



NEWS RELEASE

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SEMPRA LNG AWARDED \$1.4 BILLION MEXICO NATURAL GAS CONTRACT

- 15-Year Contract Begins in 2008
- Contract Supports CFE's Baja California Power Plant's Natural Gas Needs
- New Sempra LNG Receipt Facility to Provide Gas

SAN DIEGO, Jan. 11, 2005 – Sempra LNG, a unit of Sempra Energy (NYSE: SRE), today announced it has been awarded a 15-year natural gas supply contract by Mexico's state-owned electric utility, Comisión Federal de Electricidad (CFE). The contract is estimated at \$1.4 billion over its life and supports the CFE's future energy requirements in northern Baja California, including the Presidente Juarez power plant in Rosarito.

Beginning in 2008 and continuing through 2022, the agreement provides CFE with an average of about 130 million cubic feet per day (MMcf/d) of natural gas. Sempra LNG anticipates fulfilling the contract using natural gas processed at its Energía Costa Azul liquefied natural gas (LNG) receipt terminal. Energía Costa Azul is under development about 14 miles north of Ensenada, Baja California, and, when it is completed in 2008, will be the first LNG import facility on North America's West Coast, capable of processing 1 billion cubic feet of gas per day. The long-term CFE sales contract will consume more than one quarter of the 500 MMcf/d Sempra LNG is procuring from Indonesia.

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On Oct. 12, 2004, Sempra LNG announced a supply agreement with BP and its Tangguh LNG partners for the supply of 3.7 million tonnes of LNG per year, (500 MMcf/day) from Indonesia to Energía Costa Azul. The Tangguh project site is not located near, nor was it affected, by the recent tsunami tragedy.

The cost of natural gas sold under the CFE contract will be based on the natural gas index prices at the Southern California border. The amount of natural gas to be delivered under the contract increases over time.

“Securing a long-term CFE sales contract of this size demonstrates that there is strong demand for reliable, competitively priced natural gas in the Pacific Southwest region,” said Mark Snell, group president of Sempra Global, the umbrella for Sempra Energy’s competitive energy businesses, including Sempra LNG. “As the energy needs continue to grow in Baja California and the Southwestern United States, we anticipate many others will follow CFE’s lead and tap the resources of the West Coast’s first LNG facility.”

Energía Costa Azul is designed to help Baja California, Mexico, meet its long-term energy needs, providing, at the same time, significant supplies for the U.S. market. Sempra LNG is the sole owner and operator of Energía Costa Azul, but has signed a 20-year agreement to provide Shell International Gas Limited with half the facility’s processing capacity, or 500 MMcf/day.

On Jan. 3, 2005, Sempra LNG announced the award of engineering, construction and procurement contracts for Energía Costa Azul. 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) were awarded the approximately \$500 million primary engineering, construction and procurement contract, while a joint venture involving the Costain Group PLC of London and China Harbour, one of China’s largest construction groups, won the construction contract for the project’s \$170 million breakwater.

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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Sempra LNG is not the same company as the utility, SDG&E or SoCalGas, and Sempra LNG is not regulated by the California Public Utilities Commission.