



## Sempra Energy Subsidiary And Polish Oil & Gas Co. Sign Definitive Agreement To Export U.S. LNG To Europe

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SAN DIEGO, Dec. 19, 2018 /PRNewswire/ -- Port Arthur LNG, LLC, a subsidiary of Sempra Energy (NYSE: SRE), and the Polish Oil & Gas Company (PGNiG) today announced they have entered into a definitive 20-year sale-and-purchase agreement for liquefied natural gas (LNG) from the Port Arthur LNG liquefaction-export facility under development in Jefferson County, Texas.

Today's announcement is an important milestone as Sempra Energy pursues its long-term goal of exporting 45 million tonnes per annum (Mtpa) of North American LNG.

"This agreement marks an important step toward Poland's energy independence and security," said U.S. Secretary of Energy Rick Perry. "As demonstrated with the launch of the Strategic Dialogue on Energy in Poland last month, the Trump Administration remains committed to increasing energy diversity, advancing energy security, strengthening national security, and creating a future of prosperity and opportunity in Poland and throughout the region."

"This agreement with PGNiG represents an important expansion of our portfolio of contracts for LNG exports and major step forward in the development of our Port Arthur LNG project," said Jeffrey W. Martin, chairman and CEO of Sempra Energy. "Last month, we began the commissioning phase of our Cameron LNG liquefaction-export facility in Louisiana. This agreement, along with the great progress on Cameron LNG, continue to validate our growth strategy as we advance our vision to become North America's premier energy infrastructure company."

"Our activities show that we consistently implement our strategy," said Piotr Woźniak, president of the management board of PGNiG. "Another long-term contract not only allows us to develop LNG portfolio with a view to delivering to Poland, but it gives us, in the near future, the possibility of trading in LNG purchased on a global scale. I am glad that Sempra Energy is among our American partners. I am convinced that we will have good long-term cooperation."

While financial terms were not disclosed, the agreement is for the sale and purchase of 2 Mtpa, or approximately 2.7 billion cubic meters per year (after regasification) – enough natural gas to meet about 15 percent of Poland's daily needs. The agreement is subject to certain conditions precedent, including Port Arthur LNG making a final investment decision.

Under the agreement, LNG purchases from Port Arthur LNG will be made on a Free-On-Board basis, with PGNiG responsible for shipping the LNG from the Port Arthur terminal to the final destination. Port Arthur LNG will manage gas pipeline transportation, liquefaction processing and cargo loading, giving PGNiG flexibility in cargo management. PGNiG plans to deliver cargos to domestic customers in Poland or trade LNG on the global market, once operations commence.

In addition to the PGNiG agreement, Sempra Energy signed a Memorandum of Understanding (MOU) with Korea Gas Corporation last year for potential participation in the Port Arthur LNG project.

Sempra Energy has partnered with Mitsubishi, Mitsui & Co. LTD. and Total S.A. on the construction of the Cameron LNG liquefaction-export project in Hackberry, La. The first phase of this project is currently being commissioned and with the expectation that LNG will be produced from all three liquefaction trains in 2019.

Sempra Energy also has an MOU with Total, S.A. for some export capacity at Cameron LNG Phase 2 and Heads of Agreements (HOAs) with Mitsui & Co. LTD., Tokyo Gas Company and Total, S.A. for all of the export capacity at Energía Costa Azul Phase 1 in Baja California, Mexico. An MOU and HOA define terms and conditions of contracts to be negotiated and do not commit any party to enter into a definitive agreement.

The Port Arthur liquefaction-export facility is proposed to include two natural gas liquefaction trains capable of processing approximately 11 Mtpa of LNG; up to three LNG storage tanks; two marine berths, and associated facilities.

The Port Arthur liquefaction-export facility is scheduled to receive its final environmental impact statement from the Federal Energy Regulatory Commission next month. Earlier this year, Bechtel was selected by Port Arthur LNG to serve as the engineering, procurement, construction and commissioning contractor for the facility, subject to reaching a definitive agreement.

Development of the Port Arthur LNG liquefaction facility is contingent upon obtaining additional customer commitments, completing the required commercial agreements, securing all necessary permits, obtaining financing, incentives and other factors, and reaching a final investment decision.

PGNiG is the leader of the Polish natural gas market. Listed on the Warsaw Stock Exchange, the company's core businesses include the exploration and production of natural gas and crude oil, and – through its key branches and subsidiaries – import, storage, and sale of natural gas; the distribution of gaseous and liquid fuels; and heat and electricity generation. PGNiG holds exploration and production licenses on the Norwegian Continental Shelf and in Pakistan. Munich-based PGNiG Supply & Trading is engaged in gas trading in Western Europe and operates an LNG trading office in London.

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.

*This news 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 our 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 U.S. and other countries in which we operate; the timing and success of business development efforts and construction projects, including risks in timely obtaining or maintaining permits and other authorizations, risks in completing construction projects on schedule and on budget, and risks in obtaining the consent and participation of partners; our ability to successfully execute our plan to divest certain non-strategic assets within the anticipated timeframe, if at all, or that such plan may not yield the anticipated benefits; 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, explosions, terrorist attacks and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, 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 the replacement of international trade agreements, and changes that make our exports less competitive or otherwise restrict our ability to export; 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 U.S. Securities and Exchange Commission. These reports are available through the EDGAR system free-of-charge on the SEC's website, [www.sec.gov](http://www.sec.gov), and on the company's website at [www.sempra.com](http://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 the company undertakes 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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