Sempra and ConocoPhillips Extend Partnership with Offtake Agreement for Port Arthur LNG Phase 2

21.08.2025 | PR Newswire

SAN DIEGO, Aug. 21, 2025 /PRNewswire/ -- Sempra (NYSE: SRE) today announced that its subsidiary, Sempra Infrastructure, and ConocoPhillips (NYSE: COP) have signed a definitive 20-year sale and purchase agreement (SPA) for 4 million tonnes per annum (Mtpa) of LNG offtake from the Port Arthur LNG Phase 2 development project in Jefferson County, Texas.

"The role of U.S. LNG in meeting the energy security needs of America's allies continues to grow," said Jeffrey W. Martin, chairman and CEO of Sempra. "That is why we are excited to extend our partnership with ConocoPhillips to expand the Port Arthur LNG facility. This next phase reflects both companies' shared view of the opportunity to connect American producers of natural gas with growing markets overseas, while also driving economic growth and job creation here at home."

"ConocoPhillips is pleased to extend our partnership with Sempra Infrastructure to Port Arthur LNG Phase 2, where we will be a major offtaker," said Ryan Lance, chairman and chief executive officer of ConocoPhillips. "This SPA advances our global LNG portfolio strategy as we build a flexible and reliable LNG supply network to meet growing energy demand."

Sempra Infrastructure and ConocoPhillips initiated their strategic alliance with the Port Arthur LNG Phase 1 project, where ConocoPhillips holds a 30% equity stake and has secured 5 Mtpa in offtake capacity for 20 years. Port Arthur LNG Phase 1, currently under construction, consists of two LNG storage tanks and liquefaction trains 1 and 2, which are expected to achieve commercial operations in 2027 and 2028, respectively.

Similarly, the Port Arthur LNG Phase 2 development project is expected to include two liquefaction trains capable of producing approximately 13 Mtpa of LNG, increasing the total liquefaction capacity of the Port Arthur LNG facility from approximately 13 Mtpa for Phase 1 to up to approximately 26 Mtpa. Future phases of Port Arthur LNG are also in the early development stage.

The Port Arthur LNG Phase 2 development project is strategically positioned and continues to attract strong interest. In July 2025, Sempra Infrastructure entered into a definitive 20-year SPA with JERA Co. Inc. for 1.5 Mtpa of LNG offtake on a free-on-board basis from the proposed project, subject to making a positive final investment decision and customary closing conditions.

There has also been notable progress in permitting. In September 2023, the Federal Energy Regulatory Commission granted project approval, followed by an export authorization from the U.S. Department of Energy in May 2025, allowing LNG exports to countries without a free-trade agreement with the United States. All major permits for the Phase 2 development project have been secured.

Further advancing the project, Sempra Infrastructure previously announced that Bechtel had been selected to deliver the engineering, procurement and construction of the Port Arthur LNG Phase 2 facility.

The development of the Port Arthur LNG Phase 2 project remains subject to various risks and uncertainties, including completing the required commercial agreements, securing and/or maintaining all necessary permits, obtaining financing and reaching a final investment decision, among other factors. With momentum in the project's development, Sempra continues to target making a financial investment decision on Phase 2 in 2025.

Finally, today's announcement is another example of Sempra's execution and steady progress on its five value creation initiatives for 2025, reflecting another important step in continuing to unlock value in the LNG franchise. These efforts position Sempra to drive future growth and deliver long-term value to shareholders and enhanced benefits to consumers.

About Sempra
Sempra is a leading North American energy infrastructure company focused on delivering energy to nearly 40 million consumers. As owner of one of the largest energy networks on the continent, Sempra is electrifying and improving the energy resilience of some of the world's most significant economic markets, including California, Texas, Mexico and global energy markets. The company is recognized as a leader in sustainable business practices and for its high-performance culture focused on safety and operational excellence, as demonstrated by Sempra's inclusion in the Dow Jones Sustainability Index North America. More information about Sempra is available at sempra.com and on social media @Sempra.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions about the future, involve risks and uncertainties, and are not guarantees. Future results may differ materially from those expressed or implied in any forward-looking statement. 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 otherwise.

In this press release, forward-looking statements can be identified by words such as "believe," "expect," "intend," "anticipate," "contemplate," "plan," "estimate," "project," "forecast," "envision," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "in process," "construct," "develop," "opportunity," "preliminary," "initiative," "target," "outlook," "optimistic," "poised," "positioned," "maintain," "continue," "progress," "advance," "goal," "aim," "commit," or similar expressions, or when we discuss our guidance, priorities, strategies, goals, vision, mission, projections, intentions or expectations.

Factors, among others, that could cause actual results and events to differ materially from those expressed or implied in any forward-looking statement include: California wildfires, including potential liability for damages regardless of fault and any inability to recover all or a substantial portion of costs from insurance, the wildfire fund established by California Assembly Bill 1054, rates from customers or a combination thereof; decisions, denials of cost recovery, audits, investigations, inquiries, ordered studies, regulations, denials or revocations of permits, consents, approvals or other authorizations, renewals of franchises, and other actions, including the failure to honor contracts and commitments, by the (i) California Public Utilities Commission (CPUC), Comisión Nacional de Energía, U.S. Department of Energy, U.S. Federal Energy Regulatory Commission, U.S. Internal Revenue Service, Public Utility Commission of Texas and other regulatory bodies and (ii) U.S., Mexico and states, counties, cities and other jurisdictions therein and in other countries where we do business; the success of business development efforts, construction projects, acquisitions, divestitures, and other significant transactions, including risks related to (i) being able to make a final investment decision, (ii) negotiating pricing and other terms in definitive contracts, (iii) completing construction projects or other transactions on schedule and budget, (iv) realizing anticipated benefits from any of these efforts if completed, (v) obtaining regulatory and other approvals and (vi) third parties honoring their contracts and commitments; changes to our capital expenditure plans and their potential impact on rate base or other growth; changes, due to evolving economic, political and other factors, to (i) trade and other foreign policy, including the imposition of tariffs by the U.S. and foreign countries, and (ii) laws and regulations, including those related to tax and the energy industry in the U.S. and Mexico; litigation, arbitration, property disputes and other proceedings; cybersecurity threats, including by state and state-sponsored actors, of ransomware or other attacks on our systems or the systems of third parties with which we conduct business, including the energy grid or other energy infrastructure; the availability, uses, sufficiency, and cost of capital resources and our ability to borrow money or otherwise raise capital on favorable terms and meet our obligations, which can be affected by, among other things, (i) actions by credit rating agencies to downgrade our credit ratings or place those ratings on negative outlook, (ii) instability in the capital markets, and (iii) fluctuating interest rates and inflation; the impact on affordability of San Diego Gas & Electric Company's (SDG&E) and Southern California Gas Company's (SoCalGas) customer rates and their cost of capital and on SDG&E's, SoCalGas' and Sempra Infrastructure's ability to pass through higher costs to customers due to (i) volatility in inflation, interest rates and commodity prices and the imposition of tariffs, (ii) with respect to SDG&E's and SoCalGas' businesses, the cost of meeting the demand for lower carbon and reliable energy in California, and (iii) with respect to Sempra Infrastructure's business, volatility in foreign currency exchange rates; the impact of climate policies, laws, rules, regulations, trends and required disclosures, including actions to reduce or eliminate reliance on natural gas, increased uncertainty in the political or regulatory environment for California natural gas distribution companies, the risk of nonrecovery for stranded assets, and uncertainty related to emerging technologies; weather, natural disasters, pandemics, accidents, equipment failures, explosions, terrorism, information system outages or other events, such as work stoppages, that disrupt our operations, damage our facilities or systems, cause the release of harmful materials or fires or subject us to liability for damages, fines and penalties, some of which may not be recoverable through regulatory mechanisms or insurance or may impact our ability to obtain satisfactory levels of affordable insurance; the availability of electric power, natural gas and natural gas storage capacity, including disruptions caused by failures in the transmission grid or pipeline and storage systems or limitations on the injection and withdrawal of natural gas from storage facilities; Oncor Electric Delivery Company LLC's (Oncor) ability to reduce or eliminate its quarterly dividends due to regulatory and governance requirements and commitments, including by actions of Oncor's independent directors or a minority member director; and other uncertainties, some of which are difficult to predict and 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.

Sempra Infrastructure, Sempra Infrastructure Partners, Sempra Texas, Sempra Texas Utilities, Oncor and Infraestructura Energética Nova, S.A.P.I. de C.V. (IEnova) are not the same companies as the California utilities, SDG&E or SoCalGas, nor are they regulated by the CPUC.

Contact
Media Contact: Alison Estrada, Sempra, (877) 340-8875, media@sempra.com; Financial Contact: Jenell McKay, Sempra, (877) 736-7727, investor@sempra.com

View original content to download multimedia:https://www.prnewswire.com/news-releases/sempra-and-conocophillips-extend-partnership-with-offtake-ag

SOURCE Sempra