



Sempra Energy Subsidiary Port Arthur LNG And Bechtel Sign EPC Agreement

March 3, 2020

- Momentum Continues as the Project Reaches Another Milestone - Final Investment Decision Expected in Third Quarter 2020

SAN DIEGO, March 3, 2020 /PRNewswire/ -- [Sempra Energy](#) (NYSE: SRE) and Bechtel today announced that their respective subsidiaries, Port Arthur LNG, LLC and Bechtel Oil, Gas, and Chemicals, Inc., have signed a fixed-price engineering, procurement and construction (EPC) contract for the Port Arthur LNG liquefaction project under development in Port Arthur, Texas.

"Building new export infrastructure in the U.S. is critical to providing overseas markets with cleaner fuel alternatives," said Jeffrey W. Martin, chairman and CEO of Sempra Energy. "Partnering with a world-class construction firm like Bechtel bolsters our execution plan for one of the world's largest LNG development projects."

Bechtel's Chairman and CEO Brendan Bechtel said, "We are honored and grateful that Sempra has chosen Bechtel as their trusted partner to help grow Sempra's LNG business on the Gulf Coast. Together, we will deliver an important, clean and sustainable energy source to the world while creating jobs and building economic opportunities for the Gulf Coast community."

As part of the EPC contract, Bechtel Oil, Gas, and Chemicals, Inc. will perform the detailed engineering, procurement, construction, commissioning, startup, performance testing and operator training activities for the project. The scope of the agreement also includes continuing pre-final investment decision engineering to better assure project cost and schedule certainty.

The Port Arthur LNG development project is expected to initially include two liquefaction trains, two liquefied natural gas (LNG) storage tanks, a marine berth and associated loading facilities and related infrastructure necessary to provide liquefaction services, with a nameplate capacity of approximately 13.5 million tonnes per annum (Mtpa) of LNG. The project site sits on nearly 3,000 acres of land along three miles of the Sabine-Neches waterway and has the potential to become one of the largest LNG export projects in North America, with expansion capabilities of up to eight liquefaction trains and approximately 45 Mtpa of capacity.

"Port Arthur LNG plays an important role in Sempra's goal of becoming one of North America's largest developers of liquefaction-export infrastructure projects and we look forward to continuing to move the project forward," added Martin.

In January, Sempra LNG signed an Interim Project Participation Agreement (IPPA) with Aramco Services Company, a subsidiary of Saudi Aramco, for the proposed Port Arthur LNG project. The IPPA represents another milestone for both companies after signing a heads of agreement in May 2019 for the potential purchase of 5 Mtpa of LNG and a 25% equity investment in the project. In December 2018, Port Arthur LNG entered into an agreement with Polish Oil and Gas Company for the sale and purchase of 2 Mtpa of LNG per year.

The Port Arthur LNG development project received authorization from the U.S. Department of Energy to export domestically produced LNG to countries that do not have a free trade agreement with the U.S. in May 2019. Additionally, the Federal Energy Regulatory Commission issued the approval to site, construct and operate the liquefaction-export facility in April 2019.

It is estimated that the proposed project will create a craft workforce on site that peaks at about 5,000 construction jobs, as well as several hundred additional Texas jobs in support of the project, including material fabrication. Nearly 200 long-term jobs will be created to operate and maintain the Port Arthur LNG facility.

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.

About Sempra Energy

Sempra Energy's mission is to be North America's premier energy infrastructure company. With more than \$65 billion in total assets reported in 2019, 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 over 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. The company was also named one of the "World's Most Admired Companies" for 2020 by Fortune Magazine.

About Bechtel

Bechtel is a trusted engineering, construction and project management partner to industry and government. Differentiated by the quality of its people and a relentless drive to deliver the most successful outcomes, Bechtel aligns its capabilities to customers' objectives to create a lasting positive impact. Since 1898, Bechtel has helped customers complete more than 25,000 projects in 160 countries on all seven continents that have created jobs, grown economies, improved the resiliency of the world's infrastructure, increased access to energy, resources, and vital services, and made the world a safer, cleaner place. Bechtel serves the Infrastructure; Nuclear, Security & Environmental; Oil, Gas & Chemicals; and Mining & Metals markets. The company's services span from initial planning and investment, through start-up and operations. www.bechtel.com

Sempra Energy Forward-Looking Information

We make statements in this press release that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future, involve risks and

uncertainties, and are not guarantees of performance. Future results may differ materially from those expressed in the forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this press release. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this press release, forward-looking statements can be identified by words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "target," "pursue," "outlook," "maintain," or similar expressions, or when we discuss our guidance, strategy, goals, vision, mission, opportunities, projections or intentions.

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: decisions, investigations, regulations, issuances of permits and other authorizations, and other actions by the U.S. Department of Energy, regulatory and governmental bodies and jurisdictions in the U.S. and other countries in which we operate; the success of business development efforts, construction projects and major acquisitions and divestitures, including risks in (i) the ability to make a final investment decision and completing construction projects on schedule and budget; (ii) obtaining the consent of partners; (iii) counterparties' financial or other ability to fulfill contractual commitments; (iv) the ability to complete contemplated acquisitions and/or divestitures; and (v) the ability to realize anticipated benefits from any of these efforts once completed; the resolution of civil and criminal litigation, regulatory investigations and proceedings and arbitrations; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow at favorable interest rates; moves to reduce or eliminate reliance on natural gas; weather, natural disasters, accidents, equipment failures, computer system outages and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires and subject us to 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), may be disputed by insurers or may impact our ability to obtain satisfactory levels of affordable insurance; cybersecurity threats to storage and pipeline infrastructure, the information and systems used to operate our businesses, and the confidentiality of our proprietary information and the personal information of our customers and employees; expropriation of assets, the failure of foreign governments and state-owned entities to honor the terms of contracts, and property disputes; 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 trade policies, laws and regulations, including tariffs and revisions to or 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; the impact of changes to federal and state tax laws and our ability to mitigate adverse impacts; and other uncertainties, some of which may be difficult to predict and are beyond our control.

Investors should not rely unduly on any forward-looking statements. 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.

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



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Media Contact: Paty O. Mitchell, Sempra Energy, (877) 340-8875, media@sempra.com, Twitter: @SempraLNGM, Mat Ovenden, Bechtel Oil, Gas & Chemicals, (713) 235-3041, movenden@bechtel.com, Financial Contact: Adam Pierce, Sempra Energy, (877) 736-7727, investor@sempra.com