ONCOR TO ACQUIRE INFRAREIT; SEMPRA ENERGY TO ACQUIRE 50% STAKE IN SHARYLAND UTILITIES

- Acquisition Expands Oncor’s Transmission Footprint
- Transaction Expected to Be Accretive to Sempra Energy

SAN DIEGO, Oct. 18, 2018 – Sempra Energy (NYSE: SRE) and Oncor Electric Delivery Company LLC (Oncor) today announced that they have entered into agreements whereby Oncor will acquire 100 percent of the equity interests of InfraREIT, Inc. (NYSE: HIFR) (InfraREIT), including all the limited-partnership units in its subsidiary InfraREIT Partners, LP, for approximately $1.275 billion, or $21 per share (or partnership unit), excluding certain transaction costs, and, concurrently, Sempra Energy will acquire a 50-percent limited-partnership interest in a holding company that will own Sharyland Utilities, LP (Sharyland) for approximately $98 million.

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Sempra Energy owns an approximate 80-percent ownership stake in Oncor.

“This transaction advances our growth strategy and will expand our Texas regulated utility platform,” said Jeffrey W. Martin, CEO of Sempra Energy. “These assets are highly desirable and supported by strong economic growth, attractive demographic trends and increased demand for electric transmission in Texas. We expect these acquisitions to be accretive to earnings. We also look forward to working with Sharyland on further developing electric transmission and related infrastructure in Texas.”

“The purchase of InfraREIT gives us access to high-quality transmission assets that are adjacent to our service territory and are a great fit for our portfolio,” said Allen Nye, CEO of Oncor. “As growth continues across Texas and new generation projects continue to come online, this acquisition positions us to make future investments in transmission infrastructure that will better serve the ERCOT market and our customers. We pride ourselves on building safe, reliable, state-of-the-art transmission infrastructure, while providing our customers the lowest rates of any investor-owned utility in Texas.”

“We believe that Oncor’s acquisition of InfraREIT will bring tremendous benefits to Texas and the ERCOT market,” said Texas Transmission Investment LLC (TTI), minority owner of Oncor, in a statement.

Oncor plans to fund its acquisition of InfraREIT with capital contributions proportionate to their ownership interests from Sempra Energy and TTI. Sempra Energy expects to utilize the proceeds from pending asset sales to fund its capital contribution of approximately $1.025 billion to Oncor, excluding certain transaction costs, and also to purchase the 50-percent interest in Sharyland for approximately $98 million.

In addition, the transaction by Oncor includes InfraREIT’s outstanding debt, which, as of June 30, 2018, was approximately $945 million.
The transaction requires approvals by the Public Utility Commission of Texas (PUCT) and Federal Energy Regulatory Commission, the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the satisfaction of other regulatory requirements, certain lender consents and other customary closing conditions. Additionally, the purchase of InfraREIT requires approval by its shareholders and is subject to a go-shop provision whereby InfraREIT can solicit superior bids. If all such closing conditions are satisfied, Sempra Energy and Oncor expect to close the transaction in mid-2019.

As part of the transaction, a subsidiary of InfraREIT will exchange certain assets with Sharyland, with the end result being that, after Oncor’s acquisition of InfraREIT, Oncor will own InfraREIT’s electric transmission and distribution business in Central, North and West Texas, and Sharyland will own assets in South Texas.

Financial advisors for the transaction are Lazard for Sempra Energy and Barclays for Oncor; legal advisors for the transaction are White & Case LLP for Sempra Energy and Vinson & Elkins LLP for Oncor.

**EARNINGS GUIDANCE**

Based on the expected accretion from today’s announced transaction, combined with the expected use of proceeds from ongoing asset sales and the reduced earnings due to such asset sales – including the company’s non-utility U.S. wind and solar assets and non-utility U.S. storage assets – Sempra Energy today affirmed its earnings-per-share guidance range of $5.70 to $6.30 for 2019 and $6.70 to $7.50 for 2020. Sempra Energy also updated its 2018 GAAP earnings-per-share guidance range to $2.83 to $3.44, primarily to reflect the estimated impact of the asset sales announced last month. The company’s adjusted earnings-per-share guidance range for 2018 remains at $5.30 to $5.80. The 2018 adjusted earnings-per-share guidance range is a non-GAAP financial measure (see Table A for a reconciliation of the GAAP and adjusted earnings-per-share guidance ranges).
INTERNET BROADCAST

Sempra Energy and Oncor senior management plan to hold a conference call with the financial community today at 12 p.m. EDT to discuss the transaction. Investors, media, analysts and the public may listen to a live webcast of the conference call on Sempra Energy's website, www.sempra.com, by clicking on the appropriate audio link. For those unable to obtain access to the live webcast, the teleconference will be available on replay a few hours after its conclusion on Sempra Energy's website or by dialing (888) 203-1112 and entering passcode 3162523. Briefing materials will be posted on Sempra Energy's website at approximately 7 a.m. EDT.

Headquartered in Dallas, Oncor Electric Delivery Company LLC is a regulated electricity distribution and transmission business that uses superior asset management skills to provide reliable electricity delivery to consumers. Oncor operates the largest distribution and transmission system in Texas, delivering power to more than 3.6 million homes and businesses and operating more than 134,000 miles of transmission and distribution lines in Texas. Oncor is managed by its board of directors, which is comprised of a majority of independent directors.

Sempra Energy, a San Diego-based energy services holding company with 2017 revenues of more than $11 billion, is the utility holding company with the largest U.S. customer base. The Sempra Energy companies' approximately 20,000 employees serve more than 40 million consumers worldwide.

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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 discussions of guidance, strategies, plans, goals, 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. Such forward-looking statements include, but are not limited to, statements about the timing of the anticipated transactions contemplated by the merger agreement and the securities purchase agreement, and any of the applicable parties’ post-acquisition plans and intentions, and other statements that are not historical facts. The following important factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements: the satisfaction of conditions to closing the definitive agreements for the transactions; obtaining required governmental and regulatory approvals, which may delay the transactions or result in the imposition of conditions that could cause the parties to abandon the transactions or be onerous to Sempra Energy or Oncor; the expected timing to consummate the proposed transactions; the risk that the cost savings and any other synergies from the transactions may not be realized or may take longer to realize than expected; disruption from the transactions making it more difficult to maintain relationships with customers, employees or suppliers; and the diversion of management time and attention to issues related to the transactions.

Additional 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, new regulations, and issuances of permits and other authorizations by the California Public Utilities Commission, U.S. Department of Energy, California Department of Conservation's Division of Oil, Gas, and Geothermal Resources, Federal Energy Regulatory
and Exchange Commission (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov. Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of the date hereof, and neither company undertakes any 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.

These risks and uncertainties are further discussed in the reports that Sempra Energy and Oncor have 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. Investors should not rely unduly on any forward-looking statements. These forward-looking statements speak only as of the date hereof, and neither company undertakes any 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.

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Additional Information and Where to Find It

The proposed acquisition of InfraREIT by Oncor and the related agreement and plan of merger will be submitted to InfraREIT’s stockholders for their consideration and approval. In connection with the proposed acquisition, InfraREIT will file a proxy statement with the SEC. This press release does not constitute a solicitation of any vote or proxy from any stockholder of InfraREIT. Investors are urged to read the proxy statement carefully and in its entirety when it becomes available and any other relevant documents, materials or materials filed or to be filed with the SEC or incorporated by reference in the proxy statement, because they will contain important information about the proposed acquisition. The definitive proxy statement will be mailed to InfraREIT’s stockholders. In addition, the proxy statement and other documents will be available free of charge at the SEC’s website, www.sec.gov. When available, the proxy statement and other pertinent documents may also be obtained free of charge at the Investor Relations section of InfraREIT's
website, http://infrareitinc.com, or by directing a written request to InfraREIT, Inc., Attention: Corporate Secretary, 1900 North Akard Street, Dallas, Texas 75201.

Certain Information Concerning Participants

Sempra Energy, Oncor and InfraREIT and their respective directors, executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed acquisition. Information about Sempra Energy's directors and executive officers is included in Sempra Energy's Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on February 27, 2018, and Sempra Energy's definitive proxy statement for its 2018 Annual Meeting of Shareholders filed with the SEC on March 23, 2018, and Sempra Energy's Current Report on Form 8-K filed with the SEC on October 12, 2018. Information about Oncor's directors and executive officers is included in Oncor's Registration Statement on Form S-4 filed with the SEC on April 5, 2018, and Oncor's Current Report on Form 8-K filed with the SEC on July 19, 2018. Information about InfraREIT’s directors and executive officers is included in InfraREIT's definitive proxy statement for its 2018 Annual Meeting of Stockholders filed with the SEC on March 22, 2018.
### SEMPRa ENERGY

**Table A**

**RECONCILIATION OF SEMPRa ENERGY 2018 ADJUSTED EARNINGS-PER-SHARE GUIDANCE RANGE TO SEMPRa ENERGY 2018 GAAP EARNINGS-PER-SHARE GUIDANCE RANGE (Unaudited)**

Sempra Energy 2018 adjusted earnings-per-share guidance range of $5.30 to $5.80 excludes items as follows:
- $(965) million in impairments, net of $554 million income tax benefits and $46 million attributable to noncontrolling interests, of certain assets and equity method investments
- $(22) million impacts, net of $21 million income tax expense, associated with Aliso Canyon litigation
- $(25) million income tax expense to adjust TCJA provisional amounts
- $340 million - $370 million estimated gain on sale, net of $128 million - $139 million income tax expense, of U.S. solar assets that is expected to close near the end of 2018

Sempra Energy 2018 adjusted earnings-per-share guidance is a non-GAAP financial measure (GAAP represents accounting principles generally accepted in the United States of America). Because of the significance and/or nature of the excluded items, management believes this non-GAAP financial measure provides additional clarity into the ongoing results of the business and the comparability of such results to prior and future periods and also as a base for projected earnings-per-share compound annual growth rate. Sempra Energy 2018 adjusted earnings-per-share guidance should not be considered an alternative to earnings-per-share guidance determined in accordance with GAAP. The table below reconciles Sempra Energy 2018 adjusted earnings-per-share guidance range to Sempra Energy 2018 GAAP earnings-per-share guidance range, which we consider to be the most directly comparable financial measure calculated in accordance with GAAP.

<table>
<thead>
<tr>
<th></th>
<th>Full-Year 2018</th>
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<tbody>
<tr>
<td>Sempra Energy GAAP Earnings-Per-Share Guidance Range</td>
<td>$ 2.83 to $ 3.44</td>
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<tr>
<td>Excluded items:</td>
<td></td>
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<tr>
<td>Impairments of certain assets and equity method investments</td>
<td>3.55</td>
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<tr>
<td>Impacts associated with Aliso Canyon litigation</td>
<td>0.08</td>
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<tr>
<td>Impact from the TCJA</td>
<td>0.09</td>
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<tr>
<td>Estimated gain on sale of U.S. solar assets</td>
<td>(1.25)</td>
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<tr>
<td></td>
<td>(1.36)</td>
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<tr>
<td>Sempra Energy Adjusted Earnings-Per-Share Guidance Range</td>
<td>$ 5.30 to $ 5.80</td>
</tr>
<tr>
<td>Weighted-average number of common shares outstanding, diluted (millions)</td>
<td>272</td>
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</tbody>
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