



Port Arthur LNG Receives Federal Authorization For Liquefaction-Export Project In Texas

April 18, 2019

FERC permit is one of the last major regulatory approvals needed before final investment decision

SAN DIEGO, April 18, 2019 /PRNewswire/ -- [Semptra Energy](#) (NYSE:SRE) today announced that its subsidiary, Port Arthur LNG, LLC, received authorization from the Federal Energy Regulatory Commission (FERC) to site, construct and operate its natural gas liquefaction-export facility under development in Jefferson County, Texas.

"With today's FERC order and the commercial momentum of the Port Arthur LNG project, we are one step closer to reaching a final investment decision and delivering low-cost, reliable and clean U.S. natural gas to world markets," said Carlos Ruiz Sacristán, chairman and CEO of Semptra North American Infrastructure. "Port Arthur LNG should help us achieve our goal to become one of the largest exporters of North American liquefied natural gas (LNG). We are grateful to all of our stakeholders for supporting this important infrastructure project that is expected to create thousands of jobs and provide economic benefits for years to come."

The Port Arthur LNG project is expected to include two liquefaction trains, up to three LNG storage tanks and associated facilities that will enable the export of approximately 11 million tonnes per annum (Mtpa) of LNG. The FERC order also approved the construction of the Texas and Louisiana connector pipeline projects that will provide natural gas transportation for the new liquefaction facilities.

In December 2018, Port Arthur LNG and the Polish Oil & Gas Company signed a definitive 20-year sale-and-purchase agreement for two Mtpa of LNG from the Port Arthur LNG project, subject to certain conditions. Last year, Semptra LNG selected Bechtel as the engineering, procurement, construction and commissioning contractor for the project, subject to reaching a definitive agreement.

Port Arthur LNG received authorization from the Department of Energy (DOE) in August 2015 to export domestically produced natural gas to countries with which the U.S. has free trade agreements and has a pending application to export natural gas to non-free trade agreement countries.

Development of the Port Arthur LNG project 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.

Semptra LNG develops, builds and invests in natural gas liquefaction facilities and is pursuing the development of five strategically located LNG projects in North America with a goal of delivering 45 Mtpa of clean natural gas to the largest world markets, making Semptra Energy one of North America's largest developers of LNG export facilities.

Semptra 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 Semptra Energy companies' more than 20,000 employees are focused on delivering energy with purpose to approximately 40 million consumers worldwide. Semptra Energy has been consistently recognized for its leadership in diversity and inclusion, social responsibility and investment value, and is 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 Semptra 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.

Semptra 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.



View original content to download multimedia: <http://www.prnewswire.com/news-releases/port-arthur-lng-receives-federal-authorization-for-liquefaction-export-project-in-texas-300834968.html>

SOURCE Sempra Energy

Media Contact: Paty O. Mitchell, Sempra Energy, (877) 855-7887, press@sempraglobal.com, Financial Contact: Patrick Billings, Sempra Energy, (877) 736-7727, investor@sempra.com