Risk Factors Comparison 2024-02-23 to 2023-02-27 Form: 10-K

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The Company faces risks in the normal course of business and through global, regional and local events that could have an adverse impact on its reputation, operations, and financial performance. The Board ~~of Directors~~ exercises oversight of the Company' s enterprise risk management program, which includes strategic, operational and financial matters, as well as compliance and legal risks. The Board ~~of Directors~~ receives updates annually on the risk management processes. The following are some important factors that could cause the Company' s actual results to differ materially from those projected in any forward- looking statements. If any of the events or circumstances described in any of the following risk factors occurs, our business, results of operations and / or financial condition could be materially and adversely affected, and our actual results may differ materially from those contemplated in any forward- looking statements we make in any public disclosures. Price Risk Factors Volatility in the global prices of crude oil, natural gas liquids and natural gas can significantly affect the Company' s operating results, cash flows and financial condition. Among the most significant variable factors impacting the Company' s results of operations are the sales prices for crude oil and natural gas that it produces. Many of the factors influencing prices of crude oil and natural gas are beyond our control. These factors include: • ~~the occurrence or threat of epidemics or pandemics, such as the outbreak of coronavirus disease 2019 (COVID- 19), or any government response to such occurrence or threat which may lower the demand for hydrocarbon fuels; •~~ worldwide and domestic supplies of, and demand for, crude oil, natural gas liquids and natural gas; • the ability of the members of **the Organization of the Petroleum Exporting Countries (** OPEC **)** and certain non- OPEC members, for example, Russia, to agree to maintain or adjust production levels; • the production levels of non- OPEC countries, including, amongst others, production levels in the shale plays in the United States; • political instability or armed conflict in oil and ~~natural~~ gas producing regions, such as the Russia- Ukraine **conflict and Israeli- Palestinian** conflict; • the level of drilling, completion and production activities by other exploration and production companies, and variability therein, in response to market conditions; • changes in weather patterns and climate, including those that may result from climate change; • natural disasters such as hurricanes and tornadoes, including those that may result from climate change; • the price, availability and the demand for and of alternative and competing forms of energy, such as nuclear, hydroelectric, wind or solar; • the effect of conservation efforts and focus on climate- change; • technological advances affecting energy consumption and energy supply; • increased activism against, or change in public sentiment for, oil and gas exploration, development, and production activities and considerations including climate change and the transition to a lower carbon economy; • **the occurrence or threat of epidemics or pandemics, such as the outbreak of COVID- 19, or any government response to such occurrence or threat which may lower the demand for hydrocarbon fuels; •** domestic and foreign governmental regulations and taxes, including further legislation requiring, subsidizing or providing tax benefits for the use or generation of alternative energy sources and fuels; and • general economic conditions worldwide, including inflationary conditions and related governmental policies and interventions. West Texas Intermediate (WTI) crude oil prices averaged $ ~~94~~ **77. 62** per barrel in **2023, compared to $ 94. 23 in** 2022 **and** ~~, compared to~~ $ ~~68~~ **67. 91** in 2021 ~~, $ 39 in 2020 and $ 57 in 2019~~. Certain U. S. and Canadian crude oils are priced from oil indices other than WTI, and these indices are influenced by different supply and demand forces than those that affect WTI prices. The most PART IItem 1A. Risk Factors- Continued common crude oil indices used to price the Company' s crude include Mars, WTI Houston (MEH), Heavy Louisiana Sweet (HLS) and Brent. The average New York Mercantile Exchange (NYMEX) natural gas sales price was $ ~~6~~ **2** . ~~38~~ **53** per million British Thermal Units (MMBTU) in **2023, compared to $ 6. 38 in** 2022 **and** ~~, compared to~~ $ 3. 84 in 2021 ~~and $ 1. 99 in 2020~~. The Company also has exposure to the Canadian benchmark natural gas price, **Alberta Energy Company (** AECO **)** , which averaged **C** ~~US $ 4. 09 per MMBTU in 2022, compared to US~~ $ 2. ~~89~~ **64 per MCF in 2023, compared to C $ 5. 31 in 2022 and C $ 3. 63** in 2021 ~~and US $ 1. 66 in 2020~~. The Company has entered into certain forward fixed price contracts as detailed in the Outlook section **beginning** on page ~~54~~ **51** and spot contracts providing exposure to other market prices at specific sales points such as Malin (Oregon, U. S.) and Dawn (Ontario, Canada). Lower prices, should they occur, will materially and adversely affect our results of operations, cash flows and financial condition. Lower oil and natural gas prices could reduce the amount of oil and natural gas that the Company can economically produce, resulting in a reduction in the proved oil and natural gas reserves we could recognize, which could impact the recoverability and carrying value of our assets. The Company cannot predict how changes in the sales prices of oil and natural gas will affect the results of operations in future periods. ~~The Company may hedge a portion of its exposure to the effects of changing prices of crude oil and natural gas by selling forwards, swaps and other forms of derivative contracts.~~ Lower oil and natural gas prices adversely affect the Company in several ways: • Lower sales value for the Company' s oil and natural gas production reduces cash flows and net income. • Lower cash flows may cause the Company to reduce its capital expenditure program, thereby potentially restricting its ability to grow production and add proved reserves. • Lower oil and natural gas prices could lead to impairment charges in future periods, therefore reducing net income. • Reductions in oil and natural gas prices could lead to reductions in the Company' s proved reserves in future years. Low prices could make a portion of the Company' s proved reserves uneconomic, which in turn could lead to the removal of certain of the Company' s year- end reported proved oil reserves in future periods. These reserve reductions could be significant. • **Lower** ~~In order to manage the potential volatility of cash flows and credit requirements, we maintain appropriate bank credit facilities. Inability, as a result of low~~ oil and natural gas prices ~~,~~ **could lead to an inability** to access, renew **,** or replace ~~such~~ credit facilities ~~or~~ **, and could also impair** access **to** other sources of funding as ~~they~~ **these** mature ~~would~~ **, potentially** negatively ~~impact~~ **impacting** our liquidity. • Lower prices for oil and natural gas could cause the Company to lower its dividend because of lower cash flows. See

Note ~~L~~ **K** for additional information on the derivative instruments used to manage certain risks related to commodity prices. Murphy' s commodity price risk management may limit the Company' s ability to fully benefit from potential future price increases for oil and natural gas. The Company, from time to time, enters into various contracts to protect its cash flows against lower oil and natural gas prices. To the extent that the Company enters into these contracts and in the event that prices for oil and natural gas increase in future periods, the Company will not fully benefit from the price improvement on all production. See Note ~~L~~ **K** for additional information on the derivative instruments used to manage certain risks related to commodity prices. Operational Risk Factors Murphy operates in highly competitive environments which could adversely affect it in many ways, including its profitability, cash flows and its ability to grow. Murphy operates in the oil and ~~natural~~ gas industry and experiences competition from other oil and ~~natural~~ gas companies, which include major integrated oil companies, independent producers of oil and ~~natural~~ gas, and state- owned foreign oil companies. Many of the major integrated and state- owned oil companies and some of the independent producers that compete with the Company have substantially greater resources than Murphy. In addition, the oil industry as a whole competes with other industries in supplying energy requirements around the world. Within the industry, Murphy competes for, among other things, valuable acreage positions, exploration licenses, drilling equipment and talent. Exploration drilling results can significantly affect the Company' s operating results. The Company drills exploratory wells which subjects its exploration and production operating results to exposure to dry hole expense, which has in the past **,** and may in the future, adversely affect our results of operations. The Company ~~' s~~ **plans to continue assessing exploration activities as part of its overall** strategy ~~is to~~ **. In 2023, the Company** ~~participate~~ **participated** in three ~~to five~~ exploration wells ~~per year~~ . ~~In 2022~~ **The Longclaw # 1 well (Green Canyon 433)** , **located** ~~the Company participated~~ in ~~two exploration~~ **the Gulf of Mexico, resulted in a commercial discovery while the Oso # 1 (Atwater Valley 138) and Chinook # 7 (Walker Ridge 425)** wells, ~~the Cutthroat well~~ located in ~~Brazil and~~ the ~~Tulum~~ **Gulf of Mexico, failed to encounter commercial hydrocarbons. Additionally, the Company expensed previously suspended costs associated with the 2019 Cholula** - 1EXP well **which was determined** ~~located in Mexico, that failed~~ to ~~encounter~~ **be non-** commercial ~~hydrocarbons. In addition, in December of 2022, the Company commenced drilling of the Oso- 1 well in the Gulf of Mexico, with drilling to continue through the first quarter of 2023~~ . The Company has budgeted $ ~~100~~ **120** million for its ~~2023~~ **2024** exploration program, which includes ~~finishing the Oso- 1 well and~~ drilling two ~~additional~~ **operated wells in Vietnam and two non- operated wells in the** Gulf of Mexico ~~operated exploration wells~~ . If Murphy cannot replace its oil and natural gas reserves, it may not be able to sustain or grow its business. Murphy continually depletes its oil and natural gas reserves as production occurs. To sustain and grow its business, the Company must successfully replace the oil and natural gas it produces with additional reserves. Therefore, it must create and maintain a portfolio of good prospects for future reserves additions and production. The Company must find, acquire or develop, and produce reserves at a competitive cost to be successful in the long- term. Murphy' s ability to operate profitably in the exploration and production business, therefore, is dependent on its ability to find (and / or acquire), develop and produce oil and natural gas reserves at costs that are less than the realized sales price for these products. Murphy' s proved reserves are based on the professional judgment of its engineers and may be subject to revision. Proved reserves of crude oil, natural gas liquids **,** ~~(NGL)~~ and natural gas included in this report on pages ~~110~~ **103** through ~~119~~ **112** have been prepared according to the SEC guidelines by qualified ~~Company~~ **company** personnel or qualified independent engineers based on an unweighted average of crude oil, NGL and natural gas prices in effect at the beginning of each month of the respective year as well as other conditions and information available at the time the estimates were prepared. Estimation of reserves is a subjective process that involves professional judgment by engineers about volumes to be recovered in future periods from underground oil and natural gas reservoirs. Estimates of economically recoverable crude oil, NGL and natural gas reserves and future net cash flows depend upon a number of variable factors and assumptions, and consequently, different engineers could arrive at different estimates of reserves and future net cash flows based on the same available data and using industry accepted engineering practices and scientific methods. In ~~2022~~ **2023** , ~~98~~ **96** . ~~0~~ **6** % of the ~~Proved~~ **proved** reserves were audited by third- party auditors. Murphy' s actual future oil and natural gas production may vary substantially from its reported quantity of proved reserves due to a number of factors, including: • Oil and natural gas prices which are materially different from prices used to compute proved reserves; • Operating and / or capital costs which are materially different from those assumed to compute proved reserves; • Future reservoir performance which is materially different from models used to compute proved reserves; and • Governmental regulations or actions which materially impact operations of a field. The Company' s proved undeveloped reserves represent significant portions of total proved reserves. As of December 31, ~~2022~~ **2023** , and including noncontrolling interests, approximately ~~31~~ **32** % of the Company' s crude oil and condensate proved reserves, ~~29~~ **31** % of natural gas liquids proved reserves and ~~47~~ **50** % of natural gas proved reserves are undeveloped. The ability of the Company to reclassify these undeveloped proved reserves to the proved developed classification is generally dependent on the successful completion of one or more operations, which might include further development drilling, construction of facilities or pipelines and well workovers. The discounted future net revenues from our proved reserves as reported on pages ~~123~~ **116** and ~~124~~ **117** should not be considered as the market value of the reserves attributable to our properties. As required by **U. S.** generally accepted accounting principles (GAAP), the estimated discounted future net revenues from our proved reserves are based on an unweighted average of the oil and natural gas prices in effect at the beginning of each month during the year. Actual future prices and costs may be materially higher or lower than those used in the reserves computations. In addition, the 10 % discount factor that is required to be used to calculate discounted future net revenues for reporting purposes under GAAP is not necessarily the most appropriate discount factor based on our cost of capital, the risks associated with our business and the risk associated with the industry in general. Murphy is **reliant on certain third party infrastructure to develop projects and operations. The Company relies on the availability and capacity of infrastructure, such as transportation and processing facilities, and equipment that are often owned and operated by others. These third- party systems, facilities, and equipment may not always be available to the Company and, if available, may not be available at a price that is acceptable to the Company. The**

unavailability or high cost of such equipment or infrastructure could adversely affect our ability to establish and execute exploration and development plans within budget and on a timely basis, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our inability to access appropriate equipment and infrastructure in a timely manner and on acceptable terms may hinder our access to oil and natural gas markets or delay our oil and natural gas production. Murphy is sometimes reliant on joint venture partners for operating assets, and / or funding development projects and operations. Certain of the Company' s major oil and natural gas producing properties are operated by others. Therefore, Murphy does not fully control all activities at certain of its revenue generating properties. During ~~2022~~ **2023** , approximately ~~21~~ **18** % of the Company' s total production was at fields operated by others, while at December 31, ~~2022~~ **2023** , approximately ~~15~~ **13** % of the Company' s total proved reserves were at fields operated by others. ~~Additionally, the Company relies on the availability of transportation and processing facilities that are often owned and operated by others. These third- party systems and facilities may not always be available to the Company and, if available, may not be available at a price that is acceptable to the Company.~~ Some of Murphy' s development projects entail significant capital expenditures and have long development cycle times. As a result, the Company' s partners must be able to fund their share of investment costs through the development cycle, through cash flow from operations, external credit facilities, or other sources, including financing arrangements. Murphy' s partners are also susceptible to certain of the risk factors noted herein, including, but not limited to, commodity ~~price~~ **prices** , fiscal regime changes, government project approval delays, regulatory changes, credit downgrades and regional conflict. If one or more of these factors negatively impacts a project **operator' s or** partners' cash flows or ability to obtain adequate financing **, or if an operator of our projects fails to adequately perform operations or fulfill its obligations under the applicable agreements** , it could result in a delay or cancellation of a project, resulting in a reduction of the Company' s reserves and production, which negatively impacts the timing and receipt of planned cash flows and expected profitability. Murphy' s business is subject to operational hazards, severe weather events, physical security risks and risks normally associated with the exploration and production of oil and natural gas, which could become more significant as a result of climate change. The Company operates in **a variety of locales, including** urban ~~and~~ **,** remote, and sometimes inhospitable, areas around the world. The occurrence of an event, including but not limited to acts of nature such as hurricanes, floods, earthquakes (and other forms of severe weather), mechanical equipment failures, industrial accidents, fires, explosions, acts of war, civil unrest, piracy and acts of terrorism could result in the loss of hydrocarbons and associated revenues, environmental pollution or contamination, personal injury, (including death), and property damages for which the Company could be deemed to be liable and which could subject the Company to substantial fines and / or claims for punitive damages. This risk extends to actions and operational hazards of other operators in the industry, which may also impact the Company. The location of many of Murphy' s key assets causes the Company to be vulnerable to severe weather, including hurricanes ~~and~~ **,** tropical storms **and extreme temperatures** . Many of the Company' s offshore fields are in the U. S. Gulf of Mexico, where hurricanes and tropical storms can lead to shutdowns and damages. The U. S. hurricane season runs from June through November. Moreover, ~~it should be noted that~~ scientists have predicted that increasing concentrations of GHG in the earth' s atmosphere may produce climate changes that increase significant weather events, such as increased frequency and severity of storms, droughts, and floods and other climatic events. If such effects were to occur, our operations could be adversely affected. Although the Company maintains insurance for such risks ~~as described elsewhere in this Form 10- K report~~ , due to policy deductibles and possible coverage limits, weather- related risks to our operations are not fully insured. **For additional details on insurance, see Risk Factors, " General Risk Factors – Murphy' s insurance may not be adequate to offset costs associated with certain events, and there can be no assurance that insurance coverage will continue to be available in the future on terms that justify its purchase. "** In addition, certain customer and supplier assets, such as storage terminals, processing facilities, refineries and pipelines, are located in areas that may be prone to severe weather events, including hurricanes, winter storms, floods and major tropical storms **, all of which may be exacerbated by climate change** . Severe weather events that significantly affect facilities belonging to such customers or suppliers may reduce demand for our products and interrupt our ability to bring products to market and may therefore materially and adversely affect our results of operations, cash flows and financial condition, even if our own facilities escape significant damage. ~~Murphy is~~ **Hydraulic fracturing operations** subject ~~to numerous environmental, health and safety laws and regulations, and such existing and any potential future laws and regulations may result in material liabilities and costs. The Company' s operations are subject to various international, foreign, national, state, provincial and local environmental, health and safety laws, regulations, governmental actions and permit requirements, including related to~~ the **Company** ~~generation, storage, handling, use, disposal and remediation of petroleum products, wastewater and hazardous materials; the emission and discharge of such materials~~ to ~~the environment, including GHG emissions; wildlife, habitat and water protection; the placement, operation~~ **operational risks inherent in the drilling** and ~~decommissioning of~~ production ~~equipment; the health and safety~~ of our employees, contractors and communities where......; or otherwise clean up contaminated soil - **oil** ~~, surface water or groundwater, address spills~~ and **natural gas** ~~leaks from pipelines and production equipment, and perform remedial plugging operations. In addition to significant investigation and remediation costs, such matters can result in fines and also give rise to third- party claims for personal injury and property or other environmental damage~~ . The Company' s onshore North America oil and natural gas production is dependent on a technique known as hydraulic fracturing whereby water, sand and certain chemicals are injected into deep oil and natural gas bearing reservoirs in North America. This process occurs thousands of feet below the surface and creates fractures in the rock formation within the reservoir which enhances migration of oil and natural gas to the wellbore. The ~~risks associated with hydraulic~~ **Hydraulic** fracturing operations **subject the Company to operational risks inherent in the drilling and production of oil and natural gas.These risks** include ~~,but are not limited to,~~ underground migration or surface spillage due to releases of oil,natural gas,formation water or well fluids,as well as any related surface or groundwater contamination,including from petroleum constituents or hydraulic fracturing chemical additives.Ineffective containment of surface spillage and surface or groundwater contamination resulting from hydraulic fracturing operations,including from petroleum constituents or hydraulic fracturing chemical additives,could result in environmental pollution,remediation expenses ~~,~~ and third- party claims alleging damages,which could adversely affect the Company' s financial condition and results of operations. ~~In addition,hydraulic fracturing requires significant quantities of~~ Company primarily uses ~~this technique~~ **hydraulic fracturing** in the Eagle Ford Shale in South Texas and in Kaybob Duvernay and Tupper Montney in Western Canada. Texas law imposes permitting, disclosure, disposal and well construction requirements on hydraulic fracturing operations, as well as public disclosure of certain information regarding the components used in the hydraulic fracturing process. Regulations in the provinces of British Columbia and Alberta also govern various aspects of hydraulic fracturing activities under their jurisdictions. It is possible that Texas, other states in which we may conduct fracturing in the future, the U. S., Canadian provinces and certain municipalities may adopt further laws or regulations which could render the process unlawful, less effective or drive up its costs. If any such action is taken in the future, the Company' s production levels could be adversely affected, or its costs of drilling and completion could be increased. Once new laws and / or regulations have been enacted and adopted, the costs of compliance are appraised. Hydraulic fracturing operations subject the Company to...... financial condition and results of operations. In addition, ~~hydraulic fracturing requires significant quantities of water;~~ the **U** ~~wastewater from oil and natural gas operations is often disposed of through underground injection~~ . **S** ~~Certain increased seismic activities have been linked to underground water injection~~ . **Bureau** ~~Any diminished access to water for use in the hydraulic fracturing process, any inability to properly dispose~~ of **Ocean Energy Management (** ~~wastewater, or any further restrictions placed on wastewater, could curtail the Company' s operations or otherwise result in operational delays or increased costs. In addition,~~ BOEM **)** and **the U. S. Bureau of Safety and Environmental Enforcement (** BSEE **)** have regulations applicable to lessees in federal waters that impose various safety, permitting and certification requirements applicable to exploration, development and production activities in the Gulf of Mexico, and also require lessees to have substantial U. S. assets and net worth or post bonds or other acceptable financial assurance that the regulatory obligations will be met. These include, in the Gulf of Mexico, well design, well control, casing, cementing, real- time monitoring, and subsea containment, among other items. Under applicable requirements, BOEM evaluates the financial strength and reliability of lessees and operators active on the ~~OCS~~ **U. S. Outer Continental Shelf** . If the BOEM determines that a company does not have the financial ability to meet its decommissioning and other obligations, that company will be required to post additional financial security as assurance. In addition, various executive orders by the current presidential administration and the Department of Interior over the course of 2021 regarding a temporary suspension of normal-course issuance of permits for fossil fuel development on federal lands and a pause on new oil and gas leases on public lands and offshore waters, and the Secretary of Interior' s related review of permitting and leasing practices, could adversely impact Murphy' s operations. Despite the pauses on oil and gas leases in 2021, in August 2022, the Inflation Reduction Act was passed by the U. S. Congress and included provisions which required the Department of Interior to hold previously announced offshore lease sales in the Gulf of Mexico and Alaska within two years. These developments demonstrate the uncertainty regarding the current presidential administration' s approach to oil and gas leasing and permitting. For further details, see " Risk Factors – General Risk Factors – Murphy' s operations and earnings have been and will continue to be affected by domestic and worldwide political developments. " We face various risks associated with increased activism against, or change in public sentiment for, oil and gas exploration, development, and production activities and sustainability considerations, including climate change and the transition to a lower carbon economy. Opposition toward oil and gas drilling, development, and production activity has been growing globally. Companies in the oil and gas industry are often the target of activist efforts from both individuals and nongovernmental organizations and other stakeholders regarding safety, human rights, climate change, environmental matters, sustainability, and business practices. Anti - development activists are working to, among other things, delay or cancel certain operations such as offshore drilling and development. Activism may continue to increase regardless of whether the current presidential administration in the U. S. is perceived to be following, or actually follows, through on the current president' s campaign commitments to promote decreased fossil fuel exploration and production in the U. S **.** , including as a result of the administration' s environmental and climate change executive orders described earlier in this 10- K. Our need to incur costs associated with responding to these initiatives or complying with any resulting new legal or regulatory requirements resulting from these activities that are substantial and not adequately provided for, could have a material adverse effect on our business, financial condition and results of operations. In addition, a change in public sentiment regarding the oil and gas industry could result in a reduction in the demand for our products or otherwise affect our results of operations or financial condition. While the Company has been named a co- defendant with other oil and gas companies in lawsuits related to climate change, these lawsuits have not resulted in, and are not currently expected to result in, material liability for the Company. Depending on the evolution of laws, regulations and litigation outcomes relating to climate change, there can be no guarantee that climate change litigation will not in the future materially adversely affect our results of operations, cash flows and financial condition. For further details on risks related to legal proceedings more generally, see " Risk Factors- General Risk Factors- Lawsuits against Murphy and its subsidiaries could adversely affect its operating results. " Financial Risk Factors Capital financing may not always be available to fund Murphy' s activities; and interest rates could impact cash flows. Murphy usually must spend and risk a significant amount of capital to find and develop reserves before revenue is generated from production. Although most capital needs are funded from operating cash flow, the timing of cash flows from operations and capital funding requirements may not always coincide, and the levels of cash flow generated by operations may not fully cover capital funding requirements, especially in periods of low commodity prices. Therefore, the Company maintains financing arrangements with lending institutions to meet certain funding needs. The Company periodically renews these financing arrangements based on foreseeable financing needs or as they expire. In November 2022, the Company entered into an $ 800 million revolving credit facility (RCF). The RCF is a senior unsecured guaranteed facility and will expire in November 2027. As of December 31, ~~2022~~ **2023** , the Company had no outstanding borrowings under the RCF. See Note ~~G~~ **F** for further details on the RCF. The Company' s ability to obtain additional financing is affected by a number of factors, including the market environment, our operating and financial performance, investor sentiment, our ability to incur additional debt in compliance with agreements governing our outstanding debt, and the Company' s credit ratings. A ratings downgrade could materially and adversely impact the Company' s ability to access debt markets, increase the borrowing cost under the Company' s credit facility and the cost of any additional indebtedness we incur, and potentially require the Company to post additional letters of credit or other forms of collateral for certain obligations. Murphy partially manages this risk through borrowing at fixed rates wherever possible; however, rates when refinancing or raising new capital are determined by factors outside of the Company' s control. Further, changes in investors' sentiment or view of risk of the exploration and production industry, including as a result of concerns over climate change, could adversely impact the availability of future financing. Specifically, certain financial institutions (including certain investment advisors and sovereign wealth, pension and endowment funds), in response to concerns related to climate change and the requests and other influence of environmental groups and similar stakeholders, have elected to shift some or all of their investments away from fossil fuel- related sectors, and additional financial institutions and other investors may elect to do likewise in the future. As a result, fewer financial institutions and other investors may be willing to invest in, and provide capital to, companies in the oil and gas sector, which, in turn, could adversely impact our cost of capital. ~~In~~ **Since** 2022, the Company undertook several actions to reduce overall debt. Murphy plans to continue with the Company' s deleveraging initiatives, but there can be no assurance that these efforts will be successful and, if not, the Company' s financial conditions and prospects could be adversely affected. See Note ~~G~~ **F** for information regarding the Company' s outstanding debt as of December 31, ~~2022~~ **2023** . Murphy' s operations could be adversely affected by changes in foreign exchange rates. The Company' s worldwide operational scope exposes it to risks associated with foreign currencies. Most of the Company' s business is transacted in U. S. dollars, and therefore the Company and most of its subsidiaries are U. S. dollar functional entities for accounting purposes. However, the Canadian dollar is the functional currency for all Canadian operations. This exposure to currencies other than the U. S. dollar functional currency can lead to impacts on consolidated financial results from foreign currency translation. On occasions, the Canadian business may hold assets or incur liabilities denominated in a currency which is not Canadian dollars which could lead to exposure to foreign exchange rate fluctuations. See also Note ~~L~~ **K** for additional information on derivative contracts. The costs and funding requirements related to the Company' s retirement plans are affected by several factors. A number of actuarial assumptions impact funding requirements for the Company' s retirement plans. The most significant of these assumptions include return on assets, long- term interest rates and mortality. If the actual results for the plans vary significantly from the actuarial assumptions used, or if laws regulating such retirement plans are changed, Murphy could be required to make more significant funding payments to one or more of its retirement plans in the future and / or it could be required to record a larger liability for future obligations in its Consolidated Balance Sheet. Murphy has limited control over supply chain costs. The Company often experiences pressure on its operating and capital expenditures in periods of strong crude oil and natural gas prices because an increase in exploration and production activities due to high oil and natural gas sales prices generally leads to higher demand for, and consequently higher costs for, goods and services in the oil and gas industry. In addition, periods of inflationary pressure in the wider economy, as seen during 2022, can also lead to a similar increase in the cost of goods and services for the Company. Murphy has a dedicated procurement department focused on managing supply chain and input costs. Murphy also has certain transportation, processing and production handling services costs fixed through long- term contracts and commitments and therefore is partly protected from **the** increasing price of services. However, from time to time, Murphy will seek to enter new commitments, exercise options to extend contracts and retender contracts for rigs and other industry services which could expose Murphy to the impact of higher prices. The Company is exposed to credit risks associated with (i) sales of certain of its products to customers, (ii) joint venture partners and (iii) other counterparties. Murphy is exposed to credit risk in three ~~principle~~ **principal** areas: • Accounts receivable credit risk from selling its produced commodity to customers; • Joint venture partners related to certain oil and natural gas properties operated by the Company. These joint venture partners may not be able to meet their financial obligation to pay for their share of capital and operating costs as they become due ~~; and~~ • Counterparty credit risk related to forward price commodity hedge contracts to protect the Company' s cash flows against lower oil and natural gas prices ~~. To mitigate these risks the Company: • Actively monitors the credit worthiness of all its customers, joint venture partners and forward commodity hedge counterparties; and • Given the inherent credit risks in a cyclical commodity price business, the Company has increased the focus on its review of joint venture partners, the magnitude of potential exposure and planning suitable actions should a joint venture partner fail to pay its share of capital and operating expenditures.~~ The inability of a purchaser of the Company' s produced commodity, a joint venture partner of the Company, or counterparty in a forward price commodity hedge to meet their respective payment obligations to the Company could have an adverse effect on Murphy' s future earnings and cash flows. We face various risks related to health epidemics, pandemics and similar outbreaks, which may have material adverse effects on our business, financial position, results of operations and / or cash flows. ~~As the COVID- 19 pandemic has evolved from its emergence in early 2020, so has its global impact. In 2020 the spread of COVID- 19 led to disruption in the global economy and weakness in demand in crude oil, natural gas liquids and natural gas, which applied downward pressure on global commodity prices.~~ The ~~combination of vaccine availability and the relaxation of government- imposed lockdowns in 2021 led to a rebound in global economic activity in 2021, which continued throughout 2022. However, the~~ future impact of COVID- 19, or that of any other pandemic, cannot be predicted and any resurgence of disease may cause additional volatility in commodity prices. See Risk Factors, " Price Risk Factors – Volatility in the global prices of crude oil, natural gas liquids and natural gas can significantly affect the Company' s operating results. " If significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures or other restrictions in connection with the COVID- 19 or other pandemic, our operations will likely be impacted and decrease our ability to produce oil, natural gas liquids and natural gas. We may be unable to perform fully on our commitments and our costs may increase as a result of the COVID-

19 **or other** outbreak. These cost increases may not be fully recoverable or adequately covered by insurance. The COVID- 19 or other pandemic could also cause disruption in our supply chain; cause delay, or limit the ability of vendors and customers to perform, including in making timely payments to us; and cause other unpredictable events ~~. We continue to work with our stakeholders (including customers, employees, suppliers, financial and lending institutions and local communities) to address the COVID- 19 pandemic responsibly. We continue to monitor the situation, to assess further possible implications to our business, supply chain and customers, and to take actions in an effort to mitigate adverse consequences. The Company continues to exercise financial discipline in managing costs and capital expenditures~~ . We cannot predict the ongoing impact of the COVID- 19 or other pandemic. The extent to which the COVID- 19 or other health pandemics or epidemics may impact our results will depend on future developments, including, among other factors, the duration and spread of the virus and its variants, availability, acceptance and effectiveness of vaccines along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, and the impact of government interventions. Changes in U. S. and international tax rules and regulations, or interpretations thereof, may materially and adversely affect our cash flows, results of operations and financial condition. We are subject to income- and non- income- based taxes in the United States under federal, state and local jurisdictions and in the foreign jurisdictions in which we operate. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Our tax liabilities could be affected by numerous factors, such as changes in tax, accounting and other laws, regulations, administrative practices, principles and interpretations, the mix and level or earnings in a given taxing jurisdiction or our ownership or capital structure. For example, on August 16, 2022, the United States enacted the Inflation Reduction Act of 2022, which is highly complex, subject to interpretation and contains significant changes to U. S. tax law, including, but not limited to, a 15 % corporate book minimum tax for taxpayers with adjusted financial statement income ~~in excess~~ **exceeding an average** of $ 1 billion **over three years** and a 1 % excise tax on certain stock repurchases made after December 31, 2022. The U. S. Department of the Treasury and the IRS are expected to release further regulations and interpretive guidance implementing the legislation contained in the Inflation Reduction Act of 2022, but the details and timing of such regulations are subject to uncertainty at this time. The tax provisions of the Inflation Reduction Act of 2022 that may apply to us are generally effective in 2023 or later ~~and therefore tax impacts to us in 2022 were immaterial~~ . We continue to analyze the potential impact of the Inflation Reduction Act of 2022 on our consolidated financial statements and to monitor guidance to be issued by the U. S. Department of the Treasury. However, it is possible that **further** ~~the enactment of~~ changes ~~in~~ **may be enacted to U. S. and international tax rules and regulations, including** the U. S. corporate tax system, **which** ~~including in connection with the Inflation Reduction Act of 2022,~~ could have a material effect on our consolidated cash taxes in the future. **We may not be able to hire or retain qualified personnel to support our operations. The success of our operations is dependent upon our ability to hire and retain qualified and experienced personnel. Changes in public sentiment for oil and gas exploration, development, and production activities and considerations including climate change and the transition to a lower carbon economy may make it more difficult for us to attract such qualified personnel. Additionally, the cost to attract and retain qualified personnel has increased in recent years due to competition and may increase substantially in the future. If there is a decrease in the availability of qualified personnel, this may materially and adversely affect our results of operations, cash flows and financial condition.** Murphy' s **sensitive** ~~Information~~ **information and operational** ~~Technology~~ **technology** ~~environment~~ **systems and critical data** may be exposed to cyber threats. The oil and gas industry has become increasingly dependent on digital technologies to conduct exploration, development, and production activities. We are no exception to this trend. As a company, we depend on these technologies to estimate quantities of oil and natural gas reserves, process and record financial and operating data, analyze seismic and drilling information, communicate internally and externally, and conduct many other business activities. Maintaining the security of our technology and preventing breaches is critical to our business operation. We rely on our information systems, and our cybersecurity training and policies, to protect and secure intellectual property, strategic plans, customer information, and personally identifiable information, such as employee information. A ~~failure of our~~ cyber infrastructure **failure** or a ~~successful~~ **successfully** ~~or~~ **executed,** undetected **cyber attack could significantly disrupt** ~~cyberattack has the potential to halt~~ business operations **. It might lead to downtime** , ~~impair~~ **revenue loss, and increased costs for remediation. Additionally, the compromise, theft, or unauthorized release of critical data could damage** our reputation, weaken our competitive ~~advantage~~ **edge** , and **negatively** ~~/ or adversely~~ impact our financial ~~condition~~ **stability** . **Due** ~~Given the increasing global threats from cybercrime, the Company' s approach~~ to ~~mitigate cybersecurity risk focuses on three~~ -- **the nature of cyber** ~~key elements: • People~~ - **attacks, breaches to our systems could go undetected** ~~Security awareness education and readiness- testing throughout the year~~ for **a prolonged period of time** ~~employees and contractors; • Process- Incorporating " cyber awareness " in our day to day processes and maturing key controls such as recurring internal and external cyber risk assessments, physical and digital asset protection, and security vulnerability remediation via preventative and detective measures; and • Technology- Investing in industry aligned security technology and threat intelligence capabilities~~ . As the sophistication of cyber threats continues to evolve, we may be required to dedicate additional resources to continue to modify or enhance our security measures, or to investigate and remediate any vulnerabilities to cyber- attacks **. In addition, laws and regulations governing, or proposed to govern, cybersecurity, data privacy and protection and the unauthorized disclosure of confidential or protected information, including legislation in domestic and international jurisdictions, pose increasingly complex compliance challenges and potentially elevate costs, and any failure to comply with these laws and regulations could result in significant penalties and legal liability** . From time to time, some governments intervene in the market for crude oil and natural gas produced in their countries through such actions as setting prices, determining rates of production, and controlling who may buy and sell the production. Murphy is exposed to regulation, legislation and policies enacted by **policy**

makers, regulators or ~~the~~ **other** ~~federal government~~ **parties to delay or deny necessary licenses and permits to produce or transport crude oil and natural gas** . As an example, following the election and inauguration of the current U. S. ~~president~~ **President** in January 2021, the U. S. Secretary of the Interior issued Order No. 3395 on January 20, 2021. This order served to potentially impact the timing of issuance of oil and gas leases, lease amendments and extension, and drilling permits on federal lands and offshore waters. ~~However, following~~ **Following** this notice, the Department of Interior has continued to approve permits ~~and~~ **, however,** Murphy **may** ~~has not experienced~~ - **experience** ~~a delay~~ **delays** in project approvals **when the order is enforced** . An extension or permanency of this regime could impact the options available to Murphy for future development, reserves available for production and hence future cash flows and profitability ~~. In the event leasing delays or cancellations alter Murphy' s plans in the Gulf of Mexico, the Company believes it will be able to re- focus activities and allocate capital to other areas~~ . The Company does not hold any onshore federal lands in the U. S. In addition, the current presidential administration has pursued other initiatives related to environmental, health and safety standards applicable to the oil and gas industry. These include an executive order in January 2021 that directed the Secretary of the Interior to halt indefinitely new oil and gas leases on federal lands and offshore waters pending a since- completed review by the Secretary of the Interior of federal oil and gas permitting and leasing practices; however, a June 2021 preliminary injunction in the U. S. District Court for the Western District of Louisiana barred the current presidential administration from implementing the pause in new federal oil and gas leases. This executive order also set forth other initiatives and goals, including procurement of carbon pollution- free electricity, elimination of fossil fuel subsidies, a carbon pollution- free power sector by 2035 and a net- zero emissions U. S. economy by 2050. Another executive order from January 2021 called for a climate change- focused review of regulations and other executive actions promulgated, issued or adopted during the prior presidential administration. In August 2022, the Inflation Reduction Act was passed by the U. S. Congress and included provisions which required the Department of Interior to hold previously announced offshore lease sales in the Gulf of Mexico and Alaska within two years. **However, on December 14, 2023, the Secretary of the Interior approved the 2024- 2029 National Outer Continental Shelf Oil and Gas Leasing Program, which contemplates only three potential oil and gas lease sales in the Gulf of Mexico through 2029.** These developments demonstrate the uncertainty regarding the current presidential administration' s approach to oil and gas leasing and permitting. In March 2022, the SEC proposed rules requiring disclosure of a range of climate change- related information, including, among other things, companies' climate change risk management; short- medium- and long- term climate- related financial risks; and disclosure of Scope 1, Scope 2 and (for certain companies) Scope 3 emissions **. Similar laws and regulations regarding climate change- related disclosures have been proposed or enacted in other jurisdictions, including California and the European Union** . The SEC' s proposed climate disclosure rules have not yet been finalized, but implementation of the rules as proposed could be costly and time consuming. These actions and any future changes to applicable environmental, health and safety, regulatory and legal requirements promulgated by the current presidential administration and Congress may restrict our access to additional acreage and new leases in the U. S. Gulf of Mexico or lead to limitations or delays on our ability to secure additional permits to drill and develop our acreage and leases or otherwise lead to limitations on the scope of our operations, or may lead to increases to our compliance costs. The potential impacts of these changes on our future consolidated financial condition, results of operations or cash flows cannot be predicted. Prices and availability of crude oil, natural gas and refined products could be influenced by political factors and by various governmental policies to restrict or increase petroleum usage and supply. Other governmental actions that could affect Murphy' s operations and earnings include expropriation, tax law changes, royalty increases, redefinition of international boundaries, preferential and discriminatory awarding of oil and ~~natural~~ gas leases, restrictions on drilling and / or production, restraints and controls on imports and exports, safety, and relationships between employers and employees. Governments could also initiate regulations concerning matters such as currency fluctuations, currency conversion, protection and remediation of the environment, and concerns over the possibility of global warming caused by the production and use of hydrocarbon energy. As of December 31, ~~2022~~ **2023** , ~~0.~~ 1 **. 7** % of the Company' s proved reserves, as defined by the SEC, were located in countries other than the U. S. and Canada. A number of non- governmental entities routinely attempt to influence industry members and government energy policy in an effort to limit industry activities, such as hydrocarbon production, drilling and hydraulic fracturing with the desire to minimize the emission of GHG such as carbon dioxide, which may harm air quality, and to restrict hydrocarbon spills, which may harm land and / or groundwater. Additionally, because of the numerous countries in which the Company operates, certain other risks exist, including the application of the U. S. Foreign Corrupt Practices Act and other similar anti- corruption compliance statutes in the jurisdictions in which we operate. It is not possible to predict the actions of governments and hence the impact on Murphy' s future operations and earnings ~~. Murphy' s insurance may not be adequate to offset costs associated with certain events, and there can be no assurance that insurance coverage will continue to be available in the future on terms that justify its purchase~~ . Murphy maintains insurance against certain, but not all, hazards that could arise from its operations. The Company maintains liability insurance sufficient to cover its share of gross insured claim costs up to approximately $ 500 million per occurrence and in the annual aggregate. Generally, this insurance covers various types of third- party claims related to personal injury, death and property damage, including claims arising from " sudden and accidental " pollution events. The Company also maintains insurance coverage for property damage and well control with an additional limit of $ 450 million per occurrence ($ 850 million for U. S. Gulf of Mexico claims), all or part of which could apply to certain sudden and accidental pollution events. These policies have deductibles ranging from $ 10 million to $ 25 million. The occurrence of an event that is not insured or not fully insured could have a material adverse effect on the Company' s financial condition and results of operations in the future. Murphy could face long- term challenges to the fossil fuels business model reducing demand and price for hydrocarbon fuels. Murphy' s business model may come under more pressure from changing environmental and social trends and the related global demands for non- fossil fuel energy sources. This demand in alternative forms of energy may cause the price of our products to become more volatile and decline. Further, a reduction in demand for fossil fuels could adversely impact the availability of future financing. As part of Murphy' s strategy review process, the Company reviews hydrocarbon demand forecasts and assesses the impact on its business model and, plans and future estimates of reserves. In addition, the Company evaluates other lower- carbon technologies that could complement our existing assets, strategy and competencies as part of its long- term capital allocation strategy. The Company also has significant natural gas reserves which emit lower carbon compared to oil and liquids. The issue of climate change has caused considerable attention to be directed towards initiatives to reduce global GHG emissions. The Paris Agreement and ~~subsequently~~ -- **subsequent** yearly " conferences of the parties " to the Paris Agreement have resulted in commitments from many countries to reduce GHG emissions and have called for parties to eliminate certain fossil fuel subsidies and pursue further action on non- carbon dioxide GHGs. **In** ~~Most recently, in~~ November **and December** ~~2022~~ **2023** , the international community gathered in ~~Egypt~~ **Dubai** at the ~~27th~~ **28th** Conference ~~of~~ **to** the Parties on the UN Framework Convention on Climate Change (~~COP27~~ **COP28**), during which multiple announcements were made, including ~~the EPA' s announcement of more stringent revisions~~ **a global agreement that calls for transitioning away from fossil fuels, and a pledge by about 50 oil and gas producing countries** to ~~previously proposed~~ **achieve near- zero** methane emissions **by 2030** ~~rules for the oil and gas sector. The previously proposed rules and EPA' s November 2022 revisions, establish requirements for methane emissions from existing and modified oil and gas sources and impose additional requirements for new sources~~ . In addition, the federal government could issue various executive orders that may result in additional laws, rules and regulations in the area of climate change. It is possible that the Paris Agreement, ~~COP27~~ **COP28** , government executive orders and other such initiatives, including foreign, federal and state laws, rules or regulations related to GHG emissions and climate change, may reduce the demand for crude oil and natural gas globally. In addition to regulatory risk, other market and social initiatives such as public and private initiatives that aim to subsidize the development of non- fossil fuel energy sources, may reduce the competitiveness of carbon- based fuels, such as oil and **natural** gas. While the magnitude of any reduction in hydrocarbon demand is difficult to predict, such a development could adversely impact the Company and other companies engaged in the exploration and production business. With or without renewable- energy subsidies, the unknown pace and strength of technological advancement of non- fossil- fuel energy sources creates uncertainty about the timing and pace of effects on our business model. The Company continually monitors the global climate change agenda initiatives and plans accordingly based on its assessment of such initiatives on its business. The Company or certain of its consolidated subsidiaries are involved in numerous legal proceedings, including lawsuits for alleged personal injuries, environmental and / or property damages, climate change and other business- related matters. Certain of these claims may take many years to resolve through court and arbitration proceedings or negotiated settlements. In the opinion of management and based upon currently known facts and circumstances, the currently pending legal proceedings are not expected, individually or in the aggregate, to have a material adverse effect upon the Company' s operations or financial condition.