

ASARCO CONCLUDES COMPLIANCE INITIATIVE AGREEMENT WITH US EPA

- Environmental Management System Extended -

NEW YORK, N.Y. April 15, 1999 – ASARCO Incorporated (NYSE:AR) announced today that it has reached a comprehensive agreement with the United States Environmental Protection Agency and state environmental agencies on unresolved environmental issues affecting the Company's current operations throughout the United States. The agreement follows over three years of cooperative and voluntary discussions with relevant federal and state governmental authorities.

An earlier first-phase agreement reached in January 1998 resolved major issues at many of the Company's U.S. operations. It also established an Asarco-initiated Environmental Management System.

This second phase agreement now resolves all significant remaining issues but one at all of the Company's operations and broadens the Asarco-initiated Environmental Management System to establish Company-wide environmental audit procedures.

The single remaining issue regards an allegation by EPA with respect to prior discharges of water by the Company's East Helena lead smelter to the local publicly-owned sewage treatment works. The matter relates only to past practice as Asarco ceased all discharges to the treatment works in November 1997. The EPA and the Company are each seeking a ruling from federal district court in Montana to resolve this matter.

The new agreement is reflected in a consent decree with EPA and the Texas Natural Resources Conservation Commission (TNRCC) which has been lodged in the U.S. District Court in Houston, Texas and is subject to approval of that court.

In connection with this second phase agreement and without any concession of wrongdoing, the Company has agreed to pay penalties of \$5.5 million. The Company will undertake supplemental environmental projects at a cost of \$2.2 million at Corpus Christi and El Paso, Texas and at the Company's Tennessee zinc mining operations. The Company's existing environmental reserves are adequate to cover the cost of the penalty and supplemental environmental projects.

As part of the agreement the Company's metal recycling business, Encycle/Texas, will expand its operations to implement an innovative metals electrowinning technology to recover nickel, copper, chrome and tin from metal-bearing waste materials. This new

process will return valuable metals to commerce and will reduce waste sent to disposal sites.

Commenting on the accord, Richard de J. Osborne, Chairman of the Board and Chief Executive Officer said, "We believe that this cooperatively developed agreement among Asarco, the U.S. Environmental Protection Agency and the Texas Natural Resources Conservation Commission establishes a positive basis for the Company and federal and state agencies to work together in the future. We invited and have welcomed the open dialogue that has been part of the process and look forward to working cooperatively with the EPA and state environmental protection agencies on implementing the agreed-upon actions."

ASARCO Incorporated is one of the world's leading integrated producers of copper, as well as a producer of specialty chemicals, aggregates and other metals.

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