Sempra Announces Partnership Framework with ConocoPhillips

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- Provides comprehensive framework to develop Port Arthur LNG
- Advances broad collaboration on the development of ECA LNG Phase 2
- Provides for cooperation on associated carbon sequestration and low-carbon hydrogen opportunities

SAN DIEGO, July 14, 2022 - Sempra (NYSE: SRE) (BMV: SRE) today announced that its subsidiary, Sempra Infrastructure, and ConocoPhillips (NYSE: COP) have entered into a heads of agreement (HOA) to develop Sempra Infrastructure's Port Arthur LNG project and jointly participate in other related energy infrastructure in Southeast Texas and the Pacific Coast of Mexico.

"At Sempra, we believe bold new partnerships will be central to solving the world's energy security and decarbonization challenges," said Jeffrey W. Martin, chairman and chief executive officer of Sempra. "That is why we are excited to announce this proposed partnership with ConocoPhillips, a leading global energy producer that also shares our vision of responsibly developing and delivering cleaner energy resources."

"The decision to enter into this agreement with Sempra provides us with a ground-floor opportunity to participate in premier LNG developments, reinforcing our commitment to helping solve the world's energy supply needs as we transition to a lower carbon future," said Ryan Lance, chairman and chief executive officer of ConocoPhillips. "Sempra brings a long history of successful LNG project development, and we look forward to working together to provide reliable LNG to support the energy transition and strengthen U.S. and global energy security."

Today's announcement marks an important milestone with the substantial completion of the marketing phase of Phase 1 of the Port Arthur LNG project. The referenced HOA anticipates the negotiation of a definitive agreement for a 20-year liquefied natural gas (LNG) tolling arrangement for 5 million tons per annum (Mtpa) at Phase 1 of the Port Arthur LNG project under development in Jefferson County, Texas. The HOA also contemplates a 30% equity investment in Phase 1 of Port Arthur LNG by ConocoPhillips and the potential for ConocoPhillips to supply additional natural gas to the proposed facility, including responsibly sourced natural gas, for the project's other LNG sales.

In addition to the provisions related to Phase 1 of the project, ConocoPhillips would have the option to acquire certain LNG offtake and equity ownership from future developments of the Port Arthur LNG site, which may include additional LNG trains as well as low-carbon hydrogen infrastructure. Sempra Infrastructure would also have the opportunity to participate in carbon capture and sequestration projects developed by ConocoPhillips in Texas or Louisiana in connection with the Port Arthur LNG project.

Phase 1 of the Port Arthur LNG project is permitted. The project is expected to include two natural gas liquefaction trains and LNG storage tanks, as well as associated facilities capable of producing, under optimal conditions, up to approximately 13.5 Mtpa of LNG. Sempra Infrastructure and Bechtel are working on updating the terms of the project's fixed-price engineering, procurement and construction contract that was previously announced in 2020. A similarly sized Phase 2 project is also under active marketing and development.

Additionally, the HOA provides for collaboration between the two companies for LNG offtake, natural gas supply and equity investment for Phase 2 of the ECA LNG export development project in Baja California, Mexico, including up to one-third of the exported LNG volumes.

The ECA LNG Phase 2 liquefaction export project is in early-stage development by Sempra Infrastructure. ECA LNG Phase 1 is currently under construction with first production of LNG by the 3.25-Mtpa facility expected by the end of 2024.

The referenced HOA is a preliminary, non-binding arrangement, and the development of Sempra Infrastructure's LNG projects remains subject to a number of risks and uncertainties, including reaching definitive agreements, securing all necessary permits, signing engineering and construction contracts, obtaining financing and incentives and reaching a final investment decision for each project.

About Sempra
Sempra's mission is to be North America's premier energy infrastructure company. The Sempra family of companies have 20,000 talented employees who deliver energy with purpose to nearly 40 million consumers. With more than $72 billion in total assets at the end of 2021, the San Diego-based company is the owner of one of the largest energy networks in North America helping some of the world's leading economies move to cleaner sources of energy. The company is helping to advance the global energy transition through electrification and decarbonization in the markets it serves, including California, Texas, Mexico and the LNG export market. Sempra is consistently recognized as a leader in sustainable business practices and for its long-standing commitment to building a high-performing culture focused on safety, workforce development and training, and diversity and inclusion. Sempra is the only North American utility sector company included on the Dow Jones Sustainability World Index and was also named one of the "World's Most Admired Companies" for 2022 by Fortune Magazine. For additional information about Sempra, please visit Sempra's website at sempra.com and on Twitter @Sempra.

About Sempra Infrastructure
Sempra Infrastructure delivers energy for a better world. Through the combined strength of its assets in North America, the company is dedicated to enabling the energy transition and beyond. With a continued focus on sustainability, innovation, world-class safety, championing people, resilient operations and social responsibility, its more than 2,000 employees develop, build and operate clean power, energy networks and LNG and net-zero solutions, that are expected to play a crucial role in the energy systems of the future. For more information about Sempra Infrastructure, please visit Sempra Infrastructure's website at SempraInfrastructure.com and on Twitter @SempraInfra.

This press release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future, involve risks and uncertainties, and are not guarantees. Future results may differ materially from those expressed in any forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this press release. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this press release, forward-looking statements can be identified by words such as "believes," "expects," "intends," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "under construction," "in development," "opportunity," "target," "outlook," "maintain," "continue," "goal," "aim," "commit," or similar expressions, or when we discuss our guidance, priorities, strategy, goals, vision, mission, opportunities, projections, intentions or expectations.

Factors, among others, that could cause actual results and events to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: California wildfires, including the risks that we may be found liable for damages regardless of fault and that we may not be able to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, in rates from customers or a combination thereof; decisions, investigations, regulations, issuances or revocations of permits and other authorizations, renewals of franchises, and other actions by (i) the California Public Utilities Commission (CPUC), Comisión Reguladora de Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, Public Utility Commission of Texas, and other regulatory and governmental bodies and (ii) states, counties, cities and other jurisdictions in the U.S., Mexico and other countries in which we do business; the success of business development efforts, construction projects and acquisitions and divestitures, including risks in (i) the ability to make a final investment decision, (ii) completing construction projects or other transactions on schedule and budget, (iii) the ability to realize anticipated benefits from any of these efforts if completed, and (iv) obtaining the consent or approval of partners or other third parties, including governmental entities and regulatory bodies; the resolution of civil and criminal litigation, regulatory inquiries, investigations and proceedings, arbitrations, and property disputes, including those related to the natural gas leak at Southern California Gas Company's (SoCalGas)

Aliso Canyon natural gas storage facility; changes to laws, including changes to certain of Mexico's laws and rules that impact energy supplier permitting, energy contract rates, the electricity industry generally and the ability to import, export, transport and store hydrocarbons; cybersecurity threats, including by state and state-sponsored actors, to the energy grid, storage and pipeline infrastructure, information and systems used to operate our businesses, and confidentiality of our proprietary information and personal information of our customers and employees, including ransomware attacks on our systems and the systems of third-party vendors and other parties with which we conduct business, all of which have become more pronounced due to recent geopolitical events and other uncertainties, such as the war in Ukraine; failure of foreign governments and state-owned entities to honor their contracts and commitments; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow on favorable terms and meet our debt service obligations; the impact of energy and climate policies, legislation, rulemaking and disclosures, as well as related goals set and actions taken by companies in our industry, including actions to reduce or eliminate reliance on natural gas generally and any deterioration of or increased uncertainty in the political or regulatory environment for California natural gas distribution companies and the risk of nonrecovery for stranded assets; the pace of the development and adoption of new technologies in the energy sector, including those designed to support governmental and private party energy and climate goals, and our ability to timely and economically incorporate them into our business; weather, natural disasters, pandemics, accidents, equipment failures, explosions, acts of terrorism, information system outages or other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires or subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance, may be disputed by insurers or may otherwise not be recoverable through regulatory mechanisms or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power and natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid or limitations on the withdrawal of natural gas from storage facilities; the impact of the COVID-19 pandemic, including potential vaccination mandates, on capital projects, regulatory approvals and the execution of our operations; the impact at San Diego Gas & Electric Company (SDG&E) on competitive customer rates and reliability due to the growth in distributed and local power generation, including from departing retail load resulting from customers transferring to Community Choice Aggregation and Direct Access, and the risk of nonrecovery for stranded assets and contractual obligations; Oncor Electric Delivery Company LLC's (Oncor) ability to eliminate or reduce its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; volatility in foreign currency exchange, inflation and interest rates and commodity prices, including inflationary pressures in the U.S., and our ability to effectively hedge these risks and with respect to inflation and interest rates, the impact on SDG&E's and SoCalGas' cost of capital and the affordability of customer rates; changes in tax and trade policies, laws and regulations, including tariffs, revisions to international trade agreements and sanctions, such as those that have been imposed and that may be imposed in the future in connection with the war in Ukraine, which may increase our costs, reduce our competitiveness, impact our ability to do business with certain current or potential counterparties, or impair our ability to resolve trade disputes; and other uncertainties, some of which may be difficult to predict and are beyond our control.

These risks and uncertainties are further discussed in the reports that Sempra has filed with the U.S. 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 Sempra's website, www.sempra.com. Investors should not rely unduly on any forward-looking statements.

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