

# Freeport-McMoRan Sells Eagle Ford Assets For \$3.1B

Associated Press

PHOENIX (AP) — Freeport-McMoRan Copper & Gold Inc. is selling its Eagle Ford Shale assets in Texas for \$3.1 billion as it looks to lower its debt.

The buyer is a subsidiary of Encana Corp., a Canadian oil and natural gas company.

Freeport has been working on selling about \$4 billion of its energy assets to help reduce debt and allow it to concentrate more on growth areas like the Gulf of Mexico. It anticipates getting net proceeds of about \$2.5 billion from the latest deal.

The Phoenix-based copper and gold mining company said Wednesday that it expects to use approximately half the proceeds to repay outstanding debt. It foresees using the remainder of the proceeds to invest in assets in the Gulf of Mexico.

Freeport's consolidated debt totaled \$20.9 billion as of March 31, according to a regulatory filing.

Encana has recently cut jobs, slashed its dividend and closed an office in a bid to become more efficient. It also plans to spin off a portion of its Alberta assets into a new public company.

The Eagle Ford Shale assets include all of Freeport-McMoRan's interests on approximately 45,500 net acres with estimated net proved reserves totaling 59 million barrels of oil equivalents and estimated net proved and probable reserves of 69 million BOE at the end of 2013. Production from the field averaged 53,000 BOE per day in 2014's first quarter.

The deal is targeted to close by the second quarter's end.

Freeport-McMoran shares finished at \$33.84 in trading on Tuesday. Its shares have fallen more than 10 percent so far this year.

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