MURPHY OIL CORP /DE
Form 424B2
May 16, 2012
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-161688

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Aggregate Offering Price**	**Registration Fee(1)**
4.00% Notes due 2022	$ 500,000,000	99.786%	$ 57,300

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Prospectus Supplement

(To Prospectus dated September 2, 2009)

$500,000,000

4.00% Notes Due 2022

We are offering $500,000,000 aggregate principal amount of 4.00% notes due 2022 (the notes). The notes will bear interest at the rate of 4.00% per year. Interest on the notes is payable semiannually in arrears on June 1 and December 1 of each year, commencing December 1, 2012. The notes will mature on June 1, 2022. We may redeem the notes at any time, in whole or in part, at the redemption prices described in this prospectus supplement.

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-11 for a discussion of certain risks that you should consider in connection with making an investment in the notes.

The notes will be a new issue 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 note	99.786%	0.650%	99.136%

Total	$ 498,930,000	$ 3,250,000	$ 495,680,000

(1) Plus accrued interest from May 18, 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 May 18, 2012.

Joint Book-Running Managers

J.P. Morgan

Wells Fargo Securities

Senior Co-Managers

BoA Merrill Lynch

DNB Markets

Co-Managers

Citigroup

Deutsche Bank Securities

Mitsubishi UFJ Securities

Raymond James Morgan Keegan

RBC Capital Markets

US Bancorp

Scotiabank

Capital One Southcoast

Comerica Securities

Fifth Third Securities, Inc.

May 15, 2012

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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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Prospectus supplement

Prospectus

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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 September 2, 2009, 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, 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 Report on Form 10-Q for the quarter ended March 31, 2012, filed on May 7, 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 and May 10, 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

(870) 862-6411

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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 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.

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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 with retail and wholesale gasoline marketing operations in the United States and refining and marketing operations in the United Kingdom. Our operations are classified into two business activities: (1) Exploration and Production and (2) Refining and Marketing.

Murphy s exploration and production business explores for and produces crude oil, natural gas and natural gas liquids worldwide. Murphy s activities are subdivided into six geographic segments, including the United States, Canada, Malaysia, the United Kingdom, 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 to ramp up its drilling program in the area, higher natural gas production at the Tupper West area in Western Canada due to a full year of production and higher oil production at Kikeh following the well work program and additional field development operations. These volumes are expected to more than offset production declines in 2012 at other producing fields. Income from the worldwide Exploration and Production segment represented nearly 85% of consolidated net income from continuing operations in 2011.

Murphy s refining and marketing 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. 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. Additionally, the U.S. operations include refined product terminals, and a crude oil and refined products trading business. We sold our U.S. petroleum refineries in Meraux, Louisiana and Superior, Wisconsin and certain associated marketing assets in 2011.

Our 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. In 2011, we owned approximately 7.5% of the refining capacity in the United Kingdom. Our U.K. fuel sales represented 2.0% of the total U.K. market share. We have previously announced our intention to sell our U.K refining and marketing operations.

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We have been evaluating the potential to separate our U.S. downstream business into a separate publicly traded company. At March 31, 2012, our U.S. downstream business had $1.84 billion in assets. For the three months ended March 31, 2012, our U.S. downstream business generated $4.26 billion in revenues and incurred an after-tax loss of $7.2 million, and for the year ended December 31, 2011, it generated $17.5 billion in revenues and earned $223.6 million in income from continuing operations. Should a decision be made to separate our U.S. downstream business, the anticipated timing of the separation will be announced at that time. Some factors that could potentially affect the decision to separate include our future financial condition and operating results and economic, business, competitive and/or regulatory factors affecting our business and our industry. We cannot predict when, or if, the separation of our U.S. downstream business would take place, or on what terms such separation would be made.

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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The offering

This summary highlights certain terms of the offering but does not contain all information that may be important to you. We encourage you to read this prospectus supplement and the accompanying prospectus in their entirety before making an investment decision.

Issuer	Murphy Oil Corporation
Securities offered	$500,000,000 aggregate principal amount of 4.00% notes due 2022.
Maturity date	June 1, 2022.
Interest rate	4.00% per annum
Interest payment dates	Semiannually in arrears on June 1 and December 1 of each year, commencing December 1, 2012.
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 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 are not fungible with the notes offered by this prospectus supplement for U.S. federal income tax purposes, such additional notes will have a different CUSIP.
Optional redemption	At any time prior to March 1, 2022 (the date that is three months prior to the maturity date of the notes), we may redeem the notes, 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 after March 1, 2022 (the date that is three months prior to the maturity date of the notes), the notes 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.
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.

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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 intend to use the net proceeds of approximately $494.7 million, after deducting the underwriting discount and other estimated expenses of the offering, to repay all outstanding borrowings under our revolving credit facility, which we incurred for the repayment in full of our 6.375% Notes at maturity on May 1, 2012, and the remainder for general corporate purposes. 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 a new issue 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 for Non-U.S. Holders 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
Conflicts of interest	Affiliates of some of the underwriters, including the representatives, J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, the trustee and an affiliate of the trustee are lenders under our revolving credit facility, and as such will

receive some of the net proceeds from this offering and will be deemed to have a conflict of interest within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121. Because the notes are investment grade as defined in FINRA Rule 5121, a qualified independent underwriter is not required. However, no underwriter having a conflict of interest under FINRA Rule 5121 will confirm sales to any account over which the underwriter exercises discretionary authority without the specific written approval of the accountholder. Accordingly, this offering is being conducted in accordance with FINRA Rule 5121. See Use of proceeds and Underwriting (conflicts of interest) in this prospectus supplement.

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Summary consolidated historical financial data

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 three months ended March 31, 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 March 31, 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.

	Three Months Ended March 31,		Year Ended December 31,		
(in thousands, except ratios)	**2012**	**2011**	**2011**	**2010**	**2009**
Statement of Income Data:					
Total revenues	$ 6,994,519	$ 6,271,673	$ 27,745,549	$ 20,169,718	$ 16,895,206
Costs and Expenses:					
Crude oil and product purchases	5,514,379	4,956,376	21,875,297	15,351,318	12,821,305
Operating expenses	493,861	464,760	1,993,346	1,678,515	1,350,658
Exploration expenses, including undeveloped lease amortization	53,015	96,274	489,862	292,264	265,172
Selling and general expenses	89,187	69,661	301,005	259,215	212,376
Depreciation, depletion and amortization	340,374	263,747	1,093,406	1,114,529	870,999
Impairment of properties			368,600		5,240
Accretion of asset retirement obligations	9,778	9,487	37,701	31,857	26,154
Redetermination of Terra Nova working interest		(5,351)	(5,351)	18,582	83,498
Interest expense	11,739	11,719	55,831	53,172	53,005
Interest capitalized	(6,423)	(6,433)	(15,131)	(18,444)	(28,614)
Total costs and expenses	6,505,910	5,860,240	26,194,566	18,781,008	15,659,793
Income from continuing operations before income taxes	488,609	411,433	1,550,983	1,388,710	1,235,413
Income tax expense	198,538	172,991	810,051	609,151	521,559
Income from continuing operations	290,071	238,442	740,932	779,559	713,854
Income from discontinued operations, net of income taxes		30,461	131,770	18,522	123,767
Net income	$ 290,071	$ 268,903	$ 872,702	$ 798,081	$ 837,621
Other Financial Data:					
Net cash provided by operating activities	$ 991,006	$ 522,900	$ 2,145,385	$ 3,128,558	$ 1,864,633
Capital expenditures (1)	739,709	566,579	2,943,812	2,448,140	2,207,269
EBITDA (2)	834,299	680,466	3,053,689	2,537,967	2,136,043
Ratio of EBITDA to interest expense (2)	71.1x	58.1x	54.7x	47.7x	40.3x
Ratio of earnings to fixed charges (3)	21.7x	23.2x	15.6x	14.6x	14.5x

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(in thousands)	Three Months Ended March 31, 2012	2011	As of December 31, 2011	2010	2009
Balance Sheet Data:					
Working capital	$ 558,714	$ 740,528	$ 622,743	$ 619,783	$ 1,194,087
Net property, plant and equipment	10,922,959	10,659,848	10,475,149	10,367,847	9,065,088
Total assets					