



## Sempra Energy Reports Higher Net Income In First Quarter 2008

- **Commodities Joint Venture Launched**
- **\$1 Billion Share-Repurchase Program Initiated**
- **Baja California Terminal Receives First LNG Cargo**

SAN DIEGO, May 2, 2008 - Sempra Energy (NYSE: SRE) today reported first-quarter 2008 net income of \$242 million, or \$0.92 per diluted share, up 7 percent per share over first-quarter 2007 net income of \$228 million, or \$0.86 per diluted share.

"This is a milestone year for Sempra Energy, our 10th anniversary," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "Since Sempra Energy's inception, our average annual total return to shareholders has been 12 percent, more than twice the returns of the major market indices.

"We will continue to produce strong results in the future, based on the significant progress we have made on our key operational initiatives. We have completed our new Baja California liquefied natural gas (LNG) terminal, started flowing gas on the western half of the Rockies Express Pipeline and launched our global commodities joint venture. By year-end, several other projects will be online, including our new Louisiana LNG terminal. We also have begun a major share-repurchase program and are committed to increasing our dividend at an accelerated rate going forward."

On April 1, Sempra Energy and The Royal Bank of Scotland completed the transaction to form a global commodities joint venture, RBS Sempra Commodities. The operations of Sempra Commodities now have been acquired by the joint venture.

Last month, Sempra Energy initiated a \$1 billion share-repurchase program to be completed in the fourth quarter 2008. The \$1 billion program is part of a planned repurchase program expected to total \$1.5 billion to \$2 billion. Sempra Energy's board of directors also expects to increase the company's dividend by 9 percent, to \$1.40 per share on an annualized basis from the current annualized rate of \$1.28 per share, beginning with the quarterly payout in July.

### SUBSIDIARY OPERATING RESULTS

#### Sempra Utilities

Net income for Sempra Utilities - San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas) - rose 12 percent to \$131 million in the first quarter 2008 from \$117 million in the prior-year's quarter.

SDG&E's first-quarter net income rose to \$74 million in 2008 from \$62 million in 2007, due primarily to a favorable resolution of prior-years' income-tax issues in 2008.

SoCalGas' first-quarter 2008 net income was \$57 million, compared with \$55 million in the first quarter 2007.

#### Sempra Commodities

Sempra Commodities earned \$59 million in first quarter 2008, compared with first-quarter 2007 earnings of \$71 million. In last year's first quarter, Sempra Commodities benefited from an \$18 million net gain on the sale of an equity investment. This year, the company has generated improved operating margins in power trading and natural gas, offset by a \$17 million write-down related to a credit issue with a mining counterparty.

#### Sempra Generation

First-quarter net income for Sempra Generation was \$45 million in 2008, compared with \$54 million in 2007, due primarily to \$6 million in mark-to-market earnings and higher net interest income, both last year.

#### Sempra Pipelines & Storage

Sempra Pipelines & Storage's net income increased to \$26 million in the first quarter 2008 from \$16 million in last year's first quarter, due primarily to the start-up of the western half of the Rockies Express Pipeline and the beneficial impact of currency-exchange rates on the company's South American operations.

The first half of the 1,600-mile Rockies Express natural gas pipeline is in service, and Sempra Pipelines & Storage and its

project partners expect it to be completed later this month. The eastern half of the pipeline is being permitted and is expected to begin operating by year-end.

## **Sempra LNG**

Sempra LNG recorded a net loss of \$9 million, compared with a net loss of \$10 million in the first quarter 2007.

Sempra LNG's new Energía Costa Azul LNG receipt terminal in Baja California, Mexico, has received its first LNG cargo and is in the final testing phase before commencing commercial operations in the second quarter.

## **INTERNET BROADCAST**

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EDT with senior management of the company. Access is available by logging onto the Web site at [www.sempra.com](http://www.sempra.com). For those unable to log onto the live webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (888) 203-1112 and entering passcode 5475510.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2007 revenues of more than \$11 billion. The Sempra Energy companies' 13,500 employees serve more than 29 million consumers worldwide.

Income-statement information by business unit is available on Sempra Energy's Web site at <http://www.sempra.com/downloads/1Q2008.pdf>.

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*Sempra LNG and Sempra Pipelines & Storage are not the same companies as the utilities, SDG&E or SoCalGas, and are not regulated by the California Public Utilities Commission. Sempra Energy Trading, doing business as Sempra Commodities, and Sempra Generation are not the same companies as the utilities, SDG&E or SoCalGas, and the California Public Utilities Commission does not regulate the terms of their products and services.*

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