



Sempra Energy And Total S.A. Sign Memorandum Of Understanding For Development Of North American LNG Export Projects

November 5, 2018

SAN DIEGO and PARIS, Nov. 5, 2018 /PRNewswire/ -- [Sempra Energy](#) (NYSE: SRE) and Total S.A. (NYSE: TOT) today announced that they have entered into a Memorandum of Understanding (MOU) that provides the framework for cooperation in the development of North American liquefied natural gas (LNG) export projects. The scope of the MOU covers continuing development of the Cameron LNG liquefaction-export project in Louisiana and Energía Costa Azul (ECA) liquefaction-export project in Baja California, Mexico.

The MOU between Sempra Energy and Total contemplates Total potentially contracting for approximately up to 9 million tonnes per annum (Mtpa) of LNG offtake across Sempra Energy's LNG export development projects on the U.S. Gulf Coast and West Coast of North America, specifically Cameron LNG Phase 2 and ECA LNG. Total, which already is a partner in the Cameron LNG joint venture with a 16.6-percent stake, also may acquire an equity interest in ECA LNG.

"The U.S. is increasing its global leadership position in the production of oil and natural gas," said Jeffrey W. Martin, CEO of Sempra Energy. "In large measure, the next step in fulfilling our country's energy potential is the development of critical export infrastructure for LNG. Sempra Energy has a long-term goal of developing more than 45 Mtpa of LNG export capacity in North America. That is why our relationship with Total is so important. We plan to leverage the competitive strengths of both companies to accelerate development of North American LNG exports to global markets."

"This relationship with Sempra Energy will support our goal of building a diverse portfolio of LNG supply options that offers our customers flexibility, reliability and low-cost North American natural gas," said Patrick Pouyanné, chairman and CEO of Total S.A. "We are pleased to collaborate with Sempra Energy and the other Cameron LNG co-owners to extend the Cameron LNG project and to further enhance its competitiveness, but also participate in the development of export capacity on the West Coast of Mexico, which will benefit from synergies with existing infrastructure and from a significant shipping cost advantage for customers in Asia."

The \$10 billion Phase 1 of the Cameron LNG joint-venture liquefaction-export project includes three liquefaction trains with approximately 14 Mtpa of export capacity under construction in Louisiana. Commissioning of the first train is now under way and all three trains are expected to be producing LNG in 2019. Phase 2 of the Cameron LNG project, previously authorized by the Federal Energy Regulatory Commission and being developed jointly by the Cameron LNG co-owners, encompasses up to two additional liquefaction trains and up to two additional LNG storage tanks with approximately 9 Mtpa of capacity.

ECA Phase 1 is a one-train facility with an expected total export capacity of 2.5 Mtpa, utilizing the existing LNG receipt terminal's tanks, loading arms and berth. ECA Phase 2 is expected to have additional export capacity of 12 Mtpa of LNG.

Development of LNG export facilities is subject to a number of risks and uncertainties, including obtaining binding customer commitments, required regulatory approvals and permits, securing financing, completing the required commercial agreements and other factors, as well as reaching a final investment decision. The ultimate participation by Total remains subject to finalization of definitive agreements, among other factors.

About Sempra Energy

In addition to the Cameron LNG and ECA LNG export projects, Sempra Energy also is developing the Port Arthur LNG liquefaction-export project in Texas, a facility with two liquefaction trains capable of producing 11 Mtpa of LNG.

Sempra Energy owns and operates natural gas and electric distribution utilities and is a major developer of North American energy infrastructure.

Sempra Energy, a San Diego-based energy services holding company with 2017 revenues of more than \$11 billion, is the utility holding company with the largest U.S. customer base. The Sempra Energy companies' approximately 20,000 employees serve more than 40 million consumers worldwide.

About Total S.A.

Total is the second largest publicly traded LNG player in the world and a shareholder in 12 liquefaction facilities that currently generate 25 percent of global LNG output.

With a portfolio of 15.6 Mtpa of LNG managed in 2017, Total is one of the world's leading players in the sector, with solid and diversified positions across the LNG value chain. Through its stakes in liquefaction plants located in Qatar, Nigeria, Russia, Norway, Oman, the United Arab Emirates, the United States, Australia, Angola and Yemen, the Group sells LNG in all global markets. Following the acquisition of Engie's LNG business, Total became the second-largest private global LNG player among the majors, with an overall LNG portfolio of around 40 Mtpa by 2020 and a worldwide market share of 10 percent. LNG development is a key element of the Group strategy, which is strengthening its upstream positions in the major production regions with projects in Russia, the Middle East, the U.S. and Australasia, as well as its downstream positions in all markets.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "contemplates," "assumes," "depends," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "target," "pursue," "outlook," "maintain," or similar expressions or discussions of guidance, strategies, plans, goals, vision, opportunities, projections, initiatives, objectives or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements.

Factors, among others, that could cause actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: actions and the timing of actions, including decisions, new regulations, and issuances of permits and other authorizations by the U.S. Department of Energy, Federal Energy Regulatory Commission, U.S. Environmental Protection Agency and Pipeline and

Hazardous Materials Safety Administration, states, cities and counties, and other regulatory and governmental bodies in the United States and other countries in which we operate; the timing and success of business development efforts and construction projects, including risks in (i) timely obtaining or maintaining permits and other authorizations, (ii) completing construction projects on schedule and on budget, and (iii) obtaining the consent and participation of partners and counterparties and their ability to fulfill contractual commitments; the availability of natural gas and liquefied natural gas, and natural gas pipeline and storage capacity; equipment failures; changes in energy markets; volatility in commodity prices; moves to reduce or eliminate reliance on natural gas; risks posed by actions of third parties who control the operations of our investments; weather conditions, natural disasters, accidents, equipment failures, computer system outages, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of greenhouse gases and harmful emissions, and subject us to third-party liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits) or may be disputed by insurers; cybersecurity threats to storage and pipeline infrastructure, the information and systems used to operate our businesses; the impact of recent federal tax reform and uncertainty as to how it may be applied, and our ability to mitigate adverse impacts; changes in foreign and domestic trade policies and laws, including border tariffs, revisions to or replacement of international trade agreements, such as the North American Free Trade Agreement, that may increase our costs or impair our ability to resolve trade disputes; and other uncertainties, some of which may be difficult to predict and are beyond our control.

These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on Sempra Energy's website at www.sempra.com. Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of the date hereof and Sempra Energy or its subsidiaries undertake no obligation to update or revise these forecasts or projections or other forward-looking statements, whether as a result of new information, future events or otherwise.

Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG & Midstream, Sempra Renewables, Sempra Mexico, Sempra Texas Utility, Oncor Electric Delivery Company LLC (Oncor) and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, San Diego Gas & Electric Company (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG & Midstream, Sempra Renewables, Sempra Mexico, Sempra Texas Utility, Oncor and IEnova are not regulated by the California Public Utilities Commission.



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