Sempra Energy Receives All Required Governmental Authorizations For $3.59 Billion Divestiture Of Luz Del Sur In Peru

April 10, 2020

Sale Expected to Close in April

SAN DIEGO, April 10, 2020 /PRNewswire/ -- Sempra Energy (NYSE:SRE) announced today that it has received all required governmental authorizations for the sale of the company's equity interests in its Peruvian businesses. The sale to China Yangtze Power International (Hongkong) Co., Limited (CYP) will generate approximately $3.59 billion in total cash proceeds and is subject to customary post-closing adjustments. This transaction includes Sempra Energy's 83.6% stake in Luz del Sur S.A.A. (Luz del Sur), as well as Tecsur, which provides electric construction and infrastructure services to Luz del Sur and third parties, and Inland Energy S.A.C., Luz del Sur's generation business.

"Receiving all required governmental authorizations for the sale of our Peruvian businesses is another important step in strengthening Sempra Energy's strategic mission to be North America's premier energy infrastructure company," said Dennis V. Arriola, executive vice president and group president of Sempra Energy. "We're pleased that in spite of travel and logistics restrictions, all parties involved have been working closely together and we look forward to closing in April."

Sempra Energy also continues to move forward with the sale of its equity interests in its Chilean business, including its 100% interest in Chilquinta Energía S.A. and Tecnored S.A., to State Grid International Development Limited (SGID) for approximately $2.23 billion in total cash proceeds, subject to adjustments and satisfaction of closing conditions.

In combination, Sempra Energy's planned sale of its South American businesses is expected to result in combined proceeds of approximately $5.82 billion in total cash proceeds, subject to adjustments and satisfaction of closing conditions.

BofA Merrill Lynch and Lazard are serving as financial advisors to Sempra Energy on the sale, and White & Case is serving as legal advisor.

Luz del Sur serves the southern region of Lima, Peru, and is the largest electric company in the country.

About China Yangtze Power International

CYP is a subsidiary of China Yangtze Power Co., which is China's largest publicly listed power company. China Yangtze Power Co. engages in electric power production, technological consultation of electric power generation and selected distribution services.

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.

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. 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: California wildfires and the risk that we may be found liable for damages regardless of fault and the risk that we may not be able to recover any such costs from insurance, the wildfire fund established by California Assembly Bill 1054 or in rates from customers; decisions, investigations, regulations, issuances of permits and other authorizations, renewal of franchises, and other actions by the Comisión Federal de Electricidad, California Public Utilities Commission, U.S. Department of Energy, Public Utility Commission of Texas, 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; the impact of the novel coronavirus on (i) our ability to commence and complete capital projects and obtain regulatory approvals, (ii) our current and prospective counterparties, customers and partners, and (iii) the stability of the capital markets; 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

otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, limitations on the withdrawal or injection of natural gas from or into storage facilities, and equipment failures; cybersecurity threats to the energy grid, 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; the impact at San Diego Gas & Electric Company (SDG&E) on competitive customer rates and reliability due to the growth in distributed power generation and from departing retail load resulting from customers transferring to Direct Access, Community Choice Aggregation or other forms of distributed power generation and the risk of nonrecovery for stranded assets and contractual obligations; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; 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.

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, www.sempra.com. Investors should not rely unduly on any forward-looking statements.

Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG, Sempra Mexico, Sempra Texas Utilities, Oncor and Infraestructura Energética Nova, S.A.B. de C.V. (IEnova) are not the same companies as the California utilities, SDG&E or Southern California Gas Company, and Sempra South American Utilities, Sempra North American Infrastructure, Sempra LNG, Sempra Mexico, Sempra Texas Utilities, Oncor and IEnova are not regulated by the California Public Utilities Commission.

View original content to download multimedia:http://www.prnewswire.com/news-releases/sempra-energy-receives-all-required-governmental-authorizations-for-3-59-billion-divestiture-of-luz-del-sur-in-peru-301038736.html

SOURCE Sempra Energy

Media, Katie Nieri, Sempra Energy, (877) 340-8875, media@sempra.com; or Financial, Adam Pierce, Sempra Energy, (877) 736-7727, investor@sempra.com