



Sempra Infrastructure and RWE Sign Heads of Agreement for U.S. LNG Supply

May 25, 2022

- **Contemplates terms for sale and purchase agreement for 2.25 Mtpa of LNG with a leading German energy company**
- **Advances goal of providing lower-carbon U.S. LNG to global partners**

DAVOS, Switzerland, May 25, 2022 /PRNewswire/ -- [Sempra Infrastructure](#), a subsidiary of [Sempra](#) (NYSE: SRE) (BMV: SRE), today announced it has entered into a heads of agreement (HOA) with RWE Supply & Trading, a subsidiary of RWE (RWE: AG), for the purchase of approximately 2.25 million tonnes per annum (Mtpa) of liquefied natural gas (LNG). The LNG is to be supplied on a long-term, free-on-board basis from the Port Arthur LNG Phase 1 project under development in Jefferson County, Texas.

"Sempra Infrastructure's LNG projects are uniquely positioned to help provide U.S. LNG to support the energy security of America's allies in Europe, while also accelerating the transition to a lower carbon future. We are excited about the opportunity to work with one of Germany's top power producers to achieve these dual goals," said Justin Bird, CEO of Sempra Infrastructure. "We see opportunities to work together with RWE across the energy transition, including LNG, hydrogen and renewables. With today's agreement, we make significant progress toward the development of our Port Arthur LNG project and remain committed to lowering greenhouse gas (GHG) emissions across the LNG value chain through the use of new technologies and the improvement of key processes."

Andree Stracke, CEO of RWE Supply & Trading said, "As RWE, we are very pleased to join forces with Sempra Infrastructure. Our partnership can contribute largely to securing significant LNG volumes for the RWE portfolio on a long-term basis while building the basis for supplying low carbon gas in the future."

The HOA contemplates the negotiation and finalization of a definitive 15-year LNG sale and purchase agreement for 2.25 Mtpa to be delivered from the Port Arthur LNG project. Additionally, Sempra Infrastructure and RWE have agreed to work toward a broad framework for the reduction, mitigation, and reporting of GHG emissions associated with deliveries of LNG from the Port Arthur LNG project, including addressing the use of responsibly sourced natural gas as part of the project's feed gas supply and renewable energy as part of the project power mix.

Phase 1 of the Port Arthur LNG project is fully permitted and is expected to include two liquefaction trains and LNG storage tanks, as well as associated facilities capable of producing, under optimal conditions, up to approximately 13.5 Mtpa of LNG.

The referenced HOAs are preliminary, non-binding arrangements, and the development of the Port Arthur LNG project remains subject to a number of risks and uncertainties, including, among others, reaching definitive agreements, maintaining all necessary permits, finalizing engineering and construction arrangements, obtaining financing and incentives, and reaching a final investment decision.

Advancing Lower Carbon LNG with Global Partners

Sempra Infrastructure is one of the top renewable energy producers in Mexico and is currently exceeding its goal of operating its existing LNG infrastructure at a GHG emissions intensity that is 20% below its 2020 baseline, having achieved a 28% reduction in 2021. In addition to continuing to reduce emissions through operational excellence, Sempra Infrastructure is actively developing lower emissions technologies for existing and future infrastructure assets.

Sempra Infrastructure has entered into a memorandum of understanding with Entergy Louisiana, a subsidiary of Entergy Corporation (NYSE: ETR), to develop options to accelerate the deployment of cost-effective renewable energy to power its infrastructure located in vicinity of the Gulf Coast. Additionally, Sempra Infrastructure is developing Hackberry Carbon Sequestration, a proposed carbon sequestration facility located in Southwest Louisiana expected to have the potential to sequester up to 2 Mtpa of carbon dioxide from LNG and other industrial facilities in the region and is developing opportunities to co-locate low-carbon hydrogen production at or near existing Sempra Infrastructure facilities.

In addition to lowering emissions at its own facilities, Sempra Infrastructure is working with other companies to reduce GHG emissions across the U.S. natural gas value chain, consistent with Sempra's aim to have net-zero GHG emissions by 2050. Sempra is a founding member of Veritas, a GTI Energy Differentiated Gas Measurement and Verification Initiative, supporting Sempra Infrastructure and other customers' desires for responsibly sourced natural gas that is produced and transported using proven technologies that minimize GHG emissions. Sempra Infrastructure is also a sponsor of The Collaboratory to Advance Methane Science, a research collaboration to advance technological solutions to enable methane emission reductions.

About Sempra Infrastructure

Sempra Infrastructure delivers energy for a better world. Through the combined strength of its assets in North America, the company is dedicated to enabling the energy transition and beyond. With a continued focus on sustainability, innovation, world-class safety, championing people, resilient operations and social responsibility, its more than 2,000 employees develop, build and operate clean power, energy networks and LNG and net-zero solutions, that are expected to play a crucial role in the energy systems of the future. For more information about Sempra Infrastructure, please visit www.SempraInfrastructure.com and [Twitter](#).

About RWE

RWE is leading the way to a green energy world. With an extensive investment and growth strategy, the company will expand its powerful, green

generation capacity to 50 gigawatts internationally by 2030. RWE is investing €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydrogen, batteries, biomass and gas.

RWE Supply & Trading provides tailored energy solutions for large customers. RWE has locations in the attractive markets of Europe, North America and the Asia-Pacific region. The company is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. RWE employs around 19,000 people worldwide and has a clear target: to get to net zero by 2040. On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The Science Based Targets initiative has confirmed that these emission reduction targets are in line with the Paris Agreement. Very much in the spirit of the company's purpose: Our energy for a sustainable life.

This press release contains statements that 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. Future results may differ materially from those expressed in any 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," "intends," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "under construction," "in development," "opportunity," "target," "outlook," "maintain," "continue," "goal," "aim," "commit," or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations.

Factors, among others, that could cause actual results and events to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: decisions, investigations, regulations, issuances or revocations of permits and other authorizations, and other actions by (i) the U.S. Department of Energy, Comisión Reguladora de Energía, U.S. Federal Energy Regulatory Commission and other regulatory and governmental bodies and (ii) states, counties, cities and other jurisdictions in the U.S., Mexico and other countries in which we do business; the success of business development efforts, construction projects and acquisitions and divestitures, including risks in (i) the ability to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) the ability to realize anticipated benefits from any of these efforts if completed, and (iv) obtaining the consent or approval of partners or other third parties, including governmental entities and regulatory bodies; the resolution of civil and criminal litigation, regulatory inquiries, investigations and proceedings, arbitrations, and property disputes; changes to laws, including changes to certain of Mexico's laws and rules that impact energy supplier permitting, energy contract rates, the electricity industry generally and the ability to import, export, transport and store hydrocarbons; cybersecurity threats, including by state and state-sponsored actors, to the energy grid, storage and pipeline infrastructure, information and systems used to operate our businesses, and confidentiality of our proprietary information and personal information of our customers and employees, including ransomware attacks on our systems and the systems of third-party vendors and other parties with which we conduct business, all of which have become more pronounced due to recent geopolitical events and other uncertainties, such as the war in Ukraine; failure of foreign governments and state-owned entities to honor their contracts and commitments; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow on favorable terms and meet our debt service obligations; the impact of energy and climate policies, legislation, rulemaking and disclosures, as well as related goals set and actions taken but companies in our industry, including actions to reduce or eliminate reliance on natural gas generally and the risk of nonrecovery for stranded assets; the pace of the development and adoption of new technologies in the energy sector, including those designed to support governmental and private party energy and climate goals, and our ability to timely and economically incorporate them into our business; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, information system outages or other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires or subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance, may be disputed by insurers or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of natural gas; the impact of the COVID-19 pandemic, including potential vaccination mandates, on capital projects, regulatory approvals and the execution of our operations; volatility in foreign currency exchange, inflation and interest rates and commodity prices, including inflationary pressures in the U.S., and our ability to effectively hedge these risks; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, such as those that have been imposed and that may be imposed in the future in connection with the war in Ukraine, which may increase our costs, reduce our competitiveness, impact our ability to do business with certain current or potential counterparties, or impair our ability to resolve trade disputes; 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 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 Sempra's website at www.sempra.com. Investors should not rely unduly on any forward-looking statements.

Sempra Infrastructure is not the same company as San Diego Gas & Electric or Southern California Gas Company, and neither Sempra Infrastructure nor any of its subsidiaries are regulated by the California Public Utilities Commission.



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