



Sempra Energy Reports Second-Quarter Results, Raises Earnings Guidance for 2008

Earnings-Per-Share Outlook Increased to Range of \$3.80 to \$4

SAN DIEGO, Aug. 7, 2008 - Sempra Energy (NYSE: SRE) today reported second-quarter 2008 net income of \$244 million, or \$0.98 per diluted share, compared with \$277 million, or \$1.05 per diluted share, in the second quarter 2007. Second-quarter 2008 results reflected Sempra Energy's reduced ownership in its commodities business as the result of the formation on April 1 of RBS Sempra Commodities, the joint venture with The Royal Bank of Scotland (RBS).

For the first six months of 2008, Sempra Energy's net income was \$486 million, or \$1.90 per diluted share, compared with \$505 million, or \$1.91 per diluted share during the same period last year.

Sempra Energy today also announced an increase in its earnings guidance for 2008 to a range of \$3.80 to \$4 per share from the previous range of \$3.65 to \$3.85 per share.

"Through the first half of the year, we are ahead of plan in meeting our 2008 financial goals and have made significant progress in the expansion of our natural gas business," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "Additionally, our planned acquisition of EnergySouth, Inc. will increase our presence in the fastest-growing U.S. energy markets."

OPERATING HIGHLIGHTS

Sempra Utilities

Net income for Sempra Utilities - San Diego Gas & Electric (SDG&E) and Southern California Gas Co. (SoCalGas) - increased 11 percent to \$117 million in the second quarter 2008 from \$105 million in last year's second quarter.

SDG&E's second-quarter 2008 net income rose to \$61 million from \$51 million in the second quarter 2007, primarily due to performance incentive awards approved during the quarter by the California Public Utilities Commission (CPUC).

SoCalGas' net income in the second quarter 2008 was \$56 million, compared with \$54 million in the second quarter last year.

On July 31, 2008, the CPUC approved the four-year rate-case filed by SDG&E and SoCalGas. The terms of the approved rate-case allow for recovery of the forecasted operating costs and capital requirements necessary to operate the utilities. The rate adjustment for both utilities was retroactive to Jan. 1, 2008.

Sempra Commodities

Second-quarter net income for Sempra Commodities was \$130 million in 2008, compared with net income of \$155 million in 2007. Second-quarter 2008 net income included \$93 million in equity earnings from the RBS Sempra Commodities joint venture and a \$67 million gain on the transaction with RBS, offset by \$30 million in charges, primarily for litigation and tax issues.

Results for 2007 and the first quarter 2008 represented 100 percent of the earnings from the commodity-marketing business prior to the formation of RBS Sempra Commodities.

"Our global commodities joint venture with RBS is off to a great start," said Felsing. "The integration of operations has been seamless and early financial results have exceeded expectations."

Sempra Generation

In the second quarter 2008, Sempra Generation's net income increased to \$23 million from \$10 million in the same quarter last year, due primarily to higher scheduled maintenance expenses in 2007.

Last month, Sempra Generation announced its first solar power project, a 10-megawatt, thin-film solar facility adjacent to the company's El Dorado Energy natural gas-fueled power plant in Boulder City, Nev. Sempra Generation expects construction to be complete and the plant operational by year-end.

Sempra Pipelines & Storage

Second-quarter net income for Sempra Pipelines & Storage rose to \$24 million in 2008 from \$17 million in 2007, due primarily to the start-up of western operations of the Rockies Express natural gas pipeline during the recent quarter.

On July 28, Sempra Energy agreed to acquire Mobile, Ala.-based EnergySouth, Inc. for \$510 million in cash. The acquisition,

which is expected to close by year-end, includes majority ownership in two high-turn, salt-dome storage facilities on the Gulf Coast that, when fully developed, will have capacity of up to 57 billion cubic feet of natural gas serving the U.S. Southeast. Sempra Pipelines & Storage will be responsible for development and operation of the storage assets, as well as management of EnergySouth's Mobile Gas distribution utility.

Sempra LNG

Sempra LNG reported a net loss of \$28 million in the second quarter 2008, compared with a \$13 million net loss in the second quarter 2007, due primarily to higher income-tax expense, as well as a higher mark-to-market loss on a marketing agreement with RBS Sempra Commodities.

Parent & Other

During the second quarter 2008, Sempra Energy incurred a \$22 million loss in Parent & Other, compared with \$6 million in net income in last year's second quarter when the company benefited from an \$18 million gain from an interest-rate swap.

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. 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 the passcode 2594824.

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/2Q2008.pdf>

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. When the company uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "could," "should," or similar expressions, or when the company discusses its strategy or plans, the company is 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: 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, U.K. Financial Services Authority and other regulatory bodies in the United States and other countries; capital market conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes 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 company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov, and on the company's Web site, www.sempra.com.

Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and Sempra Commodities are not the same companies as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and Sempra Commodities are not regulated by the California Public Utilities Commission.

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