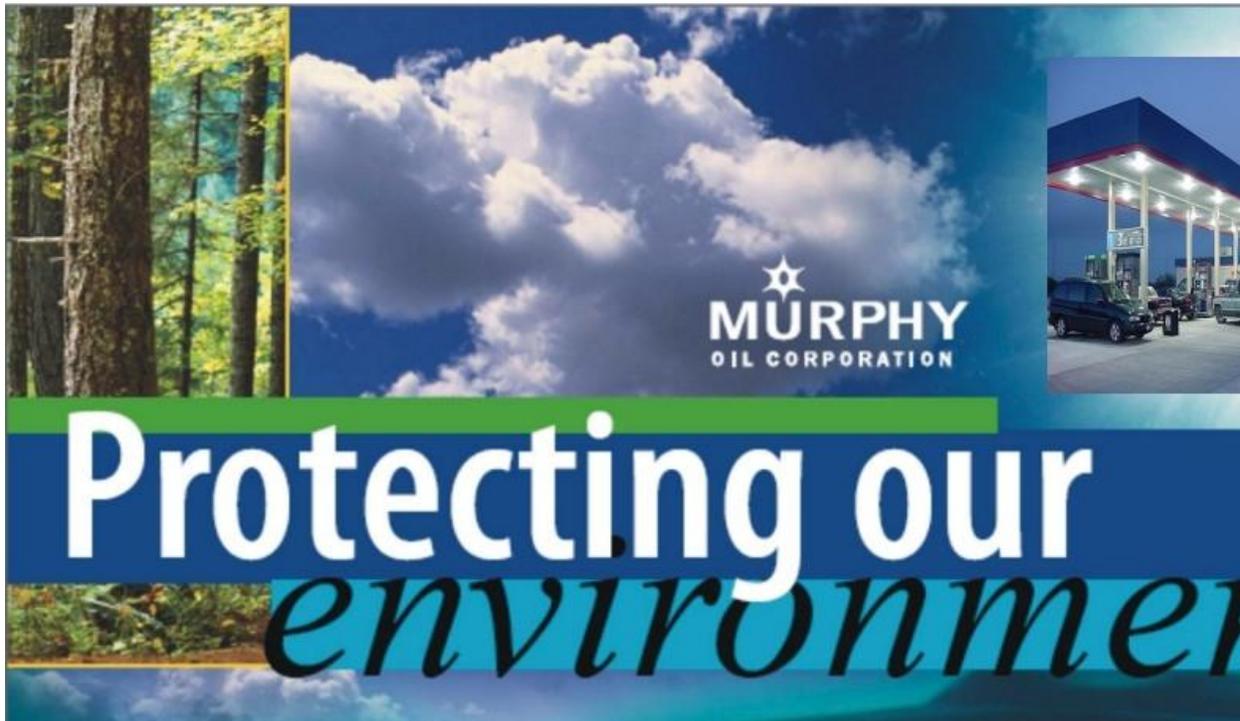


## *Environmental Commitment*



### **A Word From Steve Cosse'**

*Steve Cosse' President and CEO*



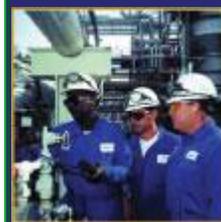
Murphy Oil Corporation has enjoyed significant growth and prosperity over the past decade, a testament to the hard work and skills of our employees and the competitive spirit that is so much a part of this Company's culture. But this growth and success is only part of our story. We have also acted on the conviction that we have a responsibility to make the world better and safer than we found it. We are dedicated to the active pursuit of environmental stewardship and safety and are committed to doing our part to strengthen the communities in which we operate.

Everyone at Murphy—from the boardroom to a deepwater rig operating in Malaysia—has been part of our success in meeting our environmental responsibilities. Long before environmental issues attracted national attention, Murphy, under the leadership of its founder Charles Murphy, worked with environmental groups to establish a forum where open dialog could occur between oil and gas companies and various environmental groups. Our Company established a Board



level environmental committee years before many of our peers. As part of our corporate strategy, we have invested in equipment and facilities that enable us to meet some of the toughest environmental regulations in the world.

Murphy Oil Corporation is a worldwide oil and gas exploration and production company with marketing operations in the United States and the United Kingdom. In all its operations around the globe, Murphy is committed to producing the energy upon which we depend while protecting the natural resources we all value. The Company is proud of its record of environmental stewardship.



Looking into the future, we share the growing concerns of many over the course of global climate change and the potential impact of greenhouse gas emissions. While there is a fierce debate among people of good will over the cause of the current warming trend, we believe that there are manifest risks if this trend continues. We will continue to actively pursue programs, plans and strategies to minimize our emissions of greenhouse gases.

We are pleased to have this opportunity to share with you information about our Company's past successes and ongoing efforts to protect and improve our environment. Our commitment is inherent, and we will strive to create an ever improving and sustainable environment for our employees, our shareholders and the communities in which we work.



### Policy

The policy of Murphy Oil Corporation (Murphy) and all its subsidiaries is to conduct business in a manner that respects the environment as well as the health and safety of its employees, its customers, its contractors and the communities where we operate. The foundation for Murphy's success is achieving outstanding environmental, health and safety performance equivalent with operational excellence and positive financial results.

### Environmental, Health and Safety (EHS) Guiding Principles

To accomplish our EHS Policy, Murphy will:

1. Demonstrate visible and active leadership in all of our business activities by providing resources necessary to manage and communicate EHS commitment, expectations and accountability in the same manner as any other critical business function. Appropriate systems and procedures will be enforced to ensure compliance with this policy and these principles.
2. Make it clear to all employees and contractors that working safely is a condition of employment. Expect every employee and contractor to take personal responsibility to understand and implement the principles of this EHS policy.
3. Comply with all applicable EHS laws, legislation, international agreements and regulations in the countries or communities where we operate and implement responsible controls where such laws, legislation and regulations do not exist.
4. Provide training and training criteria to our employees and contractors to perform their job safely and effectively utilizing their knowledge and skills to maintain a safe and healthy work environment.
5. Identify and assess potential hazards and threats to people, the environment, and assets. Implement reasonable and practicable actions to eliminate, mitigate, or manage these risks.
6. Continue to minimize the impact of our operations, products and services on the environment by implementing economically feasible projects that promote energy efficiency and use natural resources effectively.
7. Strive to achieve our goal of eliminating environmental and safety incidents. In the event an incident occurs, appropriate response, corrective action and reporting will be performed in a timely manner.
8. Work proactively with stakeholders to develop and advance effective approaches to human health, safety and environmental protection.
9. Achieve continuous EHS improvement and compliance by setting targets, auditing assets and business practices, reviewing results and reporting on our performance.
10. Implement EHS management systems to achieve the objectives outlined in this policy.



By adopting this EHS Policy and set of principles, Murphy Oil Corporation demonstrates its commitment to conduct business in a manner that protects human health and the environment. We intend to make consistent measurable progress in implementing these principles and apply them to all aspects of our operations.

February 4, 2009



Murphy Oil and Climate Change



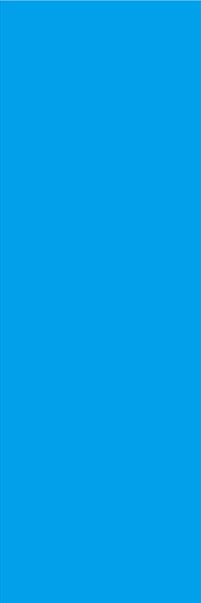
On issues of global warming and climate change, Murphy shares the concerns of our shareholders, employees and community. As a company, we recognize that our planet has experienced periods of global warming as well as global cooling.

The first 10 years of the 21st century (2001—2010) have been among the warmest since modern records began in 1861, according to NASA's Goddard Institute.

While there is no disputing this warming trend, it is important to consider the facts. The complexity of our planet's climate system makes it difficult to understand past and future consequences of greenhouse gas increases. Certain limits in climate knowledge are well known—for example describing behavior of clouds, hydrology, sea ice and ocean circulation—and continued research is necessary. In addition, climate observations display significant natural variability that cannot be explained with existing models and knowledge. However, computer models that simulate the climate system can only reproduce the warming trends observed during the last half of the 20th century by including the human contribution to greenhouse gases and aerosols. In recent and ancient geological past, for example, climate has been both warmer and cooler than today for reasons that are not yet understood. The need to advance our knowledge notwithstanding, it is incumbent upon all of us to do what is possible to mitigate the potential impact of greenhouse gases (GHG) on our environment, as well as prepare to adapt to unavoidable changes in the climate system.

As of 2005, nine of the previous 10 years have been the warmest since modern records began in 1861. The year 2005 was the warmest year on record, according to NASA's Goddard Institute, and while the data is incomplete, the year 2006 appears to have sustained this trend.

Policy makers, the public, the international community, shareholders and corporations continue to consider the best ways to address the challenges posed by global climate change. Over the last decade, the world has learned much more about the magnitude, scope, and complexities surrounding the dynamics related to the changing climate. Murphy, in consultation with some of the foremost climate experts and scientists in the world that have been studying the issue for nearly a decade and developed in 2008, a corporate set of ["Guiding](#)



"Principles for Climate Change" to assist Murphy in communicating to our employees, the public and policy makers our position as climate change events unfold throughout the world.

With this in mind, Murphy has initiated a series of actions designed to produce a measured and verifiable inventory of greenhouse gas emissions. We began in 2001 and have continued annually since, a program of conducting and establishing verifiable, third party measurement of our greenhouse gas emissions. Prior to 2009 our worldwide emission calculations were based on the internationally approved Sangea protocol. Passage of the EPA's Mandatory Reporting Rule (MRR) for Greenhouse Gas emissions in 2009, allowed us to use the EPA's MRR protocol for USA assets, while continuing with the Sangea protocol for international emission calculations. Refinement of our emission surveys have continued through the years. A three year (2009-2011) emission trend and review of Murphy climate change initiatives can be viewed by clicking on the [highlighted link](#) to the slide show. Murphy continues to evaluate a number of cost-effective initiatives designed to reduce our greenhouse gas emissions. As these initiatives are implemented, we will monitor our progress through annual emission surveys, once again using verifiable third party estimates.

While our program is clearly nascent, we believe with the advent of new technologies and programs such as carbon sequestration, various offsets and trading mechanisms, and reduced flaring, it may be possible for Murphy to reach its ultimate goal of reducing greenhouse gas emissions on an absolute basis despite growth in both our upstream and downstream operations. This will benefit not just our shareholders, but our community and world at large.



## A History of Leadership; A Legacy of Responsibility

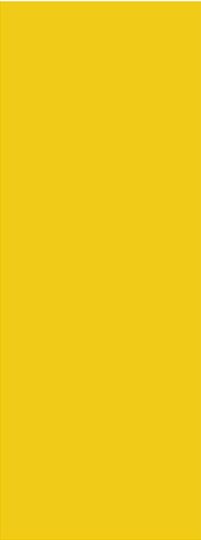


For more than a half century, Murphy Oil Corporation has been an environmental leader in the oil and gas industry. We have a history of meeting and surpassing government environmental standards.

Our environmental initiatives are ongoing. Murphy has developed programs to further minimize our already low emissions and help reduce greenhouse gases. Murphy became the first U.K. marketer to supply ultra-low-sulfur gasoline to all of its retail outlets in 2000.

In 2009, the Murphy Board of Directors approved a new Worldwide Environmental, Health and Safety (EHS) Policy. This policy is the result of a collaborative effort by individuals throughout the Murphy enterprise.

Murphy's Worldwide EHS Policy encourages individual responsibility, values quantifiable results and promotes communication of progress. We are committed to protecting the health and safety of our employees, safeguarding the environment and working with our neighborhood communities. Respect for, and adherence to, sound environmental, health and safety practices are an important facet of Murphy's culture and this responsibility is shared by every employee worldwide.



At Murphy, operating responsibly is an important part of everything we do. We are focused on four primary environmental goals:

- complying with all environmental regulations;
- going beyond the requirements of law;
- whenever possible, taking the initiative to improve our performance before we are required to do so; and
- making significant and ongoing investments in equipment upgrades and new technology to further improve our environmental performance.

This commitment has been successful in the past and we continue to pursue improvements today.



Managing Responsibly Starts at the Top

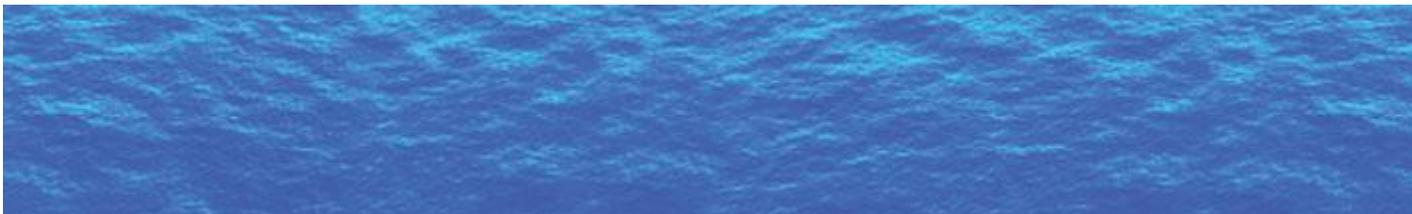


Murphy Oil Corporation operates under the direction of an active and involved Board of Directors. The Board has six scheduled meetings per year at which it reviews and discusses detailed reports by management on the performance of the Company, our plans and prospects, as well as immediate issues we confront. In 1993, we established a Public Policy and Environmental (PPE) Board Committee—one of the first in the industry to do so. The Committee’s job is to provide the management team with guidance and support in developing Murphy’s environmental initiatives and in preparing the Company for challenges that lay ahead. In 2008, the PPE Board Committee changed the name of the committee to the Environmental, Health and Safety committee to more closely correlate with its activities and responsibilities. The group receives environmental updates semi-annually, and in conjunction with Murphy management, the Committee reviews compliance reports, establishes goals, studies audited carbon dioxide (CO<sub>2</sub>) emissions data, safety data and explores alternative energy opportunities.

Since 2000, Murphy has spent nearly \$1.05 Billion on environmental expenditures to reduce emissions, improve technology, produce clean fuels and increase energy efficiencies.

### **Environmental Health and Safety Commitment**

Recognizing the need for a more unified and transparent environmental and global climate change policy, Murphy created a climate change policy. Due to the long-term and strategic impact of global climate change and the initiatives that will be required to implement Murphy’s new policy, Murphy’s Corporate Director of Environmental, Health and Safety analyzes, directs and manages Murphy’s climate change activities, and reports regularly to the Environmental, Health and Safety Committee of Murphy’s Board of Directors.





## Operating Responsibly Is Personal



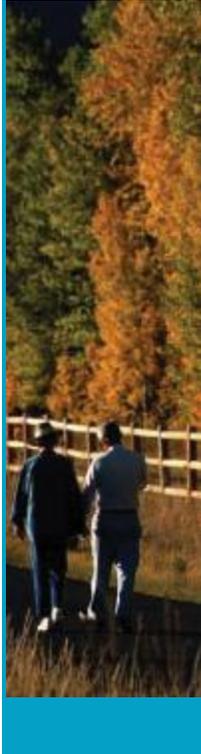
Protecting and preserving the environment is a long-standing and deep-rooted principle for everyone at Murphy Oil Corporation. At all levels of the Company, Murphy employees work capably and conscientiously to complete the complex tasks required to safely locate, produce, refine and market the petroleum products on which our world depends.

The Company's founder, Charles Murphy, was a forerunner in the environmental awareness movement of the 1960s, and was instrumental in establishing a productive dialog among a number of historically opposed consortiums, including oil industry executives, environmental conservation leaders, and government officials. His tireless efforts helped lead to new standards and practices for the oil and gas industry. In recognition of his efforts, Mr. Murphy received Chevron's Conservation award in 1999.





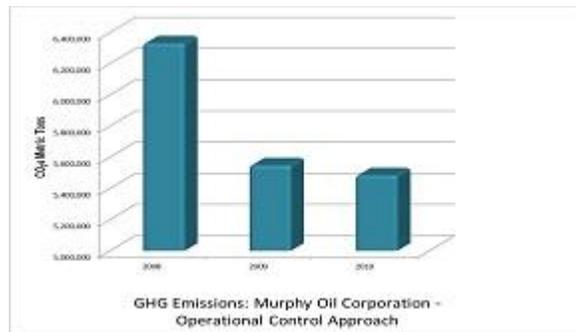
## Taking Initiative Now and Planning for the Future



Reflecting its longstanding commitment to environmental protection, the Company also implemented the EPA's Natural Gas Star Program before the program was instituted, largely eliminating emissions targeted by the program. In November 2000, Murphy became a formal partner in this program. In Ecuador, Murphy and its business partners developed an Environmental Management Program and state-of-the-art technology to protect a unique and fragile rain forest ecosystem, minimizing the impact of the facility during construction and operation.

In 2008 Murphy completed a 75 mile pipeline from its Kikeh field operation that has resulted in capturing and processing gas emissions resulting in a 48% reduction of CO<sub>2</sub> equivalent emission.

In 2009 Murphy completed the first in the world floating, drilling, production, storage and off-loading (PDPSO) facility; currently being utilized in the Congo area.



As with all aspects of the work we do, we are in constant pursuit of opportunities to improve our performance and our productivity to produce even better results for our customers and for our communities.

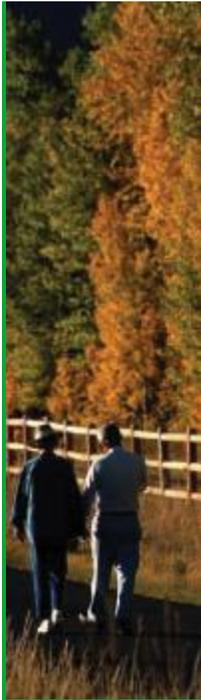
Murphy's plans include significantly increasing worldwide oil and gas production while improving its efficiency and environmental performance.

Ongoing scientific inquiry is a critical component of successful efforts to protect our environment. There remain many unanswered questions about the causes of and remedies for our most pressing environmental issues. The answers to these questions will be crucial in making informed decisions and developing sound policies to meet the environmental challenges we all confront.

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## Partnerships, Best Practices and Strategic Initiatives



Murphy Oil Corporation is proud of the partnerships it has forged with organizations dedicated to protecting the environment. In conjunction with our active participation in these initiatives, we have integrated a number of best practices into our operations and have developed a better understanding of ways to preserve the quality of our natural environment.

As an active partner in the voluntary Safety and Environmental Management Program (SEMP), sponsored by the U.S. Department of Interior's Minerals Management Service, Murphy has integrated the principles of the program into all phases of its exploration and production activities in a comprehensive effort to make continuous environmental and safety improvements in its offshore operations.

“Every day, we at Murphy Oil Corporation work hard to produce and distribute the products on which our country depends in a way that protects the health and safety of our workers, our communities and our world. We focus our expertise and our energies on keeping our high-quality products as affordable as we can while minimizing our effect on the environment. I believe we are succeeding and we will keep working to produce even better results in the future.”

*–Claiborne Deming, Chairman of the Board of Directors*

Internationally, Murphy is a partner in the Canadian Association of Petroleum Producers' Environmental, Health and Safety Stewardship Program to promote responsible management and development of Canada's hydrocarbon resources.

We have donated to and participated in the Massachusetts Institute of Technology's Joint Program on the Science and Policy of Global Change since 1998.



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