

**FOR IMMEDIATE RELEASE**

**ASARCO BOARD REJECTS PHELPS DODGE AND GRUPO MEXICO OFFERS**

**- Initiates Process To Seek Maximum Value -**

**NEW YORK, N.Y., October 5, 1999** -- ASARCO Incorporated (NYSE:AR) said its Board of Directors has unanimously recommended that Asarco stockholders reject the current Phelps Dodge exchange offer and the Grupo Mexico \$26 cash tender offer and not tender their shares into either offer at this time. Asarco said that the Board has authorized management to initiate a process designed to elicit the best possible transaction for shareholders. Asarco cautioned, however, that it could give no assurance that any transaction would result from these efforts.

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