FREEPORT-MCMORAN

STRENGTH IN RESOURCES

COWEN AND COMPANY

5th Annual

Global Metals, Mining & Materials Conference

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November 11, 2014

www.fcx.com

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Cautionary Statement Regarding Forward-Looking Statements

This presentation contains forward-looking statements in which FCX discusses its potential future performance. Forward-looking statements are all statements other than statements of historical facts, such as projections or expectations relating to ore grades and milling rates, production and sales volumes, unit net cash costs, cash production costs per barrel of oil equivalent (BOE), operating cash flows, capital expenditures, exploration efforts and results, development and production activities and costs, liquidity, tax rates, the impact of copper, gold, molybdenum, cobalt, oil and gas price changes, the impact of derivative positions, the impact of deferred intercompany profits on earnings, reserve estimates, future dividend payments, debt reduction and share purchases. The words "anticipates," "may," "can," "plans," "believes," "potential," "estimates," "expects," "projects," "targets," "intends," "likely," "will," "should," "to be" and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration of dividends is at the discretion of FCX's Board and will depend on FCX's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.

FCX cautions readers that forward-looking statements are not guarantees of future performance and its actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause FCX's actual results to differ materially from those anticipated in the forward-looking statements include commodity prices, mine sequencing, production rates, industry risks, regulatory changes, political risks, drilling results, the outcome of ongoing discussions with the Indonesian government regarding an amendment to PT-FI's Contract of Work, the potential effects of violence in Indonesia, the resolution of administrative disputes in the Democratic Republic of Congo, weather- and climate-related risks, labor relations, environmental risks, litigation results, currency translation risks, and other factors described in more detail under the heading "Risk Factors" in FCX's Annual Report on Form 10-K for the year ended December 31, 2013, filed with the U.S. Securities and Exchange Commission (SEC) as updated by FCX's subsequent filings with the SEC.

Investors are cautioned that many of the assumptions on which FCX's forward-looking statements are based are likely to change after its forward-looking statements are made, including for example commodity prices, which FCX cannot control, and production volumes and costs, some aspects of which FCX may or may not be able to control. Further, FCX may make changes to its business plans that could or will affect its results. FCX cautions investors that it does not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in FCX's assumptions, changes in business plans, actual experience or other changes, and FCX undertakes no obligation to update any forward-looking statements.

This presentation also includes forward-looking statements regarding mineralized material not included in proven and probable mineral reserves. The mineralized material described in this presentation will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated mineralized material not included in reserves will become proven and probable reserves.

The SEC requires companies with significant oil and gas producing activities to disclose, in their filings with the SEC, proved oil and gas reserves that have been demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. The SEC also permits the disclosure of probable and possible oil and gas reserves, as such terms are defined by the SEC. FCX uses certain phrases and terms in this presentation, such as "net unrisked resource potential," "net resource potential" and "gross resource potential," which the SEC's rules prohibit FCX from including in its filings with the SEC. "Net unrisked resource potential," "net resource potential" and "gross resource 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 is therefore not indicative of expected future resource recovery and should not be relied upon.

This presentation also contains certain financial measures such as unit net cash costs per pound of copper and per pound of molybdenum, oil and gas realized revenues, cash production costs and cash operating margin, which are not recognized under generally accepted accounting principles in the U.S. As required by SEC Regulation G, reconciliations of these measures to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of FCX's 3Q 2014 press release, which are available on FCX's website, "www.fcx.com."

FCX – A Premier U.S. Based Natural Resource Company

- **World's Largest Publicly Traded Copper Producer**
- **Long-lived Reserves with Large Incremental Resources**
- **High-Quality U.S. Based Oil & Gas Assets**
- **Strong Margins & Cash Flows**
- **Growing Production Profile Through Brownfield Expansion**
- **Experienced Technical Team**
- **Environmentally Responsible**
- **Track Record of Capital Discipline and Return Driven Investments**

Firmly Focused on Shareholder Value

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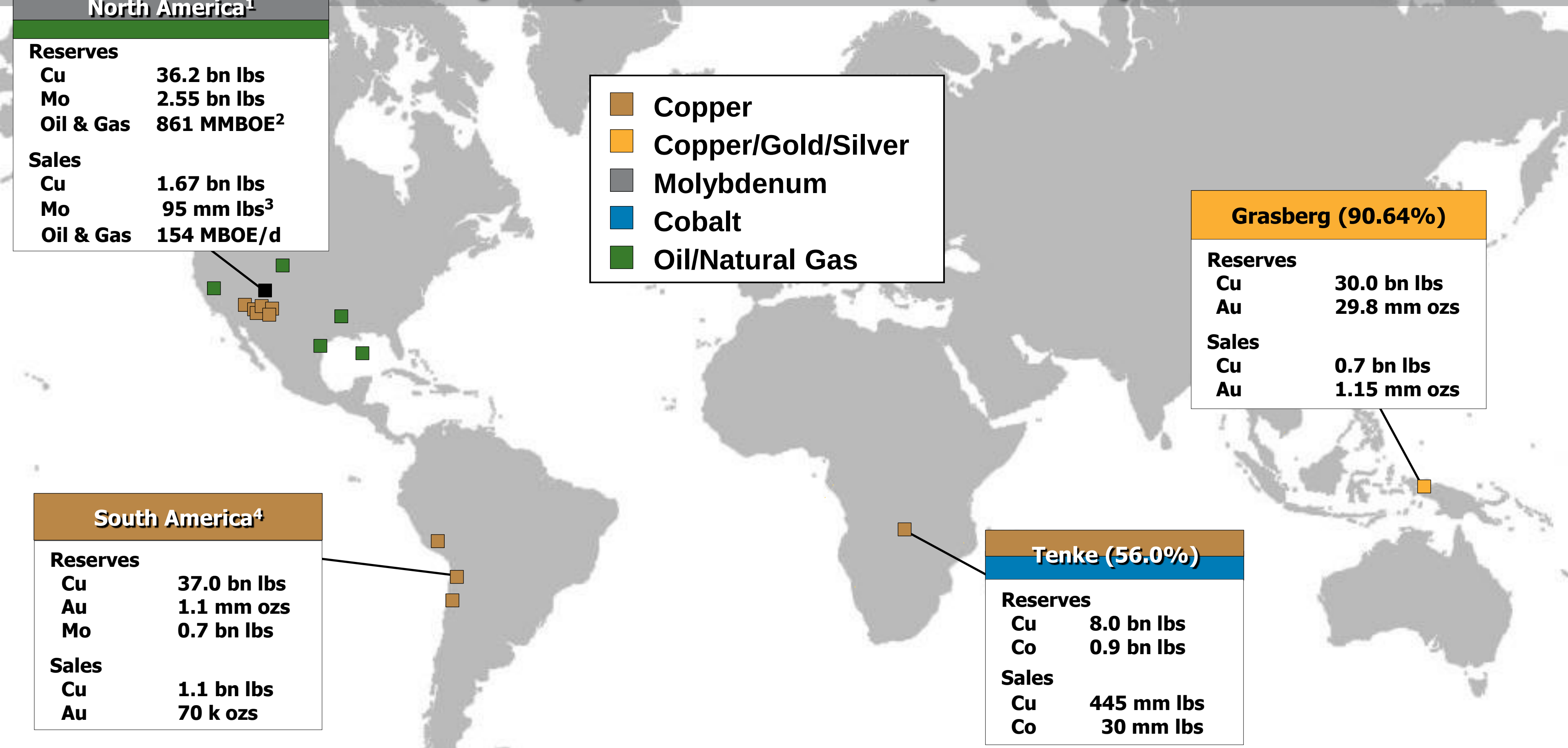
FCX's Global Footprint

Major Operations & Development Projects



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

North America[1]

Reserves

Cu	36.2 bn lbs
Mo	2.55 bn lbs
Oil & Gas	861 MMBOE[2]

Sales

Cu	1.67 bn lbs
Mo	95 mm lbs[3]
Oil & Gas	154 MBOE/d

South America[4]

Reserves

Cu	37.0 bn lbs
Au	1.1 mm ozs
Mo	0.7 bn lbs

Sales

Cu	1.1 bn lbs
Au	70 k ozs

Grasberg (90.64%)

Reserves

Cu	30.0 bn lbs
Au	29.8 mm ozs

Sales

Cu	0.7 bn lbs
Au	1.15 mm ozs

Tenke (56.0%)

Reserves

Cu	8.0 bn lbs
Co	0.9 bn lbs

Sales

Cu	445 mm lbs
Co	30 mm lbs

Note: FCX consolidated reserves and annual sales; reserves as of December 31, 2013. Sales figures are based on 2014e. e = estimate. See Cautionary Statement.

[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.

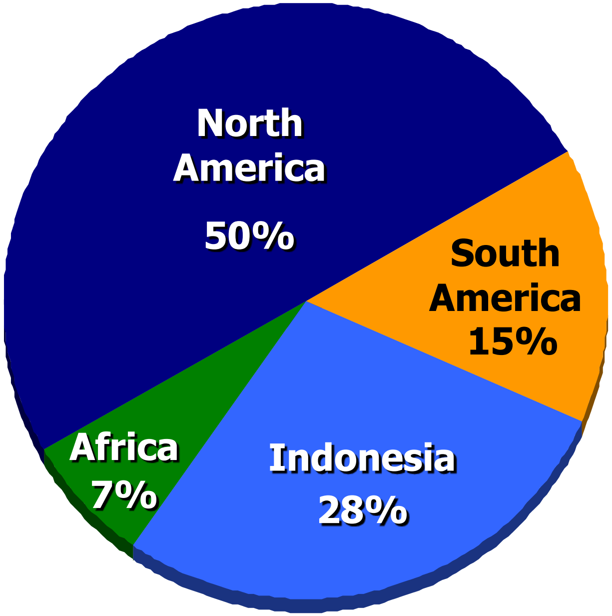
[2] 3P Reserves including Proved of 464 MMBOE, Probable of 184 MMBOE and Possible of 213 MMBOE as of 12/31/13; Includes Eagle Ford (Proved of 59 MMBOE , Probable of 10 MMBOE, and Possible of 12 MMBOE) which was sold in June 2014.

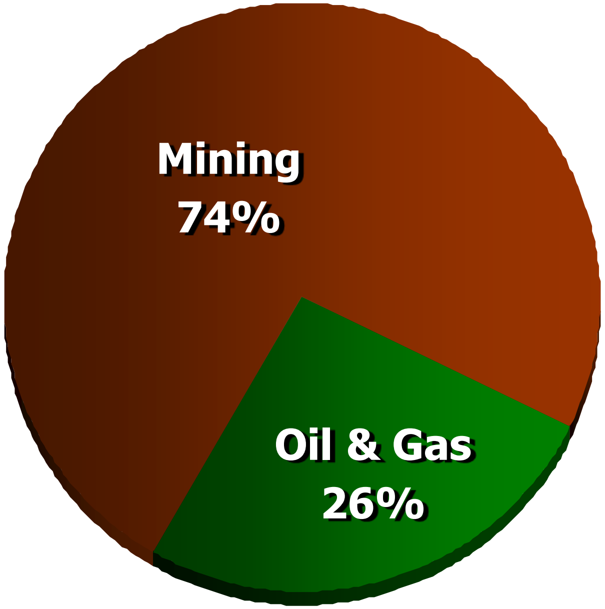
[3] Includes moly sales from South America.

[4] Cu operations: Cerro Verde (53.6%) and El Abra (51%). On November 3, 2014 FCX sold Candelaria/Ojos del Salado (80%), which included consolidated reserves of 4 bn lbs of Cu & 1.1 mm ozs of Au as of 12/31/13 and consolidated production for the first nine months of 2014 of 246 mm lbs of Cu and 62k ozs of Au.

Geographic & Commodity Mix

2015e/2016e EBITDA*





** Based on 2015e/2016e average EBITDA of ~$13 bn assuming annual pricing of $3.25/lb Cu, $1,250/oz Au, $10/lb Mo, $100/Bbl Oil (Brent) and $4.50/MMbtu natural gas. Each 25¢/lb change in copper would have an approximate $1.2 bn impact; each $10/Bbl increase in oil (net of diesel costs) approximates $360 mm.*

e = estimate. See Cautionary Statement.

Visible Organic Growth

Mining

- **Targeting 5+ Billion Pounds Annual Cu Production by 2016 (34% Increase from 2013)**
- **Advanced Stage Brownfield Development**
  - **Proven Technology**
  - **Capital Efficiency**
  - **Attractive Risk Reward**

Oil & Gas

- **Growing Production Profile in Established Basins**
- **Substantial Production Capacity from Existing Deepwater Infrastructure to Benefit Exploitation Opportunities**
- **Significant Exploration & Development Within Existing Portfolio**

Committed to Balance Sheet Management

Strong Track Record

- **Large Resource Base with Strong Cash Flows and Capital Discipline**
- **2014 Completed/Announced Asset Sales**
  - **~$5 bn in Gross Proceeds ($4.3 bn net of tax and adjustments)**
  - **~$2.9 bn net of Reinvestments**
- **Considering Additional Asset Sale Transactions/Monetizations**
- **Prepared to Respond to Varying Market Conditions**
- **Anticipate Continuing Current Common Stock Dividend: $1.25/Share per Annum**

9/30/2014 Balances

($ in bns)

	Total Debt*	Net Debt*
Debt/EBITDA** (LTM PF)*	*2.3x***	*2.2x***

Average Interest Cost: 3.9%

** Excludes fair value adjustments of $414 mm*
*** Pro forma for the sale of Eagle Ford assets*

Supply Side Challenges in Copper Persist

Wood Mackenzie's Current Outlook for Refined Production for 3-year Period of 2013 – 2015 is ~2 mm Tonnes Lower Than December 2012 Outlook

(mm tonnes)	2013	2014e	2015e
December 2012 Forecast	21.2	22.6	23.9
Current Forecast	20.8	22.0	23.0
Variance	(0.4)	(0.6)	(0.9)

- **Forecasts for Large Market Surpluses Have Not Materialized**
- **Cathode Inventories/Exchange Stocks Remain Historically Low**
- **New Projects Facing Delays**

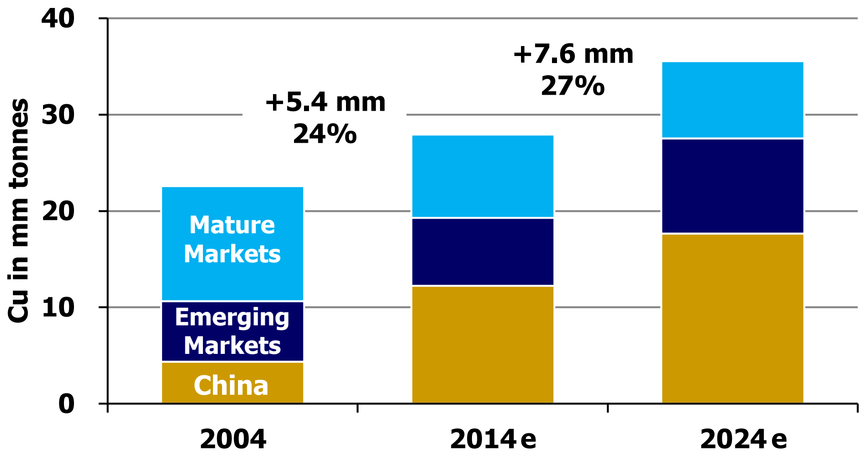
e = estimate

Source: Wood Mackenzie December 2012 Long-term Outlook and October 2014 Short-term Outlook

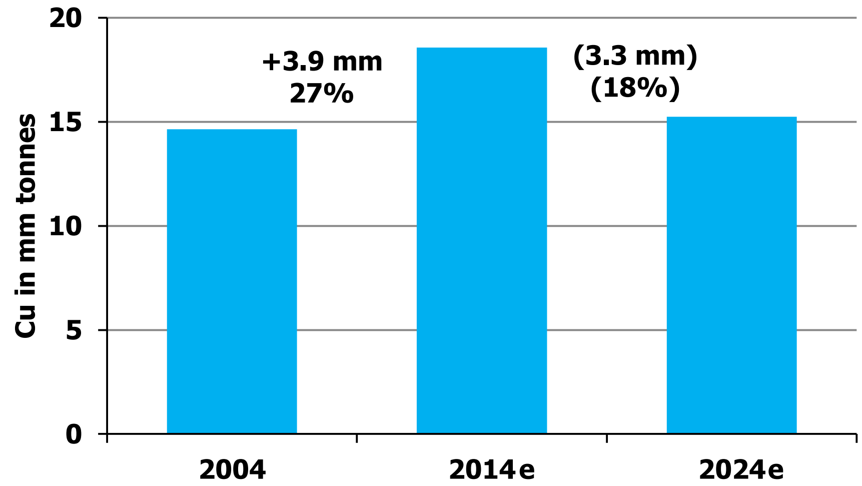
Copper Markets – Long-term Fundamentals Support Positive Outlook

- **Assuming 2.3% Global Growth Over Next 10 Years, Copper Market Expected to Grow by +7.6 mm tonnes (27%)**
- **Over Same Period, Production from Existing Mines Expected to Decline by 3.3 mm tonnes (18%)**
- **10.9 mm tonnes Shortfall Will Need to be Made Up by Expansions and New Projects**
- **In 2014, Top 10 Mines in the World Estimated to Produce Less than 5 mm tonnes per Annum**

Total Copper Consumption



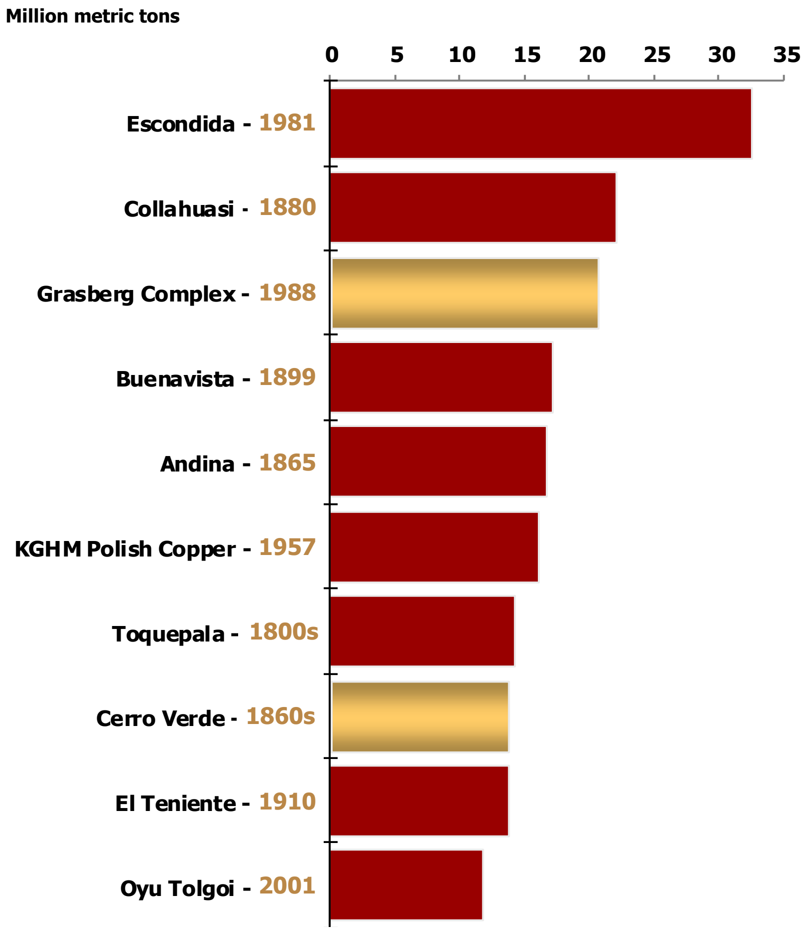
Base Mine Production Excluding Expansions



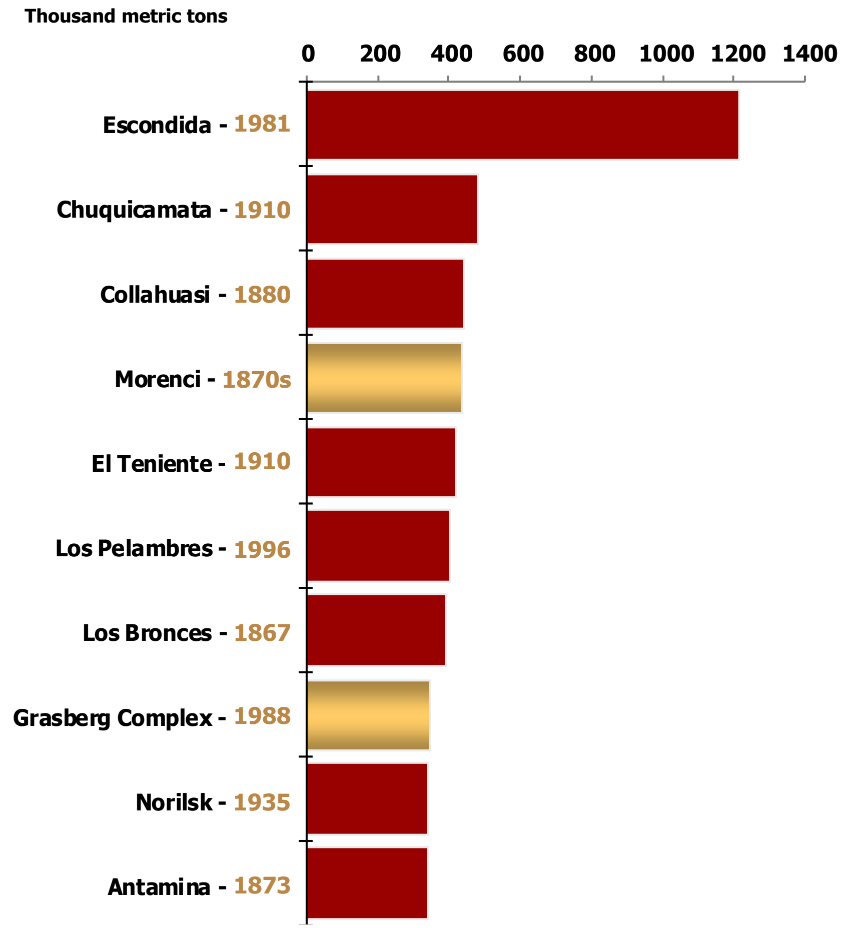
Source: WoodMackenzie

World Class Copper Discoveries Are Extremely Rare

Recoverable Copper Reserves



2014e Copper Production



Source: Wood Mackenzie 3Q14
e=estimate

Portfolio of World Scale Mines

Positive Exploration Results – "Big Mines Get Bigger"

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

* Grasberg capable of 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

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Value Creation Focus

MINERAL RESOURCES → RESERVE ADDITIONS → INVESTMENT IN ATTRACTIVE DEVELOPMENT PROJECTS → PRODUCTION GROWTH → CASH FLOWS/ RETURNS

FCX Consolidated Copper Resources at 12/31/2013

Recoverable Reserves [(a)]	111 bn lbs
Mineralized Material (contained) [(b)]	115 bn lbs
Total Reserves [(a)] & Mineralized Material [(b)]	226 bn lbs

Additional Resource Potential

- Morenci/Safford/Lone Star Sulfides
- Other North American Sulfides
- El Abra Sulfides
- Tenke Mixed Ore/Sulfides
- Serbia

(a) Estimated recoverable proven and probable copper reserves using a long-term average copper price of $2.00/lb; 89 billion pounds net to FCX's interest.

(b) Estimated consolidated contained copper resources 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.***

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Brownfield Development Projects

Morenci Mill Expansion

$1.6 billion

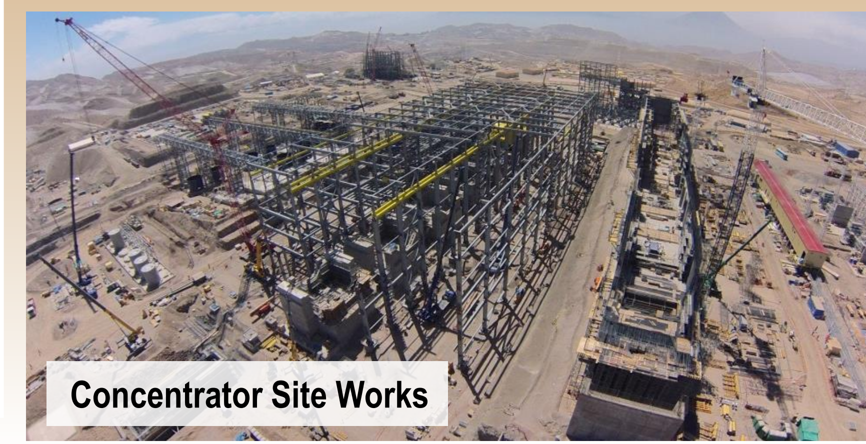
- Construction substantially complete
- Commenced operations in May 2014
- Ramp-up in progress
- Expected to add 225 mm lbs of Cu per annum
- $1.5 billion incurred to-date*

Morenci Metcalf Concentrator

Cerro Verde Mill Expansion

$4.6 billion

- Detailed engineering & procurement complete; construction advancing on schedule & approaching 40% complete
- Completion expected in 2016
- Expected to add 600 mm lbs of Cu per annum
- $2.7 billion incurred to-date*



Concentrator Site Works

+1 billion pounds** per annum increase by 2016

- *Proven Technology*
- *Capital efficiency*
- *Higher risk-adjusted returns than greenfield*

** as of 9/30/2014*

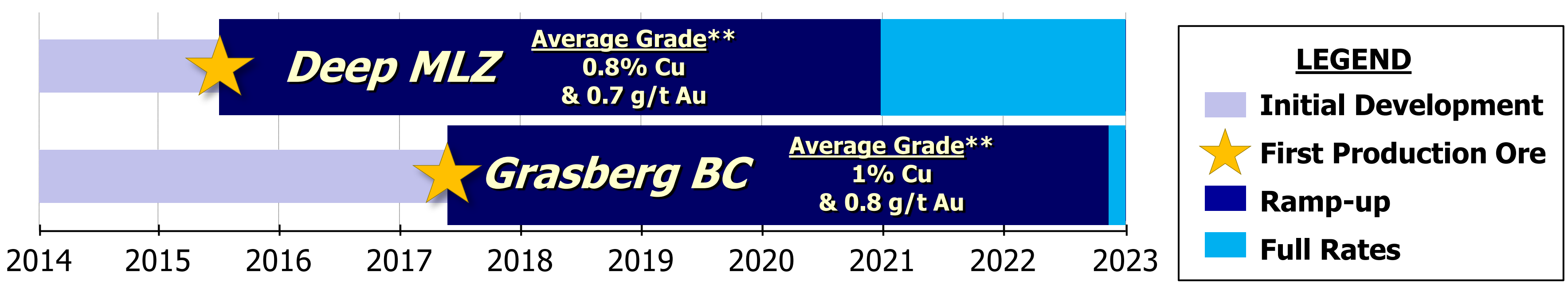
*** includes incremental production from Tenke expansion completed in 2013*

Grasberg BC & DMLZ Underground Mine Development

- Completed development on access to underground ore bodies
- Completed 122 km of development in Grasberg BC & 89 km in DMLZ
- Key development activities include work on ore flow systems & Grasberg BC shaft
- Development capital* of $2.8 bn spent to-date ($2.2 bn net to PT-FI)
- PT-FI's share of UG development expected to average $0.7 bn/year over next five years

History of PT-FI UG Operations

- Recognized Global Leader in Underground Mining & Development
- Initial Block Caving Operations Commenced in 1980
- Decades of Successful & Safe Underground Mining Operations
- Designed to Highest International Standards
- Committed to Highest Standards of Safety & Sustainable Development



* *Initial development capital spend through achievement of full rates*

** *Ore grades in first 10 years expected to be higher than life of mine average; PT-FI's share of production expected to average 1.2 billion lbs Cu & 1.4 million ozs Au per annum between 2018-2021*

Indonesian Matters

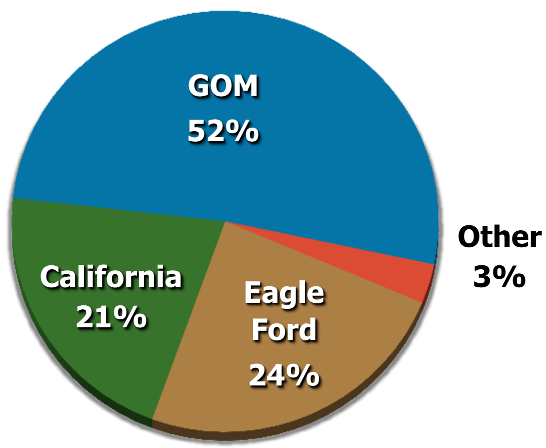
- **Resumed Export Shipments in August 2014**
- **Working Cooperatively with Government Regarding Amended COW**
  - **Positive Long-term Partnership**
  - **Operations Provide Significant Benefits to Indonesian Economy**
  - **All Rights Under COW to Continue Until Agreed Amendment**
  - **Negotiations to Take Into Consideration PT-FI's Requirement for Assurance of Legal and Fiscal Terms to Support Investments**

Strong Execution – Last 12-month Oil & Gas Results

- **Strong Operating/Financial Performance in 12-month Period Ended September 30, 2014**
- **LTM Adjusted EBITDA of $3.1 Billion**
- **Sales: 61.3 MMBOE (77% Oil/Liquids)**
  - **FM O&G Oil Realization: $97/bbl (before derivatives)**
  - **90% Differential to Brent**
- **Cash Operating Margin: $3.4 Billion**
  - **$56/BOE Margin**
  - **~50% from GOM with $69/BOE Margin**
- **Positioned for Growth in Deepwater GOM**
- **Results Include Eagle Ford Through June 19, 2014**

Brent and HLS Pricing per Bbl

LTM Margin Contribution



NOTE: EBITDA equals operating income plus depreciation, depletion and amortization, impairments and non-cash mark-to-market adjustments on derivative contracts as reflected in the segment tables and MD&A footnotes in the FCX's quarterly filings. Cash operating margin reflects realized revenues less cash production costs. For a reconciliation of cash operating margin, see Appendix attached.

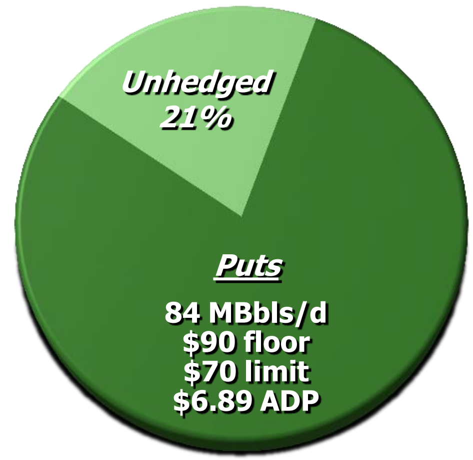
Oil & Natural Gas Hedging Positions

Oil Hedges Indexed to Brent

4Q 2014 – 100% Hedged

*83 MBbls/d**

2015



*107 MBbls/d**

Natural Gas Hedges Indexed to Henry Hub

4Q 2014

Swaps – 100,000 MMBtu/d
@ $4.09
~55% Unhedged

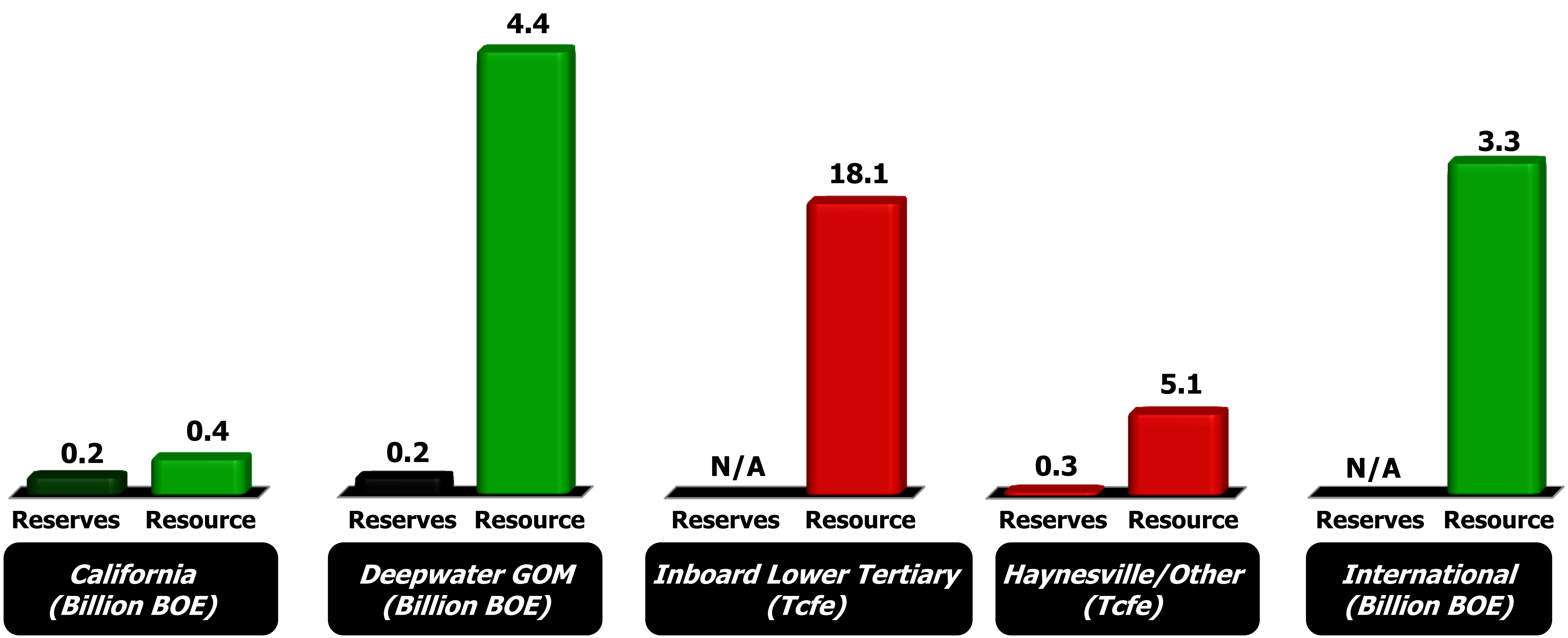
2015

No Hedges

NOTE: As of September 30, 2014; ADP = average deferred premium.
** Estimated production for oil. See Cautionary Statement.*

Reserves & Resource Potential

Year-end 2013 Proved Reserves & Net Unrisked Resource Potential



California	Deepwater GOM	Inboard Lower Tertiary	Haynesville/Other	International
Cash Margin $53/BOE	*Cash Margin $79*/BOE*	*Cash Margin N/A*	*Cash Margin $2.85/Mcfe*	*Cash Margin N/A*

Note: SEC end of year 2013 proved reserves. Total resource potential includes unrisked proved, probable, possible, development and exploration. Cash margin for the nine-month period ended September 30, 2014.

** Deepwater GOM only. Including Shelf, GOM cash margin totaled $70/BOE for the first nine months of 2014.*

Strategic Position in Deepwater Gulf of Mexico

Operating/ Producing Assets

- **Significant Current Oil Production with Strong Cash Margins**
  - **Marlin**
  - **Horn Mountain**
  - **Holstein**
- **Substantial Infrastructure with Excess Capacity to Support Growth**

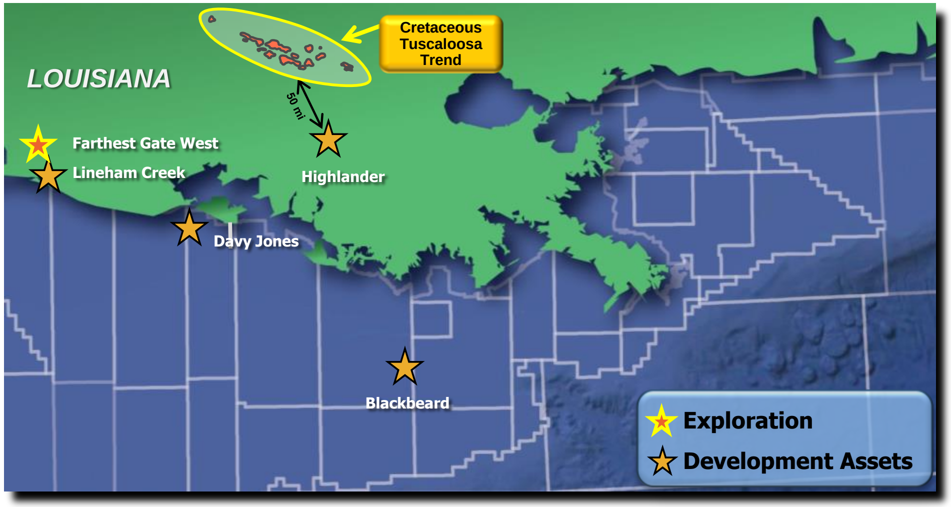
Major Development Projects

- **Financially Attractive Development Activities to Drive Growth**
  - **Lucius**
  - **Heidelberg**
  - **Vito Area**

Exploration/ Exploitation Opportunities

- **Strategic Acreage Near Existing Facilities with Excess Capacity**
- **Near-term Subsea Tie-back Opportunities:**
  - **Holstein Deep**
  - **Dorado**
  - **Kilo/Oscar/Quebec/Victory**
  - **King**

Inboard Lower Tertiary/ Cretaceous Activities



Industry Leader in Emerging New Inboard Lower Tertiary/Cretaceous Trend

- **Highlander Discovery**
  - **Exploration Results Indicated Favorable Reservoir Characteristics**
  - **Completion of Tuscaloosa Sands in Progress**
  - **Anticipate Flow Testing in 4Q14**
  - **FM O&G WI: 72%**

Highlander Rig Onshore South Louisiana

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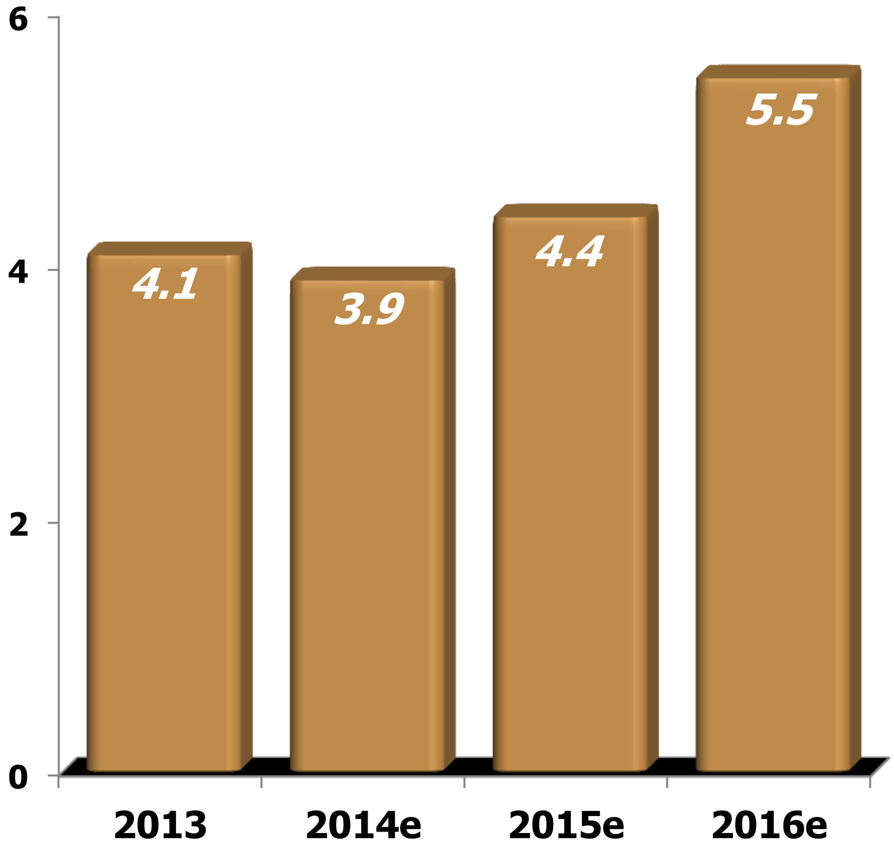
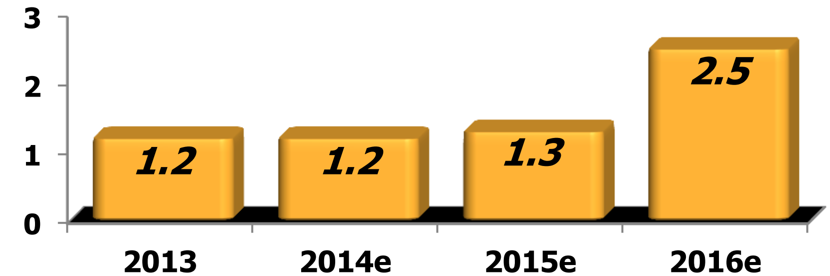
Sales Profile

Copper Sales (billion lbs)



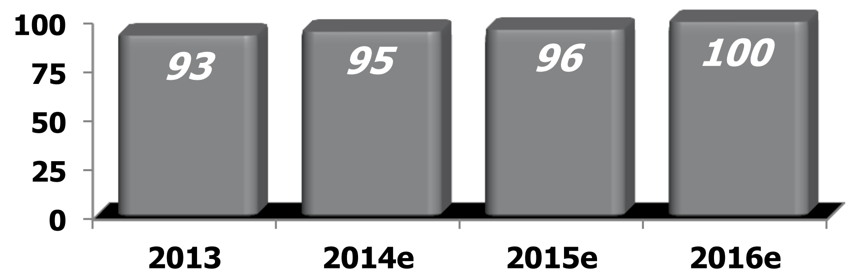
Note: Consolidated copper sales include 795 mm lbs in 2013, 715 mm lbs in 2014e, 740 mm lbs in 2015e and 1,060 mm lbs in 2016e for noncontrolling interest; excludes purchased copper.

Gold Sales (million ozs)

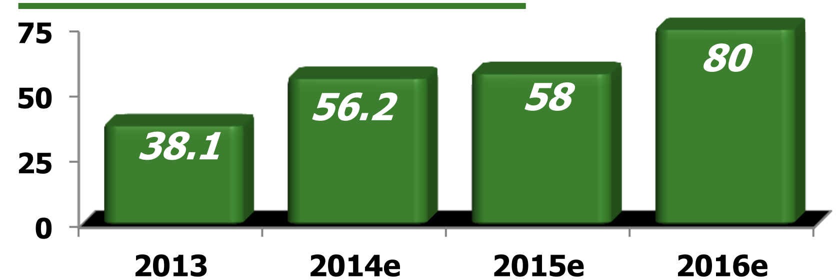


Note: Consolidated gold sales include 123k ozs in 2013, 120k ozs in 2014e, 125k ozs in 2015e and 230k ozs in 2016e for noncontrolling interest.

Molybdenum Sales (million lbs)



Oil & Gas Sales (MMBOE)



e = estimate. See Cautionary Statement.

Note: 2013 is for period June 1, 2013, through December 31, 2013.

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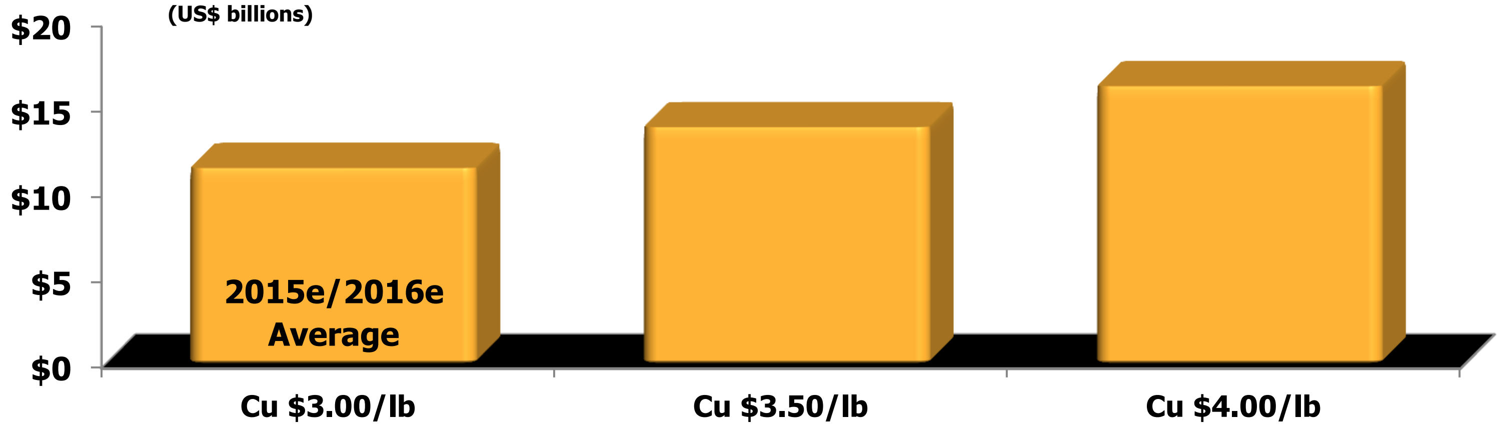
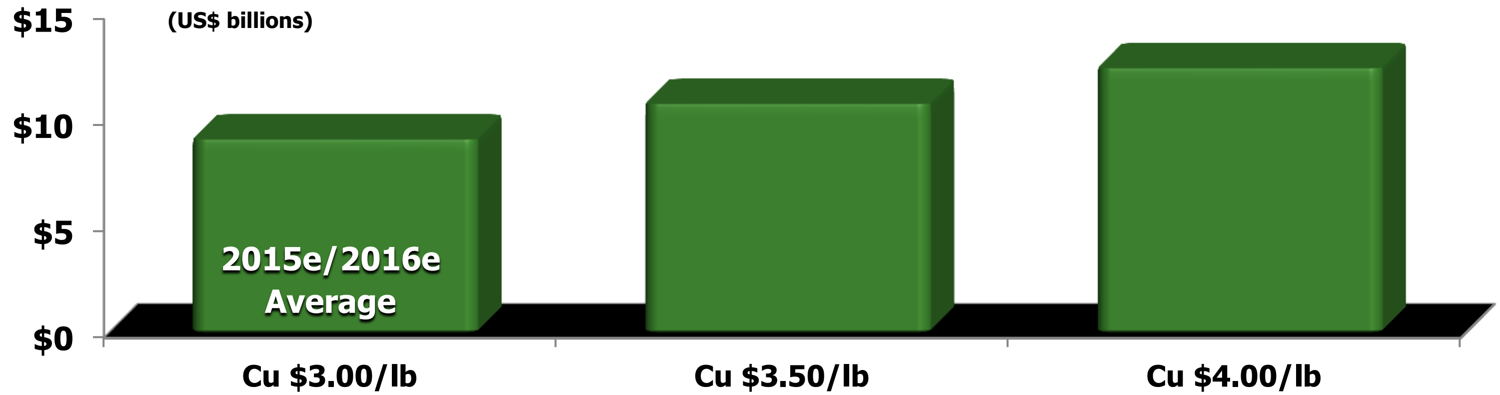
EBITDA and Cash Flow at Various Copper Prices

Average EBITDA
($1,200 Gold, $10 Molybdenum & $100 Oil)



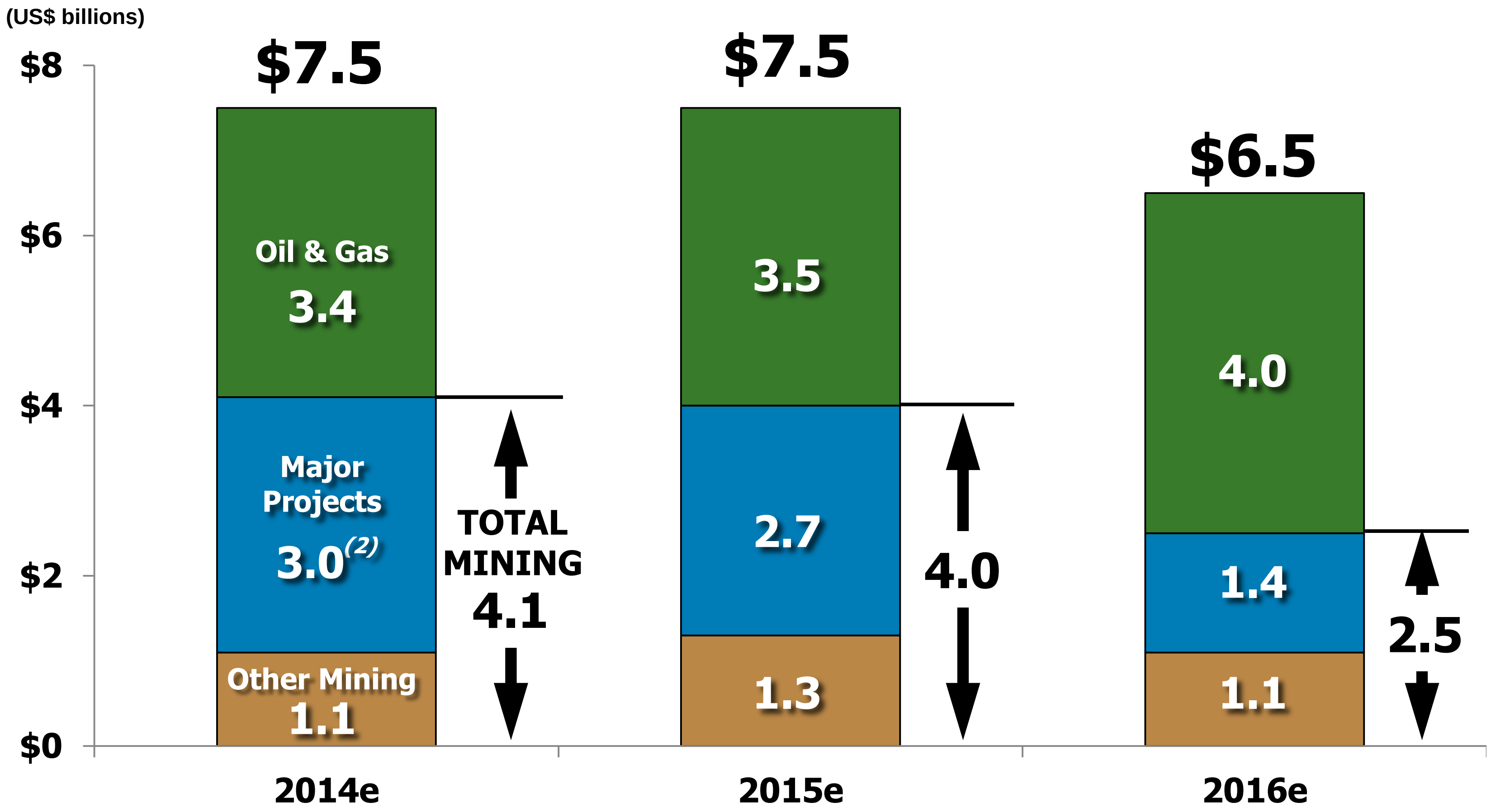
Average Operating Cash Flow (excluding Working Capital changes)
($1,200 Gold, $10 Molybdenum & $100 Oil)



Note: For 2015e/2016e average, each $50/oz change in gold approximates $90 million to EBITDA and $50 million to operating cash flow; each $1.00/lb change in molybdenum approximates $90 million to EBITDA and $70 million to operating cash flow; each $5.00/bbl change in oil approximates $180 million to EBITDA and $145 million to operating cash flow. EBITDA equals operating income plus depreciation, depletion and amortization.

e = estimate. See Cautionary Statement.

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.

Summary

A Strong & Focused Organization

Maximize Total Shareholder Returns

Strong Management of the Base

- Operational Excellence
- Achieve Production Targets
- Effective Cost and Capital Management
- Manage HS&E and Other Inherent Risks

Return Driven Growth

- Prioritize Highest Value Opportunities
- Evaluate Best Uses of Cash
- Scalable, Long-lived, Low-Cost Assets
- Strong Execution

Protect the Balance Sheet

Strong Cash Dividends

Appendix

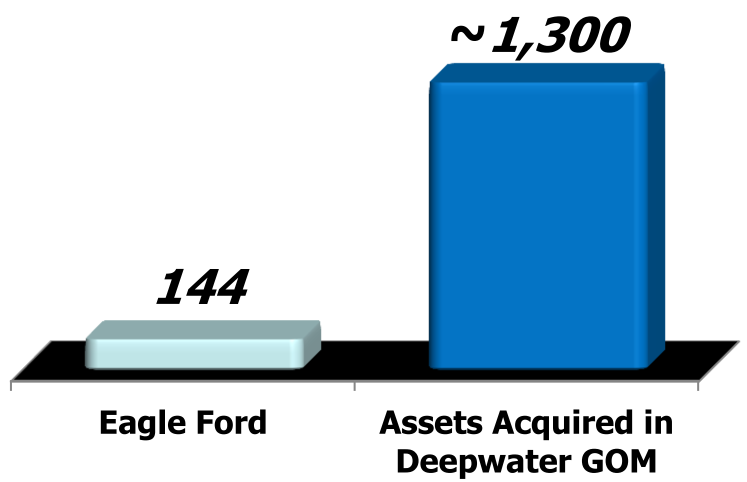
Oil & Gas Portfolio Optimization

- **Sold Eagle Ford Shale Interests for $3.1 bn in June 2014**
- **Reinvested $1.4 bn in Deepwater GOM Interests, Including:**
  - **Lucius Oil Development (5.1% WI)**
  - **Heidelberg Oil Development (12.5% WI)**
  - **Vito Oil Discovery (18.67% WI)**
  - **Complementary Exploration Leases to Provide Upside**
- **Adds High Quality Development Projects**
  - **Acquisitions to Replace Eagle Ford Production with Growth Profile**
- **Value Accretive**
- **Important Step in Ongoing Debt Reduction Plan – $1.2 bn in Net After Tax Proceeds**

e = estimate. See Cautionary Statement.

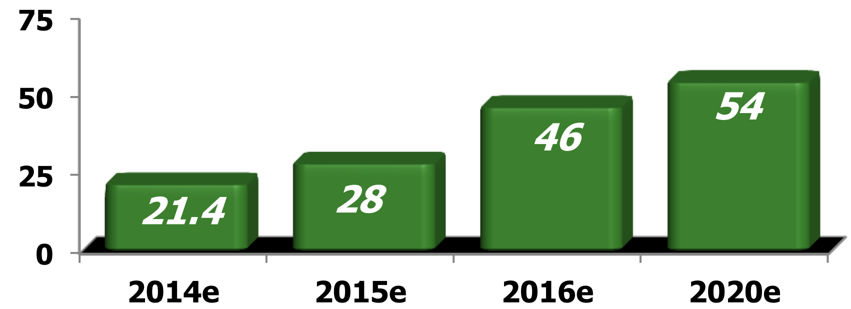
Net Resource Potential Comparison

(MMBOE)



Deepwater Production Growth

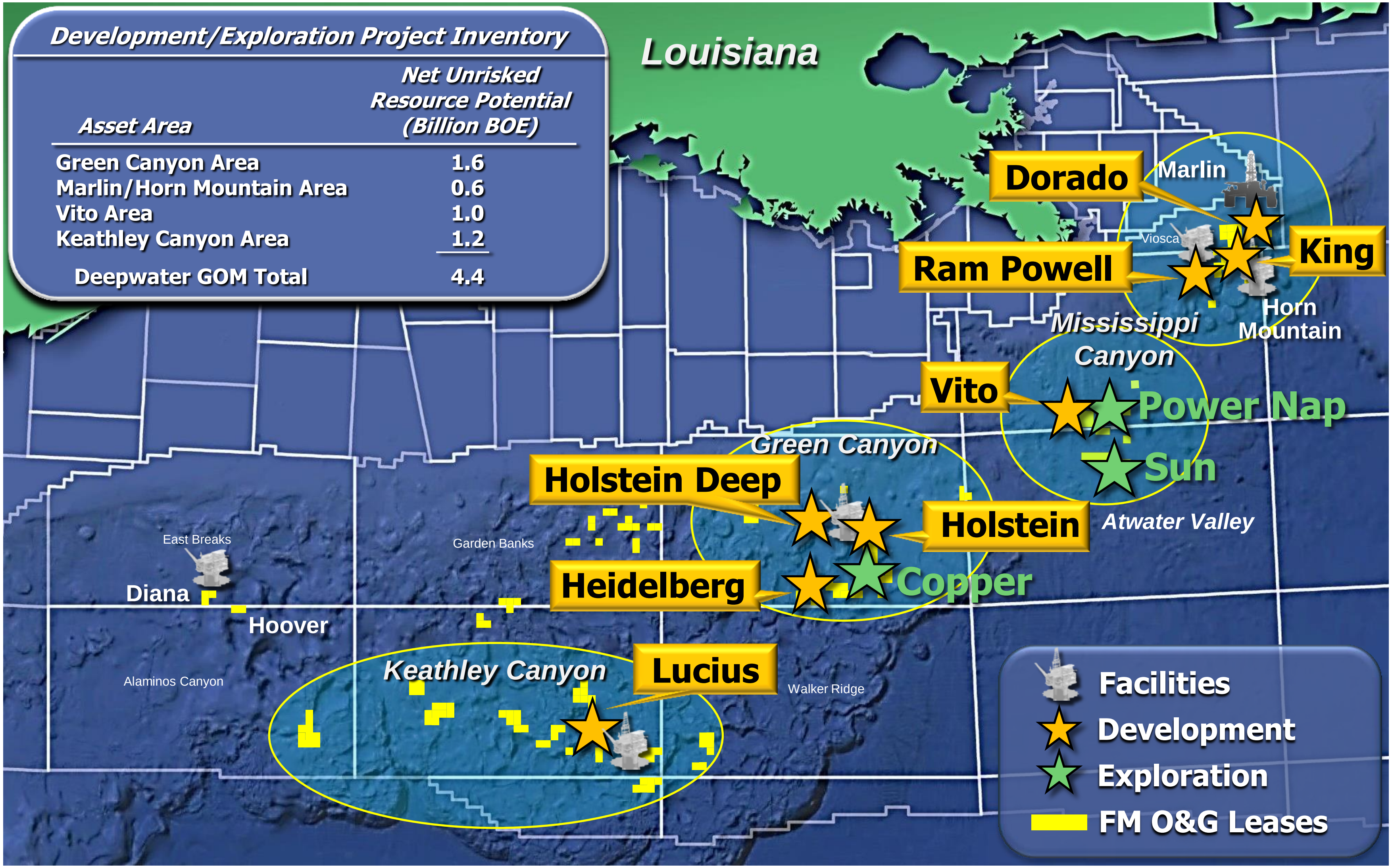
(MMBOE)



Deepwater Gulf of Mexico Focus Areas

Development/Exploration Project Inventory

Asset Area	*Net Unrisked Resource Potential (Billion BOE)*
Green Canyon Area	1.6
Marlin/Horn Mountain Area	0.6
Vito Area	1.0
Keathley Canyon Area	1.2
Deepwater GOM Total	4.4



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Lucius & Heidelberg – Deepwater GOM Development Projects

Lucius

- Commissioning Work is in Progress
- First Production Expected in 4Q 2014
- 300+ MMBOE Gross Resource Potential
- Processing Capacity
  - 80,000 BOPD
  - 450,000 MCFD
- FM O&G 25.1% WI
- Water Depth: 7,200’

Heidelberg

- Hull Fabrication Complete
- Topside ~60% Complete
- First Production Expected in 2016
- 200-400 MMBOE Gross Resource Potential
- Processing Capacity: 80,000 BOPD
- FM O&G 12.5% WI
- Water Depth: 5,300’

Sensitivities (US$ millions)

	2015e/2016e	
Change	EBITDA	Operating Cash Flow
Copper: +/- $0.10/lb	$480	$335
Molybdenum: +/- $1.00/lb	$90	$70
Gold: +/- $50/ounce	$90	$50
Oil Sales: +/- $5/bbl(1)	$225	$180
Oil Sales Net of Diesel Costs:(1,2) +/- $5/bbl	$180	$145
Natural Gas: +/- $0.50/Mcf	$55	$45
Currencies:(3) +/- 10%	$190	$140

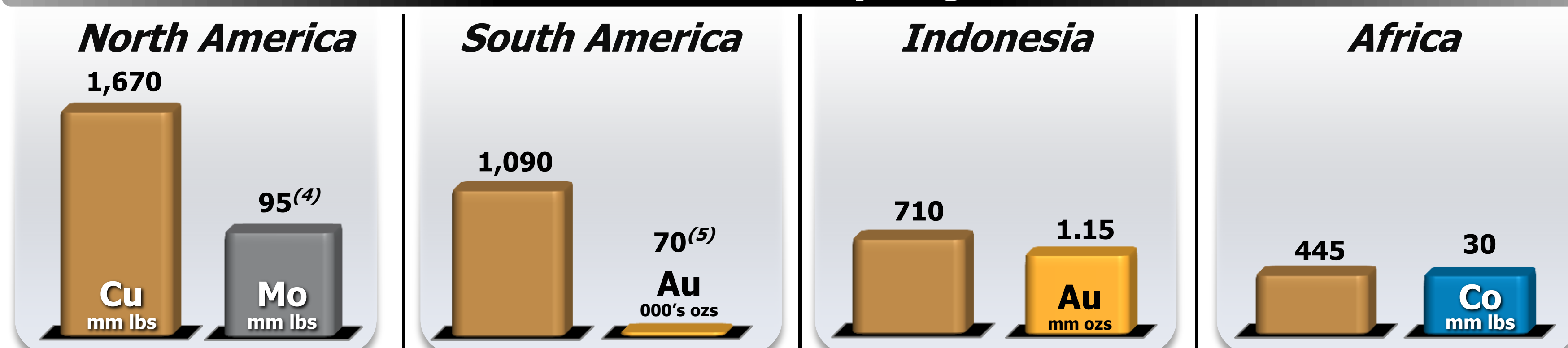
(1) Oil sales sensitivity calculated using base Brent price assumption of $100/bbl in 2015 and 2016.
(2) Amounts are net of mining cost impacts of a $5/bbl change in oil prices.
(3) U.S. Dollar Exchange Rates: 575 Chilean peso, 11,800 Indonesian rupiah, $0.90 Australian dollar, $1.31 Euro, 2.90 Peruvian Nuevo Sol base case assumption. Each +10% equals a 10% strengthening of the U.S. dollar; a strengthening of the U.S. dollar against forecasted expenditures in these foreign currencies equates to a cost benefit of noted amounts.
NOTE: Based on 2015e/2016e averages. Operating cash flow amounts exclude working capital changes.
e = estimate. See Cautionary Statement.

2014e Operating Estimates

2014e Unit Production Costs

(per pound of copper)	North America	South America	Indonesia	Africa	Consolidated
Cash Unit Costs (1)					
Site Production & Delivery (2)	$1.85	$1.61	$2.72	$1.55	$1.91
By-product Credits	(0.24)	(0.22)	(2.07)	(0.46)	(0.59)
Treatment Charges	0.12	0.17	0.26	-	0.14
Royalties & Export Duties	-	-	0.28	0.07	0.06
Unit Net Cash Costs	$1.73	$1.56	$1.19(3)	$1.16	$1.52(3)

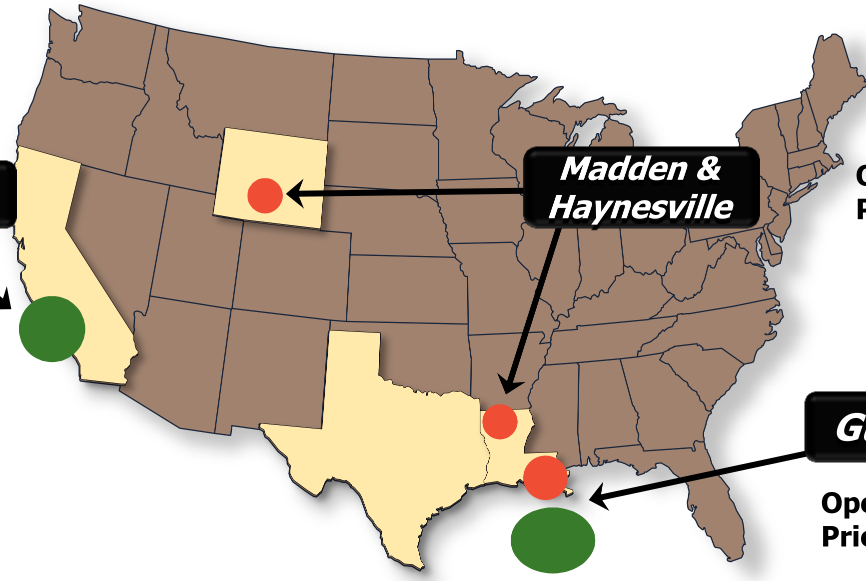
2014e Sales by Region



(1) *Estimates assume average prices of $3.00/lb for copper, $1,250/oz for gold, $10/lb for molybdenum and $13/lb for cobalt for the remainder of 2014. Quarterly unit costs will vary significantly with quarterly metal sales volumes. Unit consolidated net cash costs for 2014 would change by ~$0.01/lb for each $50/oz change in gold and $0.005/lb for each $2/lb change in molybdenum.*
(2) *Production costs include profit sharing in South America and severance taxes in North America.*
(3) *Indonesia and consolidated 2014 unit costs include 17¢/lb and 3¢/lb, respectively, for export duties and increased royalty rates at PT-FI.*
(4) *Includes molybdenum produced in South America.*
(5) *Includes gold produced in North America.*

Note: e = estimate. See Cautionary Statement.

2H 2014e Oil & Gas Operating Estimates



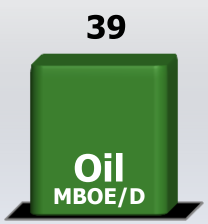
California
Operating Cost: $36/bbl
Pricing: Brent Based

Madden & Haynesville
Operating Cost: $1.85/Mcfe
Pricing: NYMEX

Gulf of Mexico
Operating Cost: $18/bbl
Pricing: HLS/NYMEX

2H 2014e Oil & Gas Sales by Region

California

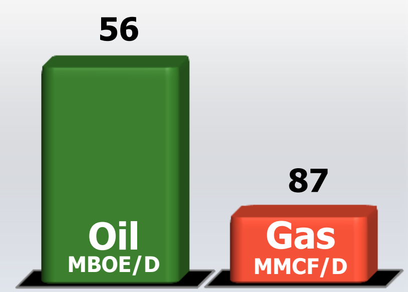


Includes ~ 7 MMcf/d of natural gas

Haynesville/ Madden/Other

Includes ~6 MMcfe/d of Liquids

GOM



Includes ~ 5 MBbls/d of NGLs and GOM Shelf production

NOTE: Operating costs exclude DD&A and G&A. DD&A (including accretion) is expected to approximate $40/BOE (before impairments). Oil realizations are expected to approximate 92% of Brent for 2H 2014e. e = estimate. See Cautionary Statement.

FREEPORT-MCMORAN

STRENGTH IN RESOURCES

Reconciliation of Cash Margin (Non-GAAP) to Gross Profit (GAAP)

The following table reconciles cash margin, a non-GAAP measure, to gross profit (GAAP) for the trailing twelve months ended September 30, 2014. Management believes this presentation may be useful to investors. FM O&G management uses this information for comparative purposes within the industry and as a means to measure operating performance by our oil and gas production and the ability to fund, among other things, capital expenditures and acquisitions. This measure is not intended to replace the GAAP statistic but rather to provide additional information that may be helpful in evaluating FM O&G's operational trends and performances.

Cash margin for our oil and gas operations reflects realized revenues less cash production costs. Realized revenues exclude net noncash mark-to-market adjustments on derivative contracts, and cash production costs exclude accretion and other costs.

Trailing Twelve Months Ended September 30, 2014

(In Millions)	Total Oil & Gas
Oil and gas revenues before derivatives	$ 4,774
Realized cash losses on derivative contracts	(197)
Realized revenues	4,577
Less: cash production costs	1,168
Cash operating margin	3,409
Less: depreciation, depletion and amortization before impairment	2,367
Less: impairment of oil and gas properties	308
Less: accretion and other costs	51
Plus: net noncash mark-to-market gains on derivative contracts	11
Plus: other net adjustments	3
Gross profit	$ 697

	Per BOE
Oil and gas revenues before derivatives	$ 77.86
Realized cash losses on derivative contracts	(3.22)
Realized revenues	74.64
Less: cash production costs	19.04
Cash operating margin	55.60
Less: depreciation, depletion and amortization before impairment	38.61
Less: impairment of oil and gas properties	5.03
Less: accretion and other costs	0.84
Plus: net noncash mark-to-market gains on derivative contracts	0.19
Plus: other net adjustments	0.05
Gross profit	$ 11.36

	MMBOE	Revenues (in millions)	Average Realized Price per BOE	Cash Production Costs (in millions)	Cash Production Costs per BOE
Gulf of Mexico	26.8	$ 2,246	$ 83.91	$ 391	$ 14.62
California	14.3	1,293	90.27	527	36.77
Haynesville/Madden/Other	7.1	192	27.17	87	12.15
Eagle Ford (a)	13.1	1,043	79.43	163	12.45
	61.3	$ 4,774	77.86	$ 1,168	19.04

(a) Includes the results of the Eagle Ford field through June 19, 2014.

FREEPORT-MCMORAN

STRENGTH IN RESOURCES

Reconciliation of Cash Margin (Non-GAAP) to Gross Profit (GAAP)

The following table reconciles cash margin, a non-GAAP measure, to gross profit (GAAP) for the nine months ended September 30, 2014. Management believes this presentation may be useful to investors. FM O&G management uses this information for comparative purposes within the industry and as a means to measure operating performance by our oil and gas production and the ability to fund, among other things, capital expenditures and acquisitions. This measure is not intended to replace the GAAP statistic but rather to provide additional information that may be helpful in evaluating FM O&G's operational trends and performances.

Cash margin for our oil and gas operations reflects realized revenues less cash production costs. Realized revenues exclude net noncash mark-to-market adjustments on derivative contracts, and cash production costs exclude accretion and other costs.

Nine Months Ended September 30, 2014

(In Millions)	Total Oil & Gas
Oil and gas revenues before derivatives	$ 3,541
Realized cash losses on derivative contracts	(186)
Realized revenues	3,355
Less: cash production costs	875
Cash operating margin	2,480
Less: depreciation, depletion and amortization before impairment	1,736
Less: impairment of oil and gas properties	308
Less: accretion and other costs	38
Plus: net noncash mark-to-market gains on derivative contracts	130
Plus: other net adjustments	2
Gross profit	$ 530

	Per BOE
Oil and gas revenues before derivatives	$ 79.20
Realized cash losses on derivative contracts	(4.16)
Realized revenues	75.04
Less: cash production costs	19.57
Cash operating margin	55.47
Less: depreciation, depletion and amortization before impairment	38.81
Less: impairment of oil and gas properties	6.90
Less: accretion and other costs	0.86
Plus: net noncash mark-to-market gains on derivative contracts	2.90
Plus: other net adjustments	0.05
Gross profit	$ 11.85

	MMBOE	Revenues (in millions)	Average Realized Price per BOE	Cash Production Costs (in millions)	Cash Production Costs per BOE
Gulf of Mexico	20.1	$ 1,706	$ 84.99	$ 299	$ 14.88
California	10.7	974	90.70	402	37.40
Haynesville/Madden/Other (a)	5.2	151	28.93	61	11.85
Eagle Ford (b)	8.7	710	81.66	113	12.97
	44.7	$ 3,541	79.20	$ 875	19.57

(a) Includes volume adjustments related to Eagle Ford's pre-close sales totaling 113 MBOE, revenues of $12 million and cash production credits of $3 million. Excluding these amounts, the average realized price was $27.27 per BOE and cash production costs were $12.70 per BOE.

(b) Includes the results of the Eagle Ford field through June 19, 2014.