



Sempra LNG And Aramco Services Company Sign Interim Project Participation Agreement For Port Arthur LNG

January 6, 2020

DHAHRAN, Saudi Arabia and SAN DIEGO, Jan. 6, 2020 /PRNewswire/ -- Sempra Energy (NYSE:SRE) and Saudi Aramco today announced their respective subsidiaries, Sempra LNG and Aramco Services Company, have signed an Interim Project Participation Agreement (IPPA) for the Port Arthur LNG export project under development in Jefferson County, Texas.

The IPPA represents another milestone for both companies after having signed a heads of agreement in May last year for the purchase of 5 million tonnes per annum (Mtpa) of liquefied natural gas (LNG) and a 25% equity investment in the Port Arthur LNG project.

"Today's announcement is a reflection of the growing alignment between our companies' interest in the overall success of the Port Arthur LNG project," said Jeffrey W. Martin, chairman and CEO of Sempra Energy. "We have a tremendous amount of respect for Saudi Aramco and its leadership team and we are pleased we can support their success in the global natural gas markets."

Saudi Aramco's President and CEO Amin H. Nasser said, "The global demand growth for LNG is expected to continue in the coming years, and we see significant opportunities in this market. This agreement with Sempra Energy is another step forward for Saudi Aramco's long-term gas strategy, and towards becoming the global leading integrated energy and chemicals company."

The initial phase of the Port Arthur LNG project is fully permitted and it is expected to include two liquefaction trains, up to three LNG storage tanks and associated facilities to enable the export of approximately 11 Mtpa of LNG on a long-term basis. Earlier this year, Sempra LNG initiated the Federal Energy Regulatory Commission pre-filing review for a subsequent potential expansion of the proposed project that would add two additional liquefaction trains for a total export capacity of approximately 22 Mtpa of LNG.

"Port Arthur LNG is expected to play a critical role in helping shape the future of global energy trade," added Martin. "This multibillion-dollar initiative is among the largest LNG projects in development anywhere in the world and is expected to deliver a cleaner energy supply to foreign markets, while creating important, high-skilled jobs right here at home."

The definitive agreements in the Port Arthur LNG export project remain subject to finalization and corporate approvals by each party in its sole discretion before they are executed. Each party's ultimate participation in the Port Arthur LNG export project also remains subject to the execution of related agreements and the fulfillment or waiver of certain conditions precedent contemplated by these agreements, including the condition that each party shall have taken a final investment decision (FID) with respect to its investment in the project at its sole discretion. The IPPA sets forth certain mechanisms for the parties to work towards these and other pre-FID activities.

Port Arthur LNG is one of Sempra LNG's five strategically located LNG development opportunities in North America and is a component of Sempra LNG's goal of developing the LNG infrastructure needed to export 45 Mtpa of clean natural gas to the global LNG market.

Development of Sempra Energy's LNG export projects is contingent upon obtaining binding customer commitments, completing the required commercial agreements, securing all necessary permits, obtaining financing and reaching final investment decisions, among other factors.

About Sempra LNG

Sempra LNG develops and builds 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, which would make Sempra Energy one of North America's largest developers of LNG-export facilities.

About Sempra Energy

Sempra Energy's mission is to be North America's premier energy infrastructure company. With more than \$60 billion in total assets reported in 2018, 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 deliver energy with purpose to approximately 40 million consumers worldwide. The company is focused on the most attractive markets in North America, including California, Texas, Mexico and the LNG export market. Sempra Energy has been consistently recognized for its leadership in diversity and inclusion, and sustainability, and is a member of the S&P 500 Utilities Index and the Dow Jones Utility Index.

About Aramco Services Company

Aramco Services Company (ASC) is the U.S.-based subsidiary of Saudi Aramco, a world leader in integrated energy and chemicals, and has had a presence in the U.S. for more than 60 years. ASC is a contributor to the U.S. energy sector through research and development, venture fund activities, asset ownership, as well as technology and digital transformation. The company is headquartered in Houston, and maintains offices in New York, Washington D.C., Boston, and Detroit. ASC is committed to being a positive contributor in the communities where its employees live and work, and to making a difference through outreach that benefits the arts, geosciences, education and the environment. americas.aramco.com

About Saudi Aramco

Saudi Aramco is a global integrated energy and chemicals company. We are driven by the core belief that energy is opportunity. From producing approximately one in every eight barrels of the world's oil supply to developing new energy technologies, our global team is dedicated to creating impact in all that we do. We focus on making our resources more dependable, more sustainable and more useful. This helps promote stability and long-term growth around the world.

Saudi Aramco Forward-Looking Information

This release contains forward-looking statements. All statements other than statements of historical fact included in this release are forward-looking statements. Saudi Aramco believes that the forward-looking statements are based upon reasonable assumptions and expectations. However, you are cautioned that any such forward-looking statements are not guarantees of the future and that a number of risks and uncertainties could cause actual events to differ materially from those anticipated in the forward-looking statements.

Sempra Energy Forward-Looking Information

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, mission, 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, investigations, 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 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' financial ability or otherwise 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; 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 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; risks posed by actions of third parties who control the operations of our investments; cybersecurity threats to storage and pipeline infrastructure and the information and systems used to operate our businesses; changes in capital markets, energy markets and economic conditions, including the availability of credit; and volatility in foreign currency exchange, interest and inflation rates and commodity prices and our ability to effectively hedge the risk of such volatility; changes in foreign and domestic trade policies and laws, including border tariffs and revisions to or the 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 changes that make our exports less competitive or otherwise restrict our ability to export; the impact of federal or state tax reform and our ability to mitigate adverse impacts; 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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