MURPHY OIL CORP /DE
Form 424B5
November 27, 2012
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Registration No. 333-184287

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

Subject to completion, dated November 27, 2012

Preliminary Prospectus Supplement

(To Prospectus dated October 4, 2012)

$ % Notes Due 20

$ % Notes Due 20

$ % Notes Due 20

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

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

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

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

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

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

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

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

Joint Book-Running Managers

J.P. Morgan **BofA Merrill Lynch**

, 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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About this prospectus

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

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

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

Where you can find more information

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

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

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

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

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

Our Current Reports on Form 8-K or 8-K/A filed on February 3, 2012, March 20, 2012, April 5, 2012, May 4, 2012, May 9, 2012, May 10, 2012, May 18, 2012, June 21, 2012, August 1, 2012 (Items 5.02 and 8.01 (and the related Item 9.01) only) and October 16, 2012.

You may request a free copy of these filings by writing to, or telephoning, us at the following address and phone number:

Corporate Secretary

Murphy Oil Corporation

P.O. Box 7000

El Dorado, Arkansas 71731-7000

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

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Summary

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

Company overview

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

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

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

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

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

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

Recent developments

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

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

- each business would focus on its strategic priorities with financial targets that best fit its own market and opportunities;
- each business would be able to allocate resources and deploy capital in a manner consistent with its priorities; and
- investors, both current and prospective, would be able to value the two businesses based on their respective financial characteristics and make investment decisions based on those characteristics.

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

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

Murphy Oil Corporation

After the announced separation, Murphy Oil Corporation will become an independent exploration and production company with principal activities focused in the United States, Canada and Malaysia. Murphy will continue its exploration program and offshore development projects complemented by predictable growth in its North America onshore businesses primarily in the Eagle Ford Shale and Seal areas. The U.K. downstream operations will remain with Murphy until such time as these assets are fully divested. At September 30, 2012, and after giving effect to the spin-off of Murphy USA and the sale of Murphy s U.K. exploration and production operations, Murphy would have had $14.9 billion in assets (including pro forma adjustments but excluding any consideration received for the divestiture of Murphy s U.K. exploration and production operations), and for the nine months ended September 30, 2012, Murphy would have generated $8.0 billion in revenues and earned $721.1 million in income from continuing operations. For the year ended December 31, 2011, and after giving effect to the spin-off of Murphy USA and the divestiture of Murphy s U.K. exploration and production operations, Murphy would have generated $10.2 billion in revenues and earned $506.9 million in income from continuing operations.

Murphy USA

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

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

Special dividend and share buyback

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

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

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

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Corporation will remain the obligor under the notes offered hereby.

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

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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	$ aggregate principal amount of % notes due 20
	$ aggregate principal amount of % notes due 20
	$ aggregate principal amount of % notes due 20
Maturity dates	20 notes: , 20
	20 notes: , 20
	20 notes: , 20
Interest rates	Subject to Interest rate adjustment below, the notes will bear interest as follows:
	20 notes: % per annum
	20 notes: % per annum
	20 notes: % per annum
Interest payment dates	Semiannually in arrears on and of each year, commencing , 2013
Further issuances	We may from time to time, without the consent of the existing holders, create and issue additional notes having the same terms and conditions as the notes of any series offered by this prospectus supplement in all respects, except for the issue date, issue price and, under some circumstances, the date of the first payment of interest on the notes, provided that if the additional notes of a series are not fungible with the notes of such series for U.S. federal income tax purposes, such additional notes will have a different CUSIP.

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

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	after , 20 (the date that is months prior to the maturity date of the 20 notes) or , 20 (the date that is months prior to the maturity date of the 20 notes), the 20 notes or the 20 notes, respectively, will be redeemable, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes we redeem. We also will pay any accrued and unpaid interest to, but excluding, the redemption date.
	See Description of the notes Optional redemption.
Repurchase upon a change of control triggering event	If a change of control triggering event (as defined herein) occurs, unless we have exercised our right of redemption, the holders of the notes of each series will have the right to require us to offer to repurchase the notes of such series at a repurchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the repurchase date. See Description of the notes Repurchase upon a change of control triggering event.
Interest rate adjustment	The interest rate payable on the notes of each series will be subject to adjustment from time to time if Moody s or S&P (or a substitute ratings agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to such series of notes. See Description of the notes Interest rate adjustment.
Ranking	The notes: will be unsecured; will rank equally with all of our existing and future unsecured senior debt; will be senior to any future subordinated debt; and will be effectively junior to our secured debt to the extent of the assets securing such debt and to all existing and future debt and other liabilities of our subsidiaries, including trade payables.
Covenants	We will issue the notes under an indenture containing covenants for your benefit. These covenants restrict our ability, with certain exceptions, to: incur debt secured by liens; and engage in sale/leaseback transactions.
Use of proceeds	We expect the net proceeds from this offering of notes to be approximately $ million, after deducting underwriting discounts

	and other estimated expenses of the offering. We intend to use the net proceeds to fund our previously announced special dividend of $2.50 per share (for a total dividend of approximately $500 million) and to fund repurchases pursuant to our share buyback program in an aggregate amount not to exceed $1 billion, and the remainder, if any, for general corporate purposes. Prior to repurchases under our share buyback program, we may use a portion of the net proceeds of this offering to repay borrowings under our revolving credit facility and redraw on our revolver from time to time to fund repurchases under such program. See Use of proceeds.
Book-entry form	The notes will be issued in book-entry form and will be represented by global certificates deposited with, or on behalf of, The Depository Trust Company (DTC) and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Absence of a public market for the notes	The notes will be new issues of securities and there is currently no established trading market for the notes. Accordingly, we cannot assure you as to the development or liquidity of any market for the notes. The underwriters have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so, and they may discontinue any market making with respect to the notes without notice.
U.S. federal income tax consequences	For the U.S. federal income tax consequences to Non-U.S. Holders (as defined herein) of the holding, disposition and conversion of the notes, see Material U.S. federal income tax considerations in this prospectus supplement.
Listing	We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.
Trustee	U.S. Bank National Association

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

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

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

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(in thousands, except ratios)	Nine Months Ended September 30, 2012	2011	Year Ended December 31, 2011	2010	2009
Other Financial Data:					
Net cash provided by operating activities	$ 2,101,227	$ 1,876,747	$ 2,145,385	$ 3,128,558	$ 1,864,633
Capital expenditures(1)	2,847,227	2,021,994	2,943,812	2,448,140	