



FREEPORT-McMoRAN
COPPER & GOLD



Merrill Lynch
***Global Metals &
Mining Conference***

Richard C. Adkerson

***President &
Chief Executive Officer***

Core Assets

FCX
LISTED
NYSE

www.fcx.com

May 12, 2009



Cautionary Statement Regarding Forward-Looking Statements



Core Assets

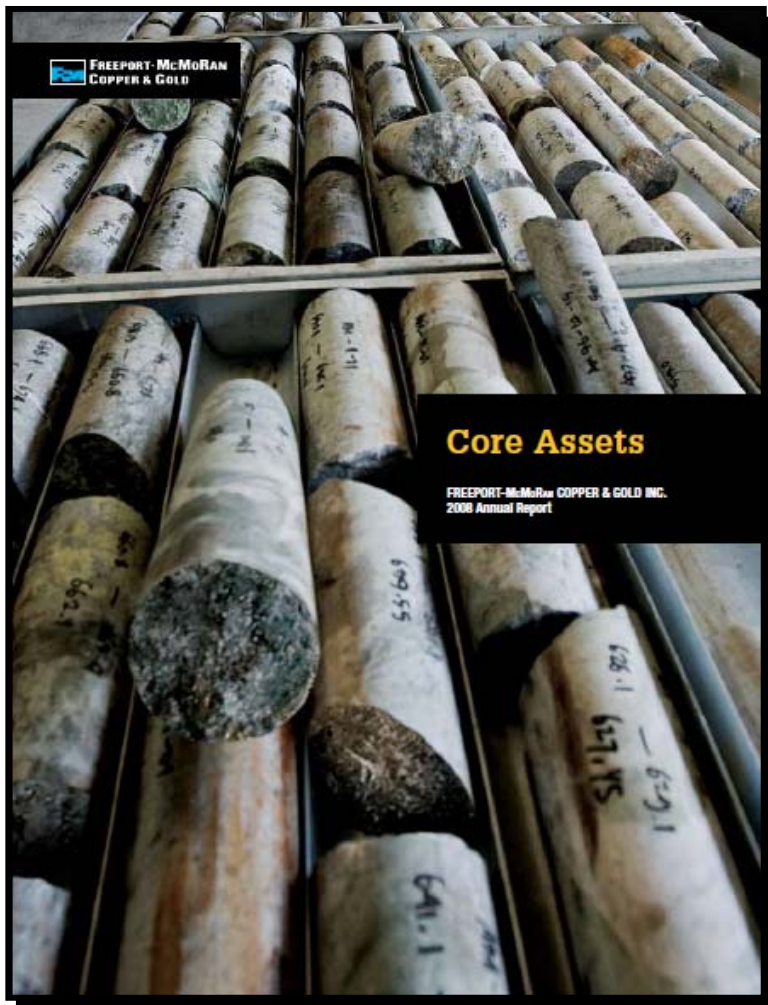
This presentation contains forward-looking statements in which we discuss factors we believe may affect our performance in the future. Forward-looking statements are all statements other than historical facts, such as statements regarding projected ore grades and milling rates, projected sales volumes, projected unit net cash costs, projected operating cash flows, projected capital expenditures, the impact of copper, gold and molybdenum price changes, and projected EBITDA. Accuracy of the forward-looking statements depends on assumptions about events that change over time and is thus susceptible to periodic change based on actual experience and new developments. FCX cautions readers that it assumes no obligation to update or publicly release any revisions to the forward-looking statements in this presentation and, except to the extent required by applicable law, does not intend to update or otherwise revise the forward-looking statements more frequently than quarterly. Additionally, important factors that might cause future results to differ from these projections include mine sequencing, production rates, industry risks, commodity prices, political risks, weather-related risks, labor relations, currency translation risks and other factors described in FCX's Annual Report on Form 10-K for the year ended December 31, 2008, filed with the Securities and Exchange Commission (SEC), as updated by our subsequent filings with the SEC.

This presentation also contains certain financial measures such as unit net cash costs per pound of copper and unit net cash costs per pound of molybdenum. As required by SEC Regulation G, reconciliations of these measures to amounts reported in FCX's consolidated financial statements are in the supplemental schedule, "Product Revenues and Production Costs," which is available on our internet web site www.fcx.com.

Core Assets

Core Assets

2008 Annual Report Highlights



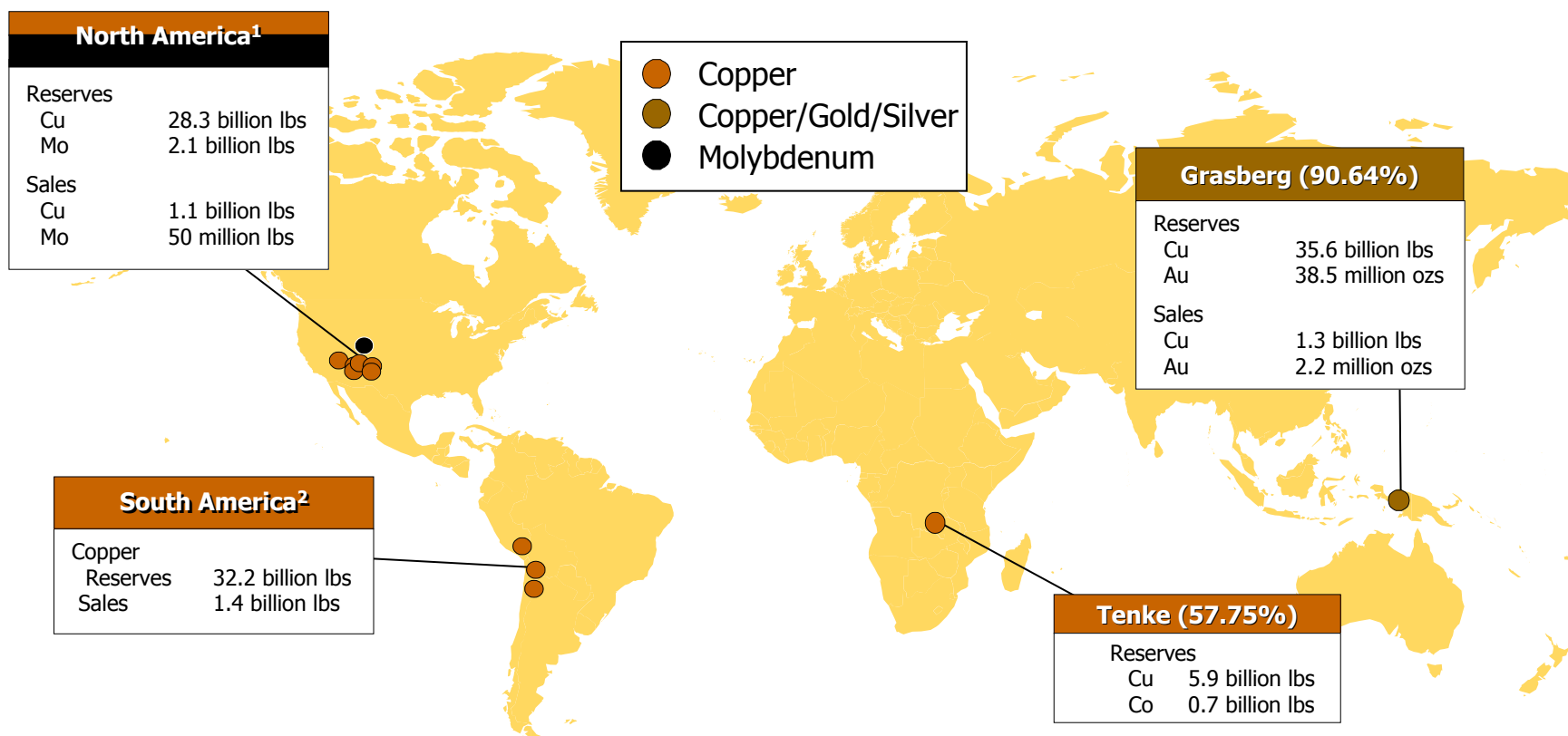
- **Long-Lived Reserves with Growth Potential**
- **Geographically Diverse Operations**
- **Flexible Operating Structure**
- **Experienced Team**
- **Focused Strategy**

Geographically Diverse

Core Assets

Major Mine Operations & Development Projects

All major assets majority-controlled and operated



Note: FCX consolidated reserves and annual sales; preliminary reserves as of December 31, 2008. Sales figures are based on 2009e.

¹ Cu operations: Morenci (85%), Sierrita (100%), Bagdad (100%), Chino/Cobre (100%), Tyrone (100%) and Safford (100%),
Primary Mo: Henderson (100%)

² Copper operations Candelaria/Ojos del Salado (80%), Cerro Verde (53.6%) and El Abra (51%)

First Quarter Highlights

Core Assets

- **Strong Execution of Revised Operating Plan**
- **Solid Performance at Grasberg**
- **Achievement of Significant Cost Reductions**
- **Advanced Construction at Tenke**
- **Strengthened Liquidity Position Through Equity Offering**
- **Improved Market Sentiment – Copper Top Performing Commodity**

Achieving Cost Reductions

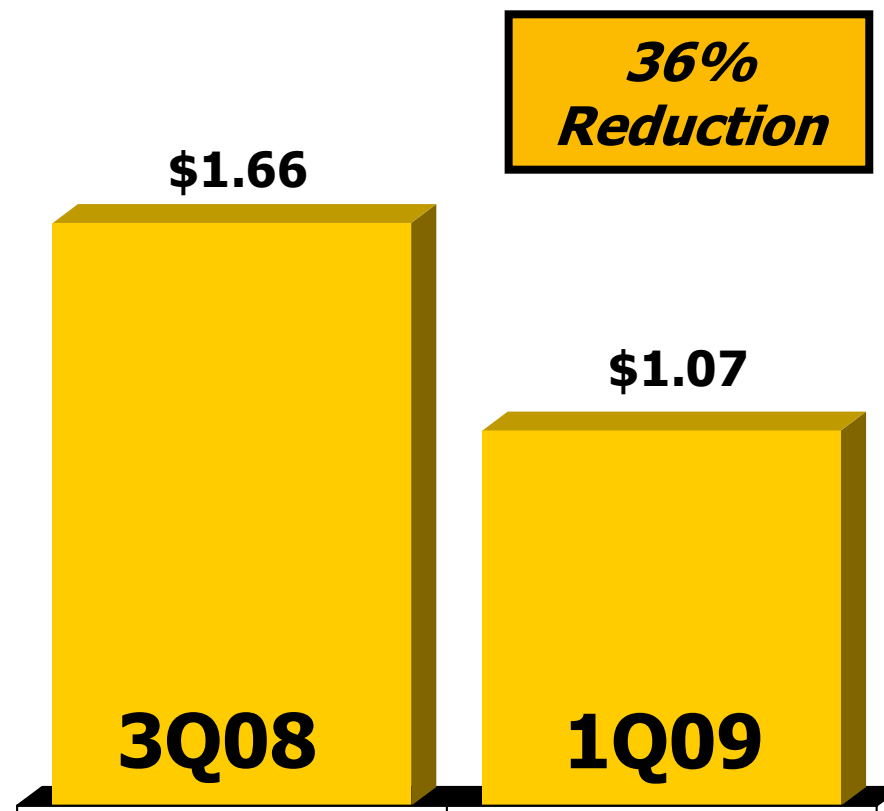
Site Production & Delivery Costs - Consolidated

Core Assets

Consolidated Site Production & Delivery

\$ per pound

- **Revised Operating Plans**
- **Grasberg Ore Grades**
- **Aggressive Cost Management/Lower Input Costs**



Achieving Cost Reductions

Site Production & Delivery Costs – North America

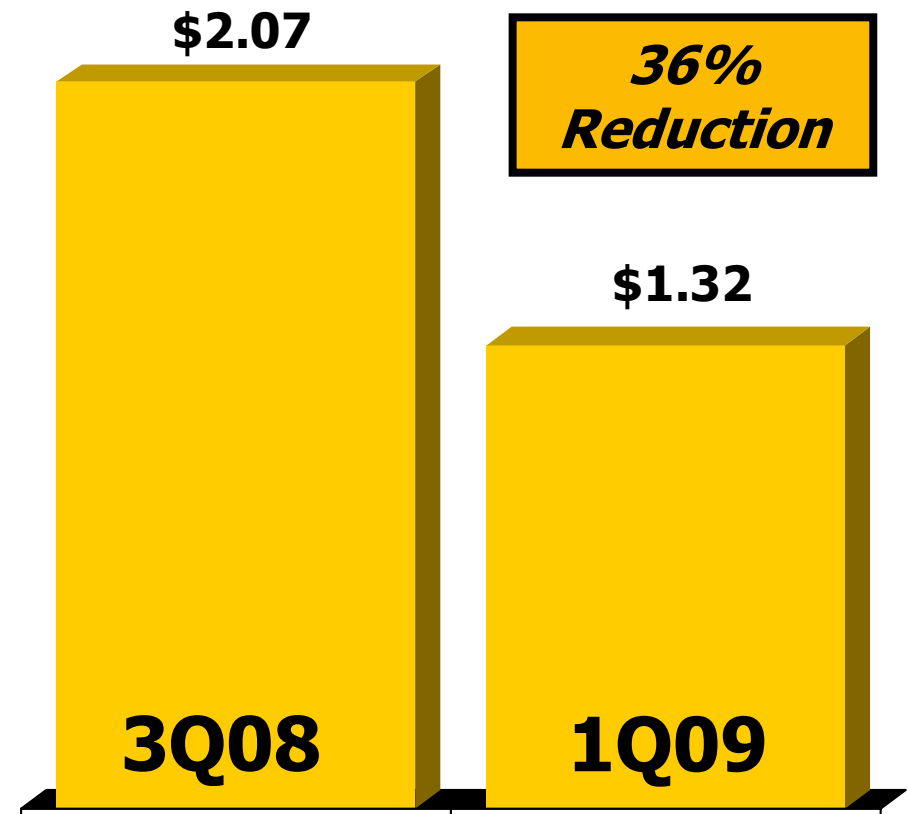
Core Assets

North America

Site Production & Delivery

\$ per pound

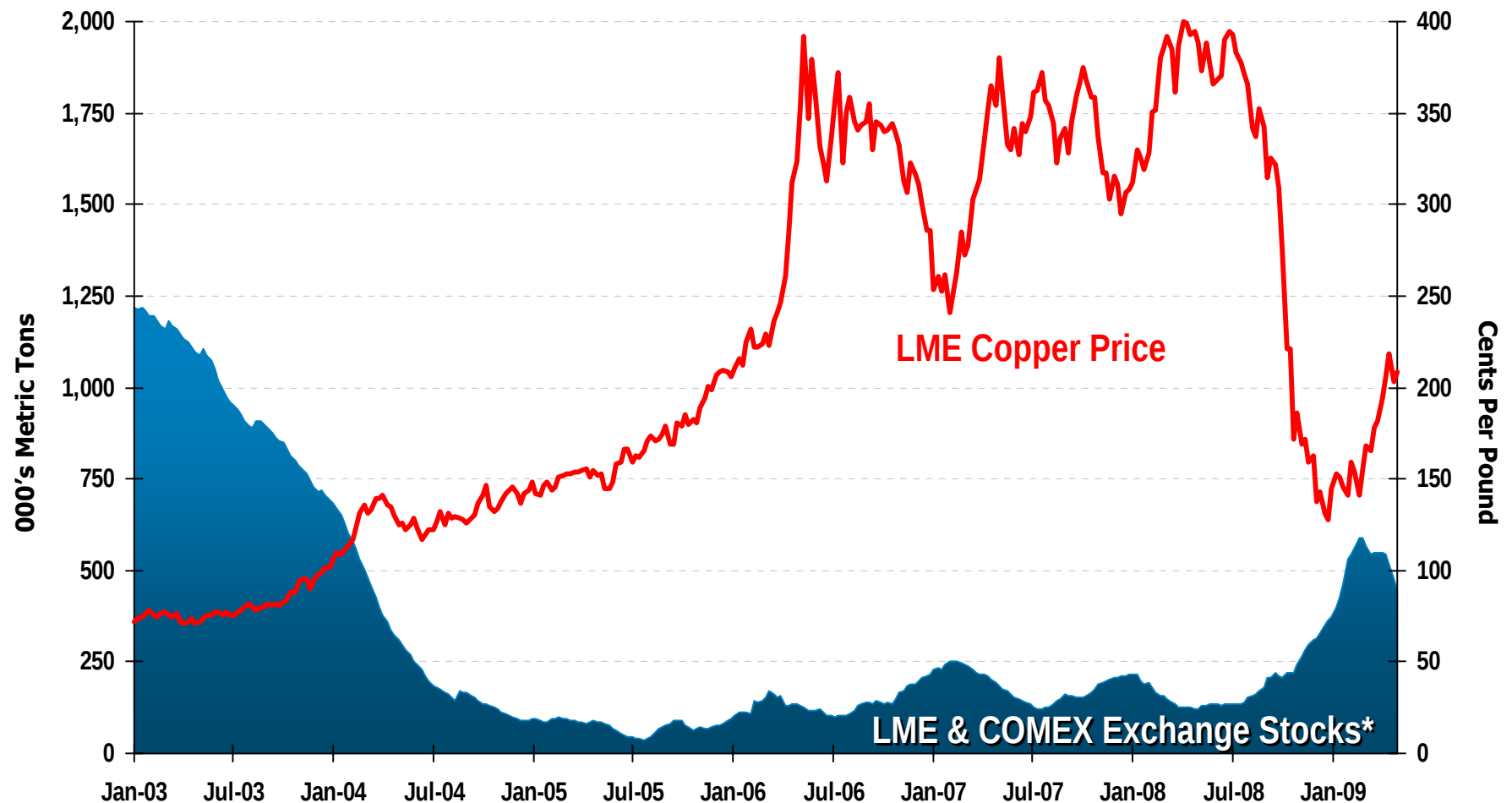
- **Aggressive Cost Management**
- **Lower Input Costs**
 - Diesel prices down 50%
 - Power prices down 35%
 - Significant decline in acid costs





Copper Price & Inventories

Core Assets



As of April 30, 2009

** LME and Comex, excluding Shanghai stocks, producer, consumer and merchant stocks.*

Copper Market Update

Core Assets

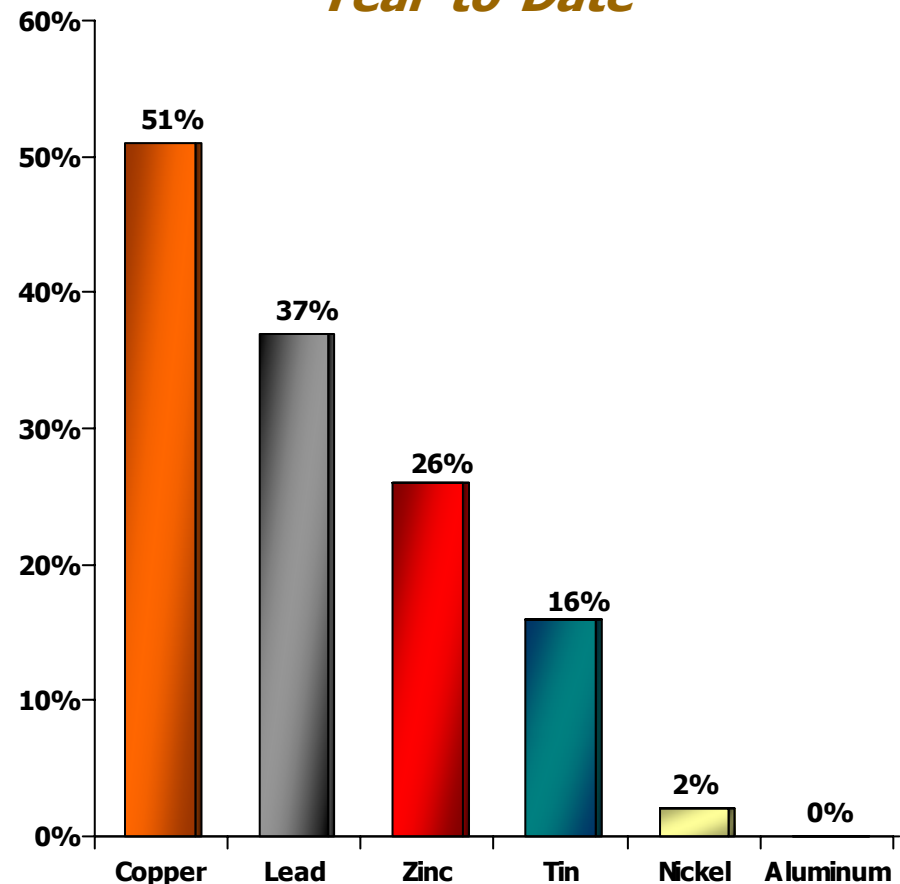
Demand

- **China Has Been Primary Driver in 2009**
 - Stimulus Plan is Focused on Infrastructure Spending
 - Scarcity of Scrap has Resulted in Higher Demand for Cathode
 - SRB Purchases
- **Demand in the U.S., Europe and Japan Remain Weak**

Supply

- **Involuntary Supply Constraints Continue**
- **Mine Curtailments – ~ 5% of Production**
- **LME Inventories Currently ~ 400 kt**
 - Up ~ 60 kt YTD
 - Peaked at 548 kt in Late February
 - Down ~ 150 kt From Recent High

Change in Prices Year-to-Date



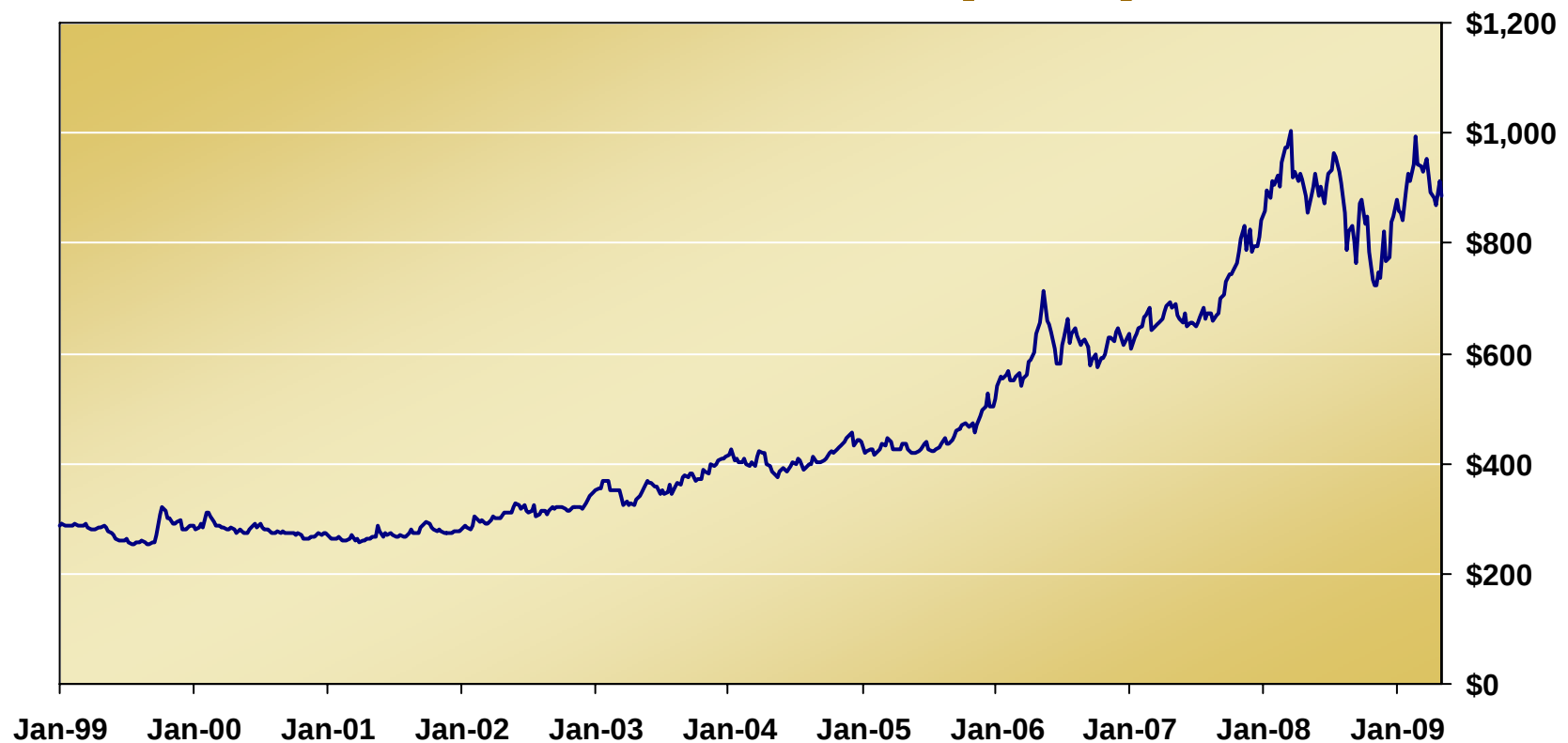
Source: Bloomberg as of May 1, 2009



Gold Market Update

Core Assets

London Gold Price (\$/oz)

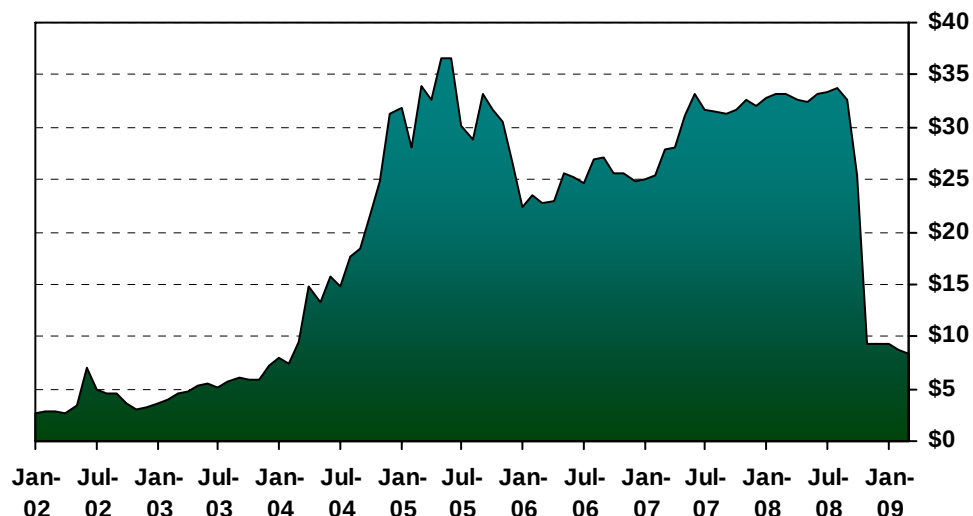


Molybdenum Market Update

Core Assets

- **2009 Range: \$7.825 - \$9.50/lb**
- **Current Price: \$8.55/lb**
- **Year Ago Price: \$32.45/lb**
- **Destocking in Europe Has Been Reduced**
- **Chinese Have Begun to Import**
- **Producers Continue to Reduce Supply**

Molybdenum Price* (\$/lb)



** Metals Week – Molybdenum Dealer Oxide Price*

(mm lbs of molybdenum)

	2007	2008	1Q09	2Q09e
Consumption	458.8	458.2	94.0	100.0
Supply	<u>467.8</u>	<u>483.0</u>	<u>105.7</u>	<u>102.5</u>
Surplus / (Deficit)	9.0	24.8	11.7	2.5

Source: CRU April 8, 2009

Operating Plan Overview

Core Assets

North & South America

- **Reduced rates at Morenci, Safford and Tyrone**
- **Suspended operations at Chino; produce from leach pads**
- **Reduced mining rates in Candelaria/Ojos district**

Molybdenum

- **Reduced further with an approximate 40% reduction to Henderson's annual production, which totaled 40mm lbs in 2008**
- **Adjusted production plans at certain by-product mines, including Cerro Verde which produced 3mm lbs in 2008**

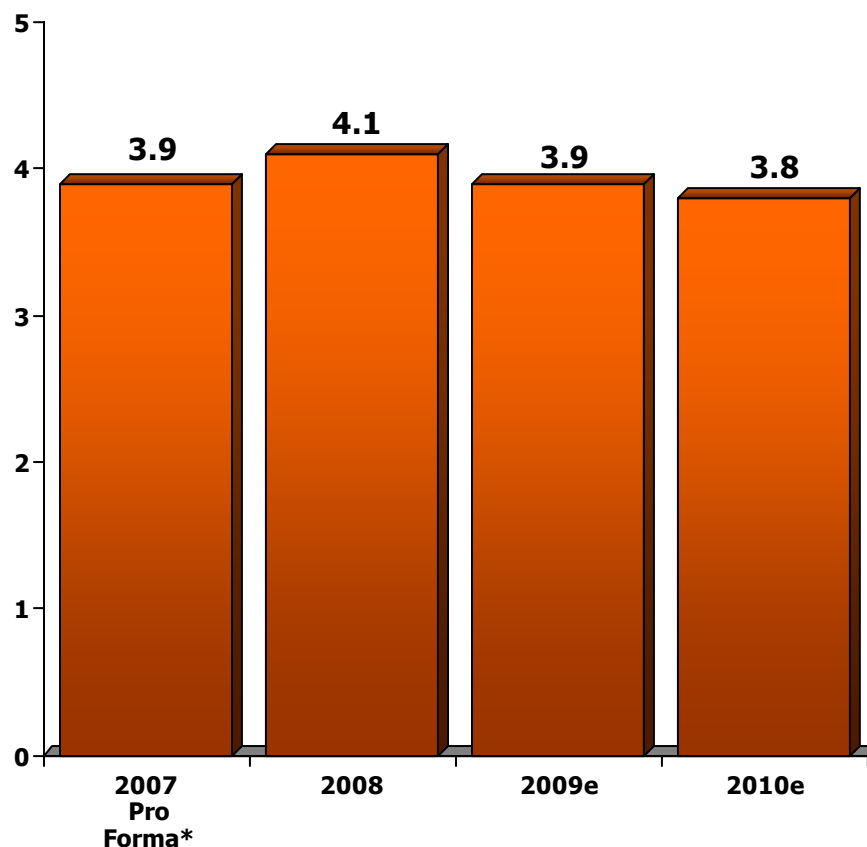
All Operations

- **Deferred projects & reduced manpower, costs and CAPEX**
- **Continue to refine & optimize plans and aggressively manage costs**

Sales Profile 2007 - 2010e

Core Assets

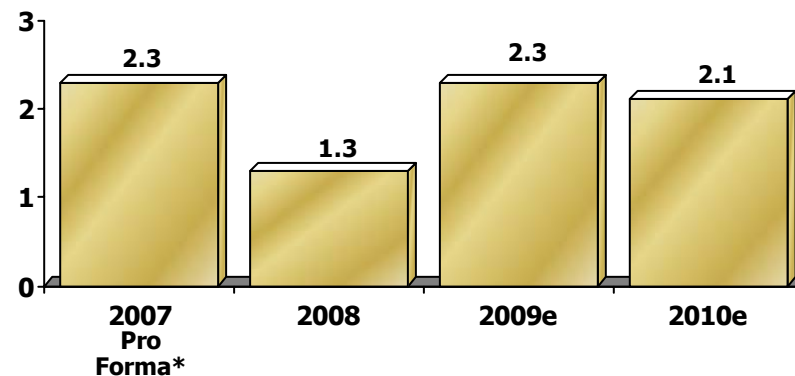
Copper Sales (billion lbs)



Note: Consolidated copper sales include approximately 647 mm lbs in 2007, 699 mm lbs in 2008, 750 mm lbs in 2009e, and 740 mm lbs in 2010e for noncontrolling interest; excludes purchased copper

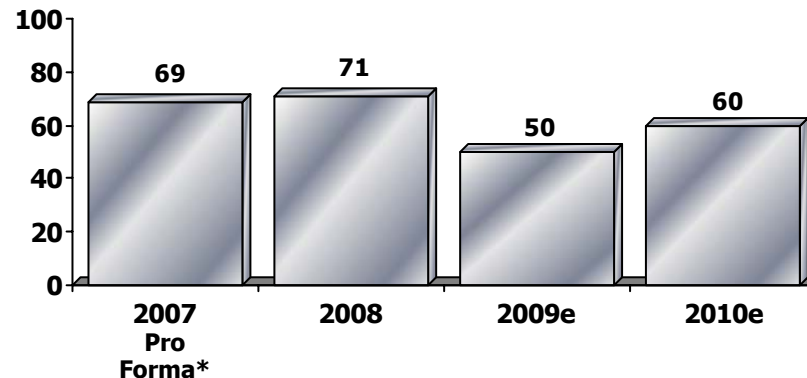
** 2007 includes pre-acquisition sales of 505 mm lbs of copper, 18 k oz of gold and 17 mm lbs of molybdenum*

Gold Sales (million ozs)



Note: Consolidated gold sales include approximately 228 k oz in 2007, 134 k oz in 2008, 230 k oz in 2009e, and 210 k oz in 2010e for noncontrolling interest

Molybdenum Sales (million lbs)

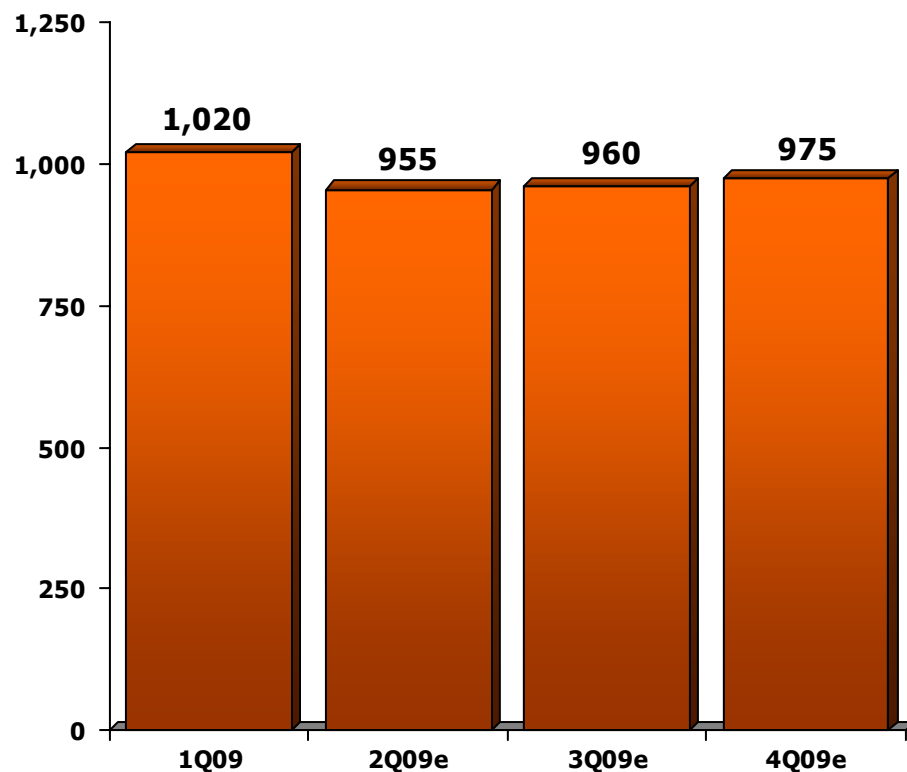


e = estimate. Please see Cautionary Statement.

2009e Quarterly Payable Metal Sales

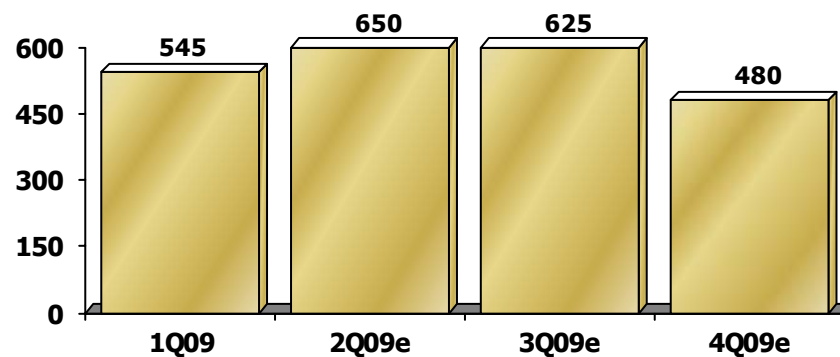
Core Assets

Copper Sales (million lbs)



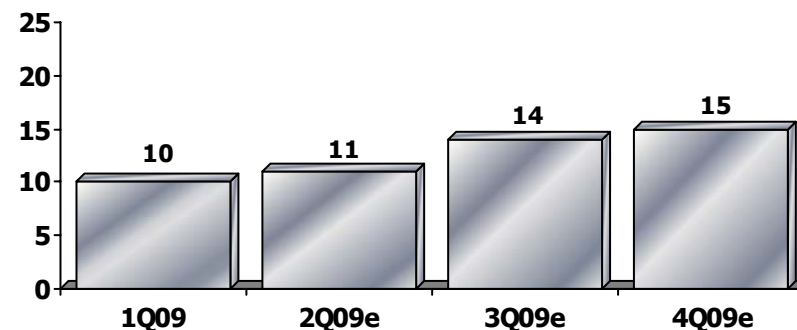
Note: Consolidated copper sales include approximately 174 mm lbs in 1Q09, 175 mm lbs in 2Q09e, 200 mm lbs in 3Q09e and 200 mm lbs in 4Q09e for noncontrolling interest; excludes purchased copper

Gold Sales (thousand ozs)



Note: Consolidated gold sales include approximately 53 k oz in 1Q09, 65 k oz in 2Q09e, 60 k oz in 3Q09e and 50 k oz in 4Q09e for noncontrolling interest

Molybdenum Sales (million lbs)

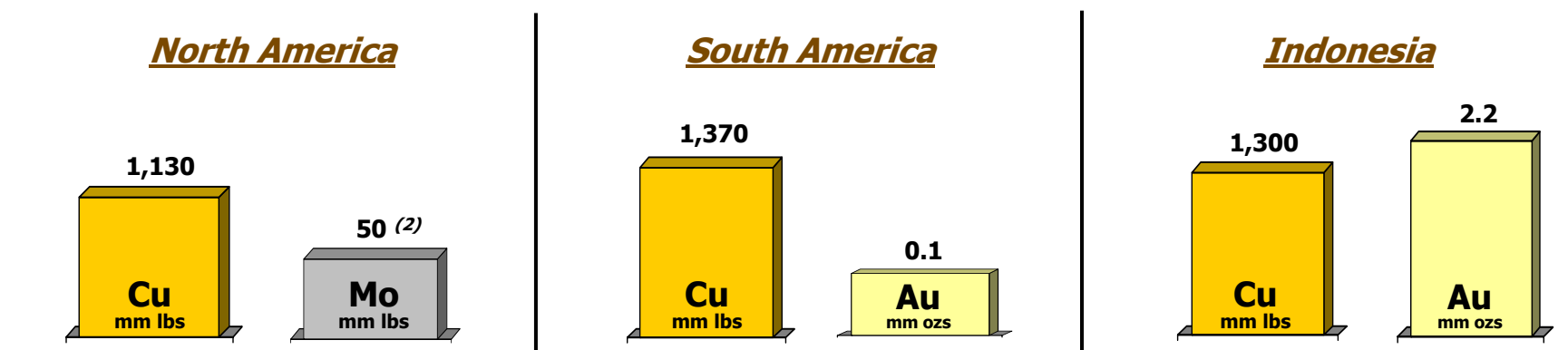


e = estimate. Please see Cautionary Statement.

2009e Sales and Unit Production Costs by Region

Core Assets

2009e Sales by Region ⁽¹⁾



(per pound of copper) Cash Unit Costs ⁽³⁾

	North America	South America	Indonesia	Consolidated ⁽⁵⁾
Site Production & Delivery ⁽⁴⁾	\$1.31	\$1.02	\$1.11	\$1.14
Royalties ⁽⁴⁾	-	-	0.08	0.03
Treatment Charges	0.08	0.13	0.21	0.14
By-product Credits	<u>(0.17)</u>	<u>(0.10)</u>	<u>(1.53)</u>	<u>(0.61)</u>
Unit Net Cash Costs (Credits)	<u>\$1.22</u>	<u>\$1.05</u>	<u>\$(0.13)</u>	<u>\$0.70</u>

(1) 2009e sales also include 100 MM pounds from Africa

(2) Includes moly from South America

(3) Estimates assume average prices of \$2.00/lb for copper, \$900/oz for gold and \$8/lb for molybdenum for the remainder of 2009. Quarterly unit costs will vary significantly with quarterly metal sales volumes.

(4) Production costs include profit sharing in South America and severance taxes in North America

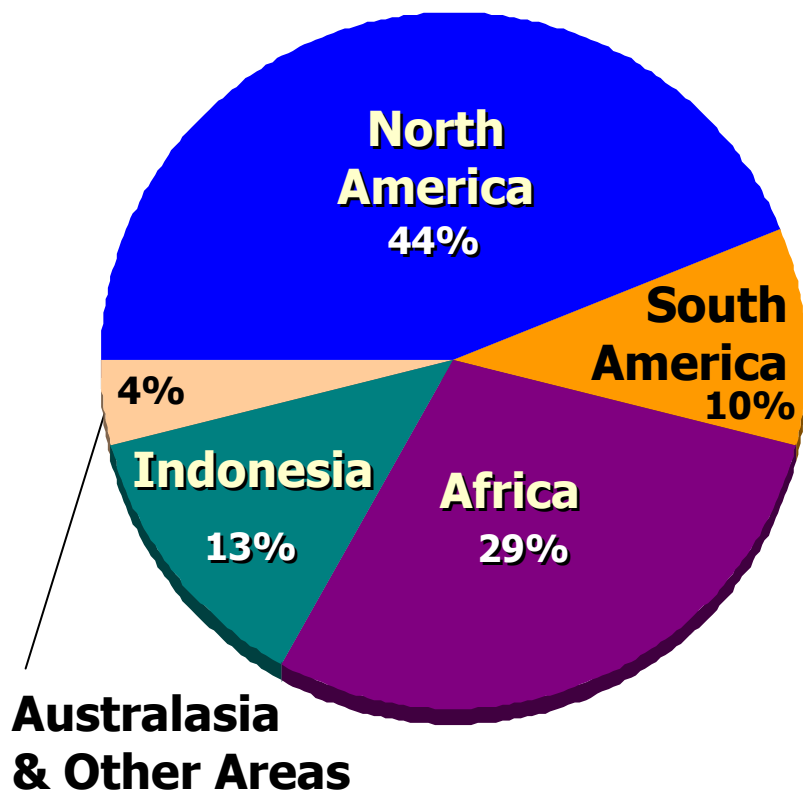
(5) 2009 consolidated amounts exclude Africa

Note: e = estimate. See Cautionary Statement.

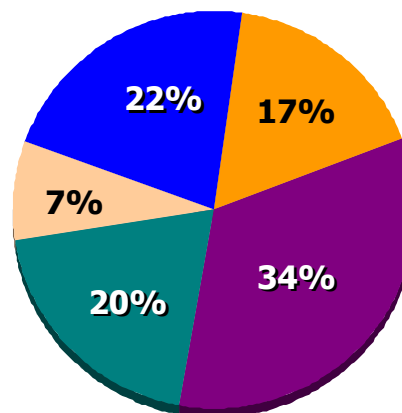
Exploration

Core Assets

2008
\$248 million



2009e
\$75 million



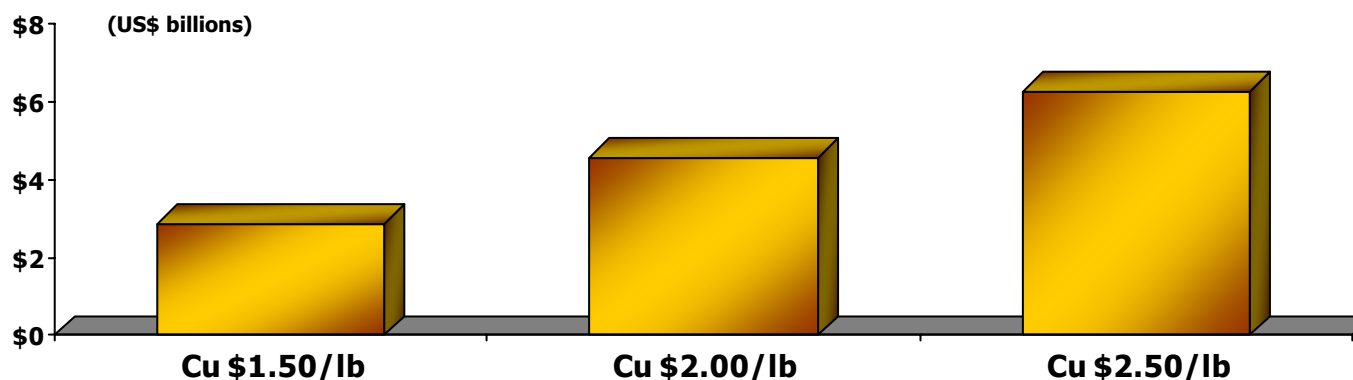
Activities focused on incorporating significant data obtained in 2008 into our future plans

EBITDA and Cash Flow at Various Copper Prices

Core Assets

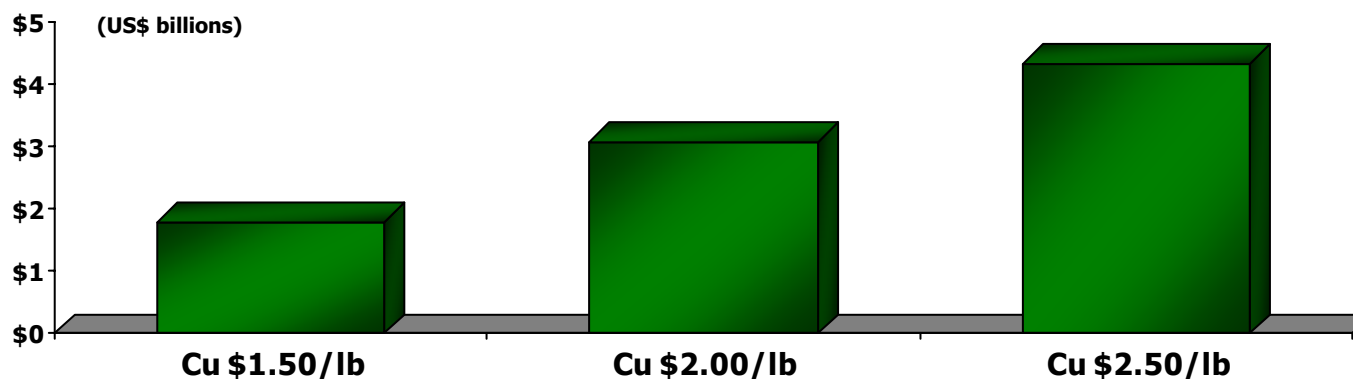
2009e & 2010e Average Annual EBITDA

(\$900 Gold & \$8 Molybdenum)



2009e & 2010e Average Annual Operating Cash Flow (excluding Working Capital)*

(\$900 Gold & \$8 Molybdenum)



* Excludes working capital changes. 2009e expected to be impacted by negative working capital totaling \$600 million (at \$2.00 copper) primarily associated with final settlement to customers on 2008 open pounds. Initiatives to reduce working capital requirements under way.

Note: On an annual basis, each \$50/oz change in gold approximates \$100 million to EBITDA and \$60 million to operating cash flow; each \$2.00/lb of molybdenum equates to \$100 million to EBITDA and \$90 mm to operating cash flow. EBITDA equals operating income plus depreciation, depletion and amortization.

e = estimate. See Cautionary Statement

Sensitivities (2009e & 2010e Avg.)

Core Assets

Change	EBITDA	Operating Cash Flow
<i>(US\$ millions)</i>		
Copper: -/+ \$0.10/lb	\$375	\$260
Molybdenum: -/+ \$1.00/lb	\$50	\$45
Gold: -/+ \$50/ounce	\$100	\$60
Diesel ⁽¹⁾: -/+ 10%	\$25	\$15
Purchased Power ⁽²⁾: -/+ 10%	\$40	\$25
Currencies ⁽³⁾: +/- 10%	\$110	\$65

(1) \$1.40/gallon base case assumption

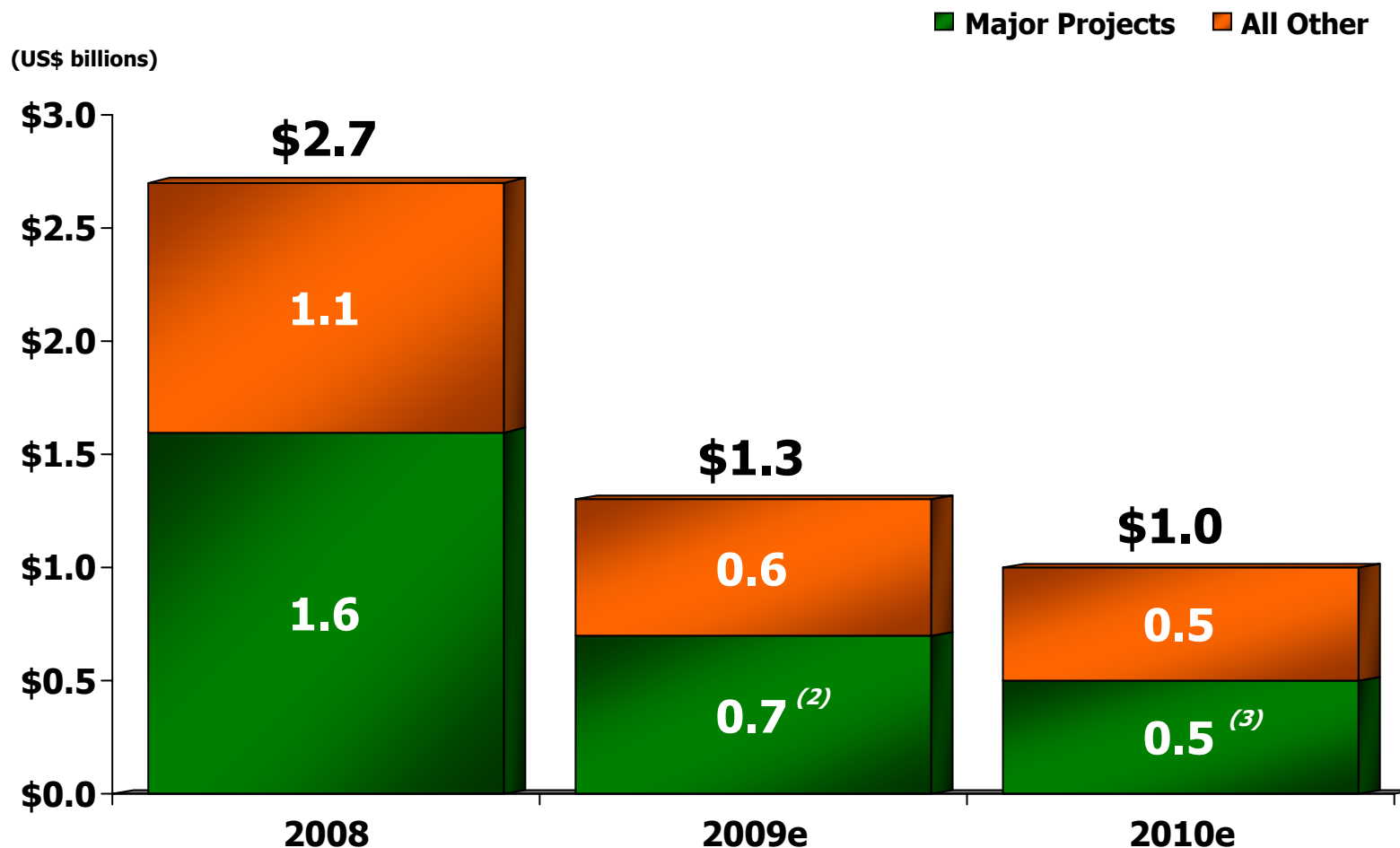
(2) 6.8¢/kWh base case assumption

(3) 600 Chilean peso, 11,000 Indonesian rupiah, \$0.70 Australian dollar, \$1.35 Euro, 3.15 Peruvian Nuevo Sol base case assumption. Each +10% equals a 10% strengthening of the U.S. dollar; a strengthening of the U.S. dollar against foreign currencies equates to a cost benefit of noted amounts.

NOTE: Operating cash flow amounts exclude working capital changes. e = estimate. See Cautionary Statement.

Capital Expenditures (1)

Core Assets



(1) Capital expenditure estimates will continue to be reviewed and revised subject to market conditions

(2) Includes Tenke development and Grasberg underground development

(3) Includes Grasberg underground development and El Abra sulfide

Note: Includes capitalized interest. e = estimate. Please see Cautionary Statement.

Tenke Fungurume Development Project Update

Core Assets

- **Construction and Commissioning Activities Advanced**
- **Construction Activities Focused on Completing the Cobalt and Acid Plants**
- **Ramp-up to Full Capacity in 2H09**
- **\$1.75 Billion in Aggregate Capital Costs**
- **Reserves at 12/31/08:**
 - **5.9 Billion lbs Cu (2.6%)**
 - **0.7 Billion lbs Co (0.35%)**
 - **Reserves Expected to Continue to Increase**



First Copper in March

Tenke Fungurume Development Project Update

Core Assets



Cathodes Ready for Shipment



SAG Mill
First Ore to Mill in March



**Construction Site
1Q09**



Sulphuric Acid Plant
Construction Activities Continue

Tenke Fungurume

Core Assets

- **Largest Investment in DRC**
- **World-class Design & Construction**
- **Significant Infrastructure Upgrades**
- **Expanding Social & Community Programs**



Workers install a liner for the Tailings Storage Facility



Children use one of the additional potable water wells at Fungurume

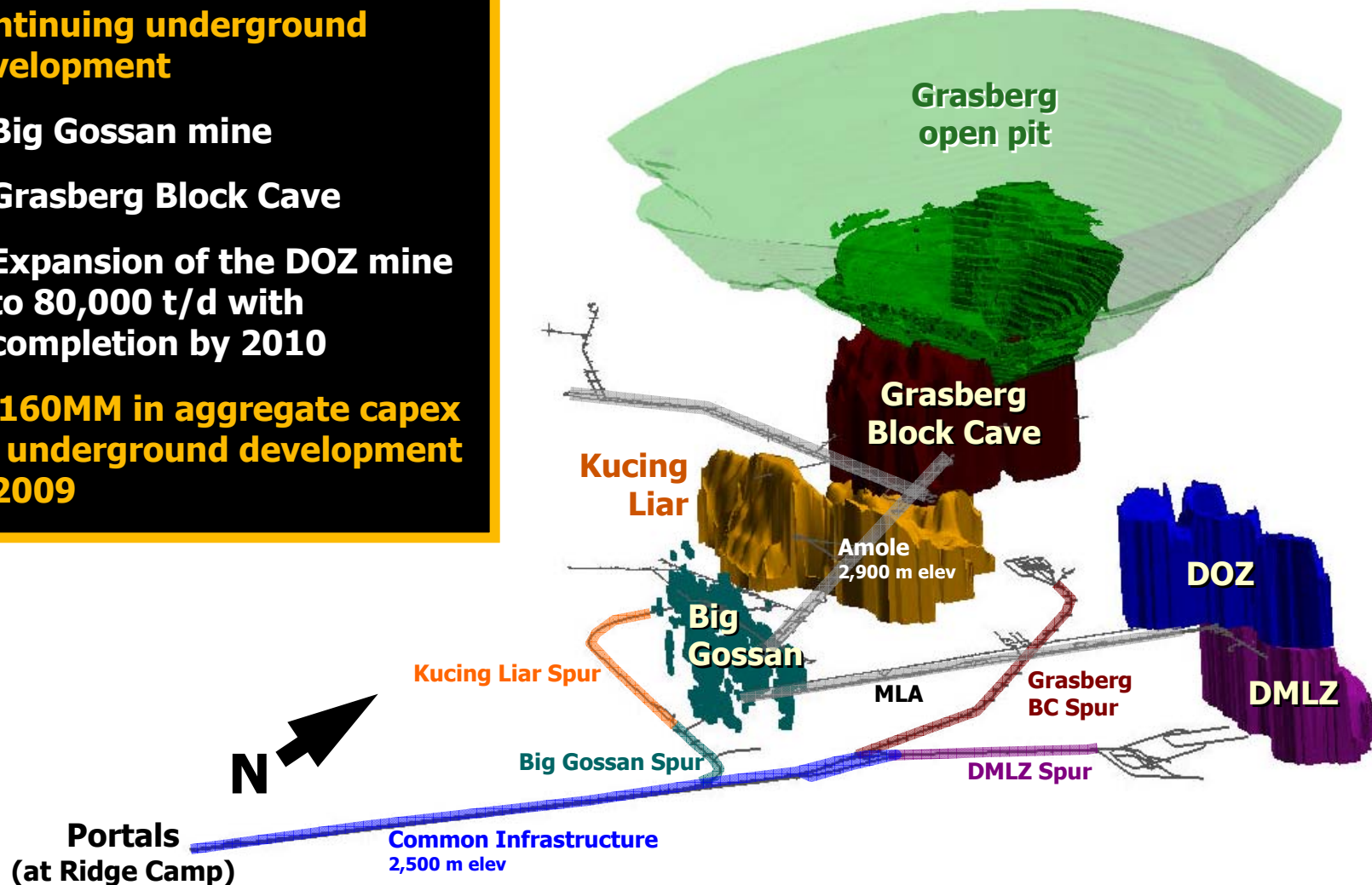
- **Project Will Provide Important Benefits:**
 - **Employment**
 - **Local Services**
 - **Taxes**
 - **Royalties**
 - **Dividend Payments**

Underground Mine Development in Indonesia

Grasberg District Ore Bodies

Core Assets

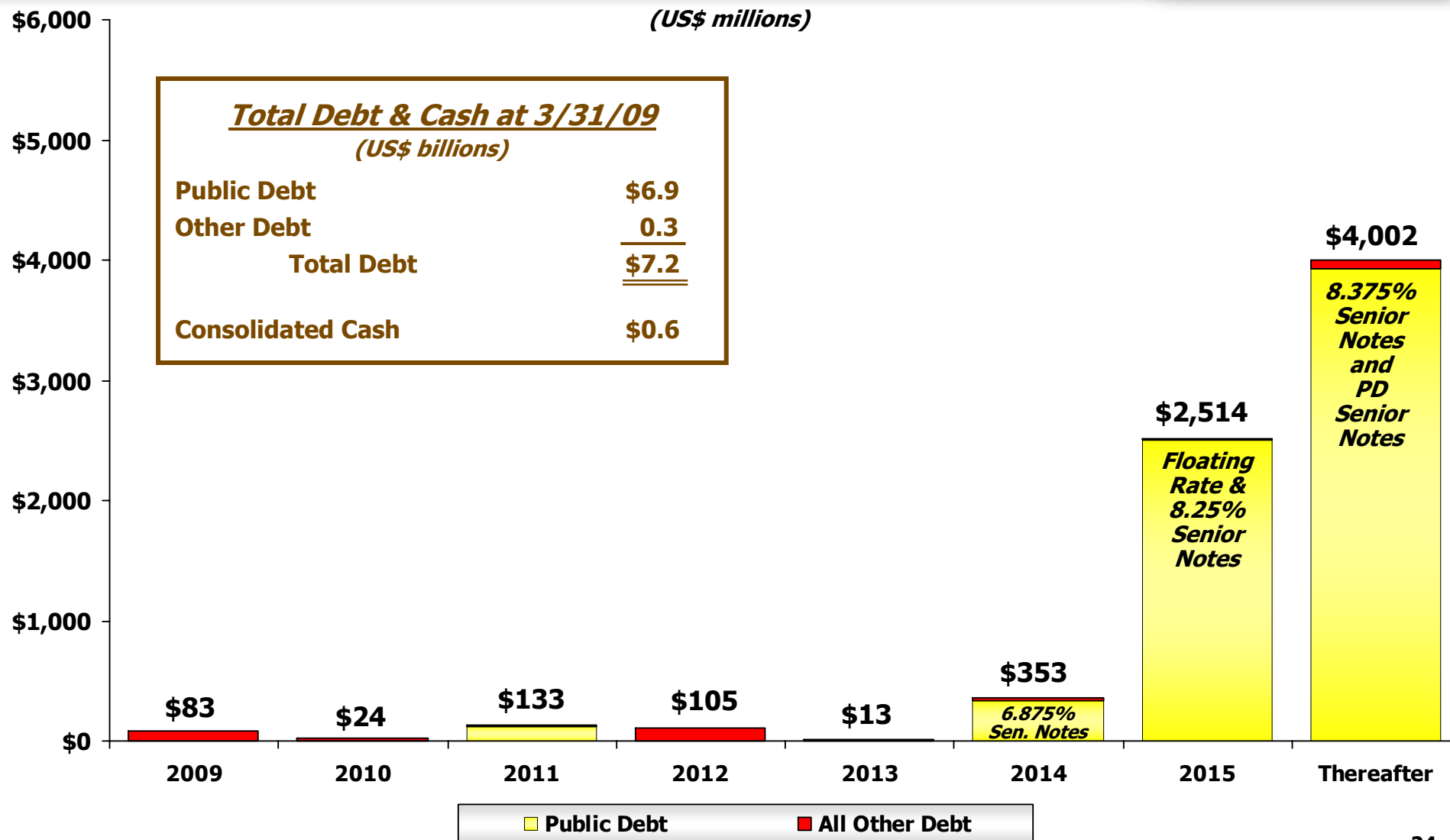
- **Continuing underground development**
 - Big Gossan mine
 - Grasberg Block Cave
 - Expansion of the DOZ mine to 80,000 t/d with completion by 2010
- **~\$160MM in aggregate capex for underground development in 2009**



FCX Debt Maturities 3/31/09

Core Assets

(US\$ millions)



Financial Policy

Core Assets

- **Maintain Strong Balance Sheet & Liquidity Position**
- **Aggressive Cost Management**
- **Capital Investments Will be Limited in Current Market Environment**
- **Near-Term Focus Will be on Protecting Liquidity While Preserving Large Mineral Resources and Growth Options**
- **Board to Review Financial Policy on an Ongoing Basis**

FCX Investment Summary

Core Assets

- **World's Premier Publicly Traded Copper Company**
- **World's Largest Molybdenum Producer & Significant Gold Producer**
- **Long-lived Reserves, Geographically Diverse Operations**
- **Flexible Operating Structure Can Respond to Varying Market Conditions**
- **Significant Reserve Growth**