Sempra Infrastructure Announces Sale and Purchase Agreement with INEOS for Port Arthur LNG Phase 1

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HOUSTON, Dec. 1, 2022 /PRNewswire/ -- Sempra Infrastructure, a subsidiary of Sempra (NYSE: SRE) (BMV: SRE), today announced it has entered into a long-term sale and purchase agreement (SPA) with INEOS, for the supply of liquefied natural gas (LNG) from Phase 1 of its Port Arthur LNG project under development in Jefferson County, Texas.

Under the SPA, INEOS has agreed to purchase approximately 1.4 million tonnes per annum (Mtpa) of LNG delivered free-on-board from the proposed Phase 1 liquefaction project for a term of 20 years. Additionally, the companies have signed a non-binding heads of agreement (HOA) for INEOS' potential purchase of an additional 0.2 Mtpa from the Port Arthur LNG Phase 2 project under development.

"We are excited to finalize our commercial relationship with INEOS as a valued long-term LNG off-taker from the Port Arthur LNG Phase 1 development project," said Justin Bird, CEO of Sempra Infrastructure. "We look forward to advancing this project so we can begin delivering new supplies of U.S. LNG to our European partners, as they pursue more secure energy for their customers."

"We are pleased to have reached this milestone together with Sempra Infrastructure that will facilitate further access to U.S. LNG supplies," said David Bucknall, CEO of INEOS Energy. "This agreement is a critical part of our new global LNG supply chain that will enable us to deliver cleaner and reliable energy to our businesses and customers."

The Port Arthur LNG Phase 1 project is permitted and expected to include two natural gas liquefaction trains and LNG storage tanks and associated facilities capable of producing, under optimal conditions, up to approximately 13.5 Mtpa of LNG. A similarly sized Port Arthur LNG Phase 2 project is also competitively positioned and under active marketing and development.

Sempra Infrastructure recently announced it had finalized an engineering, procurement and construction contract with Bechtel Energy for the proposed Port Arthur LNG Phase 1 project and that it has entered into a long-term agreement with ConocoPhillips for the sale and purchase of approximately 5.0 Mtpa of LNG from the project. The company is focused on completing the remaining steps necessary to achieve its goal of making a final investment decision for Phase 1 of the liquefaction project in the first quarter of 2023, with first cargo deliveries expected in 2027.

Development of Phase 1 and Phase 2 of the Port Arthur LNG project is contingent upon completing the required commercial agreements, securing all necessary permits, obtaining financing, and reaching a final investment decision, among other factors.

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 delivery of cleaner energy for its customers. 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 INEOS

INEOS is committed to achieving net zero by 2050 across its operations. The company is working to, over time, decarbonize the supply chain through carbon capture and storage and provide optionality for alternative sources of energy such as its leadership in the production of hydrogen.

INEOS Energy meets society's energy needs today and for the future. As an integral part of INEOS, a global manufacturing company, it continues to make an indispensable contribution to society by providing the most sustainable options for a wide range of everyday needs, making the products and energy essential for everyday life. INEOS Energy is committed to net zero by 2050, producing and trading energy, power and carbon credits. It will grow through the acquisition of existing oil and gas assets, to run them safely, reliably, and efficiently. The business will be at the forefront of new decarbonisation technologies such as carbon capture and storage and hydrogen. A sustainable energy business that continues to help consumers and industry to meet their long-term energy needs and carbon reduction targets.

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 or implied in any forward-looking statement. 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," "contemplates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "construct," "develop," "opportunity," "initiative," "target," "outlook," "optimistic," "maintain," "continue," "progress," "advance," "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 expressed or implied in any forward-looking statement include risks and uncertainties relating to: decisions, investigations, regulations, issuances or revocations of permits or 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

governmental and regulatory bodies and (ii) the U.S., Mexico and states, counties, cities and other jurisdictions therein and in other countries in which we do business; the success of business development efforts, construction projects and acquisitions and divestitures, including risks in (i) being able to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) realizing anticipated benefits from any of these efforts if completed, and (iv) obtaining the consent or approval of partners or other third parties, including governmental and regulatory bodies; civil and criminal litigation, regulatory inquiries, investigations, arbitrations, property disputes and other proceedings; changes to laws and regulations, including certain of Mexico's laws and rules that impact energy supplier permitting, energy contract rates, the electricity industry generally and the import, export, transport and storage of hydrocarbons; cybersecurity threats, including by state and state-sponsored actors, by ransomware attacks on our systems or the systems of third-parties with which we conduct business, including to the energy grid or other energy infrastructure, all of which have become more pronounced due to recent geopolitical events, such as the war in Ukraine; failure of foreign governments, state-owned entities and our counterparties to honor their contracts and commitments; our ability to borrow money on favorable terms or otherwise and meet our debt service obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook and (ii) rising interest rates and inflation; the impact on our ability to pass through any higher costs to current and future customers due to volatility in inflation, interest and foreign currency exchange rates and commodity prices and our ability to effectively hedge these risks; the impact of energy and climate policies, laws, rules and disclosures, as well as related goals and actions of companies in our industry, including actions to reduce or eliminate reliance on natural gas 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 efficiently 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 or systems, cause the release of harmful materials, cause fires or subject us to liability for damages, fines and penalties, some of which may be disputed or not covered 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 on capital projects, regulatory approvals and the execution of our operations; 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 counterparties, or impair our ability to resolve trade disputes; and other uncertainties, some of which are difficult to predict and 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, 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 Company or Southern California Gas Company, and neither Sempra Infrastructure nor any of its subsidiaries is regulated by the California Public Utilities Commission.

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