



Sempra Energy LNG Corp. and Shell Propose to Develop Mexican LNG Receiving Terminal

SAN DIEGO and MEXICO CITY, Dec. 22, 2003 - Shell International Gas Limited (Shell) and Sempra Energy LNG Corp., an affiliate of Sempra Energy, (NYSE:SRE), today announced their intention to form a 50/50 joint venture to build, own and operate a \$600 million liquefied natural gas (LNG) receiving terminal in Baja California, Mexico.

The terminal is to be located in Costa Azul on the west coast of Mexico, approximately 14 miles north of Ensenada and will be capable of supplying 1 billion cubic feet (Bcf) of natural gas per day. Shell and Sempra Energy LNG Corp. will share the investment costs of the terminal equally and each will take 50 percent of the capacity in the terminal.

Approximately 500 million cubic feet per day of natural gas from the terminal will be used to meet the growing energy demands in western Mexico. Any surplus gas from the facility will be used to provide new gas supplies for the southwestern United States.

The proposed joint venture will combine the two separate Baja California LNG receiving terminals proposed by Shell and Sempra Energy LNG Corp. into a single project, significantly reducing the impact on the local environment. It is expected that construction will begin in mid-2004 with terminal operations beginning in 2007. The terminal will be constructed and operated in accordance with all applicable local and international safety standards.

"The decision to combine and develop a single successful project in Baja California blends the permitting, technical and logistical expertise required to get this project underway," said Donald E. Felsing, group president, Sempra Energy Global Enterprises. "We also want to assure our neighbors in Ensenada and Baja California that both Shell and Sempra Energy LNG Corp. will continue to develop this project with the needs of the community in mind and we will work to be good corporate neighbors for generations to come."

Shell Mexico Country Chairman Peter Kidd said: "This joint venture will unite the strengths of the two companies. Shell is the world's largest private producer of LNG with interests in six projects globally and is a world leader in LNG technology. Our leadership in LNG combined with Sempra Energy's experience and well-established natural gas infrastructure in Mexico is the making of a strong joint venture. The decision also reinforces Shell's commitment to Mexico through the continued promotion of sustainable businesses that add value to the energy sector."

LNG is natural gas that has been cooled below minus 260 degrees Fahrenheit (minus 162 degrees Celsius) and condensed into a liquid. LNG occupies 600 times less space than in its gaseous state, which allows it to be shipped in cryogenic tankers from remote locations to markets where it is needed. At the receiving terminal, LNG is unloaded and stored until it can be vaporized back into natural gas and moved via pipeline to customers.

In addition to Energía Costa Azul, Sempra Energy LNG Corp. also is developing an LNG receiving terminal, Cameron LNG, near Lake Charles, La.

Sempra Energy LNG Corp. is the newest subsidiary of Sempra Energy Global Enterprises, the umbrella for Sempra Energy's growth businesses. Sempra Energy LNG Corp. leads Sempra Energy's efforts to develop, build and operate liquefied natural gas receiving terminals.

Companies within the Royal Dutch/Shell Group of companies are the world's leading private equity producer of LNG with interests in six LNG production projects as well as the world's leading LNG shipper. Royal Dutch/Shell Companies are active across the entire LNG value chain, including re-gasification terminals, marketing and pioneering innovative technology. Current LNG re-gasification projects under development in the America's include the Altamira LNG project in Mexico to meet the escalating demands for gas in the state of Tamaulipas, northeastern Mexico and, in the United States, Shell has plans for a major new LNG project in the Gulf of Mexico. Shell has also obtained substantial capacity rights at two existing East Coast LNG terminals - Elba Island and Cove Point. Shell International Gas Limited is part of the Royal Dutch/Shell Group of Companies. As used in this press release, "Shell" collectively refers to Shell International Gas Limited and other companies within the Royal Dutch/Shell Group of Companies.

Sempra Energy LNG Corp. is not the same company as the utility, SDG&E or SoCalGas, and Sempra Energy LNG Corp. is not regulated by the California Public Utilities Commission.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Legislation Reform Act of 1995. When words like "believes," "expects," "anticipates," "intends," "plans,"

"estimates," "may," "would," "should" or similar expressions are used, or when strategy or plans are discussed, the companies are making forward-looking statements. 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. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: national, international, regional and local economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources the Federal Energy Regulatory Commission and Mexico regulatory authorities; capital market conditions, inflation rates and interest rates; energy and trading markets, including the timing and extent of changes in commodity prices; weather conditions; business, regulatory and legal decisions; drilling, and production results, and reserve estimates; project delay or advancement, approvals and cost estimates; the pace of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; and other uncertainties, all of which are difficult to predict and many of which are beyond the companies' control. These risks and uncertainties are further discussed in the companies' separate reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov .

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