



## News Release

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### **SEMPRA LNG AWARDS ENGINEERING AND CONSTRUCTION CONTRACTS FOR MEXICO AND LOUISIANA LNG RECEIPT TERMINALS**

- Construction Contracts Total Near \$1.2 Billion
- Mexico Project's Major Construction Begins Soon
- Louisiana Project Construction Will Commence Upon Finalization of LNG Supply Contracts

SAN DIEGO, Jan. 3, 2005 – Sempra LNG officials today announced the company has awarded approximately \$1.2 billion in engineering, procurement and construction contracts for the company's Baja California, Mexico, and Lake Charles, La., liquefied natural gas (LNG) receipt terminal projects.

A consortium comprised of Techint SA de CV of Mexico, Black & Veatch of Kansas City, Mo., Mitsubishi Heavy Industries of Tokyo and Vinci Construction Grands Projects of France (BMVT) was awarded the approximately \$500 million EPC contract for the Energía Costa Azul receipt terminal located 14 miles north of Ensenada, Mexico. A joint venture involving the Costain Group PLC, an international construction and civil engineering company headquartered in London, and China Harbour, one of China's largest construction groups, won the construction contract for the project's \$170 million breakwater.

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When completed in 2008, the Mexico project will have the capacity to process 1 billion cubic feet (Bcf) of natural gas per day. Work on the access road to the project site is nearing completion. Major construction on the receipt terminal is expected to commence soon.

The approximately \$500 million engineering, procurement and construction contract for Sempra LNG's Louisiana-based, LNG receipt terminal, Cameron LNG, was awarded to a consortium comprised of Aker Kvaerner of Norway and Tokyo-based Ishikawajima-Harima Heavy Industries (AK/IHI). Aker Kvaerner has significant expertise in the engineering and construction of LNG receipt facilities, while Ishikawajima-Harima Heavy Industries is a market leader in the design and manufacturing of LNG storage and processing systems. The engineering work will occur in the companies' Houston offices.

Construction on the LNG receipt terminal near Lake Charles is expected to commence shortly after Sempra LNG finalizes supply arrangements for the facility. Negotiations involving these arrangements continue and are expected to be completed in 2005. Cameron LNG will commence operations in 2008 and be capable of processing 1.5 Bcf per day of natural gas. It was the first new LNG facility in the United States to receive a permit from the Federal Energy Regulatory Commission in more than two decades.

At the peak of construction, Energía Costa Azul could have as many as 1,500 workers on site. Cameron LNG's construction workforce could peak at about 800. The difference can be attributed to the breakwater development at Energía Costa Azul. The hiring of local, qualified workers will be a priority at both projects.

"These construction contracts verify Sempra Energy's solid role as a leader in new North American LNG receipt terminal development," said Donald E. Felsing, president and chief operating officer of Sempra Energy. "The awarding of the contracts to these well-qualified and experienced consortiums represents a number of significant milestones for our LNG business and paves the way for major construction to begin this year."

The turnkey contracts for both LNG receipt terminal projects guarantee that design and schedule requirements and performance standards are met at a fixed price. These contracts blend the expertise required to ensure the projects meet their operations timelines while helping lock in steel and other significant cost components.

When completed, Sempra Energy's Cameron LNG and Energía Costa Azul LNG terminals will serve two key North American energy gateways, the U.S. Gulf Coast region and the west coast of Baja California, Mexico. Combined, the two projects will be able to process up to 2.5 Bcf of natural gas per day. Both projects will be designed and constructed to meet the industry's stringent safety standards.

"We look forward to Cameron LNG and Energía Costa Azul playing vitally important roles within North America's energy infrastructure," said Darcel L. Hulse, president of Sempra LNG. "The jobs we are creating are important but represent a fraction of the jobs we will save by bringing new supplies to those industries dependent on natural gas."

Another proposed Sempra LNG receipt terminal project in Port Arthur, Texas, is in the permitting process. Construction on the Port Arthur LNG project is slated to begin in 2006 with operations commencing in 2009.

LNG is natural gas that has been cooled below minus-260 degrees Fahrenheit and condensed into a liquid. LNG occupies 600 times less space than in its gaseous state, which allows it to be shipped in cryogenic tankers from remote locations to markets where it is needed. At the receiving terminal, LNG is unloaded and stored until it can be vaporized back into natural gas and moved via pipeline to customers.

Sempra LNG, a unit of Sempra Global, oversees LNG project development. Sempra Energy (NYSE: SRE), based in San Diego, is a Fortune 500 energy services - holding company with 2003 revenues of \$7.9 billion. The Sempra Energy companies' 13,000 employees serve more than 10 million customers in the United States, Europe, Canada, Mexico, South America and Asia.

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