



NEWS RELEASE

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Sempra Launches Port Arthur LNG Project

- **Finalizes Joint Venture with ConocoPhillips**
- **Closes Non-Recourse Project Financing**
- **Announces Equity Participation by KKR**
- **Issues Final Notice to Proceed to Bechtel**

SAN DIEGO, March 20, 2023 — [Sempra](#) (NYSE: SRE) (BMV: SRE) today announced that its 70%-owned subsidiary, Sempra Infrastructure Partners, LP (Sempra Infrastructure), reached a positive final investment decision (FID) for the development, construction and operation of the Port Arthur LNG Phase 1 project in Jefferson County, Texas.

Sempra Infrastructure closed its joint venture with an affiliate of ConocoPhillips (NYSE: COP), as well as announced an agreement to sell an indirect, non-controlling interest in the project to an infrastructure fund managed by KKR. Additionally, Sempra Infrastructure announced the closing of the project's \$6.8 billion non-recourse debt financing and the issuance of the final notice to proceed under the project's engineering, procurement and construction agreement.

Port Arthur LNG Phase 1 Project Launch

Competitively positioned to help deliver energy security globally

"Expanding LNG is imperative to American energy security, and the State of Texas looks forward to working alongside Sempra to advance this mission and bring more jobs and greater opportunities to hardworking Texans."
– Texas Governor Greg Abbott

100% of 10.5 Mtpa under definitive long-term agreements

\$13B Projected CapEx

2027 Train 1 commercial operation date.¹

¹ Expected commercial operation dates for Trains 1 and 2 are 2027 and 2028, respectively. The ability to complete major development and construction projects is subject to a number of risks and uncertainties.



"At Sempra, we believe bold, forward-looking partnerships will be central to solving the world's energy security and decarbonization challenges," said Jeffrey W. Martin, chairman and chief executive officer of Sempra. "With strong customers, top-tier equity sponsors in ConocoPhillips and KKR and a world class contractor in Bechtel, this project has the potential to become one of America's most significant energy infrastructure investments over time, while creating jobs and spurring continued economic growth across Texas and the Gulf Coast region."

"Sempra's selection of Port Arthur as the location for a new natural gas liquefaction and export terminal is a strategic decision that will cement Texas' position as the energy capital of the world," said Texas Gov. Greg Abbott. "With a highly skilled workforce and business-friendly climate, and as a national leader in LNG exports, Texas is the prime location to expand LNG operations to unleash the United States' full economic potential in such a critical industry. Expanding LNG is imperative to American

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energy security, and the State of Texas looks forward to working alongside Sempra to advance this mission and bring more jobs and greater opportunities to hardworking Texans.”

The Port Arthur LNG Phase 1 project is fully permitted and is designed to include two natural gas liquefaction trains, two liquefied natural gas (LNG) storage tanks and associated facilities with a nameplate capacity of approximately 13 million tonnes per annum (Mtpa). Total capital expenditures for the Port Arthur Phase 1 project are estimated at \$13 billion.

The long-term contractable capacity of approximately 10.5 Mtpa is fully subscribed under binding long-term agreements with strong counterparties — ConocoPhillips, RWE Supply and Trading, PKN ORLEN S.A., INEOS and ENGIE S.A., all of which became effective upon reaching FID. Sempra Infrastructure is also actively marketing and developing the competitively positioned Port Arthur LNG Phase 2 project, which is expected to have similar offtake capacity to Phase 1.

World-Class Partnerships

Sempra and ConocoPhillips closed their joint venture whereby an affiliate of ConocoPhillips has acquired a 30% non-controlling interest in the project, is purchasing 5 Mtpa of LNG offtake from the project under a 20-year sale and purchase agreement and is managing the project’s overall natural gas supply requirements. ConocoPhillips will also have certain rights to participate in future expansion projects in both equity and offtake.

“Our strategic LNG partnership with Sempra will help supply growing global demand for natural gas, a lower greenhouse gas emissions-intensity fuel expected to play a critical role in the energy transition and global energy mix going forward,” said Ryan Lance, ConocoPhillips chairman and chief executive officer. “ConocoPhillips has more than 60 years of experience with LNG, and we look forward to continuing to build our LNG portfolio and expanding our role in delivering a lower-carbon future that strengthens U.S. and global energy security.”

Sempra Infrastructure announced an agreement whereby KKR will acquire a 25% to 49% indirect, non-controlling interest in the Port Arthur LNG Phase 1 project.

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Pursuant to the agreement with KKR, Sempra Infrastructure will retain certain economic and other rights with respect to the interest being transferred while granting KKR certain minority interest protections. KKR is making the investment primarily through its Global Infrastructure Investors IV fund.

“We are pleased to invest in this critical energy infrastructure project and extend our strategic partnership with Sempra and their world-class team,” said James Cunningham, Partner at KKR. “Phase 1 will create new jobs, support American economic growth and deliver reliable and cleaner energy during the global energy transition. Consistent with KKR Infrastructure’s strategy of seeking stable and predictable returns for investors, our investment in Phase 1 is backed by robust cash flows through long-term contracts with high-quality counterparties.”

Sempra Infrastructure is targeting 20% to 30% of indirect ownership interest in the project, subject to the closing of the KKR sale. For illustrative purposes, if Sempra Infrastructure’s indirect ownership interest is at the midpoint of the referenced range, or 25%, Sempra Infrastructure would expect its share of average adjusted EBITDA after full commercial operations to be approximately \$410 million annually and its equity commitment to be approximately \$1.55 billion. Sempra’s share of the above estimates would be equal to 70% of these amounts. The foregoing estimates exclude other potentially significant economic benefits associated with, among other items, the development of future phases and further optimization of the project.

Sempra Infrastructure has contracted with global engineering, construction and project management firm Bechtel Energy Inc. and has issued a final notice to proceed for the project. The expected commercial operation dates for Train 1 and Train 2 are 2027 and 2028, respectively.

“We’re proud to partner with Sempra to deliver a world-class LNG facility. Building from mature, scalable energy technologies helps safeguard our energy supplies and promote the transition to lower-carbon energy,” said Brendan Bechtel, Chairman and CEO of Bechtel. “Bechtel has a record of delivering LNG infrastructure on the U.S. Gulf Coast and bringing quality jobs and training opportunities to local communities. The 5,000 construction jobs this project creates will provide outstanding opportunities

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for craft professionals — growing a skilled workforce that will benefit the region for years to come.”

Local Benefits

Sempra Infrastructure believes that building strong relationships and supporting the communities where its employees live and work is fundamental to how it does business. Moreover, the company focuses its community development initiatives on local priorities including education and leadership development, environmental stewardship and safety.

Since 2015, Port Arthur LNG has invested more than \$40 million to support Jefferson County communities, including working with local vendors to procure materials and services for the relocation of a 3.5-mile portion of Highway 87 and on grants to more than 60 local non-profits, schools and business development groups.

The Phase 1 project is another significant opportunity to expand Sempra Infrastructure’s economic impact. The project is expected to create an estimated 5,000 highly skilled jobs during construction and boost the economies in Port Arthur and Jefferson County.

“Sempra has long been an economic driver for Jefferson County here in Southeast Texas, and this new Port Arthur LNG facility will continue that trend by bringing thousands of jobs, new markets for natural gas and more energy security for our nation,” Speaker of the Texas House of Representatives Dade Phelan said. “Texas House District 21 is proud of this latest development that showcases our great state’s leadership in economic development, job creation and energy production.”

The successful completion of the KKR sale is subject to regulatory approvals and other customary closing conditions, and the completion of construction of Port Arthur LNG Phase 1 is subject to a number of risks and uncertainties. Additional details about these transactions can be found in the current report on Form 8-K Sempra filed with the U.S. Securities and Exchange Commission on March 20, 2023, as well as in the informational slides on the Investors section of Sempra’s website at

[sempra.com/investors](https://www.sempra.com/investors).

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Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) is a non-GAAP financial measure (GAAP is generally accepted accounting principles).

Citi advised Sempra on various aspects of the transaction and J.P. Morgan Securities LLC acted as advisor on the project financing.

About Sempra

Sempra is a leading North American energy infrastructure company that helps meet the daily energy needs of nearly 40 million consumers. As the owner of one of the largest energy networks on the continent, Sempra is helping to electrify and decarbonize some of the world's most significant economic markets, including California, Texas, Mexico and the LNG export market. The company is also consistently recognized as a leader in sustainable business practices and for its long-standing commitment to building a high-performance culture focused on safety and operational excellence, leadership and workforce development and diversity and inclusion. Investor's Business Daily named Sempra the top-ranked utility in the U.S. for environmental, social and governance scores and financial performance. Sempra was also included on the Dow Jones Sustainability North America Index for the 12th consecutive year. More information about Sempra is available at sempra.com and on Twitter [@Sempra](https://twitter.com/Sempra).

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](https://twitter.com/Sempra).

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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 otherwise.

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: California wildfires, including that we may be found liable for damages regardless of fault and that we may not be able to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, rates from customers or a combination thereof; decisions, investigations, inquiries, regulations, issuances or revocations of permits or other authorizations, renewals of franchises, and other actions by (i) the California Public Utilities Commission (CPUC), Comisión Reguladora de Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, Public Utility Commission of Texas, 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; litigation, arbitrations, property disputes and other proceedings, and changes to laws and regulations, including those related to the energy industry in Mexico; cybersecurity threats, including by state and state-sponsored actors, of ransomware or other attacks on our systems or the systems of third-parties with which we conduct business, including 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; our ability to borrow money on favorable terms and meet our debt service obligations, including due to (i) actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook or (ii) rising interest rates and inflation; failure of foreign governments, state-owned entities and our counterparties to honor their contracts and commitments; the impact on affordability of San Diego Gas & Electric Company's (SDG&E) and Southern California Gas Company's (SoCalGas) customer rates and their cost of capital and on SDG&E's, SoCalGas' and Sempra Infrastructure's ability to pass through higher costs to current and future customers due to (i) volatility in inflation, interest rates and commodity prices, (ii) with respect to SDG&E's and SoCalGas' businesses, the cost of the clean energy transition in California, (iii) with respect to SDG&E's business, departing retail load resulting from additional customers transferring to Community Choice Aggregation and Direct Access, and (iv) with respect to Sempra Infrastructure's business, volatility in foreign currency exchange rates; the impact of climate and sustainability policies, laws, rules, disclosures, and trends, including actions to reduce or eliminate reliance on natural gas, increased uncertainty in the political or regulatory environment for California natural gas distribution companies and the risk of nonrecovery for stranded assets; our ability to incorporate new technologies into our businesses, including those designed to support governmental and private party energy and climate goals; weather, natural disasters, pandemics, accidents, equipment failures, explosions, 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 not be recoverable through regulatory mechanisms, may be disputed or not covered by insurers, or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power, natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid, pipeline system or limitations on the withdrawal of natural gas from storage facilities; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory and governance requirements and

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commitments, including by actions of Oncor's independent directors or a minority member director; 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, Sempra Infrastructure Partners, Sempra Texas, Sempra Texas Utilities, Oncor and Infraestructura Energética Nova, S.A.P.I. de C.V. (IEnova) are not the same companies as the California utilities, SDG&E or SoCalGas, nor regulated by the CPUC.