



Sempra Pipelines & Storage Agrees to Acquire Mexican Pipeline Assets

SAN DIEGO, Feb. 24, 2010 - [Sempra Pipelines & Storage](#), a unit of [Sempra Energy](#) (NYSE: SRE), today announced that it will acquire the Mexican pipeline and gas infrastructure assets of [El Paso Corp.](#) (NYSE: EP) for \$300 million.

The acquisition involves El Paso's wholly owned natural gas pipeline and compression assets in the Mexican border state of Sonora. The transaction also includes El Paso's 50-percent interest in a joint venture with PEMEX, the Mexican state-owned oil company. The joint venture operates two natural gas pipelines and a propane system in northern Mexico.

"This acquisition expands our scale and geographic footprint in one of the strongest growth regions in Mexico, while providing entry into the emerging propane pipeline business," said George S. Liparidis, president and chief executive officer of Sempra Pipelines & Storage. "These pipeline assets are backed almost entirely by long-term contracts and have a history of delivering solid, predictable revenue streams; allowing us to build a stronger platform for growth in the country."

The pipeline and natural gas infrastructure assets being acquired are supported by customer contracts with an average duration of 13 years. The acquisition is expected to be accretive to Sempra Energy's earnings by \$0.05 in 2010 and \$0.10 in 2011.

Sempra Pipelines & Storage will acquire El Paso's seven-mile Agua Prieta natural gas pipeline and Naco compressor station in Sonora, which facilitates the delivery of natural gas from the U.S. border to a Mexico power plant that provides electricity to the Comisión Federal de Electricidad, the country's state-owned electric utility.

The joint venture with PEMEX owns and operates: the 23-mile, 24-inch Samalayuca natural gas pipeline and Gloria a Dios compressor station in Chihuahua that supply natural gas from the U.S. to various Mexican power plants; the 70-mile, 36-inch San Fernando natural gas pipeline in the state of Tamaulipas; and the 114-mile, 12-inch pipeline that transports liquid propane from the Burgos production area to a delivery facility near the city of Monterrey.

Subject to approvals by lenders and Mexican regulatory authorities, the transaction is expected to be completed in the second quarter 2010.

Sempra Pipelines & Storage currently owns several Mexico-based assets, including pipelines in Baja California connecting Sempra LNG's liquefied natural gas receipt terminal near Ensenada with various power plants in the region, as well as pipeline systems in the United States. The current assets also include Ecogas Mexico S.R.L., a natural gas utility that serves more than 90,000 residential, commercial and industrial customers in Northern Mexico with operations in Mexicali, Chihuahua, La Laguna ("Torreon- Gomez Palacio") and Durango.

Sempra Pipelines & Storage develops, builds and operates natural gas pipelines and storage facilities throughout North America. The company also manages natural gas and electricity distribution in the United States, Argentina, Chile and Peru.

[Sempra Energy](#), based in San Diego, is a Fortune 500 energy services holding company with 2008 revenues of nearly \$11 billion. The Sempra Energy companies' 13,600 employees serve more than 29 million consumers worldwide.

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 like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "could," "should," or similar expressions, or discussions of strategies, plans 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. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, California State Legislature, California Department of Water Resources, Federal Energy Regulatory Commission, Federal Reserve Board, and other regulatory and governmental bodies in the United States and other countries where the company does business; capital market conditions and inflation, interest and exchange rates; energy and trading markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system without charge at the SEC's Web site, www.sec.gov and on the company's Web site, at

www.sempra.com.

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