



Sempra Energy Units Sign Three Heads Of Agreements With Total S.A., Mitsui & Co., Tokyo Gas Co. For Energía Costa Azul Liquefaction Project

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First LNG Export Project on Mexico's Pacific Coast Takes Significant Step Toward Full Subscription of Initial Phase

SAN DIEGO, Nov. 7, 2018 /PRNewswire/ -- Sempra Energy (NYSE: SRE) today announced that its subsidiaries Infraestructura Energetica Nova S.A.B. de C.V. (IEnova) (BMV: IENOVA) and Sempra LNG & Midstream have signed three Heads of Agreements (HOAs) with affiliates of Total S.A. (Total), Mitsui & Co., Ltd. (Mitsui) and Tokyo Gas Co., Ltd. (Tokyo Gas) for the full export capacity of Phase 1 of the Energía Costa Azul liquefied natural gas (ECA LNG) project located in Baja California, Mexico.

ECA LNG Phase 1 is a single-train liquefaction facility to be located adjacent to the existing LNG receipt terminal and expected to produce approximately 2.4 million tonnes per annum (Mtpa) of LNG for export to global markets.

"These three HOAs mark a significant milestone for the development of the ECA liquefaction export-project, supporting Sempra Energy's strategic vision of becoming North America's premier energy infrastructure company," said Joseph A. Householder, president and chief operating officer of Sempra Energy.

"We look forward to working with three world-class and well-respected LNG companies to develop a project that should provide low-cost, flexible operations and reliable LNG to the Pacific Basin market and to supply the Baja California peninsula market in Mexico," said Carlos Ruiz Sacristán, CEO of the Sempra North American Infrastructure group and executive chairman of IEnova.

"We are pleased to work with Sempra Energy and IEnova to participate in the development of ECA LNG, which will benefit from synergies with existing infrastructure and from a significant shipping cost advantage for our customers in Asia," said Philippe Sauquet, president of gas, renewables and power for Total S.A.

"We are pleased to work with Sempra Energy and IEnova for ECA LNG, which is another significant milestone to further strengthen the strategic partnership with Sempra LNG and IEnova in a broad range of business opportunities," said Hirotsu Fujiwara, executive managing officer, chief operating officer of Energy Business Unit II, Mitsui & Co., Ltd.

"Tokyo Gas looks forward to working with the Sempra Energy team to advance the ECA LNG project and to provide the benefits of North American LNG supplies to our customers," said Kentaro Kimoto, managing executive officer, chief executive of the Gas Resources & Energy Production Division of Tokyo Gas.

The three HOAs for ECA LNG Phase 1 contemplate the parties negotiating and finalizing definitive 20-year LNG sales-and-purchase agreements. The three companies each will potentially purchase approximately 0.8 Mtpa of LNG from ECA LNG Phase 1. A final investment decision for ECA LNG is targeted in late 2019 with potential first LNG deliveries in 2023.

In June, TechnipFMC and Kiewit were selected as the engineering, procurement, construction and commissioning (EPC) contractor for the ECA LNG project, subject to reaching a definitive agreement on the EPC contract.

The ECA LNG receipt terminal was the first LNG receipt terminal constructed on North America's West Coast. Located about 15 miles north of Ensenada, Baja California, it began commercial operations in 2008 and is capable of processing up to 1 billion cubic feet of natural gas per day.

In addition to the ECA LNG Phase 1 and 2 export projects, Sempra Energy is developing Port Arthur LNG export project in Texas and Cameron LNG Phase 1 and 2 export projects in Louisiana. Cameron LNG Phase 1 currently is under construction and Total and Mitsui are two of Sempra Energy's joint-venture partners in the project.

Development of the ECA LNG Phase 1 and 2, Port Arthur LNG and Cameron LNG Phase 2 export projects are 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 of Total, Mitsui and Tokyo Gas in the ECA LNG project remains subject to finalization of definitive agreements, among other factors.

About Sempra Energy

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 IEnova

IEnova develops, builds and operates energy infrastructure in Mexico. As of the end of 2017, the company has invested more than US\$7.6 billion in operating assets and projects under construction in Mexico, making it one of the largest private energy companies in the country. IEnova is the first energy infrastructure company to be listed on the Mexican Stock Exchange.

About Total, S.A.

With a portfolio of 15.6 million tons 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.

About Mitsui & Co., Ltd.

Mitsui & Co., Ltd. is one of the world's most diversified and comprehensive trading, investment and service enterprises. Headquartered in Tokyo, Mitsui maintains a global network of 138 offices in 66 countries and regions and has 472 subsidiaries and associated companies worldwide. (As of March 31, 2018) Visit www.mitsui.com to learn more.

About Tokyo Gas

Tokyo Gas Co., Ltd is Japan's largest provider of city gas, serving more than 11 million for gas customers, and 1.5 million for electricity customers primarily in the Tokyo metropolitan area and surrounding Kanto region. Tokyo Gas is committed to be a leader in this new era of energy liberalization through our Gas, Power, and Services mission on a Global level while continuing to promote a low-carbon society. Tokyo Gas received Japan's very first LNG cargo in 1969, and 2019 marks its 50th anniversary.

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, 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 obtaining or maintaining permits and other authorizations on a timely basis, risks in completing construction projects on schedule and on budget, and risks in obtaining the consent and participation of partners; 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, and risks that our partners or counterparties will be unable or unwilling to fulfill their contractual commitments; 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 international trade agreements, such as the North American Free Trade Agreement, that make us less competitive 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.

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