

2019 SUSTAINABILITY REPORT

WORKING TOWARD AN INSPIRING FUTURE



Murphy Oil at a Glance

Murphy Oil Corporation is a global exploration and production company with oil and natural gas operations in the [United States](#), [Canada](#), [Malaysia](#)¹ and Brunei. Headquartered in El Dorado, Arkansas, Murphy has over 1,300 employees around the world.

The Company's roots date back to the early 1920's, when Charles H. Murphy, Sr., shifted the focus of the family business from banking and timber to oil. The Company has been publicly traded since 1956 and listed on the New York Stock Exchange since 1961. From the beginning, we have been committed to the highest standards of social and environmental performance in all our operations.

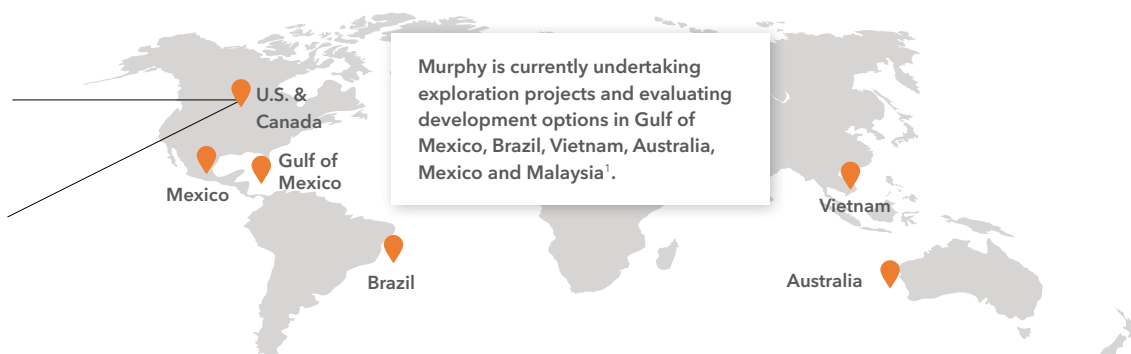
Murphy's company-wide health, safety and environmental (HSE) policy provides clear and consistent messaging: strive to achieve full compliance with environmental laws and standards, and create safe and rewarding work places while making positive contributions to the community. This commitment, along with our operational capability, make Murphy a preferred partner around the world.

Murphy Production, Reserves and Exploration Footprint

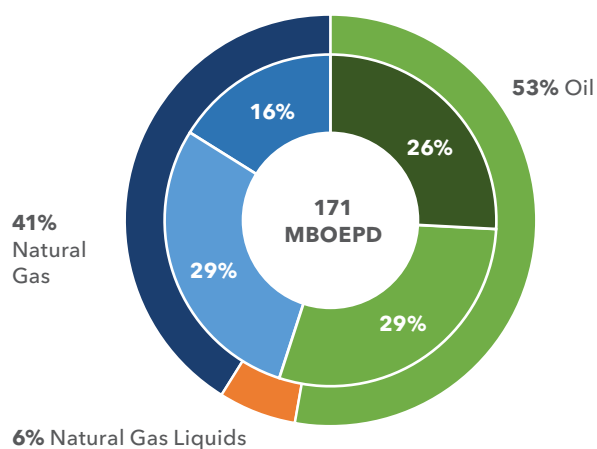
In 2018:

70%
of production, and

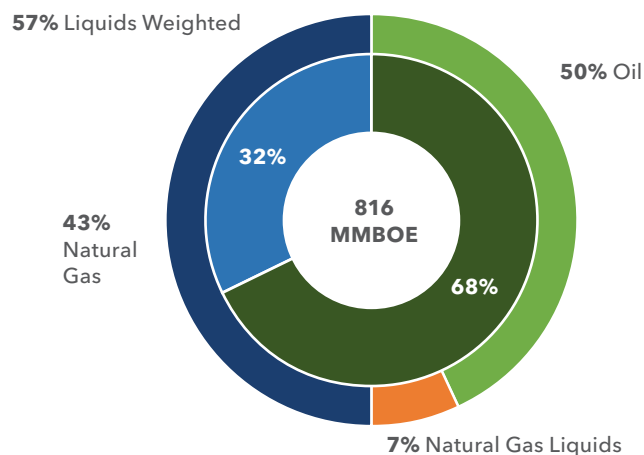
70%
of proved reserves
were located in
North America



2018 Fiscal Year Production



2018 Proved Reserves



■ U.S. Onshore ■ Canada Onshore ■ SE Asia ■ North America Offshore

■ Onshore ■ Offshore

¹ On March 21, 2019, Murphy Oil Corporation announced the sale of its Malaysian portfolio.

A Message from Our President and CEO



I would like to share many things with you to demonstrate that Murphy Oil Corporation is not just another company reporting on how it is financially, environmentally and socially sustainable – although we are those things.

Let me start with these:

- Murphy's headquarters are located in El Dorado, Arkansas, where we offer every graduating El Dorado high school senior a tuition scholarship to any college they wish to attend;
- The Company's diverse resource base enables us to supply energy for current and future generations responsibly and provide value to our shareholders and stakeholders; and
- Our employees are motivated and incentivized to create safe and rewarding work places, meet environmental standards and become welcome members of our local communities.

This year we have gathered data, policy, practice and governance information regarding our environmental and social management systems and controls into this sustainability report. This inaugural report includes new safety, emissions and resource use data. We intend to supplement and update this information to reflect our continuing commitment to conduct our operations in an environmentally, socially sustainable and financially rewarding manner. We invite your feedback as we do so.

Our ability to act sustainably in environmental and social matters depends on us to maintain financial sustainability in a cyclical and ever-changing sector.

2018 Financial Stability Highlights

Our ability to act sustainably in environmental and social matters depends on us to maintain financial sustainability in a cyclical and ever-changing sector. In 2018, the strengths of our diverse onshore and offshore operations, following the conservative management practices we maintained during the commodity price downturn, helped us deliver strong margin realizations and cash flows. We also:

- Returned 14% of operating cash flow to shareholders through long-standing dividend policy
- Received credit rating upgrades from Moody's and Fitch
- Preserved balance sheet strength with approximately 37% net debt to total capital
- Closed \$1.6 billion senior unsecured revolving credit facility, with more favorable covenants

Sustainability Starts at the Top

In 1993, years before sustainability reports started to appear, the Murphy Board of Directors established what is now known as the Health, Safety and Environmental Committee of the Board (HSE Committee). We believe tone is set at the top for operational integrity as well as financial and ethical integrity.

Murphy's HSE Committee is instrumental in overseeing and guiding our climate change strategy. As part of this strategy, we have adopted a set of climate principles that guide our climate change risk management approach.

Getting and Keeping the Best People

We believe we are only as good as the people who join and stay with us – and we act on that belief. In contrast to trends towards more temporary, outsourced, freelance, and non-benefit-paying jobs, we offer competitive compensation, outstanding and recently enhanced benefits, and supportive work environments. Even during the commodity price

downturn we continued to invest in employee development leadership programs and offer the Murphy Employee Education Assistance Program to help employees develop their careers. Murphy's benefit programs also support employees' health, welfare, retirement, family, and other needs.

Health, Safety and Environmental Protection

Murphy's commitment to health, safety and environmental protection has been demonstrated over our long business history and we continue to incorporate learnings from past years as we move forward.

Our Board's HSE oversight, coupled with the dedication and commitment of all Murphy employees and partners, has helped us to maintain a safety record that we believe places our HSE performance within the top quartile amongst our peers. We also exceeded our environmental protection goal in 2018, beating our International Association of Oil and Gas Producers' spill rate target.

Investing In Our Local Communities

Nearly 2,500 students have benefited from our El Dorado Promise Scholarship Program that I described at the beginning of this letter. We and our community have both benefited from the increased enrollment and college degree completion rates attributed to this Program.

We seek to become welcome members of every community in which we operate. Our social impact assessments in Mexico and community consultations in Canada are just two

examples of programs on which we worked in 2018. We create and support local infrastructure development, locally sourced jobs and community programs each tailored to the individual setting and its needs and opportunities.

Murphy's commitment to health, safety and environmental protection has been demonstrated over our long business history and we continue to incorporate learnings from past years as we move forward.

In the Houston area, Murphy is committed to helping several community organizations. For example, employees contribute annually to both a school supply drive to benefit students at a school district in the area of our office, and to the Houston Food Bank.

Thank you to our dedicated employees, communities, business partners and shareholders. With your ongoing support we remain committed to intelligent, responsible, and sustainable growth.



Roger W. Jenkins
President and Chief Executive Officer

What We Report

The Murphy Oil Corporation 2019 Sustainability Report provides information on the environmental, social and governance (ESG) issues that are essential to our business today.

Our disclosures have been sculpted by a number of third party ESG reporting standards and ratings, including:



**Sustainability Accounting
Standards Board (SASB)**

TCFD

**Task Force on Climate Related
Financial Disclosures (TCFD)**



Global Reporting Initiative (GRI)



Sustainalytics research

MSCI

MSCI ESG research

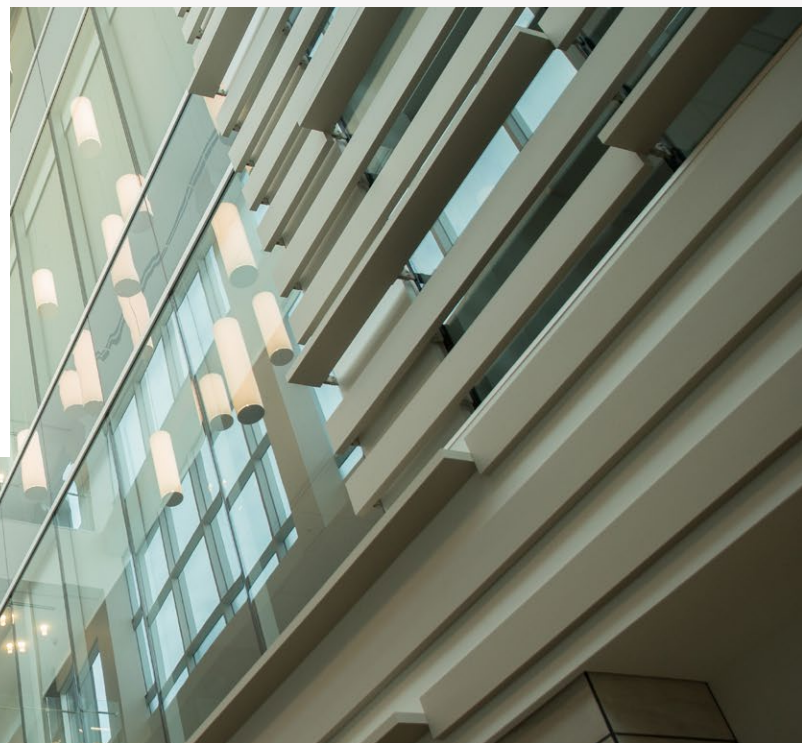


**ISS Environmental and
Social QualityScores**

We will strive to evolve our ESG disclosures in line with any operating developments, and with emerging best practice ESG reporting standards.

➤ **SASB Oil and Gas Exploration and
Production disclosure topics:**

- Business Ethics
- Health and Safety
- Greenhouse Gas Emissions
- Water Management
- Community Relations and Biodiversity Impacts



Our Purpose, Mission, and Vision

Our Purpose

We believe in providing energy that empowers people.

Our Mission

We challenge the norm, tap into our strong legacy and use our foresight and financial discipline to deliver inspired energy solutions.

Our Vision

We see a future where we are an industry leader who is positively impacting lives for the next 100 years and beyond.

Our Values and Behaviors

Do Right Always

- Respect people, safety, environment, and the law
- Follow through on commitments
- Share openly and accurately
- Make it better

Stay With It

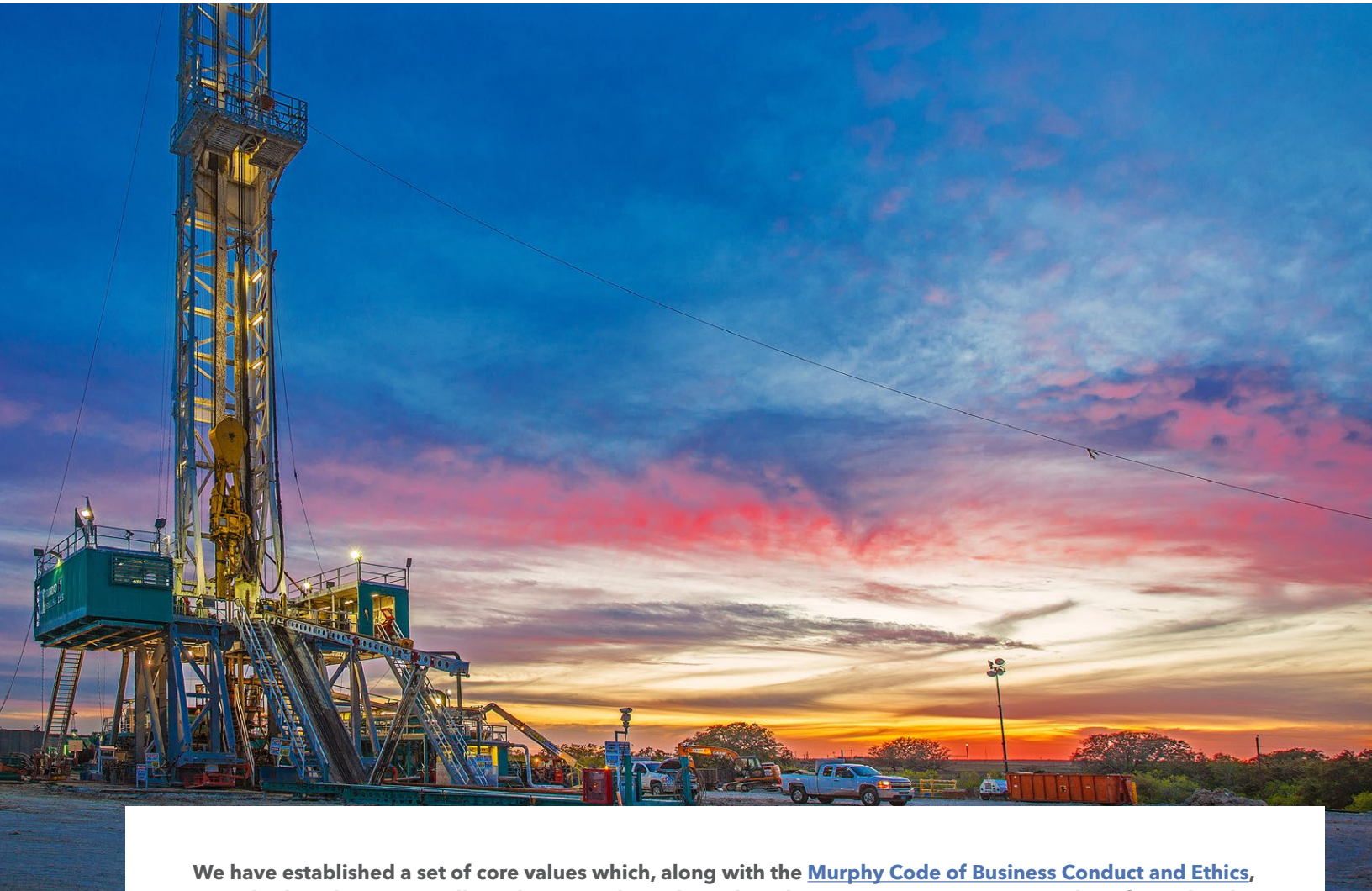
- Show resilience
- Lean into challenges
- Support each other
- Consider the implications

Think Beyond Possible

- Offer solutions
- Step up and lead
- Don't settle for "good enough"
- Embrace new opportunities



Our Values and Business Conduct



We have established a set of core values which, along with the [Murphy Code of Business Conduct and Ethics](#), provide clear direction to all employees and suppliers about how we expect everyone working for and with Murphy to behave – ethically and in accordance with our policies and standards.

The Company's Code of Business Conduct and Ethics applies to all employees (and non-employee directors) of Murphy Oil Corporation and all wholly-owned or majority owned subsidiaries at every level of the organization.

To support awareness of our Code and values, live training is conducted globally on Code subjects, including Anti-Bribery & Corruption (FCPA), Ethics, and Harassment.

Regular online training supplements the live training. Disciplinary or corrective action is applied in cases of violations of the Company's Code of Business Conduct and Ethics.

An enhanced code applies to executive management which holds an important and elevated role in corporate governance and is uniquely capable and empowered to ensure that stakeholders' interests are appropriately balanced, protected and preserved.

Putting Safety First



Murphy is committed to conducting our business in a manner that protects the health, safety and security of all personnel, including employees, contractors and partners, at all company operations.

Our commitment to safety is met through our comprehensive [HSE Policy](#) and HSE Management System, which applies consistently to all Murphy operations, worldwide.

The Murphy HSE Policy and HSE Management System, built on the experience of our long history in oil and natural gas, have helped us to deliver top quartile safety performance amongst the industry peer group we regularly benchmark ourselves against. These peers are selected for their similar business activities.

Safety Performance Monitoring and Measuring

Following an outstanding safety performance in 2016, our safety performance in 2017 and 2018 was challenging with a total recordable incident rate of 0.40 in each year, which fell short of our ambitious goals of 0.28 and 0.26, respectively. We attribute this recent negative trend to an increase in the industry activity level, primarily in the North America Onshore business, and the demands on the workforce to keep pace. We are focused on contractor engagement, training and mentoring short service employees to drive continuous improvement in safety performance.

Our total recordable incident rate target for 2019 is set at 0.38 as we strive to improve upon the last two years' performance.

Safety Performance Indicators

In addition to reporting our total recordable incident rate (TRIR), lost time incident rate (LTIR) and number of fatalities, we also track the following safety performance indicators internally to help us in our ongoing efforts to drive continual improvements in safety performance:

- First Aid Incidents
- Near Miss Incidents (Including High Potential)
- Non-Occupational Incidents
- Dropped Objects
- U.S. Onshore Preventable Vehicle Incident Rate (PVIR)
- Process Safety Management Metrics (PSM)



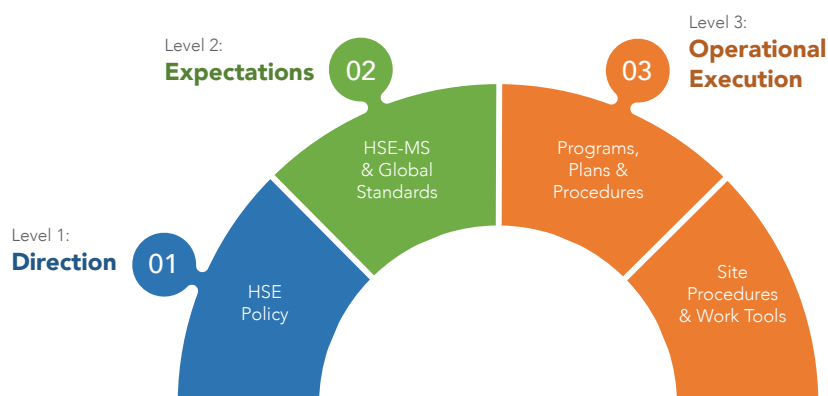
Health and Safety Management System

We strive to achieve incident-free operations through continuous improvement processes managed through the Murphy HSE Management System (HSE-MS). The HSE-MS engages all personnel, including employees, contractors and partners, and provides assurance for a consistent method to integrate HSE into our site procedures and programs. Our HSE-MS applies to everyone working at a Murphy location worldwide.

The HSE-MS framework consists of three levels as illustrated in Figure 1:

- **Level 1:** Direction is driven by the Murphy HSE Policy.
- **Level 2:** Expectations are articulated in an HSE-MS framework document and associated Global Standards.
- **Level 3:** Operational Execution ensures implementation of the Expectations into our projects and daily activities.

Figure 1



The HSE-MS framework is organized around 11 Elements as illustrated in Figure 2.

Within each Element are a set of Expectations. Many of these Expectations are supported by Global Standards and detailed Programs, Plans, Procedures and Work Tools at the work site. Elements include management commitment, contractor management, training, emergency response, incident reporting and investigation, and evaluation and improvement.

Figure 2



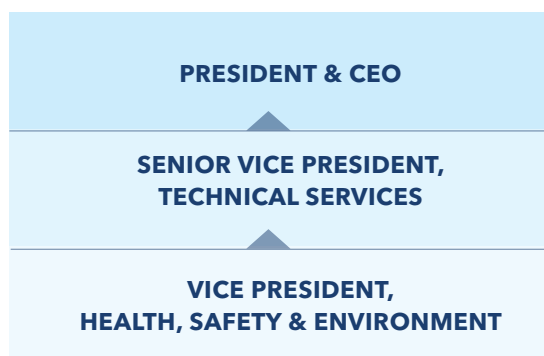
Health and Safety Oversight

In 1993, the Murphy [Board of Directors](#) established what is now known as the [Health, Safety and Environmental Committee](#) of the Board to provide governance of health, safety, and all environmental activities of the corporation. The HSE Committee meets at least twice annually to receive relevant updates and review policies, compliance reports, goals, and performance data.

Responsibility for the execution of the Murphy HSE Policy lies ultimately with our President & Chief Executive Officer. That responsibility is supported by our HSE Executive Advisory Committee (EAC). The EAC works to ensure that the Company has appropriate management systems in place to monitor and review compliance with applicable rules, regulations, industry standards, protocols and international conventions. The CEO and the EAC also set short and long-term HSE goals for continuous improvement, and track audit progress and implementation in each business unit.

Direct HSE responsibility is assigned to our Vice President, Health, Safety & Environment. This role reports to the Senior Vice President, Technical Services, who reports directly to the President and CEO. Murphy executive management receive weekly reports on HSE activities and results.

Under the executive compensation plan, Murphy added a safety metric to its annual incentive plan performance metrics in 2008. In 2018, the safety weighting was 7.5% for TRIR and the environmental weighting was 7.5% for global spill rate. Inclusion of these metrics reflects the Company's emphasis on safe operations by both employees and contractors and the Company's commitment to environmentally sound operations.



Health and Safety Certification and Audit

Per the Murphy HSE Management System and Global Standard for Evaluation and Improvement (noted as Element 11 in Figure 2), each Murphy Business Unit conducts internal HSE field audits every three years.

Onsite HSE inspections are conducted frequently and, in many cases, daily. Opportunities for improvement are identified during the process and related actions are addressed. If nonconformance is identified during an audit, the audit team documents nonconformance, recommends improvement actions, and submits these to business unit leadership for implementation.


Third-party vendor audits are regularly conducted by Murphy HSE personnel and ISNetwork, a global leader in supplier and contractor management.

At our U.S. offshore facilities, a third-party audit is conducted as part of the requirements for our Center for Offshore Safety – Safety and Environmental Management System (SEMS) Certification. The most recent third-party audit was completed in January 2019, in accordance with the regulatory three year requirement.

Murphy Canada's HSE Management System has received a Certificate of Recognition (COR) from Enform (formerly Energy Safety Canada). Enform is the certifying partner for the Canada Partnership in Injury Reduction (PIR), established through the Canada Workers Compensation Board (WCB).

The COR process results in improved worker safety, reduced costs due to lost productivity, replacement worker training, property damage and incident investigation as well as reducing legal risk exposure. COR has become the benchmark for safety performance nationally in Canada. Now certified, Murphy will perform annual internal validation audits, with an external audit cycle every three years.



A tall oil drilling rig stands in a field of colorful wildflowers under a clear blue sky. The rig is white and blue, with a yellow crane arm. In the foreground, there are many small yellow, orange, and purple flowers. A piece of driftwood is visible on the left side of the image.

Environmental Protection and Conservation

Murphy has a long history of being committed to conducting our business in a manner that protects and conserves the environment in which we operate.

Protecting and preserving the environment is a longstanding and deep-rooted principle for everyone at Murphy. [Charles H. Murphy, Jr.](#), was a forerunner in the environmental awareness movement and his tireless efforts helped lead to new standards and practices for the oil and natural gas industry.

For his work in bringing together oil industry leaders and national leaders of the environmental movement, Mr. Murphy was honored by receiving the National Wildlife Federation's citation for outstanding individual service, and in 1999, the prestigious Chevron Conservation Award. He was the first oil industry executive to receive this conservation award.

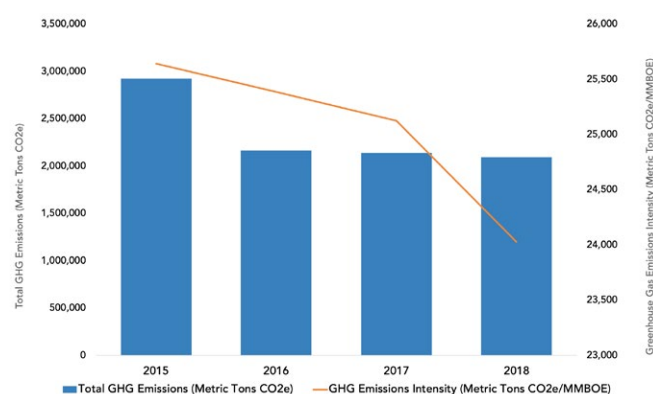
Our environmental initiatives continue to build on the legacy of Charles H. Murphy, Jr., and are directed by our HSE Policy and implemented according to our comprehensive HSE Management System (read more about the Murphy HSE Management System in the Health and Safety section of this report).

Murphy makes significant investments in equipment upgrades and new technology to monitor, measure, and continuously improve our environmental performance. This is accomplished by reducing greenhouse gas (GHG) and other air emissions, increasing energy efficiencies, protecting water resources, and managing waste and land impact.

Emissions

The commitments that Murphy has made to environmental protection and minimizing environmental impact through its HSE Policy and HSE Management System helped drive continual reductions in GHG emissions and intensity from 2015 to 2018¹.

Total GHG Emissions and GHG Emission Intensity



	2018	2017	2016	2015
Total GHG Emissions (Metric Tons CO2e)	2,098,199	2,140,553	2,167,726	2,926,301
GHG Emissions Intensity (Metric Tons CO2e/MMBOE)	24,029	25,125	25,388	25,645

Emissions Reductions Programs

Murphy has initiated a series of actions designed to produce a measured and verifiable inventory of GHG emissions. We began in 2001 and have continued a program of conducting and establishing verifiable, third-party estimates of our GHG emissions annually.

We prepared an Internal Annual Worldwide GHG Emissions Report from 2001 to 2017 (disclosures in that report will now be integrated into our annual Sustainability Report), and refinement of our emission surveys have continued through the years as we strive for improved measurement and tracking of our GHG emissions. In 2017, we established internal GHG emissions targets for our operating business units and have continued to set annual targets going forward.

Murphy has made a significant investment in environmental expenditures to reduce GHG and other emissions. From 2015 to 2018, our environmental expenditures totaled approximately \$95 million.

Investments in GHG reductions include:

- Gathering systems and central facilities
- Electrification of facilities and pumping units
- Replacing high-bleed pneumatic controllers with low-bleed and instrument air actuated controllers
- Solar powered instrument air compressors, chemical pumps and batteries
- Pipeline infrastructure and process efficiencies to reduce venting and flaring

These and other investments continue to provide insight into how and where the right technologies can have the most impact when applied across all Murphy locations.

Other ongoing emissions reduction programs, which help to cut GHG emissions and other air emissions including Nitrogen Oxide (NOx), Sulphur Oxide (SOx), and Volatile Organic Compounds (VOC) include:

- Leak Detection and Repair (LDAR) Program – Utilize Forward-Looking Infrared (FLIR) cameras to reduce methane leaks by routine monitoring and repairing
- Rigorous preventative maintenance program to keep operations running clean and efficiently
- Continue to convert facilities from field gas to instrument air pneumatic equipment
- Reduce trucking traffic by installing and utilizing pipelines to transport our production as practical
- Work with operations and facility design to incorporate GHG reduction technologies and practices into our existing operations as well as new facilities
- Utilize Green Completions practices, whenever possible, to limit the amount of combustion and methane emissions

¹ 2018 GHG emissions data is a preliminary estimate in this report.

Climate Change Strategy

On issues of climate change, Murphy shares the concerns of our shareholders, employees and community. As a company, we are committed to making the necessary investments to reduce our GHG emissions, and to understand and mitigate our climate change risks. To guide our climate change strategy, Murphy has, in consultation with some of the foremost climate experts and scientists in the world, adopted a set of climate principles – the Murphy “[Guiding Principles for Climate Change](#)”.

The six principles serve to guide and inform shareholders, policymakers, and other stakeholders in how the Company is meeting climate change issues in an environmentally responsible manner. These include:



Support Environmental Stewardship

Murphy commits to continually seek opportunities to minimize overall environmental impacts in a global market.



Engage Stakeholders

Murphy commits to listen to and engage stakeholders.



Promote Global Participation

Murphy’s Climate Change Work Group evaluates government regulations and industry recommended practices to provide guidance to reduce direct and indirect emissions for the countries in which we operate.



Promote Conservation

Murphy commits to operating safely, reliably, and efficiently by developing infrastructure to conserve our natural resources.



Promote Reasonable Regulations

Murphy is engaging in practical, sustainable climate change solutions. Murphy is an active participant in industry organizations, government task forces, and nongovernment groups to help shape policies and industry practices that balance environmental benefits with operating efficiencies for its worldwide business.



Promote Efficiency

Murphy’s aim is to encourage energy efficiency best practices to help meet the world’s increasing demand for energy.

In order to stay abreast of Climate Change issues that may impact our Company, its employees and the communities in which we work, Murphy participates in a number of industry associations such as: American Petroleum Institute (API) Environmental Partnership; National Petroleum Council (NPC); South Texas Energy and Economic Roundtable (STEER); and Center for Offshore Safety (COS).

Furthermore, Murphy has been a financial sponsor of the [Massachusetts Institute of Technology Joint Program on the Science and Policy of Global Change](#) since 1998.

The API Environmental Partnership

Murphy is one of the 26 founding members of The Environmental Partnership (EP), launched by the API in December 2017. Voluntary participation in the partnership is further evidence of our ongoing commitment to minimize our environmental impact and cut GHG emissions.

The EP includes over 50 participating natural gas and oil producers. The initial focus of the partnership was on voluntarily reducing emissions from natural gas and oil production. The EP program consists of three programs. Murphy began to implement two of the programs starting January 1, 2018. The two programs are as follows:

- **Leak Program for Natural Gas and Oil Production**
Sources: We will expand monitoring and repair of fugitive emissions utilizing various detection methods and technologies
- **Program to Replace, Remove or Retrofit High-Bleed Pneumatic Controllers:** We have already replaced 49 high-bleed pneumatic controllers with low-or zero-emitting devices and we will further expand these efforts under the program

The third EP program covers manual liquids unloading for natural gas production sources. We do not have any specific natural gas wells where unloading is occurring, so this program is not relevant to our operations.

In addition to its programs, the EP provides Murphy with a platform for industry and stakeholder collaboration and best practice sharing.

Climate Change Governance and Risk Management

At Murphy, we have successfully evolved our business through numerous commodity cycles. We will continue to evolve in the future, thanks to the strategic risk oversight of our Board and management, who are informed on a regular basis by external experts on critical issues such as climate change.



We have a dedicated HSE Committee of the Board that is continually briefed and regularly engages on topics relating to climate change and the environment. Some of these topics include:

- Strategy and initiatives relating to climate change policy;
- Significant legislation or regulations, treaties, conventions or other agreements, public policies or scientific developments involving environmental matters; and
- Significant risks to, and the physical security of, the Company's facilities.

Murphy has an Executive-level Risk Committee, with primary responsibility for understanding and managing the risks affecting the enterprise's ability to achieve its objectives, and for keeping the Board of Directors informed of the nature of these risks and how they are being managed.

An Enterprise Risk Manager meets regularly with the Risk Committee to discuss our Risk Register. The Register is a list of significant enterprise-level uncertainties. Several of the risks in the Register are primarily oriented toward sustainability as an objective, namely: Reserves, Access to Resources, Climate Policy, and ESG Performance.

Enterprise-level risks are evaluated for both likelihood and significance on qualitative scales, and mitigating strategies are associated with each.

Currently, the Board of Directors receives a comprehensive report annually and is also updated on emerging risk information and new mitigation work at Board meetings throughout the year.

Periodically, the Enterprise Risk Manager works with the Risk Committee and external consultants to improve the assessment and management of enterprise-level risks.

Scenario Analysis

Today, we see the rapid deployment and falling costs of clean energy, the growing electrification of energy, and the critical shift in China to a services economy with a cleaner energy mix. We believe that oil and natural gas will continue to be a vital part of the energy mix in the long-term.

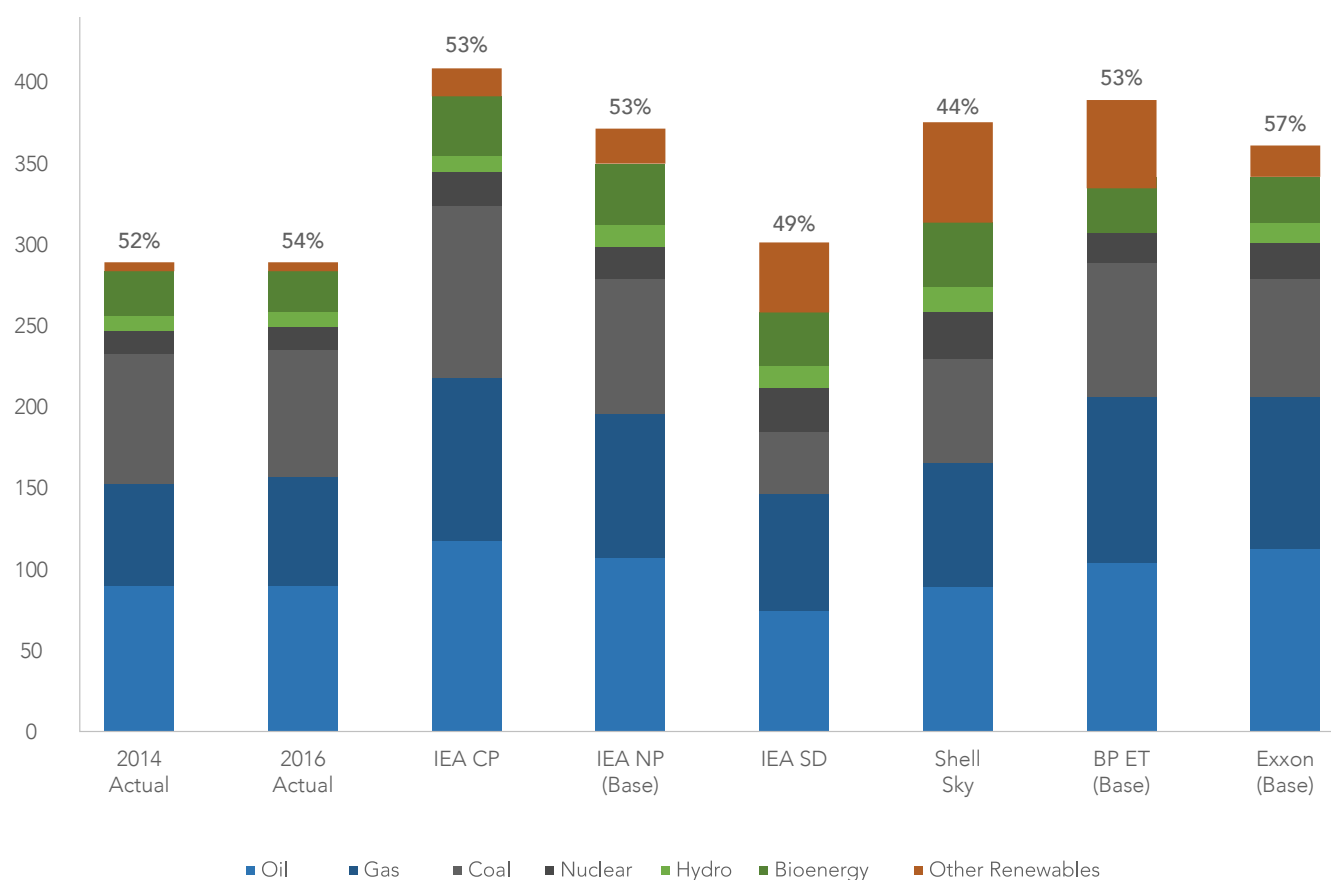
As we seek to understand the impact of the way energy demand is evolving, our Board, relevant board committees, and management consider a number of future energy and pricing scenarios to inform our strategic decision making.

Energy demand anticipated out to 2040 under each of these scenarios is summarized in the following:

Energy Pricing Scenarios That Inform Strategic Decision Making Include:

- International Energy Agency (IEA) Current Policies
- IEA New Policies (Base)
- IEA Sustainable Development
- Shell Sky Base Case
- BP ET Base Case
- ExxonMobil Base Case

Energy Demand by Fuel in 2040, MMBOEPD



Note: Percentages at the top of each bar reflect Oil & Natural Gas as a Percent of Total Demand

Ultimately, we believe it is our responsibility to ensure we provide the oil and natural gas the world will continue to need, while maintaining the very highest environmental standards.

Spills Management

Managing spill risk is a critical element of our commitment to reduce environmental impact. Our HSE Policy and HSE Management System, along with asset integrity management, helped us reach an International Association of Oil and Gas Producers (IOGP) spill rate of 0.06 for 2018, well below our Annual Target of 0.11 (number of hydrocarbon spills outside containment ≥ 1 bbl per MMBOE of Operated Production). We incurred 5 IOGP spills in 2018. IOGP spill volume continues to be an area of improvement with 380 bbls spilled during the year (≥ 1 bbl) compared to 1,475 bbls in 2017.

Looking ahead into 2019, we have changed our spill metric target to focus on reducing our volume of hydrocarbon spills. As such we will measure our oil volume spilled outside of containment to the environment ≥ 1 bbl per MMBOE of operated production.

0.11

2018 Spill
Rate Target

0.06

2018 Spill
Rate Achieved

Water Management

At Murphy, our water strategy starts by ensuring all operations avoid wetlands, streams, ponds and lakes. We work with third-party biologists and ecologists to conduct Environmental Site Assessments to establish pad staking and pipeline locations that specifically do not impact waters of the U.S.

When using water in our operations, we are exploring various opportunities for reuse. At some sites, storage and conveyance restrictions limit our ability to economically reuse flowback and produced water. However, across all Murphy [Eagle Ford Shale](#) operations, for example, we have successfully increased water reuse from 2% in 2017 to 8% in 2018. We have successfully tested water reuse on an individual well completion in Dimmit County, Texas, with approximately 37% of the total water used coming from recycled water. Across all of our North America Onshore operations our water reuse in well completions was 1.4% in 2017 and 4.4% in 2018.

Offshore, our only water use is for cooling. When discharging water offshore, we comply with the National Pollutant Discharge Elimination System (NPDES), managed and regulated by the U.S. Environmental Protection Agency (EPA).

Emergency Response and Preparedness

At Murphy we work hard to ensure we minimize all environmental and safety risks and hazards. However, it is critical that we are fully prepared should an event occur that has the potential to negatively impact our employees and contractors, facilities, operations, the environment or the general public and other stakeholders.

We maintain and update our emergency response and business continuity plans. We recognize that in order for our emergency response plans to be most effective, they must be accompanied by regular and comprehensive training. We maintain a global training and drill schedule across all business units, providing well containment and spill exercises, Incident Command System (ICS) training, and business continuity planning exercises. Training and drills are in compliance with all relevant regulations. In 2018, we conducted more than 10 training and exercise drills across all of our businesses.





Investing in Our People

Murphy Oil Corporation is a worldwide organization with over 1,300 employees globally. In addition to our sound, strategic operations, a big reason we continue to grow is due to our ability to recognize and attract talented people, the real strength of our Company.

For starters, Murphy provides competitive compensation, outstanding benefits and a global work environment. We also recognize the importance of allowing individuals room to explore opportunities and grow their careers. Employees, new graduates and interns have training programs designed to enhance their knowledge and skill sets. Mentors play a key role in the development of early career talent.



Benefits and Incentives

Murphy provides a competitive benefits package designed to foster a healthy work/life balance and to help employees plan and prepare for their future. It starts with competitive compensation. We also provide excellent health coverage – medical, dental and vision – for employees and their families.

The Company provides a non-contributory cash balance plan that provides retirement benefits for all eligible employees. In addition, in the U.S., our 401(k) savings plan also assists employees in saving for retirement. The Company matches 100% of pre-tax contributions up to a maximum of 6% of eligible pay. Effective January 1, 2019, following a comprehensive review of benefits, the Company enhanced its benefits by adding personal paid leave totaling one work week, and paid parental leave for births or adoptions (twelve weeks for birth mothers, four weeks for fathers, four weeks for adopting parents), for all U.S. employees.

In Canada, the Company provides a Defined Contribution Pension Plan for all eligible employees which includes Company matching. Eligible employees can also choose to participate in the Company's Savings Plan which the Company matches up to 6%.

Diversity and Inclusion

At Murphy, we believe the rich experiences and backgrounds of our employees strengthen our Company, create a productive workforce, and drive our success.

Murphy is an Equal Opportunity Employer. We employ and promote persons in all positions without regard to race, religion, gender, national origin, disability, veteran status, age, sexual orientation, or any other characteristic protected by applicable law. In the U.S., the Company is also actively

Additional benefits include*

- + Employee Assistance Program
- + Employee Educational Assistance
- + Flexible Health Spending Account
- + Life and AD&D Insurance
- + Long-Term Disability
- + Occupational Accidental Death
- + Service Awards
- + Travel Assistance Program

* may vary by country

engaged in an Affirmative Action Program to employ and promote qualified minority, female, disabled, disabled veterans and covered veterans, in accordance with applicable federal and state statutes and Presidential Executive Orders.

As part of our commitment to promote workforce diversity and inclusion, we track age, gender and ethnicity for all full-time, expatriate, in-patriate, and fixed term employees, broken down by geography.

Professional and Personal Development

Murphy offers its employees a variety of enrichment opportunities and job-related training throughout the year including in-house, external, and virtual seminars and workshops. We are committed to providing training that develops both personal and professional skills, and we sponsor employee participation in industry and professional organizations.



Leadership development investments in 2018 included:

- Murphy's Leadership Program for mid-level managers
- Development of an executive leadership program for high potential employees
- An online My Murphy Learning program for all employees
- High potential employees work directly with senior management on development activities

Murphy employees represent the Company through a number of professional networks, affording them an opportunity for learning and development, spreading best practice and expertise throughout the industry, and supporting sustainable development in our local communities.

Examples include:

- Greater Houston Partnership
- Women's Energy Network
- Houston Business Journal Diversity Events
- Oil and Gas Diversity Council
- Canadian Association of Petroleum Producers (CAPP)
- Calgary Exchange Group (CEG)
- Hay Upstream Network
- Malaysia International Chamber of Commerce

- APAC Energy Forum by Mercer
- American Chamber of Commerce (AmCham)
- Society of Petroleum Engineers (SPE)
- American Petroleum Institute (API)
- South Texas Energy and Economic Roundtable (STEER)
- National Ocean Industries Association (NOIA)

In 2018, we implemented a Global Learning Management System, offering 300 professional development courses and over 125 technical courses online.

Murphy leadership believes very strongly in encouraging and supporting its people who wish to continue their education. Murphy offers an Employee Educational Assistance Program, through which the Company contributes towards the cost of tuition, textbooks and some required fees employees incur at accredited colleges, universities or trade schools.

Employee Turnover

To ensure that our human capital investment and development programs are effective, we track global voluntary employee turnover, broken down by geography, on a monthly basis. This data is shared on a monthly basis with the leadership team and the Board, who use it to develop our human capital strategy.

In 2018, the Company's global voluntary turnover rate was 9.48%.



Community Engagement

At Murphy, we understand that having good relations with the local communities in which we work is critical to our operations. Where we have assets located in populated areas, or on land that provides resources to local communities, we undertake various efforts to participate in constructive community engagement and minimize negative impacts.

Before we make an investment or commence with any new operations, we apply several key processes and practices to ensure we have identified local community and stakeholder concerns, and are effectively mitigating any associated risks.

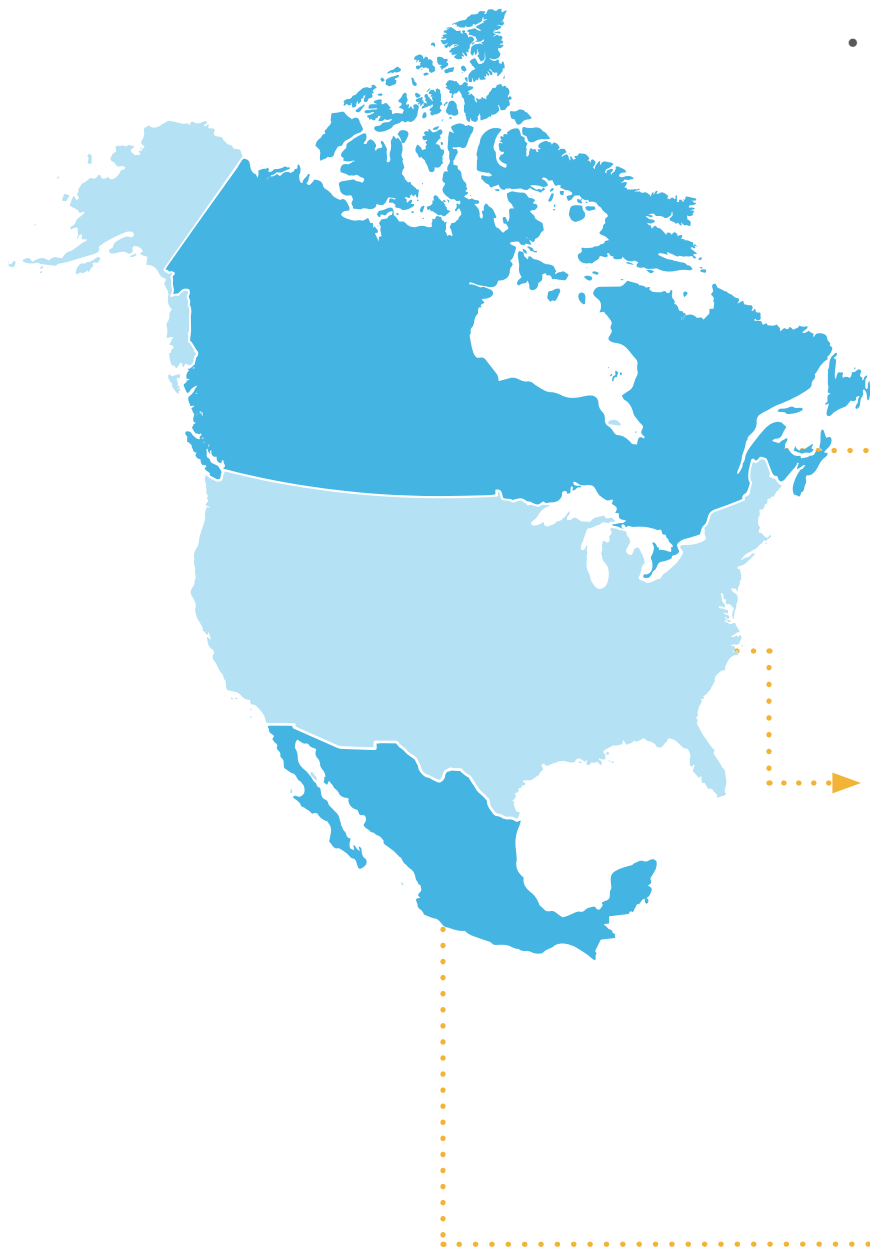
Murphy communicates with a variety of host country stakeholders, including regulators, non-governmental organizations and other policy influencers to better understand the issues applicable to our operations and to mitigate potential risks to the Company's license to operate. This engagement is done in accordance with Murphy's Code of Business Conduct and Ethics.

Host Country Engagement

We have a new country entry process which helps to assess the nontechnical, aboveground risks when evaluating opportunities in a new country of operation. This includes an assessment of key demographics and geography, economic standing and outlook; geopolitical relations and political system; regulatory and fiscal regime; and political and security risks.

Negotiating and entering production-sharing contracts or other agreements with international host countries often presents opportunities to support the local community through:

- **Prioritization of Local Suppliers**
- **Threshold Investment Targets for Local Content**
- **Specifications for Local Companies or Workers**
- **Commitment to Social Investment Programs** to address the development needs of the community and/or contribute to education improvement and work skill development of host country populations



In Canada, we have implemented a rigorous community consultation process that is regulated by the Alberta Energy Regulator in Alberta and the Oil and Gas Commission in British Columbia.

In the U.S., we undertake a wide range of industry collaboration and corporate citizenship initiatives, which are described in detail in the sections following.

In Mexico, Murphy has conducted a Social Impact Assessment and has established responsibilities that are aligned with regulatory requirements, including regular interface with community members, and building consensus on an approach to improve the overall welfare of the communities impacted by our operations.

Industry Collaboration

Murphy is a founding member of the South Texas Energy & Economic Roundtable (STEER) program in the Eagle Ford Shale region. STEER was developed in large part to help support positive developments that are beneficial for the communities that have nurtured and maintained this region for decades, and to help to successfully integrate the oil and natural gas industry into the region.

STEER focuses on a number of critical community issues, including availability of housing, healthcare services and infrastructure, road safety, local skills development, and environmental protection.

For example, in 2018, STEER worked with the Texas Water Development Board to complete the Evergreen Aquifer Water Study, equipping the Evergreen Underground Water Conservation District with better data, science, and decision-making tools.

Murphy is also an active member of API, NOIA, and local Chambers of Commerce and business councils.

Corporate Citizenship

For more than half a century, Murphy has been committed to exceptional corporate citizenship. Corporate contributions have spanned from the local United Way, in both the U.S. and Canada, to supporting social development programs for underprivileged communities in Malaysia. The Company has carefully, thoughtfully and successfully built partnerships with educational, civic and charitable initiatives in the communities in which it operates.

Murphy recognizes and applauds the positive impact its employees make. From volunteering as youth sports coaches to working at women's shelters to building homes and planting trees to serving on city government commissions, school boards, chambers of commerce, etc., Murphy employees give enthusiastically of themselves, and of their time, to strengthen their communities.

In addition to volunteerism, Murphy encourages its people to donate personal funds. The Company's Employee Gift Matching Program offered to employees in North America matches qualified donations on a dollar-for-dollar basis.

Murphy has also contributed to the revitalization efforts in El Dorado through the Murphy Arts District which is part of a wider effort to support economic development in South Arkansas.

Disaster Relief Foundation

When Hurricane Harvey hit Houston in 2017, many of Murphy employees and their families were adversely affected. Murphy employees from across the organization immediately stepped up to help wherever they could. Due to widespread flooding, the Houston office was closed for a week, which allowed employees to reach out to their co-workers in need by cleaning out houses, donating supplies and providing places for displaced colleagues to stay. In addition to providing supplies, housing and transportation to those in need, the Company began the Murphy Employees Disaster Relief Foundation to provide grants to employees who were hit the hardest by Harvey. Murphy directors and employees contributed to the foundation and the Company matched their contributions. With employees' contributions and Company matching, over \$315,000 was collected through the Foundation in 2017. These funds were used to help those employees who were affected by the storm, providing housing and temporary vehicles. The Foundation remains in place to aid with any future disasters, as needed.



Passionate About Education

Murphy has built a legacy of contributing to educational institutions and programs. Through the Employee Gift Matching Program, the Company increases its match of employee contributions to 2:1 for educational institutions.

In El Dorado, Arkansas, Murphy has sponsored two major programs to encourage academic success. The Murphy Education Program, established in 1997, awards El Dorado Public School students with monetary prizes for outstanding scores on benchmark tests. This program also awards cash to each El Dorado High School student for excellence on Advanced Placement (including a cash award to the AP teacher), ACT and SAT tests and for qualifying as a National Merit Semifinalist or Finalist.

In 2007, Murphy established the El Dorado Promise Scholarship Program. Through a \$50 million commitment from the Company, the Promise enables graduates of El Dorado High School, who have been enrolled since at least the ninth grade, to have their college tuition and mandatory fees paid at any, public or private, regionally accredited university in the U.S. (capped at the highest annual resident tuition at an Arkansas public university). Because of this special scholarship program, the college enrollment rate of El Dorado High School graduates has surpassed state and national levels.



2,474

students have been placed in the El Dorado Promise scholarship program.



140

colleges and universities have accepted the graduates of El Dorado High School.

2019 El Dorado Promise Impact Report

January 22, 2019, marked the 12th anniversary of the El Dorado Promise, which continues to make an impact on students, teachers and administrators in the El Dorado school district, as well as the community.



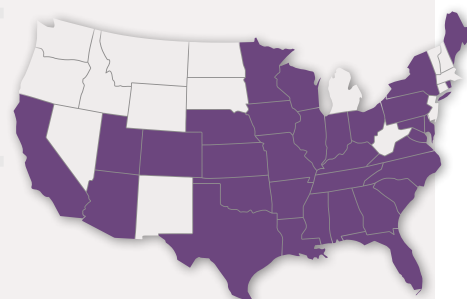
Nearly 2,500 students have received the Promise since it began in 2007. They have taken the scholarship to 140 schools in 31 different states. Studies done by the Office for Education Policy (OEP) at the University of Arkansas in 2018 indicate that the Promise had a significant impact on students enrolling in postsecondary education. There was a 16.5 percentage point increase in college enrollment after the announcement of the Promise, keeping El Dorado School District enrollment on the rise while all nearby communities have declined. As more students have continued their education with the Promise and have completed their undergraduate programs, statistics are available for how the Promise has influenced degree completion.

The OEP also found that the Promise was associated with an overall 10.7 percentage point increase in bachelor's degree completion and a 12.7 percentage point increase in bachelor's degree completion for Promise Scholars whose high school grade point average was in the top 50% of their class.

There are many Promise graduates who have returned to El Dorado and South Arkansas to work. These Promise graduates are employed as accountants, teachers, coaches, veterinarians, lawyers, loan officers, engineers, nurses, chefs and in many other professions.

31 States

El Dorado graduates have spread across the country, studying in 31 states.





United Way Partnership



In the U.S. and Canada, Murphy employees annually participate in a campaign to raise funds for the United Way. Murphy's long-term partnership with the United Way began over 50 years ago and has served to increase employee awareness of the needs of their fellow citizens. Over the last 20 years, Murphy and its employees contributed a total of more than \$15 million to benefit United Way organizations including the Salvation Army, the American Red Cross, Boys and Girls Clubs of America, and many other community organizations. In fact, Murphy's locations across the nation lead their respective towns in fundraising for the United Way. In 2018, contributions from 100% of Murphy's El Dorado employees along with the Company's gift matching fund totaled over \$180,400 to the local United Way campaign.

Murphy's other locations also serve as top givers in their local United Way campaigns. In 2018, Murphy's North America locations contributed more than \$673,000 to United Way through its employees' and gift matching.

In Houston, contributions from 95% of our employees and the Company's gift matching fund totaled \$403,000 to the United Way.

In Calgary, 91% of employees participated, donating nearly \$90,000 with match.

\$15MM

has been donated over the past 20 years.

100%

of El Dorado employees donated in 2018.

91%

of Calgary employees donated in 2018.

95%

of Houston employees donated in 2018.

Safety and Environmental Performance Data

	Units	2018	2017	2016	2015
Social					
Safety					
Fatalities - employees + contractors	#	0	0	0	0
Workforce total recordable incident rate - employees + contractors	per 200,000 work hrs	0.40	0.40	0.19	0.28
Workforce lost time incident rate - employees + contractors	per 200,000 work hrs	0.15	0.12	0.06	0.02
Environment					
Climate Change¹					
Direct GHG Emissions	metric ton CO ₂ e	1,877,200	1,966,941	2,062,920	2,689,920
Direct GHG Emissions – Flaring/venting	%	53.0%	48.1%	49.7%	44.6%
Direct GHG Emissions – Fuel combustion	%	34.0%	33.5%	34.7%	37.2%
Direct GHG Emissions – Other	%	13.0%	19.4%	16.6%	18.2%
Indirect GHG Emissions	metric ton CO ₂ e	220,999	173,612	172,487	174,271
Total Direct + Indirect GHG Emissions	metric ton CO ₂ e	2,098,199	2,140,553	2,167,726	2,926,301
Gross Operated Production	MMBOE	87.32	85.20	85.38	114.11
GHG Emissions Intensity	CO ₂ e/MMBOE	24,029	25,125	25,388	25,645
Water					
Total Freshwater Use	barrels	23,634,781	22,452,972	15,160,716	27,231,078
Groundwater	barrels	14,943,818	21,221,614	12,756,288	25,864,581
Municipal	barrels	0	377,400	0	0
Surface water	barrels	8,690,962	5,843,958	2,404,428	1,366,496
Produced Water Recycled	barrels	1,092,465	382,042	0	0
Percent Recycled Water of Total Water Use	%	4.4%	1.4%	0	0
Spills²					
Hydrocarbon spills	#	5	4	8	24
Hydrocarbon spills	barrels	380	1,475	668	2,126

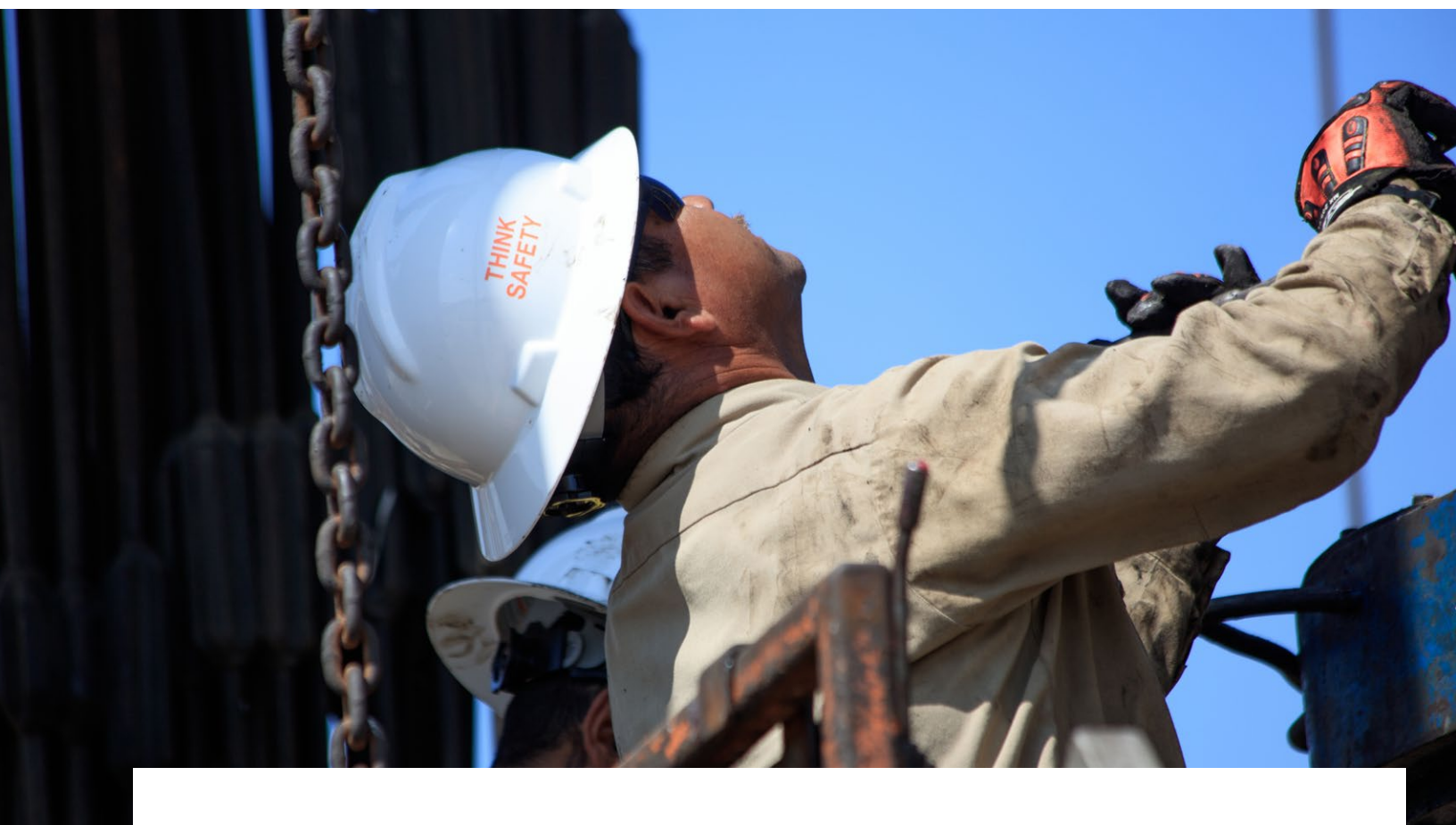
¹ 2018 GHG emissions data is a preliminary estimate in this report

² Spill event ≥1 bbl and outside of containment

CO₂e: Carbon dioxide equivalent

MMBOE: Millions of barrels of oil equivalent





Assurance

Information in this report has been subject to internal review and we believe it to be correct at the time of reporting.

Forward-Looking Statements and Risks

This report includes “forward-looking statements” within the meaning of the Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts, including information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives, are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations are included in the Company’s annual and quarterly reports filed with the Securities and Exchange Commission.

Your Feedback Is Welcome

For questions or feedback on our 2019 Sustainability Report, please contact us at sustainability@murphyoilcorp.com.

Additional Information

Visit www.murphyoilcorp.com for additional information.