Papua. Murphy has a 100% interest in the block which covers 1.22 million gross acres. The three-year work commitment calls for seismic acquisition and processing, which the Company expects to begin in 2012. In November 2011, the Company acquired a 100% interest in a production sharing contract in the Semai IV block offshore West Papua. The concession includes 873 thousand gross acres. The agreement calls for work commitments of seismic acquisition and processing. Murphy is the operator of all the Indonesian concessions.

Brunei

In late 2010, the Company entered into two production sharing agreements for properties offshore Brunei. The Company has a 5% working interest in Block CA-1 and a 30% working interest in Block CA-2. These blocks cover a significant portion of acreage formerly held by the Company in Malaysia Blocks L and M. The Malaysian Production Sharing Contracts covering Blocks L and M were terminated in early 2010. The CA-1 and CA-2 blocks cover 1.44 million and 1.49 million gross acres, respectively. The first two exploration wells in Block CA-2 and the initial well in Block CA-1 were drilled in 2011 and were unsuccessful.

Iraq

In late 2010, the Company finalized an agreement with the Kurdistan Regional Government (KRG) in Iraq to acquire an interest in the Central Dohuk block. The Company operates and holds a 50% interest in the block. The Central Dohuk block covers approximately 153 thousand gross acres and is located in the Dohuk area of the Kurdistan region in Iraq. The Company shot seismic in 2011 and plans an exploration well in 2012. In July 2011, the Company entered into an agreement with KRG to acquire a 20% non-operated interest in the Baranan block. Baranan covers approximately 178 thousand acres, and exploration plans call for seismic acquisition and the first exploration well in 2012.

Suriname

In June 2007, Murphy entered into a production sharing contract covering Block 37, offshore Suriname. Murphy operates this block and has a 100% working interest, subject to a potential reduction to 80% should the state oil company exercise its back-in option. Block 37 covers approximately 2.16 million gross acres and has water depths ranging from 160 to 1,000 feet. The contract provides for a six-year exploration period with two phases. Phase I has a four-year period that requires the acquisition of 3D seismic and the drilling of two wells. The 3D seismic was shot in late 2008 and early 2009, and interpretation of this data occurred in 2009. The first two exploration wells were drilled in late 2010 and early 2011 and were unsuccessful. Further exploration activities are presently being evaluated.

In December 2011, Murphy signed a production sharing contract with Suriname s state oil company, Staatsolie Maatschappij Suriname N.V. (Staatsolie), whereby it acquired a 100% working interest and operatorship of Block 48 offshore Suriname. The block encompasses 794 thousand acres with water depths ranging from 1,000 to 3,000 meters. The 30-year contract is divided into an exploration period and one or more development and

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production periods, and may be extended with mutual agreement of Murphy and Staatsolie. There are three phases of the exploration period, with each divided into two-year terms, thereby allowing the Company to withdraw from the contract or enter into the next phase. Minimum work obligations vary during each exploration phase and may require either seismic data acquisition or drilling of an exploratory well. Staatsolie has the right to join in the development and production of each commercial field within the contract area with up to a 20% participation.

Cameroon

In October 2011, Murphy was granted government approval to acquire a 50% working interest and operatorship of the NTEM concession. The working interest was acquired from Sterling Cameroon Limited (Sterling) via a farm-out agreement. Sterling retained a 50% non-operated interest in the block. The NTEM block, situated in the Douala Basin offshore Cameroon, encompasses 514 thousand gross acres, with water depths ranging from 300 to 1,900 meters. The concession is currently in force majeure, pending the resolution of a border dispute with neighboring Equatorial Guinea. When force majeure is lifted, there will be 15 months of the first renewal period remaining which can be extended for a further two years under the second renewal period option in the contract. Each of the renewal periods requires a minimum work obligation involving the drilling of exploratory wells.

Ecuador

Murphy sold its 20% working interest in Block 16, Ecuador in March 2009. The Company has accounted for all Ecuador operations as discontinued operations. In October 2007, the government of Ecuador passed a law that increased its share of revenue for sales prices that exceed a base price (about $23.36 per barrel at December 31, 2008) from 50% to 99%. The government had previously enacted a 50% revenue sharing rate in April 2006. The Company initiated arbitration proceedings against the government in one international jurisdiction claiming that they did not have the right under the contract to enact the revenue sharing provision. In 2010, the arbitration panel determined that it lacked jurisdiction over the claim due to technicalities. The arbitration was refiled in 2011 under a different international jurisdiction and present activities involve selection of arbiters. The arbitration proceeding is likely to take many months to reach conclusion. The Company s total claim in the arbitration process is approximately $118 million.

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Proved Reserves

Total proved oil and natural gas reserves as of December 31, 2011 are presented in the following table.

	Proved Reserves		
	Oil	Synthetic Oil	Natural Gas
	(millions of barrels)		(billions of cubic feet)
Proved Developed Reserves:			
United States	20.8		58.2
Canada	32.6	120.5	427.1
Malaysia	57.2		210.5
United Kingdom	5.1		15.8
Republic of the Congo	2.3		
Total proved developed reserves	118.0	120.5	711.6
Proved Undeveloped Reserves:			
United States	34.5		40.2
Canada	4.0	9.0	211.8
Malaysia	47.2		137.3
United Kingdom	16.5		5.2
Republic of the Congo			
Total proved undeveloped reserves	102.2	9.0	394.5
Total proved reserves	220.2	129.5	1,106.1

Proved Undeveloped Reserves

Murphy s proved undeveloped reserves at December 31, 2011 increased 67.7 million barrels of oil equivalent (MMBOE) from a year earlier. Approximately 24.8 MMBOE of proved undeveloped reserves were converted to proved developed reserves during 2011. The majority of the proved undeveloped reserves migration to the proved developed category occurred at the Tupper and Tupper West gas areas, as these areas had active development work ongoing during the year. The conversion of non-proved reserves to newly reported proved undeveloped reserves occurred at several areas including, but not limited to, the Tupper, Tupper West and Eagle Ford Shale areas and the Kikeh field. During 2011, there were 11.7 MMBOE of positive revisions for proved undeveloped reserves. The majority of proved undeveloped reserves additions associated with revisions of previous estimates were the result of development drilling and well performance at the Kikeh field in Malaysia. The Company spent $422.1 million in 2011 to convert proved undeveloped reserves to proved developed reserves. The Company expects to spend about $2.1 billion in 2012, $1.4 billion in 2013 and $520 million in 2014 to move currently undeveloped proved reserves to the developed category. The higher level of spend in 2012 is caused by significant drilling in the year at several locations, including the Kikeh field, the Eagle Ford Shale and the Tupper West area. In computing MMBOE, natural gas is converted to equivalent barrels of oil using a ratio of six thousand cubic feet (MCF) to one barrel of oil.

At December 31, 2011, proved reserves are included for several development projects that are ongoing, including natural gas developments at the Tupper West area in British Columbia and offshore Sarawak Malaysia, and an oil development at Kakap, offshore Sabah Malaysia. Total proved undeveloped reserves associated with various development projects at December 31, 2011 were approximately 177 MMBOE, which is 33% of the Company s total proved reserves. Certain of these development projects have proved undeveloped reserves that will take more than five years to bring to production. Three such projects have significant levels of such proved undeveloped reserves. The Company operates a deepwater field in the Gulf of Mexico that has two undeveloped locations that exceed this five-year window. Total reserves associated with the two wells amount to less than 1% of the Company s total proved reserves at year-end 2011. The development of certain of this field s reserves stretches beyond five years due to limited well slots available on the production platform, thus making it necessary to wait for depletion of other wells prior to initiating further development of these two locations. The Kakap field oil development project has undeveloped proved reserves that make up less than 3% of the Company s total proved reserves at year-end 2011. This non-operated project will take longer than five years to develop due to long lead-time equipment required to complete the development process in the deep waters offshore Sabah Malaysia. The third project that will take more than five years to develop is offshore Malaysia and makes up approximately 1% of the Company s total proved reserves at year-end 2011. This project is an extension of the Sarawak natural gas project and should be on production in 2014 once current project production volumes decline.

Murphy Oil s Reserves Processes and Policies

The Company employs a General Manager of Corporate Reserves (General Manager) who is independent of the Company s oil and gas management. The General Manager reports to an Executive Vice President of Murphy Oil Corporation, who in turn reports directly to the President of the Company. The General Manager makes presentations to the Board of Directors periodically about the Company s reserves. The General Manager reviews and discusses reserves estimates directly with the Company s reservoir engineering staff in order to make every effort to ensure compliance with the rules and regulations of the SEC and industry. The General Manager coordinates and oversees reserves audits. These audits are performed annually and target coverage of approximately one-third of Company reserves each year. The audits are performed by the General Manager and qualified engineering staff from areas of the Company other than the area being audited. The General Manager may also utilize qualified independent reserves consultants to assist with the internal audits or to perform separate audits as considered appropriate. On occasion, the Company may use independent reserves consultants to determine its proved reserves reported in Form 10-K. At December 31, 2011, the Company utilized Ryder Scott Company, L.P., an independent petroleum engineering company, to prepare estimated proved oil and natural gas reserves for the Eagle Ford Shale area in South Texas and the United Kingdom. The total estimated proved reserves prepared by Ryder Scott represented 16% of the Company s total proved oil reserves and 5% of the total proved natural gas reserves as of December 31, 2011. Ryder Scott s report, including a description of their engineer s technical qualifications for estimating reserves, was included as Exhibit 99.6 to the Annual Report on Form 10-K filed on February 28, 2012.

Each significant exploration and production office maintains one or more Qualified Reserve Estimators (QRE) on staff. The QRE is responsible for estimating and evaluating reserves and other reserves information for his or her assigned area. The QRE may personally make the estimates and evaluations of reserves or may supervise and approve the estimation and evaluation thereof by others. A QRE is professionally qualified to perform these reserves estimates due to having sufficient educational background, professional training and professional experience to enable him or her to exercise prudent professional judgment. Normally, this requires a minimum of three years practical experience in petroleum engineering or petroleum production geology, with at least one year of such experience being in the estimation and evaluation of reserves, and either a bachelors or advanced degree in petroleum engineering, geology or other discipline of engineering or physical science from a college or university of recognized stature, or the equivalent thereof from an appropriate government authority or professional organization.

Larger Company offices also employ a Regional Reserves Coordinator (RRC) who supervises the local QREs. The RRC is usually a senior QRE that has the primary responsibility for coordinating and submitting reserves information to senior management.

The Company s QREs maintain files containing pertinent data regarding each significant reservoir. Each file includes sufficient data to support the calculations or analogies used to develop the values. Examples of data included in the file, as appropriate, include: production histories; pertinent drilling and workover histories; bottom hole pressure data; volumetric, material balance, analogy or other pertinent reserve estimation data; production performance curves; narrative descriptions of the methods and logic used to determine reserves values; maps and logs; and a signed copy of the conclusion of the QRE stating, that in their opinion, the reserves have been calculated, reviewed, documented and reported in compliance with the regulations and guidelines contained in the reserves training manual. The Company s reserves are maintained in an industry recognized reservoir engineering software system, which has adequate access controls to avoid the possibility of improper manipulation of data.

When reserves calculations are completed by QREs and appropriately reviewed by RRCs and the General Manager, the conclusions are reviewed and discussed with the head of the Company s exploration and production business and other senior management as appropriate. The Company s Controller s department is responsible for preparing and filing reserves schedules within Form 10-K.

Murphy provides annual training to all company reserve estimators to ensure SEC requirements associated with reserve estimation and associated Form 10-K reporting are fulfilled. The training includes materials provided to each participant that outlines the latest guidance from the SEC as well as best practices for many engineering and geologic matters related to reserve estimation.

Qualifications of General Manager of Corporate Reserves

The Company believes that it has qualified employees generating oil and gas reserves. Mr. Brad Gouge serves as General Manager of Corporate Reserves after joining the Company in mid-2008. Prior to that time, Mr. Gouge was Vice President at a major petroleum engineering consulting firm. He previously was a production and then reservoir engineer with a major integrated oil company. Mr. Gouge earned a Bachelors of Science degree in Petroleum Engineering from Texas A&M University and has attended numerous industry training courses. Mr. Gouge is a registered Professional Engineer in the state of Texas and is an instructor for a Society of Petroleum Engineers (SPE) Petroleum Reserves course. He is also co-author of two papers on estimating petroleum reserves which have been published by the SPE and serves on the SPE Oil and Gas Reserves Committee (ORGC), as well as, the Joint Committee on Reserves Evaluator Training (JCORET).

More information regarding Murphy s estimated quantities of proved oil and gas reserves for the last three years was presented by geographic area on pages F-48 and F-49 of the Form 10-K report filed February 28, 2012. Murphy has not filed and is not required to file any estimates of its total proved oil or gas reserves on a recurring basis with any federal or foreign governmental regulatory authority or agency other than the U.S. Securities and Exchange Commission. Annually, Murphy reports gross reserves of properties operated in the United States to the U.S. Department of Energy; such reserves are derived from the same data from which estimated proved reserves of such properties are determined.

Crude oil, condensate and gas liquids production and sales, and natural gas sales by geographic area with weighted average sales prices for each of the seven years ended December 31, 2011 are shown on page 5 of the 2011 Annual Report. In 2011, the Company s production of oil and natural gas represented approximately 0.1% of worldwide totals.

Production expenses for the last three years in U.S. dollars per equivalent barrel were discussed beginning on page 33 of the Form 10-K report filed on February 28, 2012. For purposes of these computations, natural gas sales volumes are converted to equivalent barrels of oil using a ratio of six MCF of natural gas to one barrel of oil.

Supplemental disclosures relating to oil and gas producing activities were reported on pages F-46 through F-54 of the Form 10-K report filed on February 28, 2012.

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At December 31, 2011, Murphy held leases, concessions, contracts or permits on developed and undeveloped acreage as shown by geographic area in the following table. Gross acres are those in which all or part of the working interest is owned by Murphy. Net acres are the portions of the gross acres attributable to Murphy s interest.

	Developed		Undeveloped		Total	
Area (Thousands of acres)	Gross	Net	Gross	Net	Gross	Net
United States Onshore	16	12	287	234	303	246
Gulf of Mexico	13	5	1,027	635	1,040	640
Alaska	4	1	2		6	1
Total United States	33	18	1,316	869	1,349	887
Canada Onshore, excluding oil sands	63	57	610	561	673	618
Offshore	94	8	117	10	211	18
Oil sands Syncrude	96	5	160	8	256	13
Total Canada	253	70	887	579	1,140	649
Malaysia	164	136	3,580	2,194	3,744	2,330
United Kingdom	34	4	17	2	51	6
Republic of the Congo	1		1,332	902	1,333	902
Suriname			2,959	2,959	2,959	2,959
Australia			3,640	1,456	3,640	1,456
Indonesia			4,174	3,218	4,174	3,218
Brunei			2,934	519	2,934	519
Cameroon			514	257	514	257
Iraq			331	112	331	112
Spain			36	6	36	6
Totals	485	228	21,720	13,073	22,205	13,301

Certain acreage held by the Company will expire in the next three years. Scheduled expirations in 2012 include 36 thousand net acres in Block PM 311 in Malaysia; and 188 thousand net acres in the United States. In 2013, 485 thousand net acres expire in Block H Malaysia; 629 thousand net acres expire in Block P Malaysia; 433 thousand acres in Block 37 in Suriname; and 116 thousand net acres expire in the United States. In 2014, 447 thousand net acres expire in South Barito Indonesia; 96 thousand net acres expire in Semai II Indonesia; 405 thousand net acres expire in Semai IV Indonesia; 619 thousand net acres expire in Wokam Indonesia; 448 thousand net acres expire in Blocks MPS and MPN in Republic of the Congo; and 134 thousand net acres expire in the United States.

As used in the three tables that follow, gross wells are the total wells in which all or part of the working interest is owned by Murphy, and net wells are the total of the Company s fractional working interests in gross wells expressed as the equivalent number of wholly owned wells.

The following table shows the number of oil and gas wells producing or capable of producing at December 31, 2011.

	Oil Wells		Gas Wells	
Country	**Gross**	**Net**	**Gross**	**Net**
United States	81	43	21	12
Canada	364	266	141	141
Malaysia	32	26	34	29
United Kingdom	36	3	23	2
Republic of the Congo	6	3		

Totals	519	341	219	184

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Murphy s net wells drilled in the last three years are shown in the following table.

	United States		Canada		Malaysia		United Kingdom		Other		Totals	
	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry	Pro-ductive	Dry
2011												
Exploratory	**17.9**		**1.0**	**4.9**	**0.9**					**2.3**	**19.8**	**7.2**
Development	**14.3**	**0.8**	**117.5**	**6.0**	**12.8**				**0.5**		**145.1**	**6.8**
2010												
Exploratory	9.2				6.8	0.8		0.1	1.0	2.5	17.0	3.4
Development			87.0	5.0	23.6				2.5		113.1	5.0
2009												
Exploratory	1.3	0.6			5.6	1.6			0.5	0.7	7.4	2.9
Development	1.1		42.0	3.0	17.0		0.4		0.5		61.0	3.0

Murphy s drilling wells in progress at December 31, 2011 are shown below.

	Exploratory		Development		Total	
Country	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
United States	13	11.9	6	3.6	19	15.5
Canada			7	7.0	7	7.0
Malaysia			2	1.6	2	1.6
Totals	13	11.9	15	12.2	28	24.1

Refining and Marketing

The Company s refining and marketing businesses are located in the United States and United Kingdom. The 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. The U.S. business entered the renewable fuels business and acquired 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. Additionally, the U.S. operations include refined product terminals, and a crude oil and refined products trading business. The Company sold both its U.S. petroleum refineries at Meraux, Louisiana and Superior, Wisconsin, and certain associated marketing assets in 2011. The U.K. 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. The Company has announced its intention to sell its U.K. refining and marketing operations.

Murphy Oil USA, Inc. (MOUSA), a wholly owned subsidiary of Murphy Oil Corporation, markets refined products through a network of retail gasoline stations and unbranded wholesale customers in a 23-state area, primarily in the Southern and Midwestern United States. Murphy s retail stations are located in 23 states and are primarily located in the parking lots of Walmart Supercenters using the brand name Murphy USA®. The Company s stations also include stand-alone locations using the Murphy Express® brand. At December 31, 2011, the Company marketed products through 1,128 Murphy owned and operated stations. Of the Company stations, 1,003 are located on parking lots of Walmart Supercenters and 125 are stand-alone Murphy Express locations. MOUSA plans to build additional retail gasoline stations at Walmart Supercenters and other stand-alone locations in 2012 and beyond.

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Below is a table that lists the states where we operate Company-owned retail sites at December 31, 2011 and the number of retail sites in each state.

State	No. of stations	State	No. of stations	State	No. of stations
Alabama	65	Kansas	1	New Mexico	6
Arkansas	60	Kentucky	37	Ohio	42
Colorado	1	Louisiana	60	Oklahoma	50
Florida	99	Michigan	23	South Carolina	44
Georgia	77	Minnesota	7	Tennessee	75
Iowa	21	Missouri	46	Texas	236
Illinois	26	Mississippi	48	Virginia	3
Indiana	32	North Carolina	69	Total	1,128

Refined products are supplied from six terminals that are wholly owned and operated by MOUSA and at numerous terminals owned by others. Three of the wholly owned terminals are supplied by marine transportation and three are supplied by pipeline. MOUSA also receives products at terminals owned by others either in exchange for deliveries from the Company s terminals or by outright purchase.

The Company owns land underlying 899 of the stations on Walmart parking lots. No rent is payable to Walmart for the owned locations. For the remaining gasoline stations located on Walmart property that are not owned, Murphy has master agreements that allow the Company to rent land from Walmart. The master agreements contain general terms applicable to all rental sites in the United States. The terms of the agreements range from 10-15 years at each station, with Murphy holding two successive five-year extension options at each site. The agreements permit Walmart to terminate the agreements in their entirety, or only as to affected sites, at its option for the following reasons: Murphy vacates or abandons the property; Murphy improperly transfers the rights under this agreement to another party; an agreement or a premises is taken upon execution or by process of law; Murphy files a petition in bankruptcy or becomes insolvent; Murphy fails to pay its debts as they become due; Murphy fails to pay rent or other sums required to be paid within 90 days after written notice; or Murphy fails to perform in any material way as required by the agreements. Sales from the Company s U.S. retail marketing stations represented 47.4% of consolidated Company revenues in 2011, 53.1% in 2010 and 51.4% in 2009. As the Company continues to expand the number of retail operated gasoline stations, total revenue generated by this business is expected to grow. MOUSA s share of retail gasoline sales was approximately 2.6% of the total U.S. market during 2011.

In addition to the refined products sold at our retail gasoline stations, our stores carry a broad selection of snacks, beverages, tobacco products, and non-food merchandise. Our merchandise offer includes two private label products available at our retail stations, including an isotonic drink offered in several flavors and a private label energy drink. In 2011, we purchased more than 90% of our merchandise from a single vendor, McLane s Company, Inc., a wholly owned subsidiary of Berkshire Hathaway, Inc. The following table shows certain information with respect to our merchandise sales for the last three years:

	2011	2010	2009
Merchandise sales (in millions)	**$ 2,115.6**	1,969.2	1,706.3
Merchandise sales revenue per store month	**$ 158,144**	153,530	137,623
Merchandise margin as a percentage of merchandise sales	**12.8%**	13.1%	12.5%

In October 2009, MOUSA acquired an ethanol production facility located in Hankinson, North Dakota, to enter the renewable fuels business as a complement to our retail operations. The $92 million purchase price was primarily financed by $82 million of seller-provided nonrecourse debt. The Company chose in 2010 to pay off the nonrecourse debt early. The facility is designed to produce 110 million gallons of corn-based ethanol per year. Ethanol production in 2011 totaled 116.4 million gallons at Hankinson. The Company acquired a partially constructed ethanol production facility in Hereford, Texas, in late 2010. The Company paid $40 million for the

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facility at purchase and spent approximately $25.1 million to complete construction of the facility. The Hereford facility is designed with production capacity of 105 million gallons of corn-based ethanol per year, and commenced operation near the end of the first quarter of 2011. Total annualized ethanol production during the last six months of 2011 amounted to about 90 million gallons at Hereford. In addition to the ethanol production at each location, the Hankinson plant produces dried distillers grain with solubles (DDGS) and the Hereford plant produces wet distillers grains with solubles (WDGS), which are both sold to local farmers and other available outlets as an additional source of income. During 2011, the Company sold 358,000 tons of DDGS and 535,000 tons of WDGS.

Murphy owns an interest in a crude oil pipeline with a diameter of 24 inches that connects storage at the Louisiana Offshore Oil Port (LOOP) at Clovelly, Louisiana, to the Meraux refinery. Murphy owns a 40.1% interest in the first 22 miles of this pipeline from Clovelly to Alliance, Louisiana, and 100% of the remaining 24 miles from Alliance to Meraux. After the sale of the Meraux refinery in late 2011, the Company uses this pipeline to transport crude oil for two major companies for a throughput fee.

Murco Petroleum Limited (Murco), a wholly owned U.K. subsidiary, owns 100% interest in a refinery at Milford Haven, Pembrokeshire, Wales. The refinery is located on a 1,200 acre site owned by the Company; 750 acres are used by the refinery and the remainder is rented for agricultural use. The Milford Haven, Wales, refinery was shut down for a plant-wide turnaround in early 2010. During the downtime, the Company completed an expansion project that increased the plant s crude oil throughput capacity from 108,000 barrels per day to 135,000 barrels per day. The refinery has consistently performed at or above nameplate capacity during 2011. Murphy has announced its intention to sell the Milford Haven refinery as well as U.K. marketing assets.

Refinery capacities at Milford Haven, Wales at December 31, 2011 are shown in the following table.

Crude capacity barrels per stream day	135,000
Process capacity barrels per stream day	
Vacuum distillation	55,000
Catalytic cracking fresh feed	37,000
Naphtha hydrotreating	18,300
Catalytic reforming	18,300
Distillate hydrotreating	74,000
Isomerization	11,300
Production capacity barrels per stream day	
Alkylation	6,300
Crude oil and product storage capacity barrels	8,908,000

At the end of 2011, Murco distributed refined products in the United Kingdom from the wholly-owned Milford Haven refinery, three wholly owned terminals supplied by rail, six terminals owned by others where products are received in exchange for deliveries from the Company s terminals and eight terminals owned by others where products are purchased for delivery. At December 31, 2011, there were 233 Company stations, 222 of which were branded MURCO with the remainder under various third party brands. The Company owns the freehold under 149 of the sites and leases the remainder. The Company also supplied 226 MURCO branded dealer stations at year-end 2011.

In 2011, Murphy owned approximately 7.5% of the refining capacity in the United Kingdom. MURCO s fuel sales represented 2.1% of the total U.K. market share in 2011.

A statistical summary of key operating and financial indicators for each of the seven years ended December 31, 2011 are reported on page 6 of the 2011 Annual Report filed as an exhibit to Form 10-K on February 28, 2012.

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Environmental

Murphy s businesses are subject to various U.S. federal, state and local environmental, health and safety laws and regulations, and are also subject to similar laws and regulations in other countries in which it operates. These regulatory requirements continue to change and increase in number and complexity, and the requirements govern the manner in which the company conducts its operations and the products it sells. The Company anticipates more environmental regulations in the future in the countries where it has operations.

Further information on environmental matters and their impact on Murphy are contained in Management s Discussion and Analysis of Financial Condition and Results of Operations on pages 41 through 46 on Form 10-K filed on February 28, 2012.

Web site Access to SEC Reports

Our Internet Web site address is http://www.murphyoilcorp.com. Information contained on our Web site is not part of the report on Form 10-K.

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available on our Web site, free of charge, as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. Alternatively, you may access these reports at the SEC s Web site at *http://www.sec.gov.*

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PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) 1. Financial Statements The consolidated financial statements of Murphy Oil Corporation and consolidated subsidiaries were located or began on pages F-1 through F-55 of the Form 10-K report filed on February 28, 2012.

2. Financial Statement Schedules Schedule II Valuation Accounts and Reserves was located at page F-56 of the Form 10-K report filed on February 28, 2012.

All other financial statement schedules were omitted because either they are not applicable or the required information was included in the consolidated financial statements or notes thereto.

3. **Exhibits** The following is an index of exhibits that are hereby filed. Exhibits other than these have been omitted since they either are not required or are not applicable to this Amendment.

Exhibit No.	Incorporated by Reference to
31.1	Certification required by Rule 13a-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification required by Rule 13a-14(a) pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MURPHY OIL CORPORATION

By	/s/ KEVIN G. FITZGERALD	Date:	March 16, 2012

Kevin G. Fitzgerald

Executive Vice President and Chief Financial Officer

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