

Tax Basis Information Required Under Section 6045B of the Internal Revenue Code**PART I: REPORTING ISSUER**

As further described below Plains Exploration & Production Company (“PXP”) merged with and into Freeport-McMoRan Oil & Gas LLC (formerly, IMONC LLC) (“PXP Merger Sub”), a direct wholly owned subsidiary of Freeport-McMoRan Copper & Gold Inc. (“FCX”). Stockholders of PXP received, at their election, either cash or shares of FCX common stock in exchange for their PXP shares in the Merger (as defined below).

PART II: ORGANIZATIONAL ACTION***CONSULT YOUR TAX ADVISOR***

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of U.S. federal income tax laws and regulations relating to the effects of the Merger on the tax basis of FCX stock received in the Merger in exchange for PXP stock. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. FCX does not provide tax advice to its stockholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to stockholders and their tax advisors when establishing their specific tax position. You are urged to consult your own tax advisor regarding the particular consequences of the Merger to you, including the applicability and effect of all U.S. federal, state and local and foreign tax laws. We urge you to read the amended registration statement on Form S-4 of FCX, as filed with the Securities and Exchange Commission on April 10, 2013 (“Form S-4”), particularly the discussion beginning on page 113 of the prospectus attached thereto under the heading “Material United States Federal Income Tax Consequences of the Merger.” You may access the Form S-4 at FCX’s website at www.fcx.com in the Investor Center section under SEC Filings, or at www.sec.gov.

Item 14 – Description of organizational action

Pursuant to the terms of the Agreement and Plan of Merger, date as of December 5, 2012 (the “Merger Agreement”), by and among Plains Exploration & Production Company, a Delaware corporation (“PXP”), Freeport-McMoRan Copper & Gold Inc., a Delaware corporation (“FCX”), and Freeport-McMoRan Oil & Gas LLC (formerly, IMONC LLC), a Delaware limited liability company and wholly owned subsidiary of FCX (“PXP Merger Sub”), PXP merged with and into PXP Merger Sub (the “Merger”), and each share of PXP common stock issued and outstanding was converted into the right to receive the total per share consideration equivalent to

approximately \$46.01 based on the average of the closing prices of FCX common stock on the New York Stock Exchange (the “NYSE”) for the ten trading days ending on May 22, 2013, which was \$32.17 (the “FCX Ten Day Price”). PXP shareholders were entitled to elect to receive the per share consideration in either shares of FCX common stock or cash. Based on the FCX Ten Day Price, the per share stock consideration was approximately 1.4302 shares of FCX common stock (the “Stock Consideration”) and the per share cash consideration was approximately \$46.01 (the “Cash Consideration”). These amounts do not include a special one-time cash dividend of \$3.00 per share, which was declared, with FCX’s consent, by PXP’s Board of Directors on May 20, 2013, payable to PXP stockholders as of May 30, 2013, the record date for such dividend.

The election deadline for the merger consideration was May 15, 2013. Based on the final results of the merger consideration elections and the terms of the Merger Agreement:

- holders of approximately 45.5% of PXP’s outstanding shares, or approximately 60,231,439 shares (including holders of certain restricted shares and restricted stock units that were entitled to make a merger consideration election under the terms of the Merger Agreement (collectively, “electing equity award holders”), elected and received the Stock Consideration;
- holders of approximately 29.1% of PXP’s outstanding shares, or approximately 38,503,126 shares (including electing equity award holders), elected and received the Cash Consideration; and
- holders of approximately 24.5% of PXP’s outstanding shares, or approximately 33,550,726 shares (including electing equity award holders), did not make a valid election and did not deliver a valid election form prior to the election deadline and received approximately 99.5% of their merger consideration in cash equal to approximately \$46.01 for each share of PXP common stock and the remainder of their merger consideration in shares of FCX common stock at an exchange ratio of approximately 1.4302 shares of FCX common stock for each share of PXP common stock.

No fractional shares of FCX common stock were issued in the Merger, and PXP stockholders received cash in lieu of fractional shares of FCX common stock, if any, they otherwise would have been entitled to receive as a result of the Merger. Fractional shares were paid based on the FCX Ten Day Price.

Item 15 – Description of the quantitative effect of the organizational action on the basis of the security in the hands of the U.S. taxpayer as an adjustment per share or as a percentage of old stock basis

PXP stockholders who exchange PXP common stock solely for FCX common stock

The receipt by a PXP shareholder of FCX common stock in exchange for PXP common stock in the Merger has an effect on such stockholder's tax basis. Generally, a PXP stockholder's aggregate basis in the shares of FCX common stock received by such stockholder in the Merger, including any fractional shares of FCX common stock deemed received by the stockholder, will equal such stockholder's aggregate tax basis in the PXP common stock surrendered in the Merger.

The receipt by a PXP stockholder of cash in lieu of fractional shares of FCX common stock will be treated as if the fractional shares had been distributed to the PXP stockholders in connection with the Merger and then had been disposed of by such stockholder for the amount of such cash in a sale or exchange pursuant to which gain or loss is recognized.

PXP stockholders who exchange PXP common stock for a combination of FCX common stock and cash

The receipt by a PXP shareholder of a combination of FCX common stock and cash in exchange for PXP common stock in the Merger has an effect on such stockholder's tax basis. Generally, the aggregate tax basis of FCX common stock received by a PXP stockholder that exchanges its shares of PXP common stock for a combination of FCX common stock and cash in the Merger will be equal to the aggregate adjusted tax basis of the shares of PXP common stock surrendered, reduced by the amount of cash received by the PXP stockholder pursuant to the Merger (excluding any cash received instead of a fractional share of FCX stock) and increased by the amount of any gain (excluding any gain or loss resulting from the deemed receipt and redemption of fractional shares), if any, recognized by the PXP stockholder on the exchange.

Item 16 – Description of calculation of the change in basis and the data that supports the calculation

The following is an example of how the previously-described approach to basis determination would be applied:

Assumptions:

PXP stockholders who exchange PXP common stock solely for FCX common stock

Shares of PXP stock owned: 325.62

PXP stockholder's aggregate tax basis (assumed to be \$30.710644 per share): \$10,000

Whole shares of FCX common stock received in the Merger (325.62 shares of PXP common stock multiplied by the merger ratio of 1.4302 and rounding down the product thereof): 465

Number of fractional shares of FCX common stock for which cash is paid: 0.701724

Basis per share of FCX common stock received (\$30.710644 basis per share of PXP common stock divided by merger ratio of 1.4302): \$21.47297161

Aggregate tax basis in whole shares of FCX common stock received in the Merger (465 x \$21.47297161): \$9,984.931799

Tax basis in fractional share deemed sold: $(0.701724 \times \$21.47297161)$: \$15.06809953

PXP stockholders who exchange PXP common stock for a combination of FCX common stock and cash

Shares of PXP stock owned: 325.62

PXP stockholder's aggregate tax basis (assumed to be \$30.710644 per share): \$10,000

Number of PXP shares surrendered for Stock Consideration: 10.62

Number of PXP shares surrendered for Cash Consideration: 315

Amount of Cash Consideration received in exchange for PXP shares $(315 \times \$46.01)$: \$14493.15

Whole shares of FCX common stock received in the Merger (10.62 shares of PXP common stock multiplied by the merger ratio of 1.4302 and rounding down the product thereof): 15

Number of fractional shares of FCX common stock for which cash is paid: 0.188724

FMV per share of FCX shares received: \$32.17

FMV of FCX stock received in exchange for PXP shares (including fractional shares of FCX common stock deemed received) $(\$32.17 \times 15.188724)$: \$488.62

Total merger consideration received (\$14,493.15 in Cash Consideration plus \$488.62 FMV of FCX shares received): \$14,981.77

Realized gain (\$14,981.77 total merger consideration received minus \$10,000 aggregate tax basis): \$4,981.77

Recognized gain (determined as lesser of realized gain or cash received): \$4,981.77

Aggregate tax basis of FCX common stock received (including fractional shares deemed received) (\$10,000 aggregate tax basis in PXP shares minus \$14,493.15 cash received (excluding cash received in lieu of a fractional share of FCX stock) plus \$4,981.77 gain realized): \$488.62

Tax basis per share of FCX common stock received (including fractional shares deemed received) $(\$488.62 \text{ aggregate basis divided by } 15.188724 \text{ shares})$: \$32.17

Aggregate tax basis in whole shares of FCX common stock received in the Merger $(15 \times \$32.17)$: \$482.55

Tax basis in fractional share deemed sold: $(0.188724 \times \$32.17)$: \$6.07

Item 17/18 – List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based and ability of any resulting loss to be recognized

Exchange solely for FCX common stock. PXP stockholders will not recognize income, gain or loss for U.S. federal income tax purposes on the receipt of shares of FCX common stock (including any fractional share interests deemed received) in exchange for shares of PXP common stock pursuant to the Merger pursuant to Sections 354 and 368(a) of the Code. The tax basis calculations resulting from the Merger are governed by Section 358(a) of the Code.

The receipt by a PXP stockholder of cash in lieu of fractional shares of FCX common stock will be treated as if the fractional shares had been distributed to the PXP stockholders in connection with the Merger and then had been disposed of by such stockholders for the amount of such cash in a sale or exchange pursuant to which gain or loss is recognized under Section 1001 of the Code.

Exchange solely for cash. PXP stockholders will recognize gain or loss for U.S. federal income tax purposes on the receipt of cash (excluding any cash received instead of fractional shares deemed received) in exchange for shares of PXP common stock pursuant to the merger pursuant to Section 1001 of the Code. Generally, such gain or loss will be equal to the difference between the amount of cash received in exchange for PXP shares and the PXP shareholder's adjusted basis in such PXP shares, as determined under Section 1011 of the Code.

Exchange for FCX common stock and cash. PXP stockholders will generally recognize gain (but not loss), pursuant to Section 356 of the Code, in an amount equal to the lesser of (1) the amount of gain recognized (i.e., the excess of the sum of the amount of cash and fair market value of the FCX common stock received pursuant to the Merger over the PXP stockholder's adjusted basis in its shares of PXP common stock surrendered, as determined pursuant to Sections 1001 and 1011 of the Code) and (2) the amount of cash received pursuant to the Merger (excluding any cash received in lieu of a fractional share of FCX common stock). The tax basis calculations resulting to such PXP stockholders from the Merger are governed by Section 358(a) of the Code.

Item 19 – Provide any other information necessary to implement the adjustment

The Merger and resulting stock exchange became effective on May 31, 2013. For a PXP stockholder whose reportable year is the calendar year, the reportable taxable year is 2013.

Please note that some brokerage houses might not use the information provided in this document, and the information provided is only provided as an example of one potential method. There are various ways brokerage houses may calculate the costs basis determination. Please contact your individual brokerage house to determine which calculation they may have used and contact your tax advisor for additional information and clarification.

AMENDED

on 8/21/2013

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The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending any transaction or matters addressed herein.