

MACQUARIE CONNECTIONS
MACQUARIE CAPITAL (USA) INC.



Global Metals & Mining Conference 2012

Kathleen L. Quirk
Executive Vice President & CFO

December 11, 2012

Cautionary Statement Regarding Forward-Looking Statements



This press release 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, MMR, PXP 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, MMR and PXP from time to time, including their respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. The forward-looking statements including in this press release are made only as of the date hereof. Neither FCX, MMR nor PXP undertakes any obligation to update the forward-looking statements included in this press release to reflect subsequent events or circumstances.

Additional Information about the Proposed Transactions and Where to Find It

PXP Transaction

In connection with the proposed transaction, FCX intends to file with the SEC a registration statement on Form S-4 that will include a proxy statement of 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 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 relevant documents filed by FCX and PXP with the SEC at the SEC's website at 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 in FCX's proxy statement dated April 27, 2012, for its 2012 Annual Meeting of Stockholders. Information about PXP's directors and executive officers is available in PXP's proxy 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 proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from FCX or PXP using 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 any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities 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 will file with the SEC a registration statement on Form S-4 that will include a proxy statement of MMR that also constitutes a prospectus of the royalty trust. FCX, the royalty trust and MMR 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 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 relevant documents filed by FCX, the royalty trust and PXP with the SEC at the SEC's website at 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 the solicitation of proxies in respect of the proposed transaction. Information about FCX's directors and executive officers is available in FCX's proxy statement dated April 27, 2012, for its 2012 Annual Meeting of Stockholders. Information about MMR's directors and executive officers is available in MMR's proxy statement dated April 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 proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the merger when they become available. Investors should read the proxy statement/prospectus carefully when it becomes available before making any voting or investment decisions. You may obtain free copies of these documents from FCX or MMR using 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 any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities 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.

FCX Overview



- **Global Leader in Production of Copper, Gold and Molybdenum**
- **Well Situated to Meet Growing Demand for Metals**
- **Geographically Diverse**
- **Long-Lived Reserves**
- **Growing Production Profile**
- **Strong Financial Position**
- **Environmentally Responsible**
- **Experienced Team**

FCX Acquisition of PXP & MMR

- **Creates A Premier U.S. Based Natural Resource Company**
- **Adds High Quality U.S. Oil & Gas Assets to World-Class Mining Portfolio**
- **Asset Quality Consistent with Characteristics Sought in Mining Business** ➡ ***Large, Long Life, Low Cost, Expandable***
- **Enhances Exploration Leverage with Significant Value Potential**
- **Complementary Commodity Exposure to Long-Term Global Growth Trends**
- **Combined Asset Portfolio Expands Reinvestment Opportunities to Drive Future Growth**

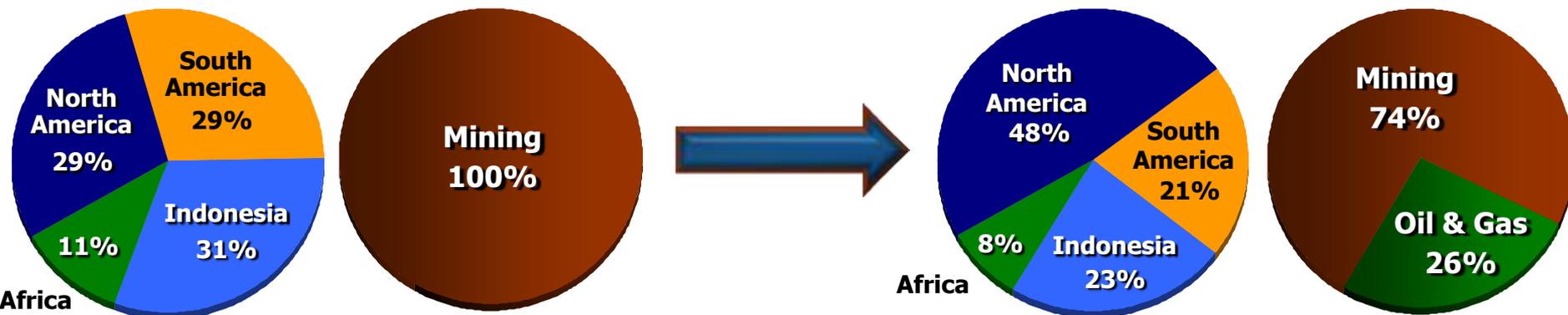
Benefits of the Transactions

- **High Quality U.S. Resource Base Provides Exposure to Energy Market with Attractive Fundamentals**
 - ~85% of Acquired Revenues from Oil ⁽¹⁾
 - Favorable Entry Point to Source of Low Cost, Long-term Gas Supply
- **Significant Exploration Upside**
- **Strong Margins and Cash Flows to Fund Growth**
 - O&G EBITDA Margins of ~75% ⁽¹⁾
- **Diversification Expands Portfolio of Attractive Investment Opportunities**
- **Access to Low-cost Debt Financing**

Geographic & Commodity Diversification – 2013e EBITDA ⁽¹⁾

Existing

Pro forma

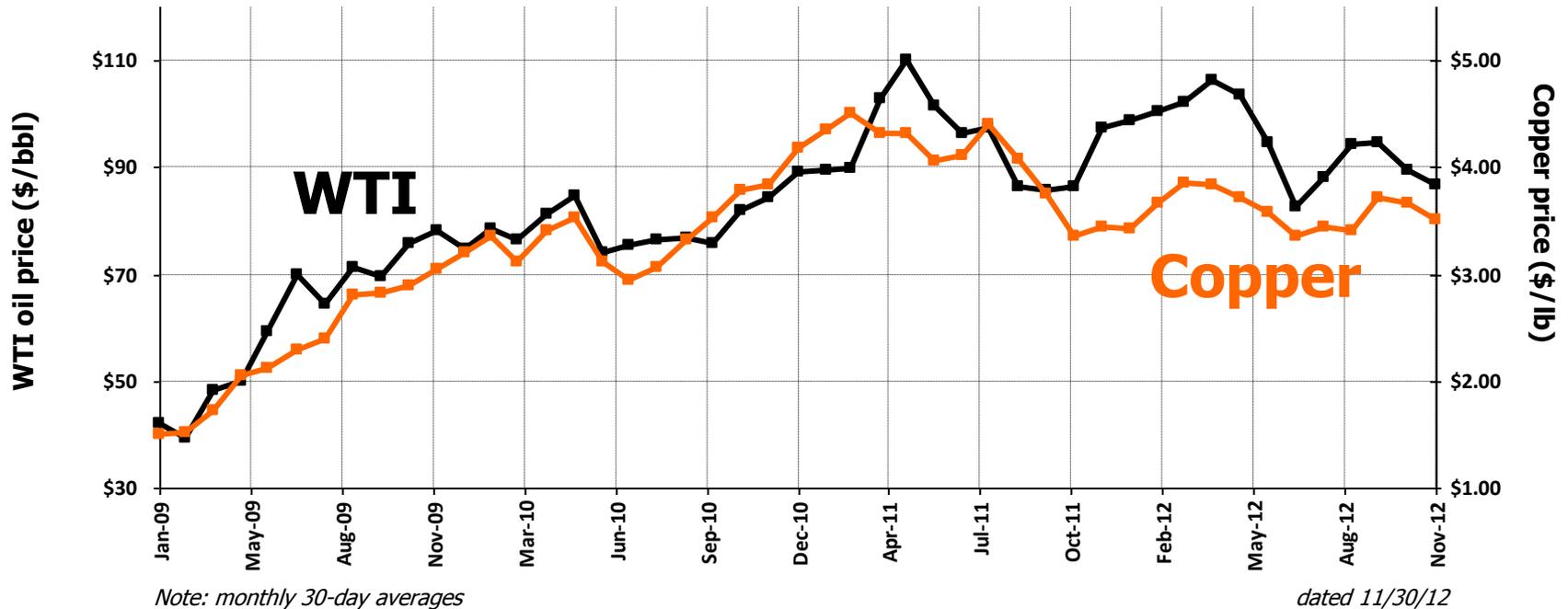


(1) Based on pricing assumptions of \$3.50/lb Cu, \$1,500/oz Au, \$12/lb Mo, \$100/bbl Oil (Brent) and \$4.50/MMbtu natural gas. e = estimate. See Cautionary Statement.

Enhanced Commodity Exposure to Long-term Global Growth Trends

- Emerging Market Growth and Urbanization Will Continue to Drive Commodity Demand
- Global Energy Consumption Expected to Grow by >30% by 2035 ⁽¹⁾
- Global Refined Copper Consumption Expected to Grow by ~60% by 2025 ⁽²⁾

WTI Oil Price v. Copper Price



Favorable Supply/Demand Fundamentals Expected to Remain Supportive of Future Oil and Copper Prices

(1) International Energy Administration
 (2) Brook Hunt

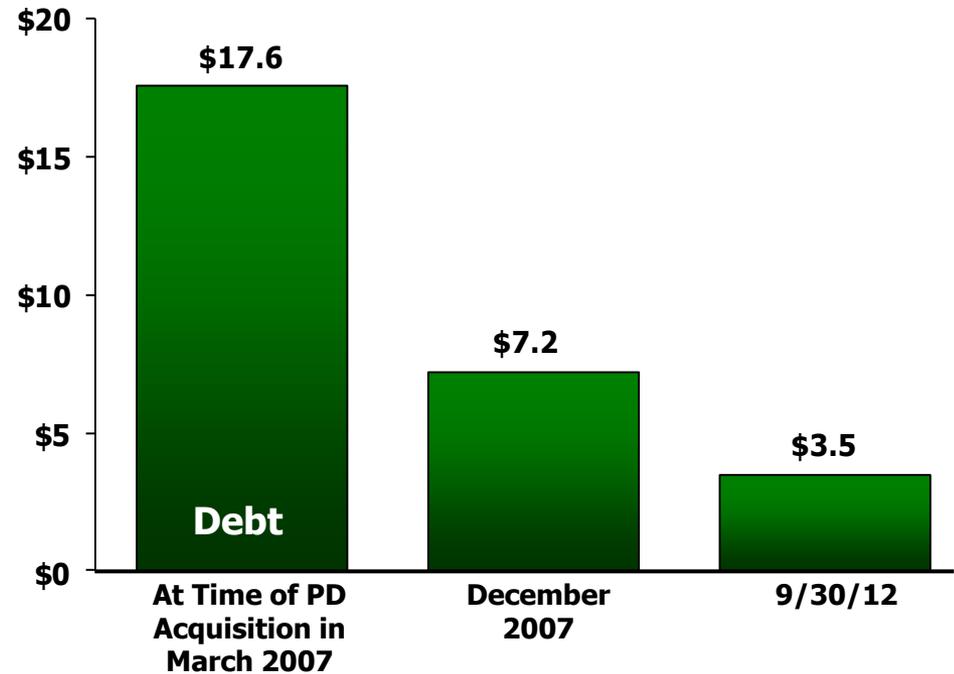
Phelps Dodge Case Study



- **Highly Successful Transformational Transaction**
- **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**

Rapid Delevering

(\$ in bns)



<i>Consolidated Cash</i>	<i>\$3.4</i>	<i>\$1.6</i>	<i>\$3.7</i>
<i>Net Debt/(Cash)</i>	<i>\$14.2</i>	<i>\$5.6</i>	<i>\$(0.2)</i>

* Based on estimated proven & probable reserve additions as of 12/31/11 before production.

FCX's Global Footprint

Major Operations & Development Projects

All major mining assets majority-controlled and operated

North America¹

Reserves	
Cu	40.6 bn lbs
Mo	2.71 bn lbs
Oil & Gas	575 mm bbls ²
Sales	
Cu	1.45 bn lbs
Mo	90 mm lbs ³
Oil & Gas	175 MBOE/d

- **Copper**
- **Copper/Gold/Silver**
- **Molybdenum**
- **Cobalt**
- **Oil/Natural Gas**

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

South America⁴

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

Tenke (56.0%)

Reserves	
Cu	8.4 bn lbs
Co	0.86 bn lbs
Sales	
Cu	400 mm lbs
Co	30+ mm lbs

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 (100%); Primary Mo: Henderson (100%) and Climax (100%); 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 are mid-year 2012 pro forma for 2H12 divestitures

³ Includes moly sales from South America

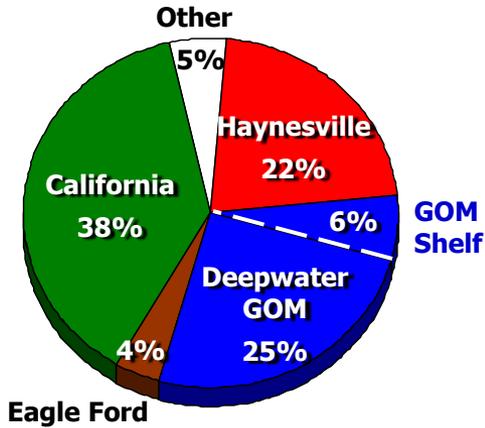
⁴ Cu operations: Candelaria/Ojos del Salado (80%), Cerro Verde (53.6%) and El Abra (51%)

e = estimate. See Cautionary Statement.

High Quality U.S. Oil & Gas Portfolio

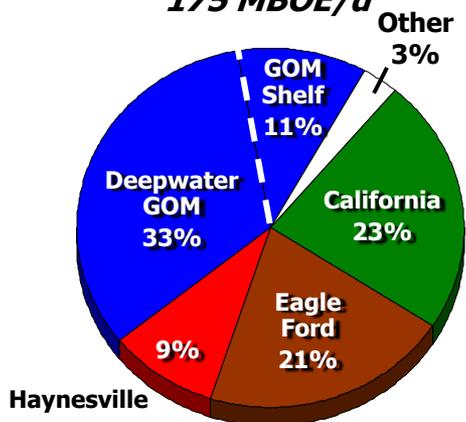
Proved Reserves (1)

575 MMBOE

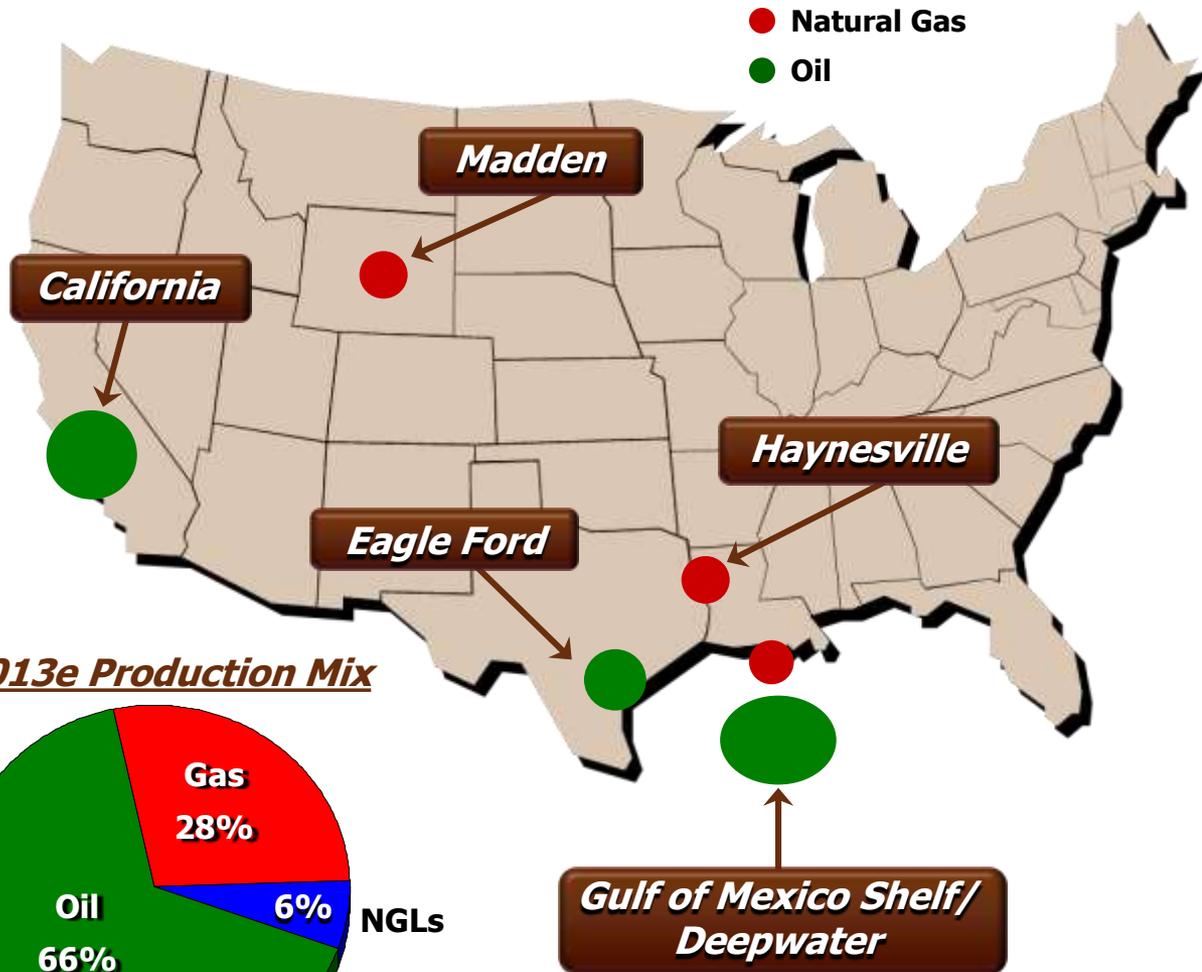
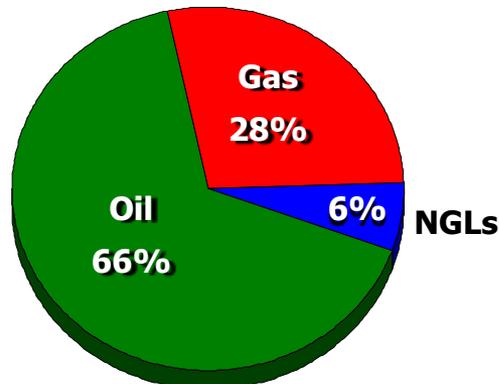


2013e Production by Region

175 MBOE/d



2013e Production Mix



(1) PXP Reserves as of 12/31/11 except for reserves purchased in deepwater acquisitions which are as of 9/30/12; MMR reserves are mid-year 2012 pro forma for 2H12 divestitures. e = estimate. See Cautionary Statement.

Oil & Gas Reserves & Resources

(MMBOE)

	PXP ⁽¹⁾	MMR ⁽²⁾	Total	% Oil/Liquids
Proved Reserves	538	37	575	64%
Probable Reserves	337	11	348	44%
Possible Reserves	<u>646</u>	<u>12</u>	<u>658</u>	29%
Total	<u>1,521</u>	<u>60</u>	<u>1,581</u>	45%
Near-term Resource Potential	1,353	4,981	6,334	
Total Potential	~3,800	~50 Tcfe		
3Q12 Daily Production Rate (Mboe/d)	~160⁽³⁾	22	~182	

(1) Reserves as of 12/31/11 except for reserves purchased in deepwater acquisition which are as of 9/30/12

(2) Mid-year 2012 reserves pro forma for 2H12 divestitures; exploration potential includes ~30 Tcfe from near-term onshore/offshore Ultra-Deep prospects

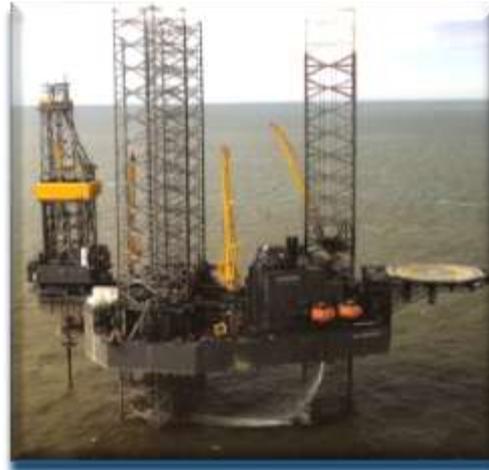
(3) Includes ~60 Mboe/d from GOM acquisition which closed on November 30, 2012

Enhanced Exploration Leverage with Multiple Near-term Catalysts



Deepwater GOM

- **Near-term Net Potential of 995 MMBOE**
 - Phobos (~300 MMBOE) to Spud in 4Q12
 - On Lease Exploration from BP: 300+ MMBOE
 - Each 100 MM Barrels = PV-10 of ~\$2.5 Billion Pre-tax⁽¹⁾



Shallow Water Ultra-Deep

- **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⁾**



Onshore U.S.

- **Eagle Ford – 71 MMBOE**
- **Haynesville – ~1 Tcfe**
- **California – +100 MMBOE**

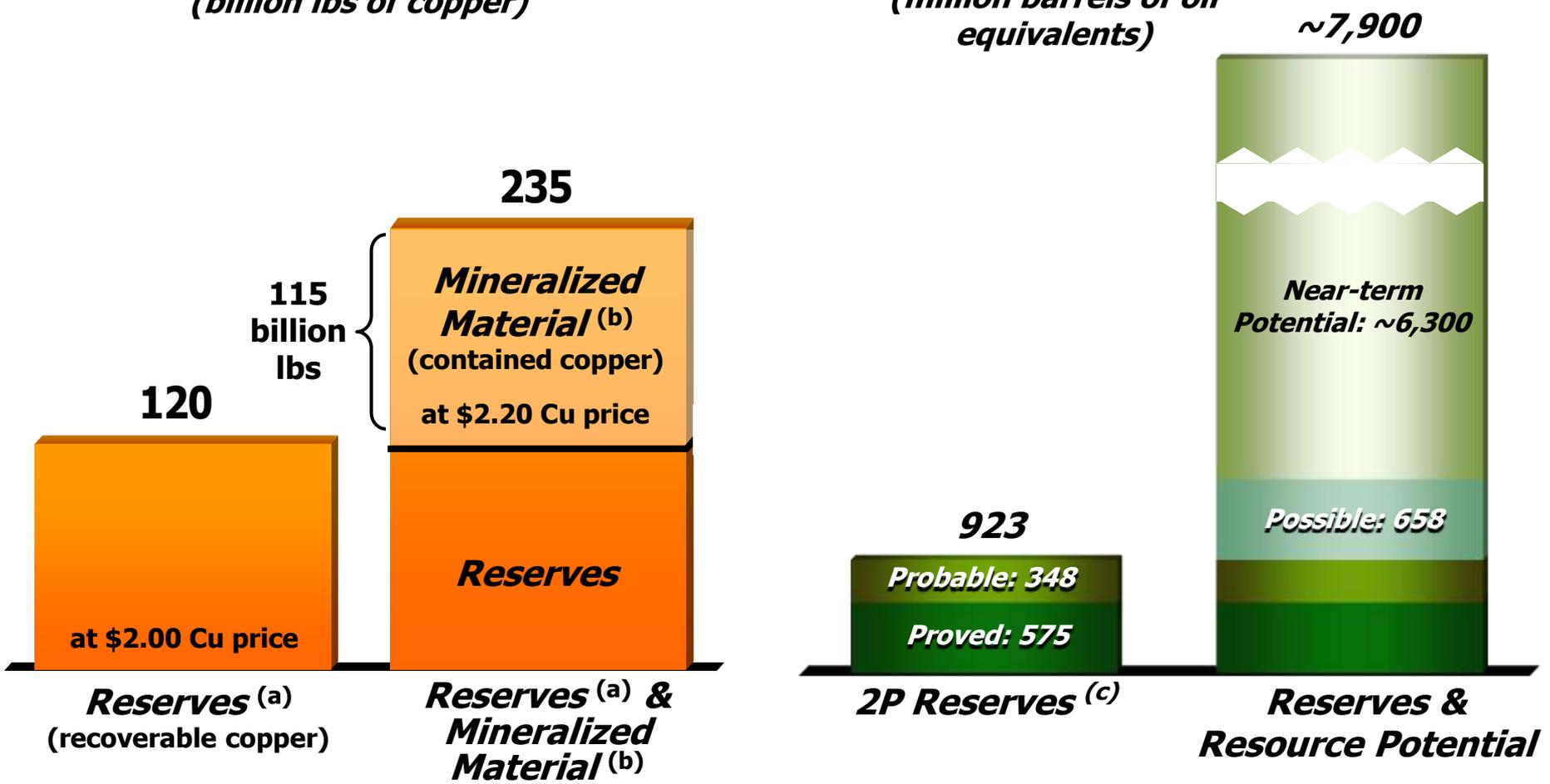
(1) Based on \$100.00/bbl LLS oil

(2) Based on \$4.50/MMbtu natural gas

Combined Reserves and Resources

(billion lbs of copper)

(million barrels of oil equivalents)



(a) Estimated recoverable proven and probable copper reserves as of 12/31/11 using a long-term average copper price of \$2.00/lb; 96 billion pounds net to 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 Material is not included in reserves and will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no 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 MMR reserves as of mid-year 2012 pro forma for 2H12 divestitures. Excludes results from GOM shelf ultra-deep activities.

Highly Attractive Brownfield Copper Development Projects

North America*

- Morenci Expansion (225 mm lbs Cu) under way
- Potential sulfide expansions (~800 mm lbs Cu)



South America*

- Cerro Verde Expansion (600 mm lbs Cu) under way
- Potential El Abra Mill (600 mm lbs Cu)



Tenke Fungurume

- 150mm lbs Cu/yr oxide expansion nearing completion
- Potential sulfide expansions



Grasberg

- Underground development under way

1.1 bln lbs Cu**
1.4 mm ozs Au**



Expansion Projects in Progress

<u>Mill Expansions (t/d)</u>	<u>Incr. Cu (mm lbs/yr)</u>	<u>Capital* (\$ blns)</u>	<u>Achieve Full Rates</u>
Cerro Verde (360K)	600	\$4.4	2016
Morenci (115K)	225	1.4	2014
Tenke (14K)	150	0.9	2013
TOTAL	975	\$6.7	

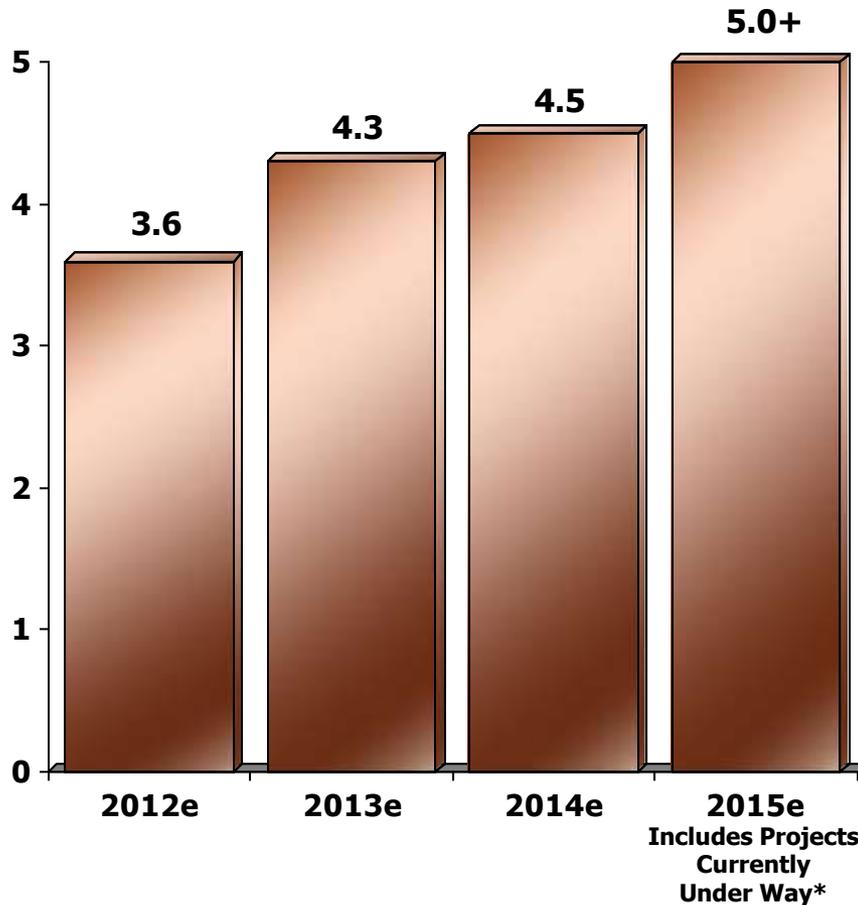
* excludes capitalized interest

* excludes restarts currently in progress; incremental copper per annum

** PT-FI's share, average per annum

Diverse Production Profile with Strong Growth

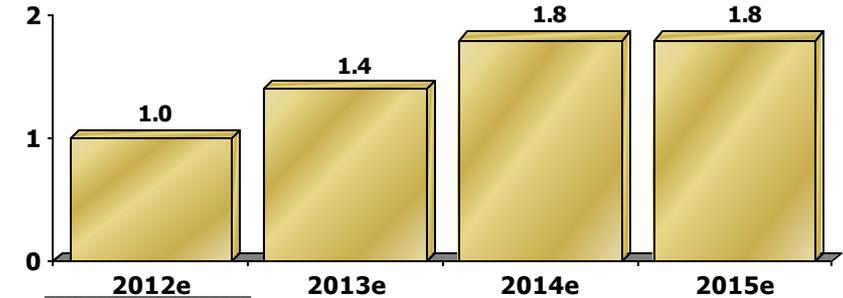
Copper Sales (billion lbs)



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.

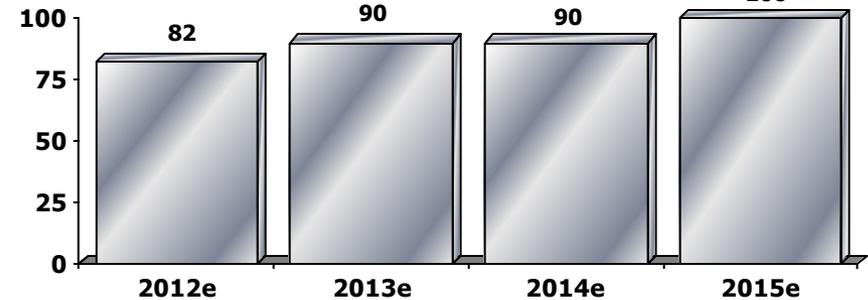
* Includes Cerro Verde expansion (2016 full rates) & Morenci mill expansion, targeted for 2014.
e = estimate. See Cautionary Statement.

Gold Sales (million ozs)

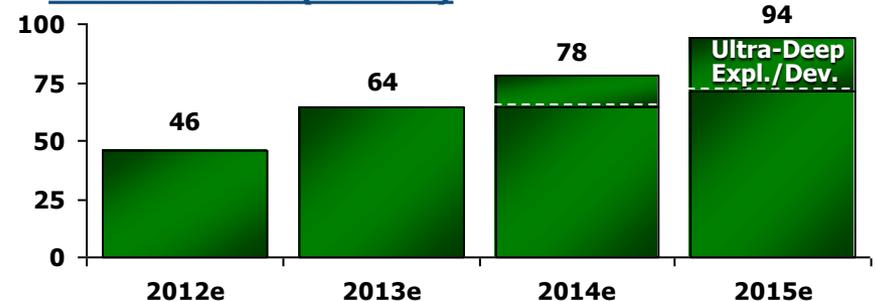


Note: Consolidated gold sales include approximately 105k ozs in 2012e, 140k ozs in 2013e, 180k ozs in 2014e and 175k ozs in 2015e for noncontrolling interest.

Molybdenum Sales (million lbs)



Oil & Gas Sales (MMBOE)

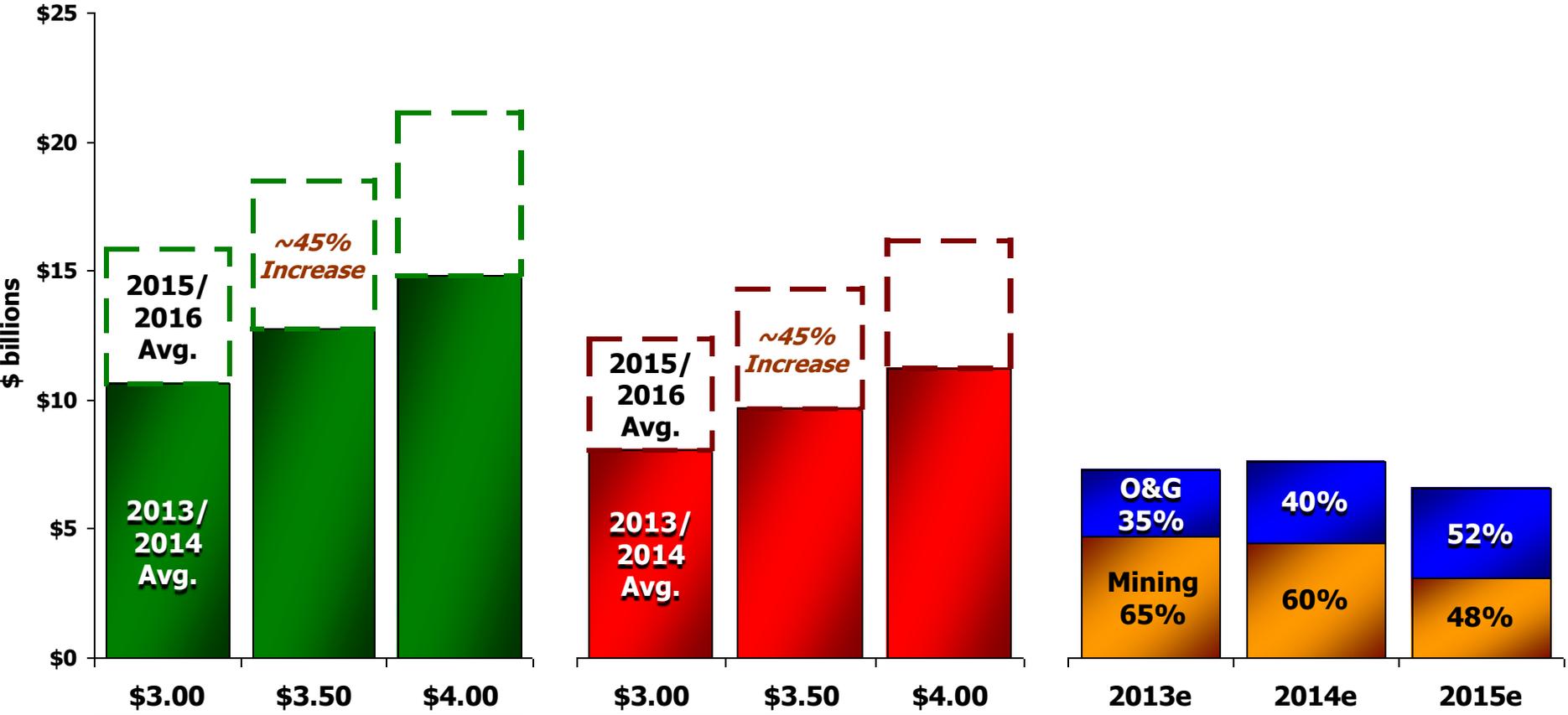


Note: 2012e includes sales from GOM acquisition beginning on December 1, 2012. Oil & Gas sales estimates include approximately 13.3 MMBOE in 2014e, and 22.6 MMBOE in 2015e from potential success from ultra-deep Shelf exploration and development.

FCX Pro forma EBITDA, Cash Flows & Capital Expenditures



EBITDA **Operating Cash Flow*** **CAPEX**



Copper Prices

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

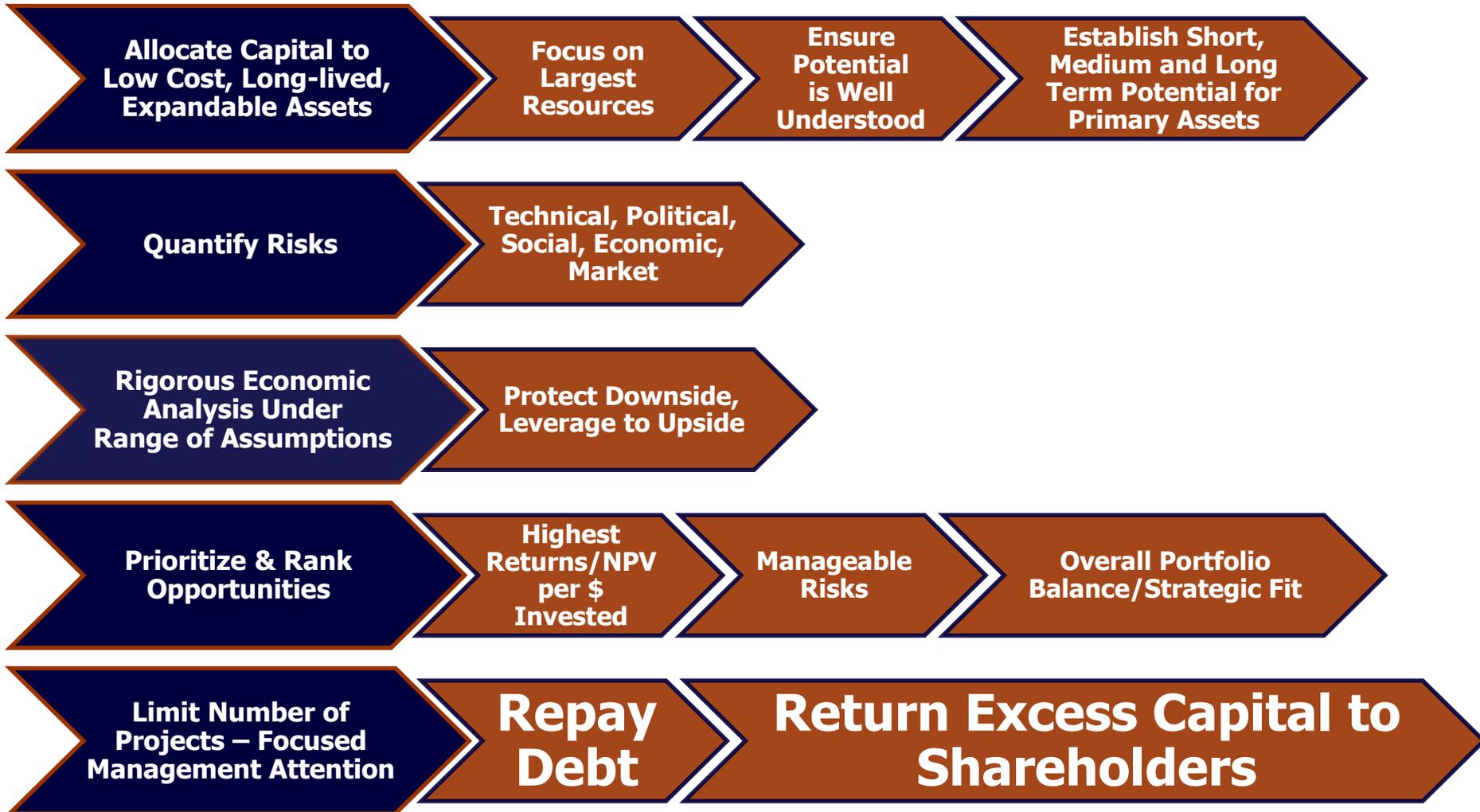
Copper Prices

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

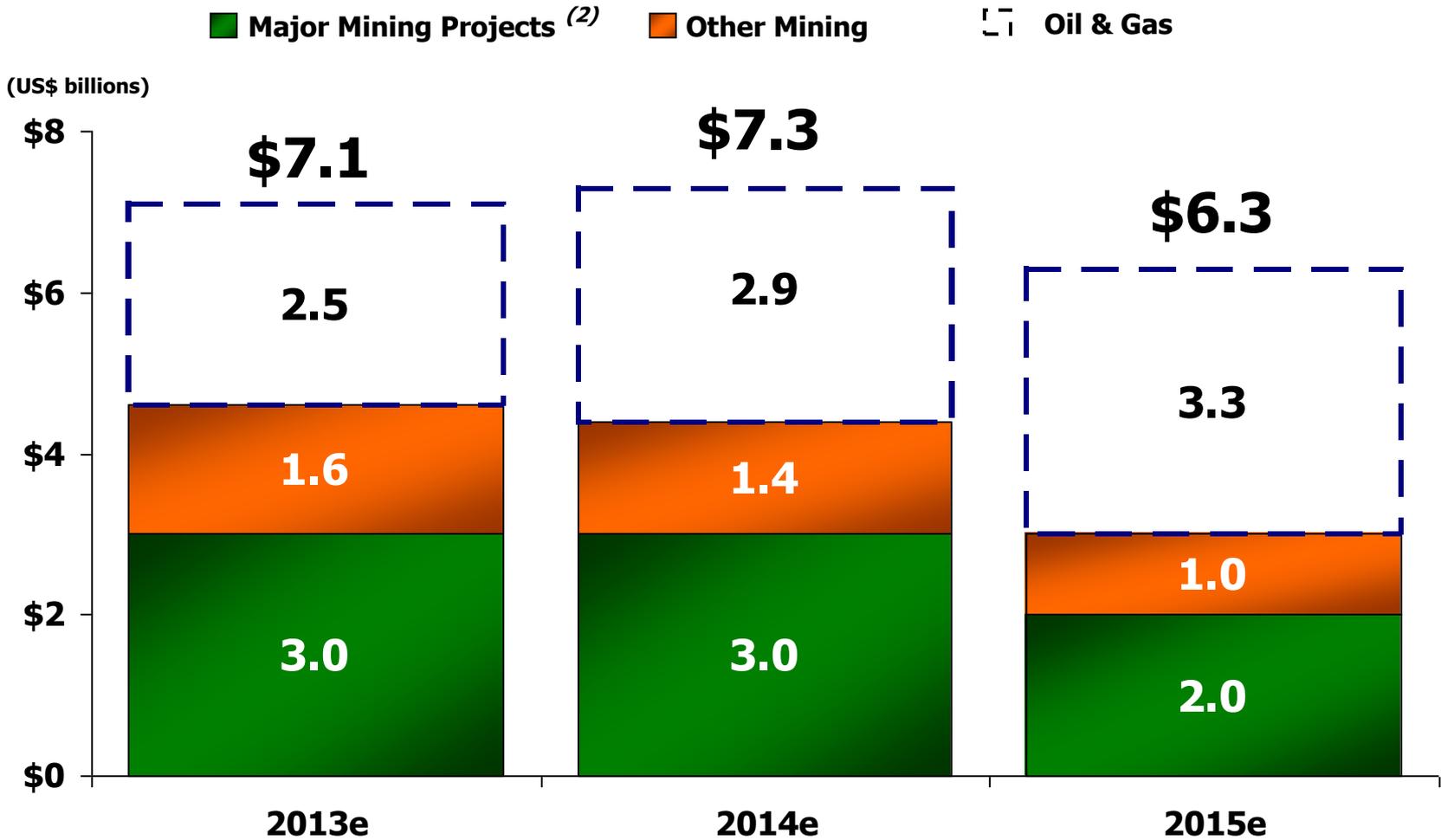
* Excludes working capital changes
 ** See impacts of prices changes for gold, molybdenum, oil and gas on slide 32.

Focused and Disciplined Capital Allocation Philosophy

Maintain Strong Balance Sheet & Credit Profile



Capital Expenditures (1)



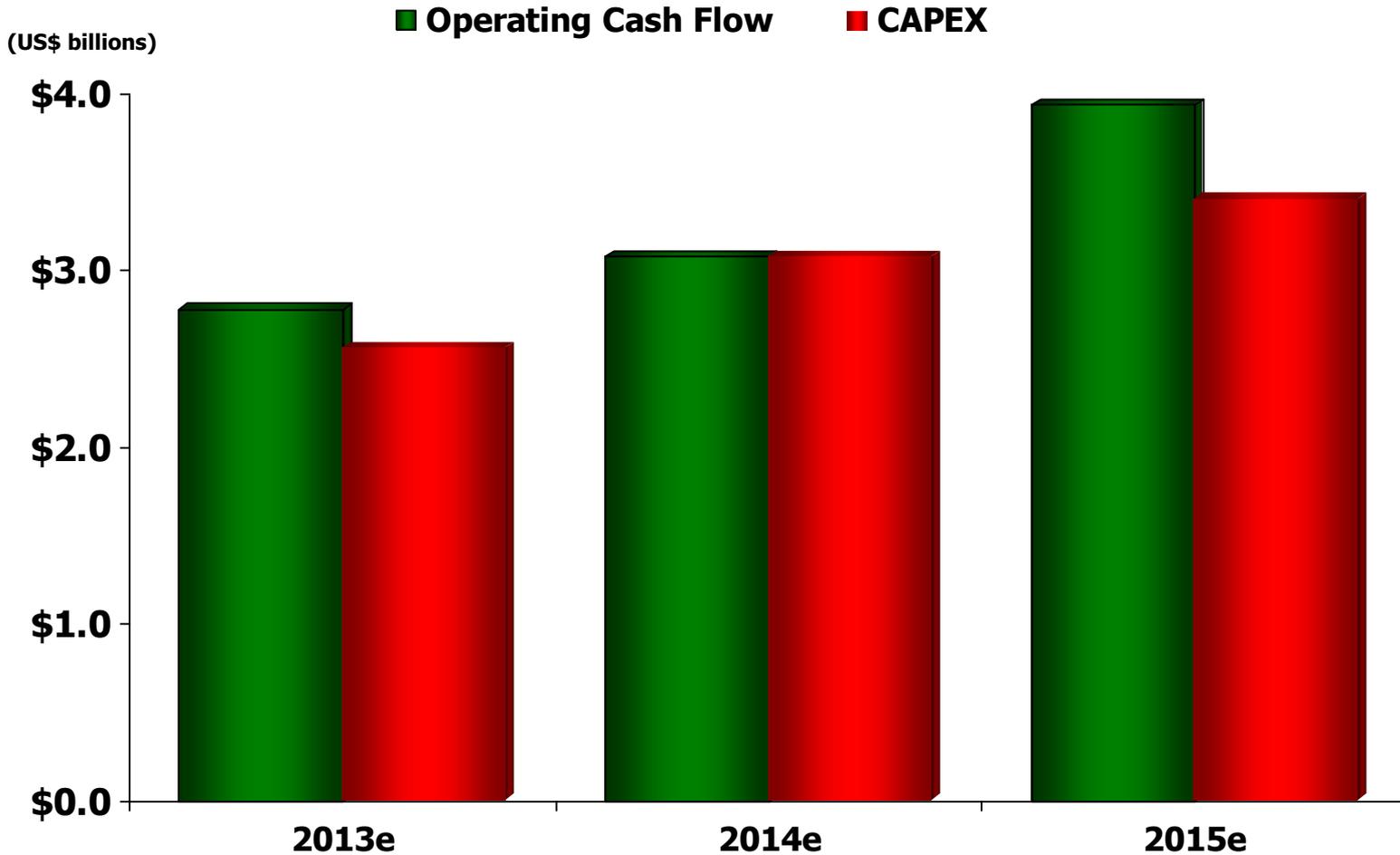
(1) Capital expenditure estimates include projects in progress. Project spending will continue to be reviewed and revised subject to market conditions.

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

Note: Includes capitalized interest.

e= estimate. See Cautionary Statement.

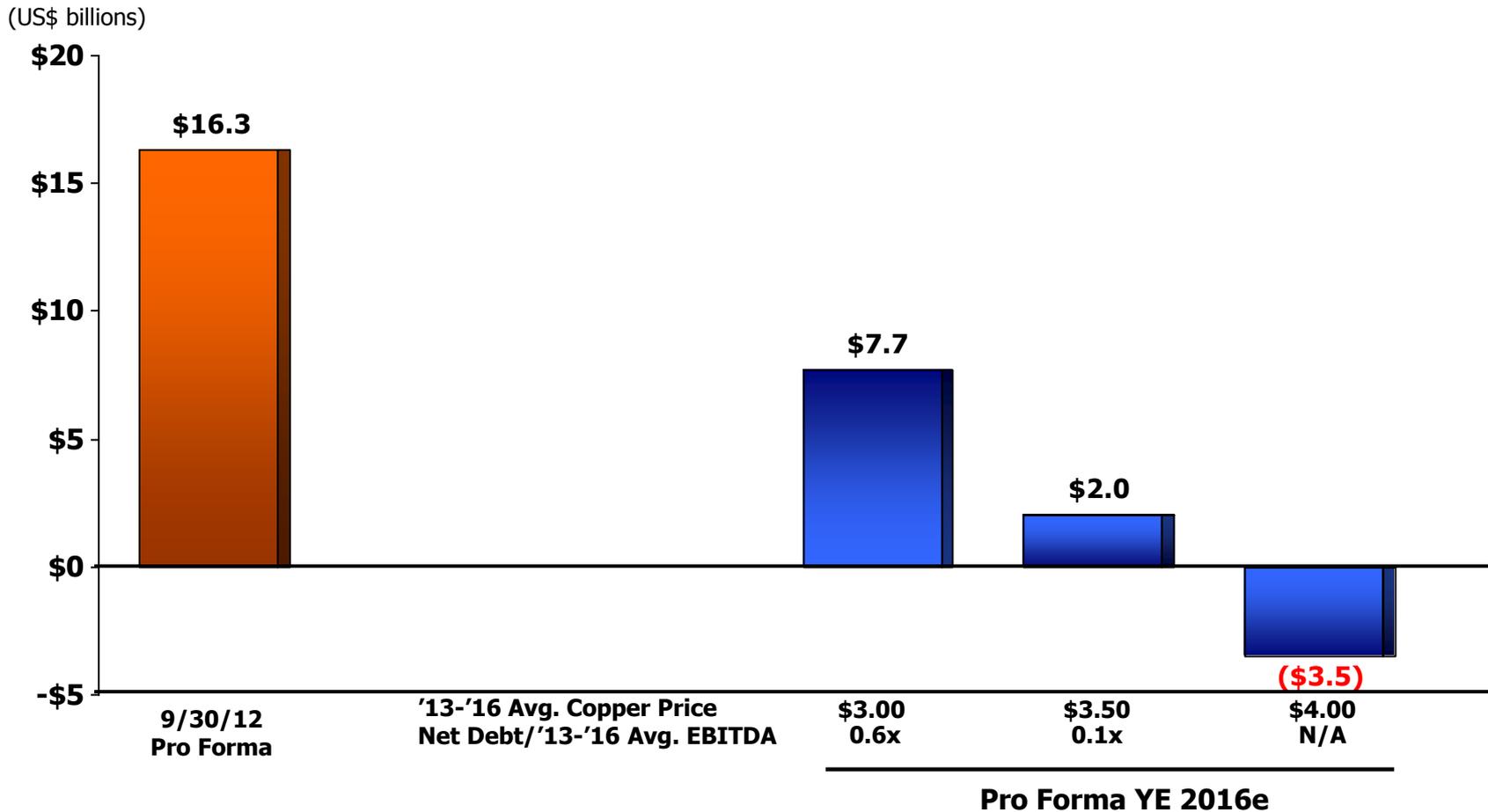
Oil & Gas Cash Flows – Targeted to be Self-funding



*NOTE: Assumes pricing of \$100/bbl Brent crude for oil and \$4.50/MMbtu for natural gas
e= estimate. See Cautionary Statement.*

Significant Debt Reduction

Year-End Net Debt at Varying Copper Prices



Note: Sensitivity assumes \$12 Molybdenum, \$1,500 Gold, \$100 Oil and \$4.50 Natural Gas; EBITDA equals operating income plus depreciation, depletion, and amortization
 e= estimate. See Cautionary Statement.

Financial Policy

- **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**

Combined Company Highlights



- **Creates A Premier U.S. Based Natural Resources Producer**
- **World's Largest Publicly Traded Copper Producer**
- **Significant Producer of Oil, Gold & Molybdenum**
- **Significant Long-term Natural Gas Resources**
- **Strong Margins & Cash Flows**
- **High Quality, Long-lived and Geographically Diverse Assets**



Appendix

Transaction Summary

	PXP	MMR⁽¹⁾
Price	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> FCX to acquire MMR for: \$14.75 cash plus 1.15 Ultra-Deep Royalty Trust Units per MMR share
Premium	<ul style="list-style-type: none"> 39% to PXP's closing price on December 4, 2012 	<ul style="list-style-type: none"> Cash portion represents 74% to MMR's closing price on December 4, 2012
Structure	<ul style="list-style-type: none"> 50% stock / 50% cash \$3.4 billion cash; 91 million new FCX common shares 	<ul style="list-style-type: none"> 100% cash plus Ultra-Deep Royalty Trust Units⁽²⁾
Transaction Value	<ul style="list-style-type: none"> \$17.2 billion (includes assumed debt) 	<ul style="list-style-type: none"> \$2.4 billion (includes assumed debt)
Key Conditions	<ul style="list-style-type: none"> Shareholders' approval Customary regulatory approvals and conditions 	<ul style="list-style-type: none"> Shareholders' approval Customary regulatory approvals and conditions
Timing	<ul style="list-style-type: none"> Closing expected in 2Q 2013 	
FCX Pro Forma	<ul style="list-style-type: none"> 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, ultra-deep GOM success

Sensitivities (US\$ millions)

Change	2013e/2014e	
	EBITDA	Operating Cash Flow
Copper: -/+ \$0.10/lb	\$405	\$275
Molybdenum: -/+ \$1.00/lb	\$80	\$65
Gold: -/+ \$50/ounce	\$75	\$45
Oil Sales:⁽¹⁾		
+ \$10/bbl⁽²⁾	\$340	\$265
- \$10/bbl⁽³⁾	(\$275)	(\$280)
Oil Sales Net of Diesel Costs:^(1,4)		
+ \$10/bbl	\$260	\$205
- \$10/bbl	(\$195)	(\$220)
Natural Gas:⁽⁵⁾ + \$1/Mcf	\$90	\$90
- \$1/Mcf	(\$90)	(\$90)
Currencies:⁽⁶⁾ +/- 10%	\$150	\$110

(1) Oil sales sensitivity calculated using base Brent price assumption of \$106/bbl in 2013, \$101/bbl in 2014.

(2) Amounts are net of \$73 mm change related to hedging loss in 2013/2014; no hedging impacts will be applicable above \$126/bbl because of ceilings in place on 2013 collars.

(3) Amounts are net of \$141 mm changes related to hedging gain; no hedging impacts below \$70/bbl because of limits in place on 2013 – 2014 puts and collars.

(4) Amounts are net of \$80 mm (EBITDA) and \$60 mm (c/f) for FCX stand-alone cost impacts of a \$10/bbl change in oil prices.

(5) Natural gas sensitivity calculated using base NYMEX price assumption of \$3.93/MMbtu in 2013 and \$4.23/MMbtu in 2014. Amounts net of \$38 mm impact from hedging.

(6) U.S. Dollar Exchange Rates: 500 Chilean peso, 9,500 Indonesian rupiah, \$1.00 Australian dollar, \$1.26 Euro, 2.70 Peruvian Nuevo Sol base case assumption.

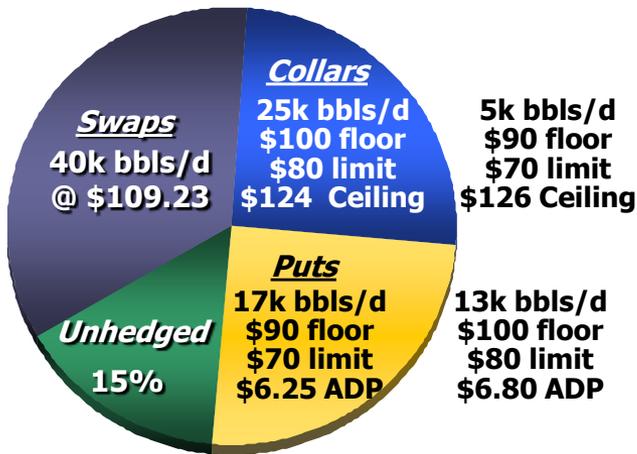
Each +10% equals a 10% strengthening of the U.S. dollar; a strengthening of the U.S. dollar against foreign currencies equates to a cost benefit of noted amounts.

NOTE: Based on 2013e/2014e averages. Operating cash flow amounts exclude working capital changes. e = estimate. See Cautionary Statement.

Oil & Natural Gas Hedging Positions

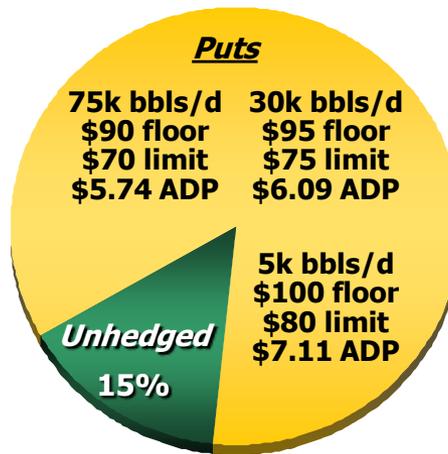
Oil Indexed to Brent

2013



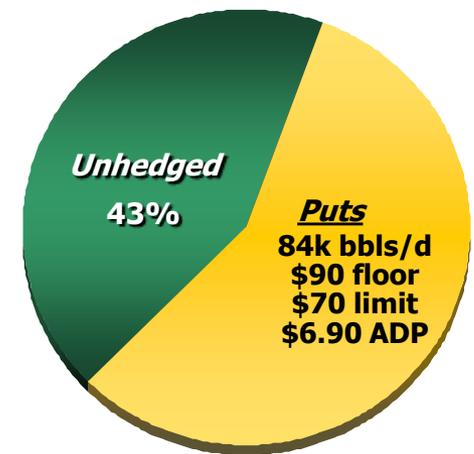
117k bbls/d*

2014



129k bbls/d*

2015



147k bbls/d*

Natural Gas Indexed to Henry Hub

2013

Swaps – 110/d @ \$4.27

2014

Swaps – 100/d @ \$4.09

2015

No Hedges

NOTE: As of October 19, 2012; ADP = average deferred premium.
* Estimated annual production for MMR & PXP. See Cautionary Statement.

FCX Pro Forma Debt Maturities 9/30/12

(US\$ millions)

