



Sempra Energy Reports Higher 2011 Earnings, Raises Dividend 25 Percent

- **Full-year Adjusted Earnings per Share Increase 14 Percent**
- **All Businesses Deliver Strong 2011 Performance**
- **Dividend to Increase to \$2.40 per Share from \$1.92 per Share, on Annualized Basis**
- **Company Sets New 2012 Earnings-per-share Guidance Range of \$4 to \$4.30, Reflecting Change in Accounting Method for Solar Tax Credits**

SAN DIEGO, Feb. 28, 2012 - Sempra Energy (NYSE: SRE) today reported 2011 earnings of \$1.4 billion, or \$5.62 per diluted share, compared with earnings of \$739 million, or \$2.98 per diluted share, in 2010.

Sempra Energy's adjusted earnings in 2011 were \$1.1 billion, or \$4.47 per diluted share, up approximately 14 percent from 2010 adjusted earnings of \$974 million, or \$3.93 per diluted share. The company's 2011 adjusted earnings excluded a second-quarter 2011 gain of \$277 million related to the South American utility acquisitions. In 2010, Sempra Energy's adjusted earnings excluded a \$139 million charge for a write-down on the RBS Sempra Commodities investment and an after-tax litigation charge of \$96 million.

In the fourth quarter 2011, Sempra Energy's earnings were \$292 million, or \$1.21 per diluted share, compared with \$280 million, or \$1.15 per diluted share, in the prior year's quarter.

Also this morning, Sempra Energy announced that the company's board of directors has approved a 25-percent increase in the quarterly dividend on shares of the company's common stock to \$0.60 per share, or \$2.40 per share on an annualized basis, from \$0.48 per share, or \$1.92 per share on an annualized basis. While this increase represents a higher payout target than the board previously established, the board reaffirmed a target payout ratio of 45 percent to 50 percent over the long term. The first quarterly installment of the new dividend is payable April 15, 2012, to shareholders of record on March 26, 2012.

"We are extremely pleased with our 2011 financial results," said Debra L. Reed, chief executive officer of Sempra Energy. "All of our businesses continue to perform well. We exceeded our financial objectives for the year and, earlier today, we announced a significant increase in our dividend to shareholders. We also have restructured our organization to enhance the integration of our assets."

On Jan. 1, as announced previously, Sempra Energy consolidated Sempra Generation, Sempra Pipelines & Storage and Sempra LNG into two new operating units: Sempra International and Sempra U.S. Gas & Power. Beginning in the first quarter 2012 and going forward, Sempra Energy will report earnings from its four principal operating units: San Diego Gas & Electric (SDG&E), Southern California Gas Co. (SoCalGas), Sempra International and Sempra U.S. Gas & Power.

SUBSIDIARY OPERATING RESULTS

San Diego Gas & Electric

Earnings for SDG&E increased to \$431 million in 2011 from \$369 million in 2010. SDG&E's fourth-quarter 2011 earnings were \$158 million, up from \$105 million in 2010, primarily due to favorable resolution of regulatory matters, earnings from construction projects in progress and higher authorized margin. The higher authorized margin in the fourth quarter reflected the transfer of the El Dorado Energy natural gas-fired power plant to SDG&E from Sempra Generation in October 2011.

Southern California Gas Co.

SoCalGas earned \$287 million in 2011, compared with \$286 million in 2010. In the fourth quarter 2011, SoCalGas earned \$79 million, compared with \$74 million in the fourth quarter 2010.

Sempra Generation

Sempra Generation's 2011 earnings were \$137 million, up from \$103 million in 2010. Sempra Generation recorded a loss of \$6 million in the fourth quarter 2011, compared with earnings of \$43 million in the fourth quarter 2010, due primarily to the expiration of the 10-year California Department of Water Resources power-supply contract in September 2011.

In December 2011, the California Public Utilities Commission approved a 25-year contract for Sempra Generation to sell 150 megawatts (MW) of renewable power from its Copper Mountain Solar 2 project in Nevada to Pacific Gas and Electric. Construction has begun on the 1,100-acre solar project and the first 92 MW of solar panels are expected to be installed by the

end of January 2013.

Last month, Sempra U.S. Gas & Power announced an expansion of its strategic relationship with BP Wind Energy to develop wind farms in Pennsylvania and Kansas representing a combined investment by both companies of more than \$1 billion. The two wind farms are expected to be completed by the end of 2012 and have a combined total output of 560 MW.

Sempra Pipelines & Storage

Earnings for Sempra Pipelines & Storage increased to \$527 million in 2011 from \$159 million in 2010. Sempra Pipelines & Storage recorded a \$277 million gain in the second quarter 2011 from the South American utility acquisitions. Fourth-quarter earnings for Sempra Pipelines & Storage were \$70 million, up from \$39 million in 2010. The higher fourth-quarter earnings were due primarily to additional earnings from Sempra Pipelines & Storage's acquisition of the controlling interest in the South American utilities in April 2011.

Sempra LNG

In 2011, Sempra LNG earnings increased to \$99 million from \$68 million in 2010. In 2011, Sempra LNG benefited from marketing activities and additional revenues from contracted cargoes that were not delivered.

In the fourth quarter 2011, Sempra LNG's earnings rose to \$24 million from \$18 million in the prior-year's fourth quarter.

2012 Guidance

Effective Jan. 1, Sempra Energy adopted the deferral accounting method for the company's solar-generation projects. Previously, Sempra Energy employed flow-through accounting for its solar projects, recognizing the tax benefits in the year each project was placed into service. Now, the tax benefits will be recognized over the life of the projects. This change in accounting will have no impact on the economics of the projects and will result in a more even earnings profile.

Reflecting the impact of this accounting change, Sempra Energy today announced a new 2012 earnings-per-share guidance range of \$4.00 to \$4.30.

Internet Broadcast

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EST with senior management of the company. Access is available by logging onto the Web site at 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 3475513.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2011 revenues of \$10 billion. The Sempra Energy companies' 17,500 employees serve more than 31 million consumers worldwide.

Non-GAAP Financial Measures

Unless otherwise indicated, earnings discussions in this press release refer to earnings that are calculated under generally accepted accounting principles (GAAP) used in the U.S. The 2011 and 2010 full-year adjusted earnings and earnings per share are non-GAAP financial measures. Additional information regarding these non-GAAP financial measures is in the appendix on Table A of the company's year-end financial tables.

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," "will," "would," "could," "should," "potential," "target," "depends," or similar expressions, or discussions of guidance, strategies, plans or intentions. These forward-looking statements represent our estimates and assumptions only as of the date of this news release. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors. 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, Federal Energy Regulatory Commission, Nuclear Regulatory Commission, California Energy Commission, California Air Resources Board, and other regulatory, governmental and environmental bodies in the United States and other countries where the company does business; capital market conditions, including the availability of credit and the liquidity of our investments; inflation, interest and exchange rates; the impact of benchmark interest rates, generally the U.S. Treasury bond and Moody's A-rated utility bond yields, on the cost of capital for SDG&E and SoCalGas; energy markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas, including disruptions caused by failures in the North American transmission grid, pipeline explosions and equipment failures; weather conditions, natural disasters, catastrophic accidents, and conservation efforts; risks inherent in nuclear power generation and radioactive materials storage, including catastrophic release of such materials; wars, terrorist attacks and cyber security threats; business, regulatory, environmental and legal decisions and requirements; expropriation of assets by foreign governments and title and other property disputes; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts and construction, maintenance and capital projects; the inability or determination not to enter into long-term supply and sales agreements or

long-term capacity agreements; 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 (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on the company's website at www.sempra.com.

Sempra International, LLC, and Sempra U.S. Gas & Power, LLC, are not the same companies as San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas) and Sempra International and Sempra U.S. Gas & Power are not regulated by the California Public Utilities Commission.

Note: Formerly known as entities Sempra Generation, Sempra LNG and Sempra Pipelines & Storage have now been realigned under Sempra International and Sempra U.S. Gas & Power.

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