

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION**

IN RE: § **Case No. 05-21207**
§
ASARCO LLC, et al. § **Chapter 11**
§
Debtors. § **(Jointly Administered)**
§

**ASARCO INCORPORATED'S AND AMERICAS MINING
CORPORATION'S FURTHER SUPPLEMENT TO JOINT DISCLOSURE
STATEMENT IN SUPPORT OF THE RESPECTIVE PLANS OF
REORGANIZATION PROPOSED BY (1) THE DEBTORS; (2) ASARCO
INCORPORATED AND AMERICAS MINING CORPORATION; AND
(3) HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD.**

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Dated: August 13, 2009

FURTHER DISCLOSURE STATEMENT SUPPLEMENT

ASARCO Incorporated and Americas Mining Corporation (collectively, the “Parent”) will shortly file the Modified Sixth Amended Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, As Modified (the “Parent’s Modified Plan”). The Parent hereby submits for creditors’ consideration this ASARCO Incorporated’s And Americas Mining Corporation’s Further Supplement To Joint Disclosure Statement In Support Of The Respective Plans Of Reorganization Proposed By (1) The Debtors; (2) Asarco Incorporated And Americas Mining Corporation; And (3) Harbinger Capital Partners Master Fund I, Ltd. (the “Supplement”) that introduces and describes the Parent’s Modified Plan, and requests that creditors vote to accept the Parent’s Modified Plan. In addition, the Supplement asks any party that has already voted on the Parent’s Sixth Amended Plan to carefully weigh the improved value and possibilities offered by the Parent’s Modified Plan, and to re-cast such vote to accept the Parent’s Modified Plan.

Pursuant to ASARCO Incorporated and Americas Mining Corporation’s Modified Sixth Amended Plan of Reorganization for the Debtors Under Chapter 11 of the United States Bankruptcy Code, each holder of a Class 3 General Unsecured Claim was to have the right under the Parent’s Plan to elect one of three treatments: Treatment A, B or C. The Parent has improved and simplified the Sixth Amended Plan to provide the equivalent of Treatment C to all General Unsecured Claims, as follows:

▪ Even Greater Value:

- The total consideration now amounts to \$2 billion upon the effective date, which includes:
 - \$1.72 billion in cash, up approximately 18 percent from its earlier offer.
 - A \$280 million one-year secured note that bears interest at 6 percent to pay asbestos claimholders.
- The new consideration means unsecured creditors would be paid off in full at par on the effective date, plus an additional 8 percent in post-petition interest, in cash.
- Previous versions of the Parent’s Plan and the Debtors’ Plan included a note tied to the price of copper that has now been eliminated and replaced with cash. The Parent’s Modified Plan provides immediate cash in the present value of the \$770 million "copper note," eliminating the need for creditors to wait nine years for that portion of the payment.

▪ More Certainty

- The Parent is prepared to close without a labor accord and is paying creditors the entire principal amount of their claims in cash at closing, *and* guarantees that a minimum portion of post-petition interest will be paid on the Effective Date to those entitled to receive it.
- The Asbestos Representatives support confirmation of the Parent’s Plan on an equal basis with the Debtors’ Plan.

- **Unlike the Debtors' Plan, the Parent's Plan includes payments from a litigation trust including claims against Sterlite, the Debtors' Plan proponent, while the Debtors' Plan releases these claims. Additionally, unlike the Debtors' Plan, the Parent's Plan does not rely entirely upon litigation claims against AMC to pay post-petition interest, which may never result in the projected recoveries.**

As a result, the Parent's Plan is clearly superior to the Debtor's Plan, which:

- Would pay creditors just \$1.67 billion¹; far less than the \$2 billion consideration under the Parent's plan.
- Would pay creditors only \$1.587 billion in cash at closing, far less than the \$1.72 billion in cash that will be paid under the Parent's plan.

The foregoing description summarizes only certain aspects of the Parent's Modified Plan and is intended to supplement the Disclosure Statement approved by the Court. Creditors should read the Plans and the Disclosure Statement (including, without limitation, all of the risk factors set forth therein) in their entirety before voting on the Plans.

The Parent believes that these changes, as set forth in the Parent's Modified Plan, provide important and valuable enhancements for holders of Class 3 General Unsecured Claims.

IN ORDER TO HAVE A CREDITORS' VOTE, PREFERENCES AND ELECTION BE COUNTED, SUCH CREDITOR MUST COMPLETE AND RETURN THE BALLOT PREVIOUSLY DISTRIBUTED IN ACCORDANCE WITH THE PROCEDURE DESCRIBED THEREIN AND IN THE DISCLOSURE STATEMENT SO THAT THEY ARE RECEIVED BY THE BALLOTING AGENT NO LATER THAN 4:00 P.M. CENTRAL TIME ON AUGUST 17, 2009. PLEASE READ THE DIRECTIONS ON THE BALLOT CAREFULLY AND COMPLETE YOUR BALLOT IN ITS ENTIRETY BEFORE RETURNING IT TO THE DEBTORS' BALLOTING AGENT, ALTHOUGH EARLIER FORMS OF THIS BALLOT WILL STILL BE COUNTED SO LONG AS THEY TOO ARE RECEIVED PRIOR TO THIS DEADLINE.

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¹ The \$1.67 billion figure includes the present value of the \$207.9 million note which is \$83 million. It does not include the present value of the \$160 million asbestos Put Option which is \$137 million.

The undersigned have executed this Further Disclosure Statement Supplement as of the 13th day of August, 2009.

Respectfully submitted,

ASARCO INCORPORATED, a Delaware corporation

By: /s/ Jaime F. Collazo Gonzalez
Name: Jaime F. Collazo Gonzalez
Title: President

By: /s/ Jorge Lazalde Psihas
Name: Jorge Lazalde Psihas
Title: Vice President and General Counsel

AMERICAS MINING CORPORATION, a Delaware corporation

By: /s/ Alberto de la Parra Zavala
Name: Alberto de la Parra Zavala
Title: General Counsel

By: /s/ Jorge Lazalde Psihas
Name: Jorge Lazalde Psihas
Title: Assistant Secretary