

NEWS RELEASE

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McMoRan Exploration Co. Announces Significant Discovery at Eugene Island Block 193 and Updates Gulf of Mexico Drilling Activities

NEW ORLEANS, LA, November 9, 2004 – McMoRan Exploration Co. (NYSE: MMR) today provided the following update on its Gulf of Mexico exploration drilling activities:

The **Deep Tern** well at Eugene Island Block 193 has been drilled to a total measured depth of 20,731 feet and the well is being prepared for completion in the Miocene sands. The well encountered five sands with a total gross interval of approximately 340 feet, including approximately 170 feet of new pay discovered below 19,165 feet that was not previously announced. The gross intervals of hydrocarbons have been confirmed by log-while-drilling (LWD) or wireline logs. The well is expected to be producing by year-end 2004 using our facilities at Eugene Island Block 193. Development options for these newly discovered hydrocarbons are being evaluated. We control 17,500 acres in the Deep Tern area, which is located approximately 50 miles offshore Louisiana in 90 feet of water.

As previously reported, the Deep Tern well encountered a gross interval of 86 feet of hydrocarbon bearing sands in the Basal Pliocene section where we own a 20.6 percent net revenue interest. Further drilling indicated additional gross intervals of approximately 255 feet, 170 feet announced today and 85 feet previously reported, of hydrocarbon bearing sands in the Basal Pliocene and Miocene sections of the well where we own a 37.2 percent net revenue interest.

The **Minuteman** well at Eugene Island Block 213 has been drilled to a total measured depth of 20,432 feet. As previously reported, the by-pass well was drilled to 21,024 feet and encountered a laminated sand section from 19,790 to 20,230 feet. The well was sidetracked and wireline logs have indicated that the well has encountered a gross interval of approximately 60 feet of hydrocarbons with excellent porosity and permeability in the upper portion of the laminated sand section. The well is being prepared for completion and production by year-end 2004 using our Eugene Island Block 215 facilities, which are located approximately 7 miles from the well. Spinnaker Exploration Company operates Minuteman with a 33.3 percent working interest. We have the rights to interests in approximately 9,600 acres in the immediate area surrounding the Minuteman prospect, which is located approximately 40 miles offshore Louisiana.

We are participating in a "take point" well at the **Dawson Deep** prospect at Garden Banks Block 625. As previously reported, the "take point" well has encountered apparent hydrocarbon-bearing sands as indicated by more than 100 feet of total vertical thickness of resistivity, measured by LWD logging tool. These sands are shallower than the objective zone that was seen in the sidetrack wells drilled earlier in 2004. Further drilling and LWD logs have indicated that the well

encountered an additional gross interval of approximately 100 feet of hydrocarbon bearing sands in the deeper zone which was the original objective of this "take point" well. The well was sidetracked and drilled to a total depth of 22,790 feet. The operator plans to set casing and temporarily abandon the well while development options are considered. Sanctioning of the project is possible in the first quarter of 2005. Estimated timing of first production is pending the final plan. The Dawson Deep prospect is located on a 5,760 acre block located approximately 150 miles offshore Texas and is adjacent to the Gunnison spar facility. McMoRan owns a 30.0 percent working interest and a 24.0 percent net revenue interest in the well.

In late-October 2004, the **Poblano** well at East Cameron Block 137 reached its proposed total depth of 17,000 feet and was evaluated to be nonproductive. The well will be plugged and abandoned. We recorded \$1.5 million of well drilling and related costs incurred through September 30, 2004 to exploration expense in our third-quarter 2004 results which were filed with the Securities and Exchange Commission. During the fourth quarter of 2004, we will record an approximate \$1.6 million additional charge to exploration expense for the costs incurred on the well subsequent to September 30, 2004. The Poblano prospect is part of a farm-in agreement covering three blocks, East Cameron Block 137, West Cameron Block 251 and West Cameron Block 262.

The **King of the Hill** well at High Island Block 131 is currently drilling below 16,900 feet towards a total depth of 17,300 feet. The King of the Hill well is being drilled under a turnkey contract.

The **Hurricane Uptrown** well at South Marsh Island Block 217 in the JB Mountain/Mound Point area is currently drilling below 12,100 feet proceeding towards a total depth of 19,500 feet. We are the operator of the Hurricane Uptrown well. This prospect is located northwest of the initial Hurricane prospect. That well provided significant geologic data which was used to plan the currently drilling Uptrown prospect. McMoRan operates the Hurricane Uptrown prospect and would earn a 27.5 percent working interest and a 19.4 percent net revenue interest. McMoRan has rights to approximately 7,700 gross acres in the Hurricane prospect area which is located offshore Louisiana in 10 feet of water.

The **Blueberry Hill** well at Louisiana State Lease 340 in the JB Mountain/Mound Point area is currently drilling below 1,500 feet towards a total depth of 22,000 feet. We are the operator of the Blueberry Hill well. The Blueberry Hill prospect on State Lease 340 is located 7 miles east of the JB Mountain discovery and 7 miles south southeast of the Mound Point Offset discovery. McMoRan holds a 35.3 percent working interest and a 24.2 percent net revenue interest in the Blueberry Hill well.

The **West Cameron Block 43** No. 3 exploratory well is currently drilling below 900 feet towards a total proposed depth of 17,500 feet. The well is being drilled by a third-party operator under a turnkey arrangement.

The **Gandalf** prospect at Mustang Island Blocks 829/830, which has a rig on location, is expected to spud imminently. McMoRan has a 20.0 percent working interest and a 15.2 percent net revenue interest in the well.

Each of the wells mentioned above, with the exception of Dawson Deep, Blueberry Hill and Gandalf, are eligible for Deep Gas Royalty Relief under current Mineral Management Service guidelines. Depending upon applicability of the royalty relief eligibility criteria, each of the leases on which these wells are located could be eligible for between 10 to 25 billion cubic feet (Bcf). Each 25 Bcf of royalty relief would equate to approximately \$21 million in gross savings per well at current gas prices approximating \$5.00 per mcf. McMoRan expects that royalty relief would be available on additional deep shelf prospects being planned for drilling.

McMoRan expects to commence drilling **Caracara** at Vermilion Blocks 227/228 during the fourth quarter of 2004. Additional wells expected to commence drilling in the first quarter of 2005 include **Delmonico** in Louisiana state waters near the Lake Sand Field Area and **JB Mountain Deep** at South Marsh Island Block 224. McMoRan currently has rights to approximately 231,000 gross acres and continues to identify prospects to be drilled on its lease acreage position. McMoRan is also actively pursuing opportunities through its new exploration venture to acquire additional acreage and prospects through farm-in or other arrangements.

Our near-term exploration activities include the following wells:

	Working Interest	Net Revenue Interest	Water Depth	Proposed Total Depth	Spud Date
In-Progress Wells					
Eugene Island Block 193 "Deep Tern – Development"	26.7%	20.6%	90'	17,123'	July 13, 2004
Eugene Island Block 193 "Deep Tern - Exploration"	48.6%	37.2%	90'	20,731'	At 17,123'
Eugene Island Blocks 212/213 "Minuteman"	33.3%	24.3%	100'	20,432'	August 7, 2004
Garden Banks Block 625 "Dawson Deep Take Point"	30.0%	24.0%	2,900'	22,790'	August 18, 2004
High Island Block 131 "King of the Hill"	25.0%	19.6%	40'	17,300'	August 9, 2004
South Marsh Island Block 217 "Hurricane Uptrown"	27.5%	19.4%	10'	19,500'	September 7, 2004
Louisiana State Lease 340 "Blueberry Hill"	35.3 %	24.2%	10'	22,000'	November 2, 2004
West Cameron Block 43	23.4%	18.0%	30'	17,500'	November 6, 2004
Mustang Island Blocks 829/830 "Gandalf"	20.0%	15.2%	176'	12,000'	November 2004
Near-Term Wells					
Vermilion Blocks 227/228 "Caracara"	33.3%	27.8%	115'	18,000'	November 2004
Lake Sand Field Area "Delmonico"	25.0%	18.8%	10'	19,000'	First-Quarter 2005
South Marsh Island Block 224 "JB Mountain Deep"	27.5%	19.4%	10'	23,000'	First-Quarter 2005
West Cameron Block 342 "Falcon"	25.0%	18.8%	260'	19,000'	First-Half 2005

McMoRan Exploration Co. is an independent public company engaged in the exploration, development and production of oil and natural gas offshore in the Gulf of Mexico and onshore in the Gulf Coast area. McMoRan is also pursuing plans for the development of the Main Pass Energy Hub™ which will be used for the receipt and processing of liquefied natural gas and the storage and distribution of natural gas. Additional information about McMoRan and the Main Pass Energy Hub™ project is available on its internet website "www.mcmoran.com" and "www.mpeh.com".

CAUTIONARY STATEMENT: *This press release contains certain forward-looking statements regarding oil and gas exploration, development and production activities. Accuracy of the projections depends on assumptions about events that change over time and is thus susceptible to periodic change based on actual experience and new developments. McMoRan cautions readers that it assumes no obligation to update or publicly release any revisions to the projections in this*

press release and, except to the extent required by applicable law, does not intend to update or otherwise revise the projections more frequently than quarterly. Important factors that might cause future results to differ from these projections include: variations in the market prices of oil and natural gas; drilling results; unanticipated fluctuations in flow rates of producing wells; oil and natural gas reserves expectations; the ability to satisfy future cash obligations and environmental costs; general exploration and development risks and hazards; and financing, regulatory, and feasibility requirements for the potential Main Pass Energy Hub™ project. Such factors and others are more fully described in more detail in McMoRan's 2003 Annual Report on Form 10-K filed with the Securities and Exchange Commission.

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