

PLAINS EXPLORATION & PRODUCTION CO

Form 425

January 17, 2013

FCX Discussion

Materials

FCX Discussion

Materials

January 2013

January 2013

FILED BY FREEPORT-MCMORAN COPPER & GOLD INC.

PURSUANT TO RULE 425 UNDER THE SECURITIES ACT OF 1933

SUBJECT COMPANY: PLAINS EXPLORATION & PRODUCTION COMPANY

REGISTRATION STATEMENT NO. 333-185747

[www.fcx.com](http://www.fcx.com)

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Cautionary Statement

Regarding Forward-Looking Statements

Cautionary Statement

Regarding Forward-Looking Statements

This presentation contains forward-looking statements concerning the proposed transaction, its financial and business impact, management's beliefs and objectives with respect thereto, and management's current expectations for future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements are all statements other than statements of historical facts. The words anticipates,

may,

can,

plans,

believes,

estimates,

expects,

projects,

intends,

likely,

will,

should,

to be,

and any similar expressions or other words of similar meaning are

intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the

results of operations and financial condition of FCX or of the

combined company. These forward-looking statements involve significant risks and uncertainties that could cause actual

results to differ materially from those anticipated, including but not limited to the ability of the parties to satisfy the conditions

precedent and consummate either or both of the proposed transactions, the timing of consummation of either or both of the

proposed transactions, the ability of the parties to secure regulatory approvals in a timely manner or on the terms desired or

anticipated, the ability of FCX to integrate the acquired operations, the ability to implement the anticipated business plans

following closing and achieve anticipated benefits and savings, and the ability to realize opportunities for growth. Other

important economic, political, regulatory, legal, technological,

competitive and other uncertainties are identified in the

documents filed with the Securities and Exchange Commission (the

SEC) by FCX, Plains Exploration & Production Company

and McMoRan Exploration Co. from time to time, including their Annual Reports on Form 10-K, Quarterly Reports on

Form 10-Q, and Current Reports on Form 8-K and other documents filed in connection with the proposed transactions. The

forward-looking statements included in this presentation are made only as of the date hereof. FCX undertakes no obligation

to update the forward-looking statements included in this presentation to reflect subsequent events or circumstances.

The SEC requires oil and gas companies, in their filings with the SEC, to disclose proved reserves that a company has

demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing

economic and operating conditions. Beginning with year-end reserves for 2009, the SEC permits oil and gas companies, in

their filings with the SEC, to disclose probable and possible reserves, as such terms are defined by the SEC. We use certain phrases and terms in this presentation, such as "gross unrisks potential and reserve potential," which the SEC's guidelines prohibit us from including in filings with the SEC. Gross unrisks potential and reserve potential do not take into account the certainty of resource recovery, which is contingent on exploration success, technical improvements in drilling access, commerciality and other factors, and are therefore not indicative of expected future resource recovery and should not be relied upon. We urge you to consider closely the disclosure of proved reserves included in McMoRan Exploration Co.'s Annual Report on Form 10-K for the year ended December 31, 2011.

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Additional Information about the  
Proposed Transactions and Where to Find It

Additional Information about the  
Proposed Transactions and Where to Find It

PXP Transaction

In connection with the proposed transaction, FCX has filed with the SEC a registration statement on Form S-4 that includes a p

PXP

that

also

constitutes

a

prospectus

of

FCX.

FCX

and

PXP

also  
plan  
to  
file  
other  
relevant  
documents  
with  
the  
SEC  
regarding  
the  
proposed  
transaction.

INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS  
BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. You may obtain a free copy

and  
when  
it  
becomes  
available)  
and  
other  
relevant  
documents  
filed  
by  
FCX  
and  
PXP  
with  
the  
SEC  
at  
the  
SEC's  
website  
at  
[www.sec.gov](http://www.sec.gov).

You  
may  
also  
obtain  
these  
documents  
by  
contacting  
FCX's  
Investor  
Relations

department  
at  
(602)  
366-8400,  
or  
via  
e-mail  
at  
IR@fmi.com;

or  
by  
contacting  
PXP's  
Investor  
Relations  
department  
at  
(713)  
579-6291,  
or  
via  
email  
at  
investor@pxp.com.

FCX  
and  
PXP  
and  
their  
respective  
directors  
and  
executive  
officers  
and  
other  
members  
of  
management  
and  
employees  
may  
be  
deemed  
to  
be  
participants  
in  
the

solicitation of proxies in respect of the proposed transaction. Information about FCX's directors and executive officers is available

dated April 27, 2012, for its 2012 Annual Meeting of Stockholders. Information about PXP's directors and executive officers statement  
dated  
April  
13,  
2012,  
for  
its  
2012  
Annual  
Meeting  
of  
Stockholders.  
Other  
information  
regarding  
the  
participants  
in  
the  
proxy  
solicitation  
and a  
description  
of  
their  
direct  
and  
indirect  
interests,  
by  
security  
holdings  
or  
otherwise,  
will  
be  
contained  
in  
the  
definitive  
proxy  
statement/prospectus  
and  
other  
relevant  
materials  
to  
be  
filed



with  
the  
SEC  
regarding  
the  
merger  
when  
they  
become  
available.

Investors  
should  
read  
the  
definitive  
proxy  
statement/prospectus

carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from the sources indicated above.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state.

shall  
be  
made  
except  
by  
means  
of  
a  
prospectus  
meeting  
the  
requirements  
of  
Section  
10  
of  
the  
U.S.  
Securities  
Act  
of  
1933,  
as  
amended.

MMR Transaction

In connection with the proposed transaction, the royalty trust formed in connection with the transaction has filed with the SEC Form S-4 that includes a preliminary proxy statement of MMR that also constitutes a prospectus of the royalty trust. FCX, the issuer, is required to file other relevant documents with the SEC regarding the proposed transaction. INVESTORS ARE URGED TO READ THE

AND  
OTHER  
RELEVANT  
DOCUMENTS  
FILED  
WITH  
THE  
SEC  
IF

AND  
WHEN  
THEY  
BECOME  
AVAILABLE,  
BECAUSE  
THEY  
WILL

CONTAIN  
IMPORTANT

INFORMATION. You may obtain a free copy of the proxy statement/prospectus (if and when it becomes available) and other

the

royalty

trust

and

PXP

with

the

SEC

at

the

SEC's

website

at

[www.sec.gov](http://www.sec.gov).

You

may

also

obtain

these

documents

by

contacting

FCX's

Investor

Relations

department

at

(602)

366-8400,

or

via  
e-mail  
at  
IR@fmi.com;  
or  
by  
contacting  
MMR's  
Investor  
Relations  
department  
at  
(504)  
582-4000,  
or  
via  
email at  
IR@fmi.com.

FCX  
and  
MMR  
and  
their  
respective  
directors  
and  
executive  
officers  
and  
other  
members  
of  
management  
and  
employees  
may  
be  
deemed  
to  
be  
participants  
in

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dated  
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27,  
2012,  
for

its  
2012  
Annual  
Meeting  
of  
Stockholders.  
Other  
information  
regarding  
the  
participants  
in  
the  
proxy  
solicitation  
and a  
description  
of  
their  
direct  
and  
indirect  
interests,  
by  
security  
holdings  
or  
otherwise,  
will  
be  
contained  
in  
the  
definitive  
proxy  
statement/prospectus  
and  
other  
relevant  
materials  
to  
be  
filed  
with  
the  
SEC  
regarding  
the  
merger  
when

they  
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Investors  
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requirements  
of  
Section  
10  
of  
the  
U.S.  
Securities  
Act  
of  
1933,  
as  
amended.

4

Recent Acquisitions

Why Now?

Recent Acquisitions

Why Now?

Positive Long-Term Global Economic Outlook

Limited Opportunities to Invest in Copper Beyond Brown Field

Expansions

Attractive Opportunity to Acquire High Quality Assets

Strong Margins and Cash Flows (Self-funding Growth)

Financially Attractive Growth Options

Enhances  
Diversification

Commodity/Geographic

Enhances  
Exploration  
Leverage

Multiple  
High  
Quality  
Targets

Attractive Entry Point for Long Term Natural Gas Business

Opportunity for Stronger Long Term Returns for Shareholders  
Management Capabilities to Execute  
Enhanced Size and Scale to Compete Globally  
Access to Low Cost Debt Financing

5

2012e Copper Production

World Class Copper

Discoveries Are Extremely Rare

World Class Copper

Discoveries Are Extremely Rare

Recoverable Copper Reserves

Million metric tons

Thousand metric tons

Source: Brook Hunt

e=estimate



0  
200  
400  
600  
800  
1000  
1200  
Escondida - 1979  
Chuquicamata - 1910  
Antamina - 1996  
El Teniente - 1910  
Los Pelambres - 1996  
Los Bronces - 1867  
Collahuasi - 1979  
Norilsk - 1935  
Grasberg Complex - 1988  
Morenci - 1870s  
0  
5  
10  
15  
20  
25  
30  
Grasberg Complex -  
1988  
KGHM Polish Copper -  
1957  
Escondida -  
1979  
Cananea -  
1926  
Collahuasi -  
1979  
Andina -  
1865  
El Teniente -  
1910  
Chuquicamata -  
1910  
Oyu Tolgoi -  
2001  
Cerro Verde -  
1860s

Positive Exploration Results

Big Mines Get Bigger

Mines with Potential Capacity for  
1 billion lbs of copper per annum\*

Morenci

Morenci

Grasberg

Grasberg  
Tenke  
Fungurume  
Tenke  
Fungurume  
Cerro Verde  
Cerro Verde  
El Abra  
El Abra  
\*

Grasberg currently producing over 1 bln lbs/annum, Morenci (100%) & Cerro Verde in development to produce 1 bln lbs/annum and El Abra & Tenke have potential to produce 1 bln lbs/annum

\*

Grasberg currently producing over 1 bln lbs/annum, Morenci (100%) & Cerro Verde in development to produce 1 bln lbs/annum and El Abra & Tenke have potential to produce 1 bln lbs/annum

6

Attractive Portfolio of  
Brownfield Copper Expansions

Attractive Portfolio of  
Brownfield Copper Expansions

575 MMBOE

California

38%

California

38%

4%

4%

Eagle Ford

6%

6%



Enhanced Geographic &  
Commodity Diversification

8

2013e EBITDA

(1)

North

America

North

America

Indonesia

Indonesia  
31%  
31%  
29%  
29%  
South  
America  
29%  
Africa  
11%  
11%  
Mining  
100%  
Mining  
100%  
Oil & Gas  
26%  
Oil & Gas  
26%  
Mining  
74%  
Mining  
74%  
North  
America  
North  
America  
Indonesia  
Indonesia  
23%  
23%  
48%  
48%  
South  
America  
21%  
Africa  
8%  
8%  
Existing  
(1)  
Based  
on  
pricing  
assumptions  
of  
\$3.50/lb  
Cu,  
\$1,500/oz  
Au,



\$12/lb  
Mo,  
\$100/bbl  
Oil  
(Brent)  
and  
\$4.50/MMbtu  
natural  
gas.  
Pro forma  
e  
=  
estimate.  
See  
Cautionary  
Statement.

Enhanced Exploration Leverage  
with Multiple Near-term Catalysts

Enhanced Exploration Leverage  
with Multiple Near-term Catalysts

9

Near-term Net Potential  
of 995 MMBOE

Phobos (~300 MMBOE)  
Spud in 4Q12

On Lease Exploration  
from BP: 300+ MMBOE

Each 100 MM Barrels =  
PV-10 of ~\$2.5 Billion

Pre-tax

(1)

3 Wells Drilling

Recent Positive Results on

Lineham Creek Onshore

High Potential Prospect

Inventory

~50 Tcfe of Net Potential,

Including ~30 Tcfe from

Near-term Prospects

Each 2 Tcfe Net = PV-10 of

~\$2.5

Billion

Pre-tax

(2)

Eagle Ford

71 MMBOE

Haynesville

~1 Tcfe

California

+100 MMBOE

Deepwater GOM

Shallow Water Ultra-Deep

Onshore U.S.

(1)

Based on \$100.00/bbl LLS oil

(2)

Based on \$4.50/MMbtu natural gas

Grasberg  
Development & Expansion  
Grasberg  
Development & Expansion  
The discovery of Grasberg in 1988 transformed  
PT-FI into one of the world's largest operations  
Mill Rate

10  
March 1988  
\$1.07  
\$444  
1989  
1997  
\$1.09  
\$369  
1998  
2004  
\$0.84  
\$315  
2005  
2012  
\$3.06  
\$1,008  
Copper (\$/lb)  
Gold (\$/oz)  
Grasberg  
Discovered  
Expansion  
Expansion  
Expansion  
Expansion  
0  
50  
100  
150  
200  
250

Gross Unrisked Potential\*:

Shelf Prospects: ~100 Tcfe; Onshore Prospects: ~30 Tcfe

11

MMR s Ultra-Deep Play

Grasberg of the Gulf of Mexico?

MMR s Ultra-Deep Play

Grasberg of the Gulf of Mexico?

BONNET

ENGLAND

DRAKE

HOOK

CAPTAIN BLOOD

BARATARIA

CALICO JACK

DAVY JONES

BLACKBEARD EAST

BLACKBEARD WEST

(#2 in progress)

MMR Wilcox/Cretaceous Play

MMR Miocene/Wilcox Play

MMR Oligocene/Frio Play

BARBOSA

MORGAN

QUEEN ANNE S

REVENGE

LAFITTE

LINEHAM CREEK

(in progress)

HIGHLANDER

(in progress)

ONSHORE

PROSPECT B

Ultra-Deep Prospects

Ultra-Deep Discoveries

McMoRan Acreage

Onshore Ultra-Deep

Prospects

DAVY JONES

WEST

MMR's WI & NRI will vary on a per prospect basis based on unitization and parties' participation.

NOTE: We use certain phrases and terms in this presentation, such as "gross unrisks potential" and "reserve potential" which prohibit us from including in filings with the SEC. See Cautionary Statement.

Energy  
A Significant  
Component of Mining Cost  
2012e  
Materials  
Materials  
Energy  
Energy  
Manpower  
Manpower  
Other  
Acid  
30%  
30%  
21%



21%

30%

30%

13%

6%

Site Operating Costs by Category

(Consolidated)

2012e

Diesel

255 mm gallons

Diesel

255 mm gallons

Coal: 700k mt

&

Natural Gas:

1MMBTU

Purchased

Power

6,900 GWh

Purchased

Power

6,900 GWh

36%

36%

6%

6%

58%

58%

Components of Energy

(Total of \$1.6 Billion)

12

e = estimate. See Cautionary Statement.

Proven Management Team

Proven Management Team

Complementary Management Teams with Substantial Experience and Track  
Record of Success in Mining and Oil & Gas Exploration and Development

Global Industry Leading Capabilities:

-

Operational Excellence

-

Major Project Development

-

Technological Innovation

-

Exploration/Engineering

-

Prudent Environmental Management

History of Prudent Financial Management and Execution in Varying  
Market Environments

13

Established Track Record of Capital Discipline and  
Focus on Value Creation for Shareholders

Phelps Dodge Case Study  
Highly Successful Transformational Transaction  
Phelps Dodge Case Study  
Highly Successful Transformational Transaction  
14  
\$17.6  
\$7.2  
\$3.5  
\$0  
\$5  
\$10  
\$15  
\$20  
Rapid Delevering  
Consolidated Cash  
\$3.4  
\$1.6

\$3.7  
Net Debt/(Cash)  
\$14.2  
\$5.6  
\$(0.2)  
At Time of PD  
Acquisition in  
March 2007  
9/30/12  
(\$ in bns)  
Debt

\*

Based on estimated proven & probable reserve additions as of 12/31/11 before production.  
December  
2007  
Asset & Geographic  
Diversification  
Significant Reserve Additions

+46 billion lbs Cu\*  
Developed World-Class Copper  
Portfolio

Recognized Industry Leader

Strong Current Production with  
Substantial Growth Profile

Large Resource Position  
Successful Integration  
Effective Management During  
2008/09 Economic Crisis

\$91  
\$69  
\$57  
\$52  
\$44  
\$40  
\$31  
\$29  
\$0  
\$25  
\$50  
\$75

\$100  
\$125  
\$150  
XOM  
CVX  
COP  
OXY  
PF

FCX  
APC  
APA  
EOG  
CHK  
MRO

(\$Bn)

Pro  
forma  
FCX

will  
be  
the

5  
th  
largest

U.S.  
domiciled  
natural

resource  
company  
and

the  
5  
th

largest  
global  
mining

company  
by  
enterprise

value

Source: Company filings, FactSet. Market data as of 1/7/2013.

\* Includes U.S.-based E&P, mining and coal companies, including integrated companies. Midstream and downstream companies

\*\* Excludes precious metal companies

\$405  
\$209  
\$138  
\$127  
\$122  
\$57  
\$55

\$35  
\$26  
\$21  
\$21  
\$0  
\$25  
\$50  
\$75  
\$100  
\$125  
\$150  
BHP  
RIO  
VALE  
GLEN/  
XTA  
PF  
FCX  
AAL  
SCCO  
TCK  
AA  
ANTO

(\$Bn)  
\$223

Top US Domiciled Resource Companies\*

Top US Domiciled Resource Companies\*

Top Global Mining Companies\*\*

Top Global Mining Companies\*\*

A Premier U.S. Based

Natural Resource Company

A Premier U.S. Based

Natural Resource Company

15



Pro Forma  
Review

Grasberg (90.64%)

Reserves

Cu

31.6 bn lbs

Au

32.2 mm ozs

Sales

Cu  
1.1 bn lbs  
Au  
1.3 mm ozs  
Reserves  
Cu  
40.6 bn lbs  
Mo  
2.71 bn lbs  
Oil & Gas  
575 mm bbls  
Sales  
Cu  
1.45 bn lbs  
Mo  
90 mm lbs<sup>3</sup>  
Oil & Gas  
175 MBOE/d  
FCX's Global Footprint  
FCX's Global Footprint  
Copper  
Copper/Gold/Silver  
Molybdenum  
Cobalt  
Oil/Natural Gas  
Reserves  
Cu  
8.4 bn lbs  
Co  
0.86 bn lbs  
Sales  
Cu  
400 mm lbs  
Co  
30+ mm lbs  
Tenke (56.0%)  
Tenke (56.0%)  
South America  
4  
South America  
4  
Reserves  
Cu  
39.1 bn lbs  
Au  
1.3 mm ozs  
Mo  
0.71 bn lbs  
Sales  
Cu

1.35 bn lbs

Au

0.1 mm ozs

17

Note:

FCX

consolidated

reserves

and

annual

sales;

reserves

as

of

December

31,

2011.

Sales

figures

are

based

on

2013e.

1

Cu operations: Morenci (85%), Sierrita (100%), Bagdad (100%), Tyrone (100%), Safford (100%), Miami (100%) and Chino (

Oil & Gas operations: onshore/offshore CA, Madden, Eagle Ford, Haynesville, GOM shelf & Deepwater

2

PXP Reserves as of 12/31/11 except for reserves purchased in deepwater acquisitions which are as of 9/30/12; MMR reserves

3

Includes moly sales from South America

4

Cu operations: Candelaria/Ojos del Salado (80%), Cerro Verde (53.6%) and El Abra (51%)

Major Operations & Development Projects

All major mining assets majority-controlled and operated

Major Operations & Development Projects

All major mining assets majority-controlled and operated

North America

1

North America

1

e = estimate. See Cautionary Statement.

2

Reserves  
(a)  
(recoverable copper)  
Reserves  
(a)  
&  
Mineralized  
Material  
(b)  
at \$2.00 Cu price  
(billion lbs of copper)  
at \$2.20 Cu price  
Reserves  
Mineralized  
Material  
(b)  
(contained copper)

115

billion

lbs

Combined Reserves and Resources

Combined Reserves and Resources

18

2P Reserves

(c)

Reserves &

Resource Potential

Proved: 575

~7,900

923

(million barrels of oil

equivalents)

Probable: 348

Possible: 658

Near-term

Potential: ~6,300

120

235

(a) Estimated recoverable proven and probable copper reserves as of 12/31/11 using a long-term average copper price of \$2.00/lb. FCX's interest.

(b) Estimated consolidated contained copper resources as of 12/31/11 using a long-term copper price of \$2.20/lb. **Mineralized** reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. According to the company, assurance can be given that the estimated mineralized material will become proven and probable reserves. See Cautionary Statement.

(c)

Includes PXP reserves as of 12/31/11 except for reserves purchased in deepwater acquisitions which are as of 9/30/12 and MM's 2012 pro forma for 2H12 divestitures. Excludes results from GOM shelf ultra-deep activities.

19

19

North America\*

\*

excludes restarts currently in progress; incremental copper per annum

\*\*

PT-FI s share, average per annum

\*

excludes restarts currently in progress; incremental copper per annum

\*\*

PT-FI s share, average per annum

19

Highly Attractive Brownfield

Copper Development Projects

Highly Attractive Brownfield

Copper Development Projects

South America\*

South America\*

Tenke

Fungurume

Grasberg

Grasberg

150mm lbs Cu/yr oxide

expansion nearing completion

Potential sulfide expansions

Morenci Expansion

(225 mm lbs Cu) under way

Potential sulfide expansions

(~800 mm lbs Cu)

Mill Expansions

(t/d)

Cerro Verde (360K)

600

\$4.4

2016

Morenci (115K)

225

1.4

2014

Tenke (14K)

150

0.9

2013

TOTAL

975

\$6.7

Expansion Projects in Progress

Incr. Cu

(mm lbs/yr)

Capital\*

(\$ blns)

Achieve

Full Rates



\* excludes capitalized interest

Cerro Verde Expansion  
(600 mm lbs Cu) under way

Potential El Abra Mill  
(600 mm lbs Cu)  
Underground  
development under  
way  
1.1 bln lbs Cu\*\*  
1.4 mm ozs Au\*\*

20

Copper Sales (billion lbs)

Gold Sales (million ozs)

Diverse Production Profile  
with Strong Growth

Diverse Production Profile  
with Strong Growth

0

1

2

3

4  
5  
2012e  
2013e  
2014e  
2015e

1.0  
1.4  
1.8  
1.8  
0

1  
2  
2012e  
2013e  
2014e  
2015e

Molybdenum Sales (million lbs)

---

Note: Consolidated copper sales include approximately 705 mm lbs in 2012e, 800 mm lbs in 2013e, 770 mm lbs in 2014e and 875+ mm lbs in 2015e for noncontrolling interest; excludes purchased copper.

\* Includes Cerro Verde expansion (2016 full rates) & Morenci mill expansion, targeted for 2014.

e = estimate. See Cautionary Statement.

Includes Projects

Currently

Under Way\*

3.6  
5.0+  
4.5  
4.3  
0  
25  
50  
75  
100

2012e  
2013e  
2014e  
2015e

Oil & Gas Sales (MMBOE)

---

Note: Consolidated

gold

sales

include

approximately

105k

ozs

in

2012e,

140k  
ozs  
in  
2013e,  
180k ozs in 2014e and 175k ozs in 2015e for noncontrolling interest.

---

Note: 2012e includes sales from GOM acquisition beginning on December 1, 2012. Oil & Gas sales estimates include approximately 13.3 MMBOE in 2014e, and 22.6 MMBOE in 2015e from potential success from ultra-deep Shelf exploration and development.

Ultra-Deep

Expl./Dev.

Ultra-Deep

Expl./Dev.

46

64

78

94

82

90

90

100

0

25

50

75

100

2012e

2013e

2014e

2015e

2013e

2014e

2015e

\$0

\$5

\$10

\$15

\$20

\$25

\$3.00

\$3.50

\$4.00

FCX Pro forma EBITDA, Cash Flows &

Capital Expenditures

FCX Pro forma EBITDA, Cash Flows &

Capital Expenditures

21

\$3.00

\$3.50

\$4.00

Operating Cash Flow\*

EBITDA

CAPEX

Copper Prices

\$1,500 Au/\$12 Mo/\$100 Oil/\$4.50 Gas\*\*

Copper Prices

\$1,500 Au/\$12 Mo/\$100 Oil/\$4.50 Gas\*\*

\* Excludes working capital changes

\*\* See impacts of prices changes for gold, molybdenum, oil and gas on slide 32.

2015/

2016

Avg.

2013/

2014

Avg.

(Brent)

(Brent)

2015/

2016

Avg.

2013/

2014

Avg.

Mining

65%

O&G

35%

60%

40%

48%

52%

~45%

Increase

~45%

Increase

22

Focused and Disciplined

Capital Allocation Philosophy

Focused and Disciplined

Capital Allocation Philosophy

Maintain Strong Balance Sheet & Credit Profile

Allocate Capital to

Low Cost, Long-lived,

Expandable Assets

Focus on  
Largest  
Resources  
Ensure  
Potential  
is Well  
Understood  
Establish Short,  
Medium and Long  
Term Potential for  
Primary Assets  
Quantify Risks  
Technical, Political,  
Social, Economic,  
Market  
Rigorous Economic  
Analysis Under  
Range of Assumptions  
Protect Downside,  
Leverage to Upside  
Prioritize & Rank  
Opportunities  
Highest  
Returns/NPV  
per \$  
Invested  
Manageable  
Risks  
Overall Portfolio  
Balance/Strategic Fit  
Limit Number of  
Projects  
Focused  
Management Attention  
Repay  
Debt  
Return Excess Capital to  
Shareholders



23  
Capital Expenditures  
(1)  
Capital Expenditures  
(1)  
(US\$ billions)  
Other Mining  
Major Mining Projects  
Oil & Gas  
3.0  
1.6  
1.4  
1.0  
2.5

3.0  
2.0  
3.3  
2.9  
\$0  
\$2  
\$4  
\$6  
\$8  
2013e  
2014e  
2015e

(1)

Capital expenditure estimates include projects in progress. Project spending will continue to be reviewed and revised subject to

(2) Primarily includes Cerro Verde expansion, Morenci mill expansion and Grasberg underground development.

Note: Includes capitalized interest.

e= estimate. See Cautionary Statement.

\$7.1  
\$7.3  
\$6.3  
(2)  
(2)

Oil & Gas Cash Flows  
Targeted to be Self-funding  
Oil & Gas Cash Flows  
Targeted to be Self-funding  
24  
\$0.0  
\$1.0  
\$2.0  
\$3.0  
\$4.0  
2013e  
2014e  
2015e  
Operating Cash Flow

CAPEX

NOTE: Assumes pricing of \$100/bbl Brent crude for oil and \$4.50/MMbtu for natural gas

e= estimate. See Cautionary Statement.

(US\$ billions)

\$16.3  
\$7.7  
\$2.0  
(\$3.5)  
-\$5  
\$0  
\$5  
\$10  
\$15  
\$20

Significant Debt Reduction  
Significant Debt Reduction  
Year-End Net Debt at Varying Copper Prices

Pro Forma YE 2016e

(US\$ billions)

e= estimate. See Cautionary Statement.

13- 16 Avg. Copper Price

Net Debt/ 13- 16 Avg. EBITDA

\$3.00

0.6x

\$3.50

0.1x

\$4.00

N/A

9/30/12

Pro Forma

25

Note: Sensitivity assumes \$12 Molybdenum, \$1,500 Gold, \$100 Oil and \$4.50 Natural Gas; EBITDA equals operating income and amortization

26

Maintain Strong Balance Sheet & Liquidity Position

Reduce Debt Incurred in Acquisitions Using Substantial Cash Flows  
Generated from Combined Business

Invest in Projects with Strong Financial Returns/Capital Discipline

Anticipate Continuing Current Common Stock Dividend Rate:

\$1.25/Share per Annum

Board to Review Financial Policy on an Ongoing Basis

Committed to Long-standing Tradition of Maximizing Value for  
Shareholders

Financial Policy

Financial Policy

Reference  
Slides



Transaction Summary

Price

FCX to acquire PXP for: 0.6531 shares of  
FCX common stock and \$25.00 in cash,  
equivalent to total consideration of  
\$50.00 per PXP share based on FCX  
closing price on December 4, 2012

FCX to acquire MMR for: \$14.75 cash  
plus 1.15 Ultra-Deep Royalty Trust

Units per MMR share

Premium

39% to PXP's closing price on

December 4, 2012

Cash portion represents 74% to MMR's

closing price on December 4, 2012

Structure

50% stock / 50% cash

\$3.4 billion cash; 91 million new FCX

common shares

100% cash plus Ultra-Deep Royalty

Trust Units

(2)

Transaction Value

\$17.2 billion (includes assumed debt)

\$2.4 billion (includes assumed debt)

Key Conditions

Shareholders

approval

Customary regulatory approvals and

conditions

Shareholders

approval

Customary regulatory approvals and

conditions

Timing

Closing expected in 2Q 2013

FCX Pro Forma

Enterprise Value: \$60 billion

1,041 million shares outstanding

Total Debt of \$20.0 billion

(1) Prior to the transaction, FCX and PXP collectively own 36% of MMR

(2) Creation of Royalty Trust provides MMR shareholders 5% ORRI for continued participation in potential shallow water, ult

28

PXP

PXP

MMR

MMR

(1)

(1)

(1)  
Includes ~ 7 MMcfe/d of natural gas  
(2)  
Includes ~ 4 MBOE/d of NGLs  
(3)  
Includes ~ 6 MBOE/d of NGLs  
2013e Oil & Gas  
Operating Estimates  
2013e Oil & Gas  
Operating Estimates  
29

NOTE: e = estimate. See Cautionary Statement.

Oil

MBOE/D

40

(1)

California

Haynesville/

Rocky Mtns/Other

127

GOM

Eagle Ford

31

(2)

36

56

(3)

125

2013e Oil & Gas Sales by Region

2013e Oil & Gas Sales by Region

Operating Cost: \$27/bbl

Pricing: Brent Based

Operating Cost: \$15/bbl

Pricing: LLS

Operating Cost: \$10/bbl

Pricing: LLS/NYMEX

Operating Cost: \$1.65/Mcfe

Pricing: NYMEX

Gas

MMcfe/d

Rocky Mtns. &

Haynesville

Rocky Mtns. &

Haynesville

California

California

Eagle Ford

Eagle Ford

Gulf of Mexico Shelf/

Deepwater

Gulf of Mexico Shelf/

Deepwater

Oil & Natural Gas Hedging Positions

30

Oil Indexed to Brent

Swaps

Swaps

Puts

Collars

15%

Unhedged

Puts

15%

Unhedged

Puts

84k bbls/d

\$90 floor

\$70 limit

\$6.90 ADP

43%

Unhedged

Natural Gas Indexed to Henry Hub

2013

2014

2015

Swaps

100/d @ \$4.09

117k bbls/d\*

129k bbls/d\*

147k bbls/d\*

2013

2014

2015

40k bbls/d

@ \$109.23

40k bbls/d

@ \$109.23

30k bbls/d

\$95 floor

\$75 limit

\$6.09 ADP

75k bbls/d

\$90 floor

\$70 limit

\$5.74 ADP

5k bbls/d

\$100 floor

\$80 limit

\$7.11 ADP

25k bbls/d

\$100 floor

\$80 limit

\$124 Ceiling

5k bbls/d

\$90 floor

\$70 limit

\$126 Ceiling

13k bbls/d

\$100 floor

\$80 limit

\$6.80 ADP

17k bbls/d

\$90 floor

\$70 limit

\$6.25 ADP

Swaps

110/d @ \$4.27

No Hedges

NOTE: As of October 19, 2012; ADP = average deferred premium.

\* Estimated annual production for MMR & PXP. See Cautionary Statement.