



Energía Costa Azul LNG Receives US Non-FTA Approval For Liquefaction-Export Infrastructure Project In Mexico

April 1, 2019

- Authorizes the Export of US LNG From Both ECA LNG Phase 1 and Phase 2**
- North American West Coast Location Provides Direct Access to US Natural Gas to Markets in the Pacific Rim**
- ECA LNG Is 1 of Sempra Energy's 5 Strategically Located LNG Projects in Development**

SAN DIEGO, March 31, 2019 /PRNewswire/ -- [Sempra Energy](#) (NYSE:SRE) today announced that its subsidiary Energía Costa Azul (ECA) LNG received two authorizations from the U.S. Department of Energy (DOE) to export U.S. produced natural gas to Mexico and to re-export liquefied natural gas (LNG) to countries that do not have a free-trade agreement (non-FTA) with the U.S., from its Phase 1 and Phase 2 liquefaction-export facilities in development in Baja California, Mexico.

"The timing of these approvals is great news as we meet with customers and partners this week in Shanghai," said Joseph A. Householder, president and chief operating officer for Sempra Energy. "ECA LNG's location on the West Coast of North America is truly a differentiator and it has the potential to be a game changer. ECA LNG will source natural gas from some of the fastest-growing production regions in the U.S. and provide our customers with a competitive advantage in accessing world markets, especially Asia."

"The authorizations are another step forward in the development of this project that could bring many benefits for Mexico, U.S. natural gas producers and our customers and partners in greater Asia," said Carlos Ruiz Sacristán, chairman and CEO of Sempra North American Infrastructure. "We are pleased to continue to advance the development of ECA LNG, which can uniquely meet the energy needs of isolated markets in Mexico and customers in Asia."

ECA LNG Phase 1 development opportunity is a single train LNG facility to be located adjacent to the existing LNG receipt terminal. It is expected to utilize current LNG storage tanks, marine berth and associated facilities. Phase 2 of the project will include the addition of two trains and one LNG storage tank. The DOE authorizations allow the export of 636 billion cubic feet (Bcf) a year of U.S. sourced LNG from these infrastructure projects. Phase 2 of the project will require additional DOE approval in order to export its full expected capacity.

The existing ECA 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 Bcf of natural gas per day.

The DOE approval comes as the company prepares to discuss the U.S. LNG market this week at the 19th International Conference & Exhibition on LNG (LNG2019), in Shanghai. LNG2019 is the largest LNG event to ever be held in China – the world's fastest-growing LNG market.

Last November, Sempra Energy announced that its subsidiaries IEnova and Sempra LNG had signed Heads of Agreements (HOAs) with affiliates of Total S.A., Mitsui & Co., Ltd. and Tokyo Gas Co., Ltd. for Phase 1 of the ECA LNG project, subject to reaching definitive agreements. TechnipFMC and Kiewit were selected as the engineering, procurement, construction and commissioning (EPC) contractors for the project, subject to reaching a definitive agreement on the EPC contract.

Development of the ECA LNG liquefaction project is contingent upon obtaining binding customer commitments, completing the required commercial agreements, securing all necessary permits, including additional export authorization from the Mexican and U.S. governments, obtaining financing, incentives and other factors, and reaching a final investment decision.

Sempra Energy's mission is to be North America's premier energy infrastructure company. With 2018 revenues of more than \$11.6 billion, the San Diego-based company is the utility holding company with the largest U.S. customer base. The Sempra Energy companies' more than 20,000 employees are focused on delivering energy with purpose to approximately 40 million consumers worldwide. Sempra Energy has been consistently recognized for its leadership in diversity and inclusion, social responsibility and investment value, and its a member of the Dow Jones Utility Index.

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 when we discuss our guidance, strategy, 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 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 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 success of business development efforts and construction projects, including risks in (i) obtaining or maintaining authorizations; (ii) completing construction projects on schedule and budget; (iii) obtaining the consent of partners; (iv) counterparties' ability to fulfill contractual commitments; and (v) the ability to realize anticipated benefits from any of these efforts once completed; 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, 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 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 (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on the company'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 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.

Sempra LNG and Port Arthur LNG, LLC are not the same as the California Utilities, San Diego Gas & Electric Company (SDG&E) or Southern California Gas Company (SoCalGas), or Oncor Electric Delivery Company LLC (Oncor) and are not regulated by the California Public Utilities Commission.



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